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OIG Enters Into Civil Monetary Penalties Settlement With Former Hospital Executive Director

The former Executive Director for Community Memorial Hospital (CMH) of Ventura, California, Michael Bakst, Ph.D., has entered into a civil monetary penalties settlement agreement with the Office of Inspector General (OIG) for the Department of Health and Human Services.

Dr. Bakst paid \$64,000 to resolve allegations that, as executive director and compliance officer of CMH, he violated the Civil Monetary Penalties Law and the civil monetary provisions of the physician self-referral (Stark) law.

In 2007, the Federal Government entered into a \$1.5 million civil settlement with CMH resolving the hospital's liability for this and other conduct.

“The Office of Inspector General strongly believes that, in addition to holding corporations accountable for health care fraud, individuals who caused the fraud should also be held accountable,” said Lewis Morris, Chief Counsel to the Inspector General. “Health care executives and compliance officers have a vital responsibility to ensure the compliance of the organizations that they serve.”

OIG alleged that from May 2002 through September 2003, Dr. Bakst personally negotiated financial arrangements with physicians and directed improper payments to them. OIG further alleged that Bakst caused the submission of false claims to the Medicare program that should not have been paid based upon the Stark Law violation.

Dr. Bakst denied the allegations and contentions in the settlement agreement. No civil monetary penalties judgment or finding of liability has been made against Dr. Bakst.