

# WEISS



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Disguising kickbacks doesn't magically render them clean.

Obvious?

Well, not to everyone.

On July 16, 2025, Charles P. Kasbee, Jr. pleaded guilty to conspiracy to commit health care fraud and conspiracy to violate the federal Anti-Kickback Statute. The crimes arose from an elaborate healthcare fraud and kickback scheme involving medically unnecessary cancer genetic screening (CGX) tests.

Kasbee's story isn't just a perfunctory DOJ press release. It's a cautionary tale about how seemingly legitimate structures can mask blatantly illegal deals.

Between February and September 2019, Kasbee and his lab company co-conspirators executed a plan that appeared on paper to be legitimate but was rotten at the core.

They obtained personal information of Medicare beneficiaries through deceptive telemarketing. Then, using telemedicine doctors who never treated or even established a real patient relationship, they ordered medically unnecessary CGX tests.

Medicare paid over \$4.8 million for these unnecessary procedures, with Kasbee pocketing approximately \$1,200 per test.

Here's the "kickback laundering" angle: To make their illicit activities appear legitimate, Kasbee and his collaborators attempted to disguise the kickback payments. They crafted contracts falsely labeling kickbacks as legitimate expenses and faked invoices to conceal the actual purpose of the payments, paying for referrals and patient data.

### **The Stay Out of Jail Lesson Paid for by Kasbee**

Some months I see more of these sorts of scams than there are letters in the word "telemedicine".

Deals involving management services agreements, consulting contracts, or similar structures can appear completely legal at first glance. But dig deeper, and they might turn out to be elaborate covers for kickbacks or bribes.

Every single one of them involves a physician, someone like the average reader of this post, who's thinking about getting involved in a deal more or less like Kasbee's. Well, even worse, some of them are already in deep.

For example, I'd expect that every physician in Kasbee's scam who pretended to be engaged in legitimate telemedicine consultations is, or soon will be, in the same slop as Kasbee.

"But how could I be caught?"

Just like disguised payments aren't a theoretical risk, that's not a theoretical question. In fact's it's the kind of question that gets you a Federal Bureau of Prisons Register Number\*.

What should a smart physician do to avoid becoming the next cautionary tale?

1. Question Everything: Never take documentation at face value. Ask tough questions about the purpose behind every payment.
2. Look Beyond the Labels: “Expenses” and “consulting fees” sound harmless, but verify what services are actually being provided and whether the payments align with fair market value.
3. Regularly Audit: Implement consistent audits to detect irregularities or unusual payment patterns that might indicate concealed kickbacks.
4. Legal Vigilance: Engage healthcare counsel experienced in federal and state anti-kickback compliance to thoroughly vet every deal. The modest upfront cost pales compared to potential fines, legal fees, and prison sentences.

Kasbee is facing significant prison time and substantial forfeitures. Don't let your career get hijacked by a cleverly disguised illegal arrangement.

Be cautious, thorough, and skeptical because even the best-dressed pigs are still pigs.

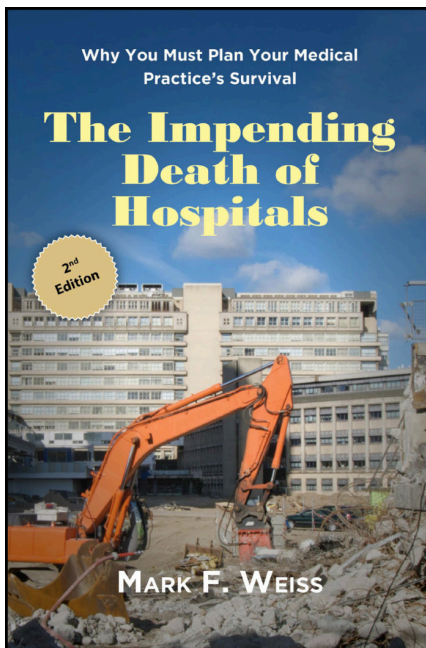
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\* Search for a friend or colleague



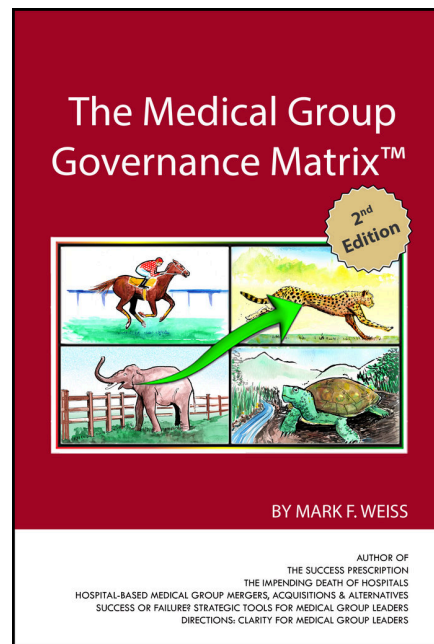
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