Counter Fraud Example Cases

Out of area treatment

Three sentenced for £250,000 NHS pressure chamber fraud. Two men who ran a private decompression chamber designed to treat potentially fatal cases of “the bends” in divers and their accomplice were sentenced today for conspiring to defraud the NHS of £250,000. Their sentencing at Plymouth Crown Court concludes a major investigation by the NHS Counter Fraud Service and Devon and Cornwall Police. David Welsh was jailed for five years and three months. Michael Brass received two years and three months, in his absence. Anthony Robert Walker received a two year suspended sentence.

Former boss of the Fort Bovisand Hyperbaric Diver Centre David Welsh, 51, of Pomphlett Road, Plymstock, colluded with diving instructor Michael Brass, 45, of Liverpool and Walker to charge the NHS for very expensive emergency decompression treatments that never took place. Welsh and Brass raided the records of innocent diving students who had attended courses at the centre, and NHS patients who had no connection with it. They used the names, addresses, dates of birth and national insurance numbers of people who had never suffered from “the bends” or been treated in the company’s hyperbaric chamber. The case centred on bogus invoices submitted to 12 health bodies relating to 37 “patients” supposedly treated between 1998 and 2002. Investigators conducted meticulous research including many interviews around the country to establish the facts. Although most victims of the identity theft had done the Fort Bovisand diving course, eight of the “patients” told police they had never been diving – and one man said he could not even swim.

Managing Director of the NHS Counter Fraud Service Dermid McCausland, said: “This was not a victimless crime. For more than four years, these men systematically and shamelessly diverted resources intended for patients requiring emergency decompression treatment, simply to enrich themselves. “The taxpayer picked up the bill of £6,500 for every treatment these men fraudulently claimed to have given. We are now working with the police to pursue compensation orders to get back every penny for the NHS.” Devon and Cornwall Constabulary said: “This was a complex case that necessitated close liaison between the investigating bodies. That co-operation led to this successful prosecution and acts as a warning to those who believe taxpayer’s money is an easy target. You will be caught. You will be prosecuted.”

Continuing Care

Fraud risks

- Known NHS Continuing care frauds of £2m?
- Continuing care fraud considered a significant risk
- Individual care packages and invoices
- Patients at a number of care homes and residential addresses
- Some patients in care out of the county
- High number of invoices received
- Private providers of care
- Can there be a profit versus care conflict?
- South Yorkshire case estimated £500,000
- At least 5 more significant provider frauds

Types of fraud

- Inadequately qualified staff provided, lack of vetting at time of recruitment by provider
- Providers not providing the care commissioned
- Not providing required home care
- Homes not reporting patients going into hospital
- Homes not reporting patients moving out
- Homes not reporting patients dying
- Duplicate invoices same or different providers
Providers receive payments from both local and out of area PCT for same patient
PCT staff processing fraudulent invoices

Examples of Continuing Care Frauds

A Buckinghamshire NHS manager made up a care home - “MadeHouse” - and exploited the identities of NHS patients to make up its “residents”, in order to steal over £117,000. The money came directly from funds meant for the continuing care of patients including the terminally ill.

Ololade (Lola) Ibironke Mabun, 33, of Aylesbury, Bucks, was Continuing Care Manager for Buckinghamshire NHS Primary Care Trust (PCT) when she stole the money. Mabun was sentenced to four years’ imprisonment at Aylesbury Crown Court on 23 February 2011 after an investigation by the NHS Counter Fraud Service (NHS CFS). She was found guilty of Fraud by Abuse of Position (contrary to Section 1 of the Fraud Act 2006) for authorizing invoices for payment to the invented care home.

Between April and July 2009 Buckinghamshire PCT received 31 invoices from the fictitious home: “Made House, 22 Winnings Way, Northolt, Middlesex” for the continuing care of five “residents” whose identities had been copied illicitly from a register of genuine NHS patients who had required continuing care (including palliative care).

During this period a total of £117,812.30 was paid in respect of these invoices by the PCT to a Barclays bank account belonging to Mr Bodylon Oyeyinka Fayoyin, 47, of Grays, Essex. He was also convicted as a result of the investigation, and is now in custody awaiting sentencing after he was found guilty of two money laundering offences.

A continuing care manager (the post held by Mabun) is responsible for verifying that suppliers are legitimate and correctly approved, before they authorise any invoices. Normally they would check that a care home is registered by the Care Quality Commission. Thames Valley Police established that the money had gone to Mr Fayoyin, who subsequently transferred it to other accounts. Investigators found over £46,000 of it remaining in these accounts, which Barclays has since recovered for the NHS.

Ololade Mabun was suspended and then dismissed by the PCT for gross misconduct, a decision which was upheld after she appealed.

In summing up Mabun’s sentence, the Judge, the Lord Parmoor, described the fraud as very sophisticated: “There is overwhelming evidence to convict her. She blamed other innocent members of the PCT for the fraud. She was the organiser of the fraud or passed information to allow others to organise it.”

Other continuing care cases

- Level of care being provided less than that commissioned, but PCT still being charged for commissioned level of care.
- PCT paying for patient when they were no longer resident.
- Allegations that one particular home were claiming for patients who had died, were in hospital or had moved from the home.
- Home receiving duplicate payments from outside of area PCT and local PCT for the same patients.
- Duplicate invoices paid for Continuing Care provision. This was essentially an Invoice fraud conducted by an internal source. False provider invoices were submitted for genuine patients receiving care elsewhere. 63 duplicate invoices were paid totaling £431,000 before the fraud was identified through trust reconciliation.

Pharmacy fraud risks
Pharmacy Fraud Cases

12 Months Jail for Royal Pharmaceutical Society Member

Pharmacist Mr Subhash K Mehta has been sentenced to 12 months in prison and given a £45,000 confiscation order at Southwark Crown Court (19 January 2009) following an investigation by the NHS Counter Fraud Service (CFS).

The director of METEX (EEC) Limited ran Govinda’s Pharmacy, 9 Queens Parade, Brownlow Road, Bounds Green in London, which he has since sold. He has a previous conviction for ten counts of False Accounting in 1996 relating to his previous business Metex pharmacy, 100 Myddleton Road, London.

Ending a series of court appearances, Mehta pleaded guilty to 14 counts of False Accounting, contrary to Section 17(1)(a) of the Theft Act 1968, for events in 2005 and 2006. Judge Hardy sentenced him to 12 months immediate imprisonment on each count, to run concurrently. A Confiscation Order was made for £45,000 to be repaid within 28 days.

In what will be heeded as a stern warning by other pharmacists, the Judge said, "When frauds are committed over a period of time, and from your position, against the NHS....Courts have to send out a deterrent". He said Mehta had let down his respected profession, describing Mehta's "repeated thefts of NHS funds" as "a serious breach of trust".

The case will be referred to the Royal Pharmaceutical Society of Great Britain (RPSGB) for consideration of disciplinary proceedings against Mehta.

The fraud came to light when a patient asked for his repeat prescription form at his local GP surgery, to find it had already been ordered by Govinda's Pharmacy. The patient had not asked the pharmacy to order his repeat medication, nor had the items indicated been dispensed to him.

When the surgery provided the Primary Care Trust with the names of other patients that the pharmacy requested regular repeat prescriptions for, a pattern emerged, and the NHS CFS was called in. NHS CFS scrutinised prescriptions submitted between Jan 05 and Jan 06, showing the pharmacy had submitted a large number of excessive and duplicate prescriptions to the Prescription Pricing Authority (PPA) for payment, many relating to high value inhalers and medicines. Checks with patients confirmed Govinda's pharmacy was exploiting prescriptions in their name without their knowledge.

Many prescriptions were traced in the accounts for people residing as far away as Clacton on Sea, Barking, Ilford and Dagenham, all for two high value drugs, Imigran and Sumatriptan.

In a separate investigation, Police in Essex had joined forces with an NHS Local Counter Fraud Specialist (LCFS) to investigate patients using false details to obtain prescription forms. In a breakthrough, NHS CFS linked the problem directly to Govinda's Pharmacy. Combing the accounts for January to August 2006, they uncovered hundreds of questionable prescription forms, some of which were stolen from a GP's surgery in Dagenham.
Working with the NHS CFS, the Metropolitan Police arrested Mehta and his home was searched, revealing £60 - £70,000 in sterling notes, a considerable sum of Indian rupees and $2,000 US, hidden in a bedroom. Here they also found a number of prescriptions providing additional evidence of fraud.

NHS CFS set their Computer Forensics Team to work on Govinda’s Pharmacy computer records and the case was taken forward by the Economic & Specialist Crime Unit within the Metropolitan Police.

**Coventry woman sentenced for NHS drug fraud**

A Coventry woman received a 61 week custodial sentence at Coventry Crown Court this week (15 January 2009) for using false identities to obtain drugs from a pharmacy in Gloucestershire. Janet James (58) of Dickens Road, Kersley in Coventry, had earlier pleaded guilty to two charges of fraud. She said the drugs were for her personal use, as she was addicted to prescription drugs.

James was arrested by the police in August 2008 after attending Moreton in Marsh Pharmacy. The Local Counter Fraud Specialist (LCFS) for Gloucestershire Primary Care Trust investigated the case in conjunction with the police. He discovered Janet James was on bail having been arrested for identical offences by officers from the Coventry area.

When her home was searched, a substantial amount of prescription drugs was recovered along with notebooks containing details of her various identities, and references to GP surgeries across Britain. She was found to have 26 aliases and 18 previous offences of fraud in connection with prescription drugs. She has also spent time in prison for these offences.

LCFS for Gloucestershire, Lee Sheridan, said: “This conviction should serve as a message to those who think that misusing NHS resources and time is acceptable – we take this very seriously and will seek punishment where appropriate. The links we are developing across county borders also mean people will be caught even if they offend beyond their home areas.”

**Pharmacist to be sentenced for prescription fraud**

Leading pharmacist Dr Hooman Ghalamkari MBE is due to be sentenced this Wednesday at Worcester Crown Court (18th March), after an investigation by the NHS Counter Fraud Service (CFS).

On 4th February, at Worcester Magistrates’ Court, Ghalamkari entered guilty pleas for offences committed against the NHS worth £34,000 in total. The investigation uncovered theft of prescription charges belonging to the NHS (between 23rd December 2004 and 12th December 2005) and falsifying documents used for accounting purposes (5th February 2005 to 1st December 2006).

Dr Ghalamkari was dispensing the lower priced Simvastatin instead of the more expensive Simvador. He was then claiming payment from the Trust for the more expensive Simvador and pocketing the difference.

He was also withholding NHS prescription charges. Patients paid the correct charge (around £6.50 at the time), then without their knowledge had their prescription forms altered to indicate they were exempt from the charges. Meanwhile, Ghalamkari was keeping the cash that rightfully belonged to the NHS.

Since his arrest and the search of his home and businesses, Dr Ghalamkari has sold his two Worcester pharmacies – the award-winning DG Pharmacy in Dines Green and Halt Pharmacy in St John’s. He has also repaid £27,000 to the NHS.

NHS CFS Managing Director Dermid McCausland said today: “This case reminds people that fraud can sometimes be committed where we might least expect it. Dr Ghalamkari was regarded highly in the pharmaceutical community; it is disappointing that he should waste his talents by turning to crime. This case sends out a strong message that wherever NHS fraud occurs it will be vigorously pursued. The NHS Counter Fraud Service will robustly investigate any suspicions of fraud and where
appropriate seek legal redress."

### Medical centre manager jailed for NHS drug fraud

Philip Andrew Hunt, former practice manager of a GP surgery in Carmarthenshire, was sentenced today to two years imprisonment for defrauding the NHS to obtain a powerful painkilling drug - following an investigation supported by NHS Counter Fraud (Swansea Crown Court, 23 April 2009).

Earlier he pleaded guilty to 11 charges of Using a False Instrument and 5 charges of Possession with Intent to Supply Dihydrocodeine (a Class B drug) contrary to S.4(1) of the Misuse of Drugs act 1971. All charges against his wife Myfanwy Hunt were withdrawn. Hunt worked as a practice manager at Derwendege Medical Centre in Trimsaran, Carmarthenshire.

Judge Gerald Price QC expressed concern that Hunt had been “reckless” with his wife’s wellbeing when he obtained the drugs for her use. He said this, plus the abuse of a position of trust, and the misuse of a Class B drug, were reflected in the sentence. Hunt used both his wife’s and her father’s names to obtain the drugs from Derwendeg Medical Centre. He duped the GP into signing the forged documents before presenting them to local pharmacies. The offences took place over 12 months and the drugs were worth hundreds of pounds.

Graham Dainty of NHS Counter Fraud, who is the Operational Fraud Manager for Wales, said today: “We are delighted with the outcome to the investigation, conducted by the Local Counter Fraud Specialist (LCFS) for Mid and West Wales with our support. It sends a strong signal to anybody who thinks they can misuse NHS drugs and get away with it. “It also demonstrates that the network of LCFSs in Wales, working closely with NHS Counter Fraud at the national level, is working effectively to stamp out fraud. We are pleased that Camarthenshire Local Health Board contacted their LCFS with their original concerns, and urge other health bodies to do the same if they suspect fraud.”

### MBE Pharmacist Charles Butler Jailed for Fraud and Drug stash at bondage flat

MBE honoured pharmacist Charles Butler has been jailed for three years after defrauding nearly £150,000 from the NHS and possessing a cocktail of illegal drugs at his “sexual bondage” flat. Butler co-founder of the College of Pharmacy Practice, pleaded guilty at Southwark Crown Court to defrauding the Health Services Commission between July 2002 and January 2009.

The charges included two counts of obtaining property by deception, three counts each of possessing class A and B drugs and five counts of possessing class C drugs. Professor Butler was a paid expert serving the Parliamentary and Health Service Ombudsman since 1996 and falsely billed the Health Services Commission for locum cover.

When police raided his flat in Whitechapel, East London in March, last year they seized cocaine, crystal meth, ecstasy, ‘special-K’, amphetamines, cannabis, date-rape drugs GHB and Rohypnol plus quantities of sedatives including diazepam.

Passing sentence Judge Michael Gledhill QC told Professor Butler: “You were in a high profile public position. You were employed on behalf of the public to provide expert advice over a number of years. Your claiming of expenses for employment of a non existent locum was a gross breach of trust.”

### Former Huntingdon GP jailed for £150,000 fraud

Fraudulent former GP was jailed for two years on the 4th of November for false accounting. The 57 year old who ran a surgery in Huntingdonshire, but removed himself from the register of doctors last year, had pleaded guilty to 15 counts of false accounting on the 15th of July 2005. The fraud would have cost the NHS £150,000, had the doctor not been caught and prosecuted by the NHS Counter Fraud Service.

The GP, from St. Neots took advantage of his practice's licence to dispense medication as well as prescribe it. He would make out prescriptions in the name of patients on his list, claim payment from the NHS, and then cancel the entry on the patients' records.
Riley was given a 12-month jail sentence at Derby Crown Court, suspended for two years, and a six-month curfew from 8pm to 7am. Judge John Burgess said the serious nature of her crimes had warranted an immediate jail term but he was sympathetic to the needs of her three-month-old baby, who was born 12 weeks premature. He said: "There are occasions when courts have to send mother and child to prison but the circumstances in this case do not make that necessary." He also said her lack of previous convictions and the fact she pleaded guilty acted in her favour. He told Riley: "You once were a perfectly good character who was trusted to do a job that you were fully qualified to do. It's a common feature in these kinds of cases that once the stealing has started, the ball seems to roll on and on. I dare say you're surprised it reached £28,000, but that does not excuse what you did."

Harold Ewing, in mitigation, told the court that Riley, of Highcroft Close, Long Eaton, survived a drug overdose in 2001 after debts exceeding £40,000 led to the breakdown of her marriage. He said she tried to remortgage her home in 2004 but was refused and her ex-husband has since been made bankrupt. Mr Ewing said: "Those financial difficulties caused further arguments in her marriage and this led to desperation on my client's behalf. It goes some way in explaining why she did what she did."

Paul Robinson, assistant director of finance for Derbyshire County Primary Care Trust, said: "The trust operates a fraud policy to ensure that any apparent fraud or financial irregularity is investigated rigorously."

Riley, whose other children are aged 18 and 19, was also given a 12-month supervision order.

### Doctor appears in court for falsifying prescriptions

A doctor who was working for a drug and alcohol advice service pleaded guilty at Watford Magistrates’ Court to seven counts of forgery after falsifying prescription claims. She was given a conditional discharge for 30 months and ordered to pay the prosecution costs of £3,700.

Dr Chantal Piek, 34, of Stationers Place, Hemel Hempstead, made out a series of prescriptions for two patients - one of which was fictitious - for Cipralex, Zopiclone and Diazepam, before collecting the medicines for her own use.

She was employed by Barnet, Enfield and Haringey Mental Health NHS Trust and The Hertfordshire Partnership NHS Foundation Trust when one of the prescriptions was queried and the NHS Counter Fraud Service (CFS) were notified.

Their investigation identified 23 occasions where falsified prescriptions were presented at pharmacies in Hemel Hempstead; the Harlequin Centre and Waterfields Retail Park, Watford; Borehamwood; Apsley and North Finchley.

### Coventry pharmacist fined for NHS fraud

A pharmacist from Coventry was ordered to pay £14,200 or face prison at Coventry Crown Court on the 19th of April 2006.

The pharmacist pleaded guilty to 21 counts of false accounting after admitting to falsifying records around the supply of drugs and was fined £200 per count. After discrepancies were noticed at the pharmacy, an investigation revealed that the pharmacist was claiming for items that had not been dispensed. He was also found to be claiming to have dispensed large amounts of medication in small packs, whereas in fact they had been dispensed in large packs, which has an impact on the cost to the NHS.

The pharmacist was also ordered to pay £10,000 prosecution costs with the condition that if this and the fine were not paid within 28 days, he would be subject to a three month prison sentence.