

Further Criminal Charges in CPM Whistleblower Case

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Practice Areas

False Claims / Whistleblower Law

The United States Department of Justice has announced further criminal charges in connection with CPM's spine surgery *qui tam* case. Federal prosecutors announced charges against five individuals, including Paul Richard Randall, a key defendant in CPM's case. Randall has been charged with, and pleaded guilty to, the conduct described in CPM's whistleblower complaint, filed in May 2012. CPM's complaint, and the subsequent indictments, allege that Michael Drobot paid millions of dollars in bribes and kickbacks to doctors in order to steer spinal surgeries to his hospital—Pacific Hospital of Long Beach. Randall and several others were on the receiving end of those kickbacks.

As described in CPM's complaint, a copy of which can be found here, Randall was part of a vast web of hospital operators, marketers, surgeons, chiropractors, and middlemen who systematically paid and received kickbacks to facilitate often unnecessary spine surgeries on workers comp patients. The defendants then overbilled insurance companies for the surgeries, making hundreds of millions in profits.

Although not discussed in the federal charges, the CPM complaint vividly describes a scheme in which the hospitals and surgeons also used counterfeit spinal hardware in surgeries, endangering patient health and allowing them to make even more money.

The case is being handled by CPM attorney Justin T. Berger.