

The Office of the Inspector General (OIG), Department of Defense (DoD) announced today that on January 3, 2001, Magnetic Therapy Center, PC., Waterbury and Danbury, CT, pled guilty to a one count criminal information in U.S. District Court, New Haven, CT. The charge of mail fraud was in connection with the submission of a false claim to Medicare. The plea was entered by Dr. Eugene Heller, former president of Magnetic Therapy Center. Dr. Heller will also pay restitution to Medicare in the amount of \$600,000.

The plea is the result of a four year investigation into Magnetic Therapy's activities, which disclosed a scheme to knowingly submit, experimental electro-magnetic therapy treatments for payment to Medicare, Tricare, private insurance carriers and their patients. The treatments were performed with an electro-magnetic device, conducted under a clinical trial and investigational basis not yet approved by the U.S. Food and Drug Administration (FDA). Magnetic Therapy Center used fraudulent billing codes (ultrasound and physical therapeutic medicine) as the procedure actually performed which is not a reimbursable service according to federal healthcare program regulations. The treatments allegedly relieve arthritis and were provided to patients during the period 1990 through 1994.