

The Office of Inspector General (OIG), Department of Defense (DoD), announced today that on April 12, 2000, a Federal grand jury in Topeka, Kansas, returned its second superseding indictment against Dr. Herbert A. Daniels, an ear, nose and throat specialist practicing in Kansas City, Kansas. Daniels was charged in this 49-count indictment with health care fraud, mail fraud and money laundering, for allegedly submitting false and fraudulent claims to Government funded insurance programs including the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) now known as TRICARE, Medicare, Medicaid and private insurance companies.

This superseding indictment follows the grand jury's previous indictments of Daniels on November 17, 1999 and January 19, 2000, in which he was charged with 45- and 49-criminal counts, respectively. Today's indictment excludes one of the original counts charged in the earlier indictments, adds a new health care fraud count, and makes miscellaneous changes to existing wording in the first superseding indictment.

According to the indictment, Daniels enriched himself by submitting to Federal and private health care benefit programs claims for services which he knew to be false. The scheme to defraud allegedly included subjecting CHAMPUS patients and others to unnecessary surgery that sometimes caused serious bodily injury.

If convicted, Daniels could be sentenced to five years in jail for each count of mail fraud, ten years in jail for health care fraud and ten years for money laundering. Additionally, Daniels could be ordered to pay a \$250,000 fine on each of the counts charged.