

G is for Gotcha, a city detective story



Photos by Roger Smith



Above: Sgt. Bill Pudifin, left, and Sr. Police Officer J.D. Hughson, major offenders division, haul away a NASCAR video game from the One Stop for a Cop clinic. Left: Hughson carries out a box of evidence.

By Dave Schafer

It wasn't a dark and stormy night, but something was amiss in the metropolis of metallic skyscrapers and bustling commerce that Houstonians call home.

The date was early 2002, and workers' compensation employees in the Human

Resources Department had uncovered a mystery: How could the Houston Occupational Rehabilitation clinic serve 50 to 60 injured police officers a week?

A clinic that size, with less than 2,000 square feet and only one doctor, should be serving just half that many, HR assistant director Ramiro Cano said.

Sleuthing uncovered more red flags, such as the clinic's resemblance to a massage parlor, complete with soft music, burning incense and curtains separating patient rooms. (For more Red flags, see page 6.)

State law gives classified officers the right to choose their medical care, Cano said. So the city couldn't steer officers away from the clinic nicknamed One Stop for a Cop.

"The state is setting the environment for fraud to flourish," Cano said.

Ward North America, which administered the city's workers' comp program in 2002, took its suspicions to the Texas Workers' Compensation Commission, Cano said. The commission said fraud could not be proven.

"When you go to the powers-that-be and they tell you thanks, but no thanks, that kind of takes the wind out of your sails," said Jerry Chandler, who as HR manager of safety and workers' comp worked the case with Cano. "But we just kept doing what we were doing."

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GOTCHA

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Uncovering evidence

Then, in June 2003, Dr. Edward Group, One Stop's principal doctor, resigned from the clinic. Group alleged the clinic's owners, Jim Ihle and Suzanne Olian, were padding bills, signing his name, and claiming to be doctors, Cano said. He provided the city with supporting documents.

But Group's allegations were just that. So in November 2003, Cano contacted HPD, which assigned the case to Sgt. Bill Pudifin in the major offenders division.

For HPD, this was personal.

Olian had worked as an insurance secretary for the police officers' union and used that connection to attract customers, Pudifin said. Because HPD officers were the clinic's sole patrons, the department's budget was affected. Workers' comp expenses come out of each department's budget.

Just after Thanksgiving, an undercover officer began daily treatments for an imaginary knee injury.

"I went in there just to see what was going on, to find evidence if there was fraud," the officer said. "And it was obvious that was going on."

The officer said Ihle told him they were going to take him off work and explained the supplemental insurance

available to him.

"That was before I ever saw a doctor for the knee," the officer said.

Although the officer's injury was only on paper, an MRI read by a doctor chosen by One Stop showed a "slight tear" of the meniscus.

The clinic made a compelling argument for surgery. "I had to do some quick talking to talk them out of that," the officer recalled with a laugh.

The longer the clinic kept him out of work, the more HPD would pay.

"I would just go over there, hang around, not really do anything," said the officer, who wore a hidden microphone during his therapy sessions. Case evidence includes hours of recordings of the undercover officer playing an arcade NASCAR game.

He was told the game improved eye-hand coordination.

"I don't see any therapeutic rehabilitation involved in a little racecar machine," he said. "But I'm not a doctor."

Some therapists were competent and concerned about the officer's well-being, Pudifin said. Many of those therapists later signed statements saying they falsified documents so they wouldn't be fired.

Pudifin twice videotaped the officer entering the clinic and kept the video running until after the officer left the clinic eight minutes later.

The city received a bill for eight treat-

ments for each of those dates.

"There's no defense against that," Pudifin said.

Shutting down the bad guys

In April, officers raided the clinic. Ihle, Olian and a therapist were arrested.

The therapist and Group, who cooperated with officials, weren't charged.

On July 8, Ihle, Olian and another doctor were indicted for felony insurance fraud. The case is pending, according to John Brewer, assistant Harris County district attorney.

Putting the clinic out of business saved taxpayers millions of dollars and shuttered a clinic that gave injured officers inadequate care, Cano said.

Of the \$3 million paid to One Stop since it opened in January 2001, Cano said he expects the city will get 30 to 40 percent back in restitution.

The city has recommended some changes in workers' compensation law. These include the state creating a benchmark so cities will know how long rehabilitation for a particular injury should take.

Also, the city would like to guide, in a limited way, the medical care of its injured classified personnel.

Early this year, HR and HPD launched a program to train HPD staff about workplace safety, including signs of workers' comp fraud.

"We know we're paying bills that

are padded," Cano said, referring to all workers' comp claims.

Now, thanks to those who protect the taxpayers of Space City, there's one less source for those inflated bills.

Red flags

- Patient records left open on the counter.
- Cookie-cutter invoices. No matter the injury, all invoices showed the same therapies.
- Rehabilitating areas of the body unrelated to the injury.
- Double billing.
- Insistence on prompt payment for services. State law allows 45 days for payment in workers' compensation cases.
- Reluctance to appeal the city's invoice denials to the Texas Workers' Compensation Commission.

What you should do

- If employees observe fraud by a health-care provider:
- Report it online at <http://www.ci.houston.tx.us/citygovt/controller/> or at inspectorgeneral@cityofhouston.net or by calling the fraud hotline, (713) 437-6254 or (713) 247-2800.
- If the fraud deals with workers' comp, call (713) 837-9346.