

**The New York Times**  
nytimes.com

DO  
PRINTER-FRIENDLY FORMAT  
LIES  
SPONSORED BY

November 13, 2006

## Corruption Reported at N.J. Med School

By THE ASSOCIATED PRESS

Filed at 10:28 p.m. ET

NEWARK, N.J. (AP) -- A state-run medical school illegally billed nearly \$36 million in Medicare and Medicaid services and has paid \$5.7 million to doctors since 2002 for illegal referrals, according to a federal monitor's report released Monday.

Fraud monitor Herbert J. Stern reported that cardiologists were essentially given no-show teaching jobs at the University of Medicine and Dentistry of New Jersey at salaries of \$150,000 or more for referring heart patients to the school.

"Unfortunately, this scheme reached well into all levels of hospital and university central administration who were complicit first in forming and expediting this illegal plan, and later in covering it up," Stern wrote.

University officials paid \$2.2 million to settle a whistleblower's lawsuit, but the payout wasn't reported to the monitor or properly authorized by the school, according to the report, first reported Sunday by The Star-Ledger of Newark.

Stern, a former federal prosecutor and judge, also alleged that Bruce Vladeck, the university's interim president, misled investigators during interviews and sought to downplay the kickback allegations.

Anna Farneski, a spokeswoman for UMDNJ, said in a statement that complaints in the whistleblower lawsuit were relayed to the monitor in January. She said that the university's counsel failed to tell the monitor and UMDNJ management about the settlement but that no effort was made to conceal it.

The school is trying to investigate assertions in the monitor's report and end any violations it may find, Farneski said. The school has been working since June to hire an outside consultant to review physician compensation and other matters, she said.

A request for comment from Vladeck was left with Farneski.

Gov. [Jon Corzine](#) expressed confidence in Vladeck.

"I know Dr. Vladeck is someone who has worked very hard to get control of an institution that pretty clearly, as this whole new revelation would indicate, was out of control," Corzine said.

The school signed an agreement with federal prosecutors last December when it was charged with Medicaid fraud involving double-billing of nearly \$5 million worth of procedures. The deal included appointing Stern to look into possible Medicare and Medicaid fraud.

U.S. Attorney Christopher Christie said he was disturbed by Stern's conclusions and planned to meet with him soon. Christie declined further comment.

The school has five regional campuses and more than 4,500 students, about 11,000 full-time faculty and staff, and an annual budget of \$1.6 billion.

[Copyright 2006 The Associated Press](#)

[Privacy Policy](#) | [Search](#) | [Corrections](#) | [RSS](#) | [First Look](#) | [Help](#) | [Contact Us](#) | [Work for Us](#) | [Site Map](#)