



2023 NHCAA

# Awards Program

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NHCAA



# United States of America v. Michael Ligotti

The National Health Care Anti-Fraud Association is proud to present the investigation and prosecution teams in the case of **United States of America v. Michael Ligotti** with a 2023 **Investigation of the Year Award**. This complex, broad-reaching, multi-insurer, multi-agency case spanned seven years and involved three quarters of a billion dollars in fraudulent addiction treatment claims.

Operating out of Delray Beach, Florida, Michael Ligotti, D.O. was the most prolific addiction treatment fraud doctor ever charged by the Department of Justice. He was central to a scheme that relied on illicit brokers to funnel patients nationwide to South Florida and involved slipshod sober homes to house the addicts, corrupt treatment centers to submit exorbitant claims to insurance companies for bogus treatment, and witting laboratories to conduct multi-thousand dollar urine and blood drug tests that were never reviewed.

This complex conspiracy relied upon various criminals to operate, but none more important than Ligotti, whose signature opened the door for hundreds of millions in insurance claims. He fueled an addiction treatment fraud frenzy that preyed on some of the country's most vulnerable victims: young adults who suffered from opioid addictions. Ligotti and his co-conspirators calculated the monetary value of each insured addict and established a patient pipeline to generate hundreds of millions of dollars in fraudulent billings. Ligotti and his scheme showed no regard for patients who often overdosed and died.

Ken Daniels, an outspoken advocate against addiction treatment fraud and the voice of the Detroit Red Wings, lost his son to an overdose death while under the care of Dr. Ligotti. During Ligotti's sentencing hearing, Daniels told the judge, "We trusted a system, shame on us. We trusted Jamie was living in a safe and sober environment, overseen by qualified medical professionals and staff, only to find out after his death that Jamie had been used for financial gain, your personal gain, Michael Ligotti."

Enlisting the assistance of key SIU subject matter experts from Optum, Florida Blue, Aetna, and other insurers, the government case team set out to capture the extent of the fraud exposure attributable to Ligotti. The expansive nature of Ligotti's conspiracy made it difficult to identify which claims he was responsible for across the 50+ laboratories, treatment facilities, and sober homes involved.

A forensic data analyst was brought in to coordinate the data gathering efforts with insurer SIU and data staff. With insurer data, the case team was able to create a complex "ping-pong" report that identified claims Ligotti was responsible for, even those where Ligotti did not appear in the insurance data. This innovative approach enabled an accurate calculation of Ligotti's fraud exposure.

As part of the 137 agreements Ligotti had with South Florida sober homes and treatment centers, Ligotti would sign off on fraudulent medical tests, but only if the owners agreed to in-turn to direct their insured patients to Ligotti's medical office. Once at Ligotti's office, he billed each patient's insurance company upwards of \$16,000 to \$20,000 for services that were not needed or provided.

The investigation found that Ligotti was also operating a Suboxone pill mill. This helped guarantee that insured patients would return to his office repeatedly to refill their Suboxone prescriptions. Although the DEA only authorized Ligotti to treat 100 patients per month for Suboxone, he often doubled that amount. Patients told investigators that Ligotti knew Suboxone was being diverted and sold on the streets. Analysis of the Prescription Drug Monitoring Database confirmed this. Patients who received 30-day supplies often returned after just five days to receive another 30-day supply.

Michael Ligotti was convicted October 4, 2022. Upon signing a plea deal, he received a 20-year prison sentence on January 9, 2023. On April 26, 2023, he was ordered to pay \$127 million in restitution.

## CONGRATULATIONS TO

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