

Department of Justice
U.S. Attorney's Office
Middle District of Pennsylvania

FOR IMMEDIATE RELEASE

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The Estate of a Scranton Physician Agrees to Pay \$625,000 to Settle False Claims Act Violations

HARRISBURG - The United States Attorney's Office for the Middle District of Pennsylvania announced today that the Estate of Dr. Leroy Pelicci has agreed to pay the United States \$625,000 to settle False Claims Act allegations.

According to United States Attorney David J. Freed, Leroy J. Pelicci was a physician and owner of the Pelicci Pain Relief Center in Scranton, Pennsylvania until his death in March 2014. The United States alleged that Dr. Pelicci submitted numerous improper claims for payment to the Department of Labor Office of Workers' Compensation Programs under the Federal Employees Compensation Act and the Federal Employees Health Benefits Program for trigger point injections, which were upcoded to receive a higher reimbursement amount than permitted, between June 11, 2003 and March 4, 2014. The settlement reflects the amount of loss to the Government as a result of these allegations, as well as the costs of the investigation.

The United States Postal Service Office of Inspector General (USPS OIG) Special Agent in Charge Kenneth G. Cleevely, Pittsburgh, stated, "The U.S. Postal Service pays about \$3 billion per year in workers compensation costs. USPS OIG special agents, along with our law enforcement partners, conduct investigations of those individuals who choose to take advantage of the system. I want to thank the U.S. Attorney's Office for their diligence in pursuit of this civil settlement, and for recovering what the government is due."

Scott Rezendes, Special Agent in Charge, Office of Personnel Management Office of Inspector General (OPM OIG) said, "Today's settlement should serve as a warning to those who would attempt to defraud the Government. The OPM OIG is committed to protecting the integrity of the Federal Employees Health Benefits Program, and we will continue to investigate and prosecute illegal billing practices that waste taxpayer dollars and increase the cost of medical care."

This case was investigated by the Office of Personnel Management Office of Inspector General, the United States Postal Service Office of Inspector General and the United States Department of Labor Office of Inspector General. The civil settlement was handled by Assistant United States Attorney Melissa Swauger.

The claims resolved by the settlement are allegations only, and there has been no determination of liability.

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