

Department of Justice
U.S. Attorney's Office
Northern District of Illinois

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Chicago Dermatologist Convicted on Federal Fraud Charges for Billing Health Insurance Programs for Medically Unnecessary Treatments

CHICAGO — A federal jury has convicted a Chicago dermatologist on fraud charges for billing health-insurance programs for purported pre-cancerous treatments that were not medically necessary.

From 2007 to 2013, Dr. OMEED MEMAR, 48, of Chicago, submitted claims to multiple health-insurance programs, falsely claiming that his treatments were medically necessary to treat actinic keratosis, a pre-cancerous condition that he knew many of his patients did not actually have. Memar documented the false claims by including in his patients' charts fictitious diagnoses of actinic keratosis that were not based on the patients' actual signs and symptoms.

After a seven-day trial in federal court in Chicago, the jury on Wednesday convicted Memar on all 16 counts of the indictment. The conviction includes eight counts of health care fraud and eight counts of making false statements in a health care matter. U.S. District Judge Harry D. Leinenweber set sentencing for Sept. 28, 2017.

The verdict was announced by Joel R. Levin, Acting United States Attorney for the Northern District of Illinois; Michael J. Anderson, Special Agent-in-Charge of the Chicago office of the Federal Bureau of Investigation; Lamont Pugh III, Special Agent-in-Charge of the Chicago Region of the U.S. Department of Health and Human Services Office of Inspector General; and James Vanderberg, Special Agent-in-Charge of the U.S. Department of Labor's Office of Inspector General in Chicago.

Evidence at trial revealed that Memar owned and operated a clinic in Chicago called the Academic Dermatology & Skin Cancer Institute. Law enforcement agents in 2013 conducted a Court-authorized search of Memar's offices and seized multiple boxes of materials, including patient files and billing records. The files showed multiple instances in which patients were said to have actinic keratosis lesions and had received intense-pulse light treatments that were billed as the destruction of actinic keratosis lesions.

Multiple patients, however, testified at trial that they were never told they had actinic keratosis lesions and that they believed the intense-pulse light treatments were for reasons different from how they were billed. Three of Memar's former employees who performed the intense-pulse treatments testified at trial that they followed Memar's instructions to create patient charts that made it appear the treatments had destroyed large numbers of actinic keratosis lesions on patients' faces, even though the treatments had been identical to cosmetic treatments and Memar usually had not examined the patient during the visits.

In one example cited at trial, evidence showed that Memar billed one patient's insurance provider for more than 15 such treatments from September 2010 through January 2013, even though Memar did not examine the patient at all during this period. Records presented at trial showed that another dermatologist had seen this patient multiple times during that period and never diagnosed any actinic keratosis lesions.

The conviction is punishable by a maximum sentence of 120 years in prison. The Court must impose a reasonable sentence under federal statutes and the advisory United States Sentencing Guidelines.

The government is represented by Assistant U.S. Attorneys Stephen Chahn Lee and Kartik K. Raman.