



UNITED STATES ATTORNEY'S OFFICE
District of Minnesota

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**UNITED STATES FILES COMPLAINT AGAINST PRECISION LENS, PAUL EHLEN
FOR ALLEGED KICKBACK SCHEME**

*United States also recovers more than \$2.9 million from Dr. Jitendra Swarup to resolve
kickback allegations*

United States Attorney Gregory G. Brooker today announced that the United States has filed a Complaint-in-Intervention against the Cameron-Ehlen Group, Inc. d/b/a Precision Lens (“Precision Lens”) and Precision Lens’ owner PAUL EHLEN, and that DR. JITENDRA SWARUP has agreed to pay more than \$2.9 million to resolve kickback allegations under the False Claims Act (“FCA”).

The United States previously announced a \$12 million settlement with Sightpath Medical, Inc. and TLC Vision Corporation (collectively “Sightpath”) and their former CEO, JAMES TIFFANY.

As part of the FCA Agreement and in exchange for a release of OIG’s permissive exclusion authority, DR. SWARUP has agreed to enter into a three-year integrity agreement with OIG.

“Federal health care beneficiaries should have confidence that the health care they receive is unaffected by kickbacks provided to their medical providers,” said United States Attorney Gregory Brooker. “Companies are not permitted to use expensive trips and other remuneration in order to persuade physicians to use products supplied by those companies, and physicians may not accept such remuneration in exchange for patient referrals.”

The United States’ Complaint against Precision Lens and EHLEN alleges that Precision Lens provided kickbacks to physicians in various forms, including travel and entertainment. The Complaint identifies multiple examples of trips, including luxury skiing vacations, and high-end fishing, golfing and hunting vacations. For many of the trips, Precision Lens and EHLEN transported physicians to exclusive luxury vacation destinations on private jets. Precision Lens and EHLEN also sold frequent flyer miles to their physician customers at a steep discount, enabling the physicians to take trips at well below fair market value.

The Complaint-in-Intervention alleges that Precision Lens maintained a slush fund, also referred to internally at Precision Lens as a secret fund. Precision Lens used money from the slush fund to finance trips with key physician customers and sales targets.

In the settlement agreement with DR. SWARUP, the United States contends that from January 1, 2006, through January 1, 2015, DR. SWARUP received unlawful remuneration from Sightpath, Precision Lens and EHLEN, which resulted in the submission of false claims to the United States for ophthalmological products and services. Specifically, DR. SWARUP received various trips, including hunting and international fishing trips, which were used to induce, and attempt to induce, DR. SWARUP to use products and services distributed by these companies. DR. SWARUP also received consulting agreements with Sightpath in excess of \$100,000 per year, where the services were allegedly either not fully performed or not properly tracked, which resulted in remuneration in excess of fair market value.

The \$2.9 million settlement with DR. SWARUP resolves allegations filed in a civil lawsuit originally brought by a Relator, or whistleblower, under the qui tam provisions of the False Claims Act, which allow private parties to bring suit on behalf of the government for false claims and to share in any recovery. The government often relies on whistleblowers to bring fraud schemes to light that might otherwise go undetected. The whistleblower in this matter, Kipp Fesenmaier, will receive 19.5% of the amounts recovered in connection with the settlement agreement.

The claims resolved by these settlements are allegations only; there has been no determination of liability or wrongdoing.

The case was handled by the Civil Frauds Unit of the U.S. Attorney's Office for the District of Minnesota with assistance from the Office of Inspector General of the U.S. Department of Health and Human Services and the Federal Bureau of Investigation.

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