

**PRESS RELEASE**

# **Texas Doctor Sentenced to 8.5 Years in Prison for \$145 Million Health Care Fraud Scheme**

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**For Immediate Release**

Office of Public Affairs

An orthopedic surgeon was sentenced today to 102 months in prison and ordered to pay over \$13 million in restitution for his role in a \$145 million scheme to defraud the Department of Labor through the submission of fraudulent claims for prescription compound creams.

“The Department is committed to protecting victims and combating fraud against the United States wherever it is found,” said Assistant Attorney General A. Tysen Duva of the Justice Department’s Criminal Division. “Today’s sentence is the result of years of tireless efforts by our prosecutors and agency partners who investigated this complex fraud scheme and brought to justice the defendants responsible for stealing tens of millions of dollars from the American people. It serves as a reminder that medical professionals who violate the trust society places in them, their oath, the law, and harm Americans for personal enrichment will be investigated and prosecuted.”

“This sentence sends a strong message to those who would defraud our federal health care programs for personal gain,” said Inspector General Tammy Hull of the U.S. Postal Service Office of Inspector General (USPS OIG). “The outstanding work by the legal and investigative teams stopped a multi-year health care fraud scheme responsible for tens of millions in fraudulent billing to government agencies. Along with the Department of Justice and our federal law enforcement partners, USPS OIG will remain committed to investigating those who would engage in this type of fraud and abuse.”

“Dr. Michael Taba accepted bribes and kickbacks for writing thousands of prescriptions for unnecessary compounded medications issued to injured federal workers covered by the U.S. Department of Labor’s Office of Workers’ Compensation Programs (DOL-OWCP), putting illegal profits above patients’ safety,” said Inspector General Anthony P. D’Esposito of the U.S. Department of Labor Office of Inspector General (DOL-OIG). “We

will continue to stand firm alongside our law enforcement partners to protect patients, safeguard the OWCP, and ensure the integrity of DOL's benefits programs from wastefulness and greed."

"We are committed to collaborating with our law enforcement partners to halt fraud, waste, and abuse," said Inspector General Cheryl L. Mason of the Department of Veterans Affairs Office of the Inspector General (VA-OIG). "This sentencing demonstrates that we will identify those who commit healthcare fraud and endanger VA employees and hold them accountable."

"Complex criminal schemes like the one Michael Taba was involved in are fueled by greed that blinds and hardens criminals, and that's where the forensic accounting expertise of our special agents come in to trace the money," said Acting Special Agent in Charge Rodrick Benton of the IRS Criminal Investigation's Houston Field Office. "Money always leaves a trail and our criminal investigators are committed to uncovering fraud and ensuring accountability. When people are willing to tear down trust in our nation's medical system to pilfer money, federal law enforcement stepped in to force them to step out."

According to court documents and evidence presented at trial, Dr. Michael Taba, 61, of McKinney, Texas, accepted bribes paid by pharmacy owners to prescribe medically unnecessary compound creams to injured federal workers. Taba's co-defendants owned and operated three pharmacies located in Fort Worth and Arlington, Texas. Over the course of the scheme, the pharmacy owners paid Taba and other doctors millions in illegal bribes and kickbacks. Evidence at trial showed these compounds were mixed in the back rooms of the pharmacies by untrained teenagers at a cost to Taba's co-defendants of around \$15 per prescription and then billed the DOL-OWCP for as much as \$16,000 per prescription. Patients who received the creams testified at trial to the creams' ineffectiveness and, in some instances, that using the creams resulted in painful, irritating skin rashes.

Between May 2014 and March 2017, the pharmacies billed the DOL-OWCP and Blue Cross Blue Shield more than \$145 million and were paid more than \$90 million for unnecessary prescriptions referred by Taba and other medical providers.

On Nov. 16, 2023, a federal jury in the Northern District of Texas convicted Taba on all counts of the superseding indictment, which included one count of conspiracy to commit health care fraud and three counts of health care fraud.

USPS OIG, DOL-OIG, VA-OIG, and IRS Criminal Investigation investigated the case.

Trial Attorney Ethan Womble and Acting Assistant Chief Catherine Wagner of the Criminal Division's Fraud Section prosecuted the case.

The Fraud Section leads the Criminal Division's efforts to combat health care fraud through the Health Care Fraud Strike Force Program. Since March 2007, this program, currently comprised of eight strike forces operating in federal districts across the country, has charged more than 6,200 defendants who collectively billed federal health care programs and private insurers more than \$45 billion. In addition, the Centers for Medicare & Medicaid Services, working in conjunction with the Office of the Inspector General for the Department of Health and Human Services, are taking steps to hold providers accountable for their involvement in health care fraud schemes. More information can be found at [www.justice.gov/criminal-fraud/health-care-fraud-unit](http://www.justice.gov/criminal-fraud/health-care-fraud-unit).

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