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Florida Doctor Charged in Massive \$681 Million Substance Abuse Treatment Fraud Scheme

A Palm Beach County, Florida doctor was arrested and charged with conspiring to commit health care fraud and wire fraud for his alleged participation in a massive years-long health care fraud scheme throughout Palm Beach County, billing for fraudulent tests and treatments for vulnerable patients seeking treatment for drug and/or alcohol addiction.

In a criminal complaint unsealed Thursday, Michael J. Ligotti, D.O, 46, of Delray Beach, Florida, was charged with conspiracy to commit health care fraud and wire fraud. Ligotti made his initial appearance today before U.S. Magistrate Judge Bruce E. Reinhart in the Southern District of Florida.

The complaint alleges that from approximately May 2011 through March 2020, private insurance companies and Medicare were fraudulently billed approximately \$681 million for laboratory testing claims and other services as part of this fraudulent scheme, for which they paid approximately \$121 million.

“This massive, multi-year alleged fraudulent billing scheme by a trusted medical professional generated millions of dollars by preying on patients seeking substance abuse treatment,” said Acting Assistant Attorney General Brian C. Rabbitt of the Justice Department’s Criminal Division. “The charges announced today demonstrate the Department of Justice’s continued resolve to dismantle substance abuse treatment fraud schemes and prosecute those who exploit vulnerable patients seeking help for their substance abuse problems.”

“The substance abuse treatment fraud allegedly perpetrated by the defendant sacrificed the genuine care of vulnerable patients at a time when they urgently needed a trusted health care provider,” said U.S. Attorney Ariana Fajardo Orshan for the Southern District of Florida. “Health care providers who allow greed to take precedence over their Hippocratic Oath and participate in these schemes are criminals and will be held accountable for their unscrupulous conduct.”

“The FBI and its partners are working tirelessly every day to detect and combat health care schemes like substance abuse treatment fraud,” said Special Agent in Charge George L. Piro of the FBI’s Miami Field Office. “The FBI will not relent in our efforts to dismantle scams that take advantage of vulnerable patients. If anyone suspects they are a victim of health care fraud please call your local FBI office.”

“The treatment of addiction helps restore an individual’s independence from drugs and good health, so they can go back to their families and be productive members in our society,” said Special Agent in Charge Kevin W. Carter of the U.S. Drug Enforcement Administration’s (DEA) Miami Field Division. “Physicians and other medical professionals who hold positions of trust within our communities, will absolutely be held accountable for violations of that trust. The DEA Miami Field Division remains committed to working with our law enforcement partners to safeguard our local communities against those who engage in fraudulent practices that endanger both the health and lives of Floridians.”

According to the complaint, Ligotti owned and operated Whole Health in Delray Beach, Florida. Whole Health was a private clinic, which offered, among other things, addiction treatment, family care, and urgent care.

The allegations in the complaint detail Ligotti's central role in the fraud scheme. Specifically, the complaint alleges that Ligotti: (1) agreed to become the purported "Medical Director" for an addiction treatment facility or sober home for a nominal fee; (2) authorized "standing orders" for hundreds of millions of dollars in medically unnecessary urinalysis tests (UAs), which were billed by testing laboratories that sometimes paid kickbacks to the sober homes or addiction treatment facilities; and (3) in exchange for his signature on these standing orders, required the facilities to have their patients treated by Whole Health and his staff, allowing him to bill hundreds of millions of dollars in additional fraudulent treatments, including unnecessary and expensive UAs, costly blood tests, non-existent therapy sessions, office visits, and other unnecessary services, regardless of whether such treatment and testing were medically necessary and/or actually provided. Ligotti allegedly did not meaningfully review the results of the tests he ordered or use the results of the tests to treat these patients, either at his clinic or at the addiction treatment facilities.

Over the course of the scheme, Ligotti allegedly served as "Medical Director" for more than 50 addiction treatment facilities, and signed over 136 standing orders authorizing such fraudulent tests. According to the complaint, patients at these addiction treatment centers and sober homes were brought to Whole Health and required to submit to testing and treatments authorized by Ligotti, including UA tests at the facilities and at Whole Health. The complaint alleges that the facilities and testing laboratories were also able to bill these patients' insurers for bogus UA tests authorized by Ligotti.

In this way, all parties benefited: (1) the laboratories could bill for these medically unnecessary tests; (2) the addiction treatment facilities and sober homes could bill for such unnecessary testing as well, and sometimes received a kickback from the laboratories for each sample they could provide for testing; and (3) Ligotti could bill millions of dollars' worth of medically unnecessary, excessive and duplicative treatments for the patients who were delivered to his office as the condition for him signing the standing orders that fueled the entire scheme in the first place.

The complaint further alleges that Ligotti authorized and conducted UAs and blood tests for revenue-generation and did not use these tests in patient treatment. Ligotti allegedly billed for psychiatric services and therapy sessions that never happened, and that he and his staff were not qualified to conduct. Some patients allegedly were billed between \$10,000 and \$20,000 by Ligotti and Whole Health for a single day's visit. As charged, Ligotti also utilized multiple nurse practitioners/medical extenders under his practice to fraudulently bill patients' private insurance. Finally, the complaint also alleges that Ligotti improperly prescribed controlled substances, including large quantities of buprenorphine/Suboxone, frequently exceeding the number of patients he was legally authorized to treat. He provided these drugs to patients who did not need it and ignored evidence of possible diversion.

A criminal complaint is merely an allegation and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

The case was investigated by the FBI's Palm Beach County RA, with assistance from the IRS-Criminal Investigation Florida Division of Investigative and Forensic Service, Amtrak Office of Inspector General, the Drug Enforcement Administration, and the Palm Beach County State Attorney's Office.

Senior Litigation Counsel James V. Hayes and Trial Attorney Ligia M. Markman of the Criminal Division's Fraud Section, and Assistant U.S. Attorney Alexandra Chase of the Southern District of Florida are prosecuting the case.

Potential victims and those with information related to Dr. Michael Ligotti or Whole Health should e-mail ReportML@FBI.GOV. and use the title "Ligotti Whole Health" in the title of the email when submitting complaints and/or other information regarding this case.

The Fraud Section leads the Medicare Fraud Strike Force. Since its inception in March 2007, the Medicare Fraud Strike Force, which maintains 15 strike forces operating in 24 districts, has charged more than 4,200 defendants who have collectively billed the Medicare program for nearly \$19 billion. In addition, the HHS Centers for Medicare & Medicaid Services, working in conjunction with the HHS-OIG, are taking steps to increase accountability and decrease the presence of fraudulent providers.

The year 2020 marks the 150th anniversary of the Department of Justice. Learn more about the history of our agency at www.Justice.gov/Celebrating150Years.

Attachment(s):

[Download Ligotti Criminal Complaint](#)

Topic(s):

Prescription Drugs
Financial Fraud
Health Care Fraud

Component(s):

Criminal Division
Criminal - Criminal Fraud Section
Federal Bureau of Investigation (FBI)
USAO - Florida, Southern

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