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and GEICO Casualty Co.*

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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GOVERNMENT EMPLOYEES INSURANCE CO.,
GEICO INDEMNITY CO., GEICO GENERAL
INSURANCE COMPANY and GEICO CASUALTY CO.,

Docket No.:

Plaintiffs,

-against-

**Plaintiff Demands a Trial by
Jury**

SHAHID MIAN, M.D., SHAHID MIAN, M.D. P.C.,
SHAHID MIAN, MD PROFESSIONAL CORPORATION,
SURGERY CENTER OF ORADELL, LLC, PARKWAY
AMBULATORY SURGERY CENTER, LLC, SADIA
CHAUDHRY, and ATA CHAUDHRY a/k/a DANNY
CHAUDHRY,

Defendants.

-----X

COMPLAINT

Plaintiffs Government Employees Insurance Co., GEICO Indemnity Co., GEICO General Insurance Company and GEICO Casualty Co. (collectively “GEICO” or “Plaintiffs”), as and for their Complaint against the Defendants, hereby allege as follows:

INTRODUCTION

1. This action seeks to recover more than \$12,000,000.00 that the Defendants wrongfully obtained from GEICO by submitting, and causing to be submitted:

- (i) thousands of fraudulent no-fault insurance charges through Shahid Mian, M.D. P.C. (“Mian NY PC”) and Shahid Mian, MD Professional Corporation (“Mian NJ PC”) for medically unnecessary, unlawful, and otherwise non-reimbursable patient examinations, physical therapy, interventional pain management procedures, and surgical procedures; and
- (ii) thousands of fraudulent no-fault insurance charges through Defendants Surgery Center of Oradell, LLC (“Oradell ASC”) and Parkway Ambulatory Surgery Center, LLC (“Parkway ASC”) for unlawful, medically unnecessary, and otherwise non-reimbursable surgery center facility fees.

(the examinations, physical therapy, interventional pain management procedures, surgical procedures, and facility fees collectively are referred to hereinafter as the “Fraudulent Services”).

2. The Fraudulent Services purportedly were provided to individuals (“Insureds”) who claimed to have been involved in automobile accidents and were eligible for insurance coverage in New York and New Jersey under GEICO’s no-fault insurance policies.

3. In addition, GEICO seeks a declaration that it is not legally obligated to pay reimbursement of more than \$75,000.00 in pending no-fault insurance claims under New York no-fault insurance policies that have been submitted by or on behalf of Defendants Mian NY PC, Mian NJ PC, Oradell ASC, and Parkway ASC seeking reimbursement under the New York no-fault insurance laws, because of the fraudulent and unlawful conduct described herein.

4. Furthermore, GEICO seeks a declaration that – between at least 2014 and the present – Mian NJ PC, Mian NY PC, Oradell ASC, and Parkway ASC have not been in compliance with all significant laws and regulations governing healthcare services providers in New Jersey.

5. The Defendants fall into the following categories:

- (i) Defendant Mian NY PC is a New York medical professional corporation through which many of the Fraudulent Services purportedly were provided and were billed to automobile insurance companies in New York, including GEICO;
- (ii) Defendant Mian NJ PC is a New Jersey medical professional corporation through which many of the Fraudulent Services purportedly were provided and were billed to automobile insurance companies in New York and New Jersey, including GEICO;

- (iii) Defendant Shahid Mian, M.D. (“Mian”) is a physician licensed to practice medicine in New York and New Jersey, owned and controlled Mian NY PC and Mian NJ PC, and purported to provide many of the Fraudulent Services through Mian NY PC and Mian NJ PC;
- (iv) Defendants Oradell ASC and Parkway ASC are New Jersey limited liability companies that falsely purported to be properly licensed in New Jersey as ambulatory care facilities, through which many of the Fraudulent Services purportedly were provided and were billed to automobile insurance companies in New York and New Jersey, including GEICO; and
- (v) Defendants Ata Chaudhry a/k/a Danny Chaudhry (“A. Chaudhry”) and Sadia Chaudhry (“S. Chaudhry”) are not licensed as healthcare professionals, but owned and controlled Parkway ASC and Oradell ASC, paid illegal compensation in exchange for patient referrals to Parkway ASC and Oradell ASC, and purported to provide many of the Fraudulent Services through Parkway ASC and Oradell ASC.

6. As discussed herein, the Defendants at all relevant times have known that:

- (i) the Defendants were not in compliance with all significant laws and regulations governing healthcare practice and/or licensing laws and, as a result, were not eligible to receive no-fault reimbursement in the first instance;
- (ii) the Fraudulent Services were not provided in compliance with all significant laws and regulations governing healthcare practice and/or licensing laws and, therefore, were not eligible for no-fault reimbursement in the first instance;
- (iii) the Fraudulent Services were not medically necessary and were provided – to the extent that they were provided at all – pursuant to pre-determined fraudulent protocols designed solely to financially enrich the Defendants, rather than to treat or otherwise benefit the Insureds who purportedly were subjected to them; and
- (iv) the billing codes used for the Fraudulent Services misrepresented and exaggerated the levels and types of services that purportedly were provided in order to inflate the charges submitted to GEICO.

7. As such, the Defendants do not now have – and never had – any right to be compensated for the Fraudulent Services that were billed to GEICO in New York and New Jersey through Mian NY PC, Mian NJ PC, Parkway ASC, Oradell ASC.

8. The charts annexed hereto as Exhibits “1” - “4” set forth a large, representative sample of the fraudulent claims that have been identified to date that the Defendants have submitted, or caused to be submitted, to GEICO in New York and New Jersey.

9. The Defendants’ interrelated fraudulent schemes began no later than 2014 and have continued uninterrupted since that time.

10. As a result of the Defendants’ interrelated fraudulent schemes, GEICO has incurred damages of more than \$12,000,000.00.

THE PARTIES

I. Plaintiffs

11. Plaintiffs Government Employees Insurance Co., GEICO Indemnity Co., GEICO General Insurance Company and GEICO Casualty Co. are Maryland corporations with their principal places of business in Chevy Chase, Maryland. GEICO is authorized to conduct business and to issue automobile insurance policies in New York and New Jersey.

II. Defendants

12. Mian NY PC is a New York medical professional corporation with its principal place of business in New York. Mian NY PC was owned and controlled by Mian, and was used by Mian as a vehicle to submit fraudulent no-fault insurance billing to GEICO and other insurers in New York.

13. Mian NJ PC is a New Jersey medical professional corporation with its principal place of business in New Jersey. Mian NJ PC was owned and controlled by Mian, and was used by Mian as a vehicle to submit fraudulent no-fault insurance billing to GEICO and other insurers in New York and New Jersey.

14. Mian resides in and is a citizen of New York. Mian was licensed to practice medicine in New York and in New Jersey, owned and controlled Mian NY PC and Mian NJ PC, and used Mian NY PC and Mian NJ PC as vehicles to submit fraudulent no-fault insurance billing to GEICO and other insurers in New York and New Jersey.

15. Defendant Oradell ASC is a New Jersey limited liability company with its principal place of business in New Jersey. Oradell ASC falsely purported to be properly licensed in New Jersey as an ambulatory care facility. Oradell ASC was owned and controlled by A. Chaudhry and S. Chaudhry, had A. Chaudhry and S. Chaudhry as its members, and was used by A. Chaudhry and S. Chaudhry as a vehicle to submit fraudulent billing to GEICO and other insurers in New York and New Jersey.

16. Parkway ASC is a New Jersey limited liability company with its principal place of business in New Jersey. Parkway ASC falsely purported to be properly licensed in New Jersey as an ambulatory care facility. Parkway ASC was owned and controlled by A. Chaudhry and S. Chaudhry, had A. Chaudhry and S. Chaudhry as its members, and was used by A. Chaudhry and S. Chaudhry as a vehicle to submit fraudulent billing to GEICO and other insurers in New York and New Jersey.

17. A. Chaudhry – who is S. Chaudhry’s spouse – resides in and is a citizen of New Jersey. Together with S. Chaudhry, A. Chaudhry owned and controlled Oradell ASC and Parkway ASC, paid unlawful compensation to healthcare providers in exchange for patient referrals to Oradell ASC and Parkway ASC, and used Oradell ASC and Parkway ASC as vehicles to submit fraudulent no-fault insurance billing to GEICO and other insurers in New York and New Jersey.

18. S. Chaudhry – who is A. Chaudhry’s spouse – resides in and is a citizen of New Jersey. Together with A. Chaudhry, S. Chaudhry owned and controlled Oradell ASC and Parkway

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