

**Department of Justice**  
U.S. Attorney's Office  
Eastern District of New York

---

FOR IMMEDIATE RELEASE  
Friday, October 2, 2020

## **New York Physical Therapy Providers Settle Civil Healthcare Fraud Allegations**

### **Williamsburg and Euro Physical Therapy and Their Operators to Pay \$4 Million to Resolve Allegations of False Claims to Medicare, Medicaid and Federally-Funded Healthcare Programs**

Williamsburg Physical Therapy, P.C. and Euro Physical Therapy, P.C. have agreed to pay the United States and the State of New York \$4 million to resolve civil allegations that they falsely billed Medicare, Medicaid, the Federal Employees' Compensation Act Program (FECA) and the Federal Employees' Health Benefits Program (FEHBP) for physical therapy services from 2008 to 2018. The settlement also resolves claims against the owners of the two physical therapy practices, Alex Klurfeld and Diana Klurfeld, and First Plus Services, Inc., a management company associated with the practices.

Seth D. DuCharme, Acting United States Attorney for the Eastern District of New York; Matthew Modafferi, Special Agent-in-Charge, United States Postal Service, Office of the Inspector General (USPIS-OIG); Michael Mikulka, Special Agent-in-Charge, U.S. Department of Labor, Office of Inspector General, New York Regional Office (DOL-OIG); and Norbert E. Vint, Deputy Inspector General Performing the Duties of the Inspector General, Office of Personnel Management (OPM OIG), announced the settlement. Mr. DuCharme thanked the Office of the Inspector General for Health and Human Services and Office of the New York State Attorney General for their assistance in the investigation.

Williamsburg Physical Therapy and Euro Physical Therapy are New York professional corporations owned and operated by Alex Klurfeld, a physical therapist, and Diana Klurfeld, his wife, that provide physical therapy to the public, including to Medicare, FECA, FEHBP, and Medicaid beneficiaries in the New York City. Williamsburg Physical Therapy and Euro Physical Therapy have operated under those names and others at the following addresses:

- \* 240 South 3rd Street, Brooklyn
- \* 182 Havermayer Street, Brooklyn
- \* 705 Manhattan Avenue, Brooklyn
- \* 37-49 91st Street, Queens
- \* 452 Fort Washington Avenue, Manhattan
- \* 601 West 182nd Street, Manhattan
- \* 3224 Grand Concourse, Bronx

First Plus Service, Inc. is a New York corporation owned and operated by Diana Klurfeld that conducts administrative services for Williamsburg Physical Therapy and Euro Physical Therapy, including medical billing and payroll.

The settlement resolves allegations that the defendants submitted false claims to federal healthcare programs for physical therapy services provided or supervised by someone other than the licensed physical therapist identified on the claim, including unlicensed aides. The settlement also resolves claims that the defendants wrongfully backdated services after treatment authorizations had expired.

“Physical therapy performed by persons who are neither licensed nor supervised by licensed therapists may jeopardize patient health. The knowing submission of claims for payment for such services to federally-funded health programs also defrauds taxpayers. This settlement reaffirms this Office’s commitment to rooting out health care fraud and practices that may cause harm to patients,” stated Acting U.S. Attorney DuCharme.

“This settlement sends a clear message that the government is dedicated to protecting the rights of patients and ridding corruption from federal benefit programs. The U.S. Postal Service Office of Inspector General would like to thank our law enforcement partners for their commitment and efforts in this investigation. The USPS OIG will continue to vigorously investigate those who engage in activities to defraud federal benefit programs and the U.S. Postal Service,” stated USPIS-OIG Special Agent-in-Charge Modafferi.

“Ensuring the integrity of the Department’s Workers Compensation Programs is an important part of the mission of the Office of Inspector General. We will continue to work with our law enforcement partners to vigorously pursue those that engage in fraud involving programs administered by the U.S. Department of Labor,” stated DOL-OIG Special Agent-in-Charge Mikulka.

“The OPM OIG is committed to holding providers accountable for fraudulent claims,” stated OPM Deputy Inspector General Vint. “This settlement is a result of the hard work of our investigative staff and our partners at the Department of Justice.”

The allegations were brought to the government’s attention through the filing of a complaint pursuant to the *qui tam* provisions of the False Claims Act. Under the Act, private citizens can bring suit on behalf of the United States and share in any recovery. The claims resolved by the settlement are allegations only; there has been no determination of liability.

The United States’ case was handled by Assistant United States Attorney Lisa Kutlin of the Office’s Civil Division, with assistance from Affirmative Civil Enforcement Auditor Michael Gambrell.

E.D.N.Y. Docket No.: 16-CV-4819 (WFK)