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HAMILTON DOCTOR INDICTED WITH CHARGES RELATED TO RUNNING PILL MILLS DEFRAUDING MEDICAID

Hamilton, Ohio (Butler County) - On June 28, 2018, State of Ohio Board of Pharmacy Executive Director, Steven W. Schierholt, Benjamin C. Glassman, United States Attorney for the Southern District of Ohio, Lamont Pugh III, Special Agent in Charge, U.S. Department of Health and Human Services, Office of Inspector General, Timothy J. Plancon, Special Agent in Charge, Drug Enforcement Administration (DEA), Ohio Attorney General Mike DeWine, Anthony Groeber, Executive Director, State Medical Board of Ohio, and Sarah D. Morrison, Administrator, Ohio Bureau of Workers Compensation, announced the following charges.

A federal grand jury has charged Dr. Nilesh B. Jobalia, along with four other individuals in three separate cases related to pill mills in Hamilton, Ohio. The charging documents alleges responsibility for the death of at least three patients and more than \$2.4 million in healthcare fraud.

The State of Ohio Board of Pharmacy initiated a joint investigation with federal and state and local law enforcement agencies in October 2016, in response to concerns Dr. Jobalia was prescribing without meeting the minimum standards of patient care.

According to the indictment in this case, Dr. Jobalia, 53, of Cincinnati, owned and operated Cincinnati Centers for Pain Relief in Hamilton, Ohio from March 2013 through December 2017. Although the practice was not registered as such, it allegedly operated almost exclusively as a pain clinic.

The 114-count indictment alleges patients were prescribed fentanyl, oxycodone, methadone, morphine and other controlled substances on many occasions without actually being seen by the doctor. According to the indictment, at least one patient died as a result of using the prescribed controlled substances.



Dr. Jobalia's practice also billed Medicare, Medicaid, and the Bureau of Workers' Compensation for medically unnecessary prescriptions.

"For example, prescriptions to one customer alone caused the Bureau of Workers' Compensation to pay more than \$450,000 for medically unnecessary drugs," Glassman said. "In total, it is alleged that Dr. Jobalia caused more than \$2 million in false claims."

It is also alleged that Dr. Jobalia received more than \$103,000 from a pharmaceutical company for purported speaking engagements about a Fentanyl Spray, a medication intended for breakthrough cancer pain.

The speaking engagements were sham programs, though, according to the indictment, in which many attendees were not medical professionals permitted to prescribe Fentanyl Spray. Usually, Dr. Jobalia, some of his staff and the pharmaceutical sales representative were the only people present at the engagements, which were held at fine dining restaurants in the Cincinnati area. It is alleged that Jobalia received \$1,600 to \$2,200 per "speaking engagement" on 17 separate occasions.

Dr. Jobalia is charged with 88 counts of unlawful distribution of a controlled substance, one count of unlawful distribution of a controlled substance with death resulting, eight counts of health care fraud and 17 counts of violating the anti-kickback law.

"The State of Ohio Board of Pharmacy is committed to protecting Ohio patients from criminal prescribing practices," said Executive Director Schierholt. "I commend the coordinated efforts with our federal, state, and local partners that lead to this 114-count indictment. The Board will continue our efforts in enforcing state regulations and cracking down on these illegal clinics."

This case is a result of the Department of Justice's Opioid Fraud and Abuse Detection Unit's investigative efforts. United States Attorney General Jeff Sessions announced last summer that the Southern District of Ohio is one of 12 Districts nationwide to receive the pilot program designed to focus specifically on opioid-related health care fraud.

The State of Ohio Board of Pharmacy would like to thank U.S. Attorney Glassman, U.S. Department of Health and Human Services Office of Inspector General, the Drug Enforcement Administration, State Medical Board of Ohio, Ohio Bureau of Workers' Compensation and Ohio Attorney General's Medicaid Fraud Unit, the Ohio Casino Control Commission, the Kentucky State Police, Ohio State Highway Patrol, as well as Assistant United States Attorneys Salvador A. Dominguez, Timothy Oakley, and Timothy Mangan and Special Assistant United States Attorney Maritsa Flaherty, who are prosecuting the cases, for their collaborative efforts with this criminal investigation.

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