

Department of Justice

U.S. Attorney's Office

Eastern District of Michigan

FOR IMMEDIATE RELEASE

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Hearing Aid Dealer and Hearing Aid Salesman Charged with Health Care Fraud and Aggravated Identity Theft

An indictment was unsealed today charging Rasco "Ron" Djordjevic and Milija "Mike" Perkovic with health care fraud, conspiracy to commit health care fraud, and aggravated identity theft, U.S. Attorney Matthew Schneider announced today. Chang is also charged with health care fraud.

Schneider was joined in the announcement by Special Agent in Charge Timothy Slater of the FBI's Detroit Division; Special Agent in Charge James Vanderberg of the Department of Labor's Office of Inspector General, Chicago Regional Office; and Regional Director Joseph Rivers of the Department of Labor's Employee Benefit Security Administration.

Charged in the indictment are Rasco Djordjevic, age 42, of Troy, Michigan, and Milija Perkovic, age 26, of Bloomfield, Michigan.

The indictment alleges that from November 2014 to date, Djordjevic was in charge of Sterling Hearing Care, Inc. and Sterling Hearing Center, Inc., (collectively "SHC"), a hearing aid provider with approximately fifteen offices throughout southeast Michigan. Milija Perkovic was one of several hearing aid salespersons working under Djordjevic's direction. It is alleged that Djordjevic, Perkovic and other unnamed individuals conspired to defraud both Blue Cross Blue Shield and American Health Benefits by submitting reimbursement claims for hearing aids and related services that were: (1) not provided, (2) provided by medically unnecessary; and (3) predicated on fraudulent claim submissions and fraudulent marketing practices. The indictment specifically alleges how SHC would entice potential customers with offers of free hearing assessments (that were nevertheless billed to BCBS). Once in the door, SHC's hearing aid salespersons were then encouraged to "close the deal," sometimes at the expense of medical necessity. For instance, Djordjevic discouraged his salespersons from recommending that customers with wax buildup have the buildup removed before conducting a hearing evaluation. The indictment alleges that Perkovic would show potential customers "fake xrays" and tell them that they revealed cochlea damage in the customer's inner ear. SHC salespersons, including Perkovic, were taught that after determining the extent of a potential customer's insurance coverage and conducting a soft credit check, the sales price of a hearing aid should be based upon what the customer can afford, not on a set market price.

The indictment also alleges that Djordjevic misused the identity of a specific Michigan audiologist in committing health care fraud by signing her name, and certifying all SHC claims submitted to American Hearing Benefits. The indictment further charges that Perkovic misused the specific identity of a Michigan doctor in committing health care fraud by falsifying her signature on a medical clearance form required by BCBS.

United States Attorney Schneider stated, "Our office has no tolerance for health care providers that deliberately mislead customers in order to sell a medical product or service and then bill insurance companies for services and products not delivered. It is especially troublesome when a provider deals with elderly customers that may be particularly vulnerable to scams." Schneider urges anyone in the market for hearing aids -- either for themselves or for a loved one -- to become well-educated

consumers. "Research potential providers and ask good questions," Schneider reminds. "Trust your instincts and never be afraid to seek a second opinion."

"Taking advantage of innocent victims who seek medical services by allegedly stealing their identity is unethical and illegal," said Timothy R. Slater, Special Agent in Charge, Detroit Division of the FBI. "Health care fraud negativity impacts relationships between patients and their doctors. The FBI and our law enforcement partners will continue to investigate health care fraud at all levels".

"An important mission of the Office of Inspector General is to investigate allegations relating to labor racketeering affecting unions and employee benefit plans. We will continue to work with our law enforcement partners to investigate these types of allegations," stated James Vanderberg, Special Agent in Charge, Chicago Region, U.S. Department of Labor Office of Inspector General.

Citizens are encouraged to report information about Health Care Fraud activity to the Detroit FBI at 313-965-2323.

An indictment is only a charge and is not evidence of guilt. Each defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.

If convicted of a health care fraud charge, the defendants face a maximum sentence of imprisonment of ten years, and a maximum fine of \$250,000. In addition to any sentence imposed for health care fraud, the defendants face a mandatory and consecutive two-year sentence if convicted of aggravated identity theft.

The case was investigated by Special Agents of the FBI and DoL. The case is being prosecuted by Assistant U.S. Attorney John Engstrom.