



# NEWS RELEASE

From New York State Workers' Compensation Fraud Inspector General  
**Catherine Leahy Scott**

FOR IMMEDIATE RELEASE: August 15, 2017  
Contact [John Milgrim](#): 518-474-1010

## **ORTHOPEDIC SURGEON CHARGED WITH ONGOING SCHEME TO DEFRAUD THE WORKERS' COMPENSATION SYSTEM AS INVESTIGATORS SEARCH MEDICAL OFFICES**

ALBANY – New York State Inspector General Catherine Leahy Scott and Oneida County District Attorney Scott D. McNamara today announced the arrest of a central New York orthopedic surgeon on charges he ran an ongoing scheme to defraud the Workers' Compensation system. The charges, which allege multiple fraudulent billings, were filed concurrently to the execution of a search warrant at the physician's Utica offices as part of the ongoing investigation into Shankman's activities.

Dr. Gregory B. Shankman, 69, of Clinton, was arrested today and charged with Scheme to Defraud in the First Degree, two counts of Grand Larceny in the Third Degree, and two counts Workers' Compensation crime of Fraudulent Practices, all felonies, and Petit Larceny, a misdemeanor. At the time of his arrest, investigators from the Offices of the New York Inspector General and the Office of the Oneida County District Attorney executed a search warrant at Shankman's Utica offices on Genesee Street.

An investigation by Inspector General Leahy Scott found Shankman defrauded the Workers' Compensation system of more than \$14,000, by certifying he was at claimant medical exams at his Utica office when he was actually traveling in western New York, out of state, or even out of the country. On multiple occasions, based on the investigation, Shankman was performing medical examinations related to Workers' Compensation medical examinations in offices near Buffalo while also billing for medical services conducted simultaneously at his Utica office, where he was required to be under State law. Patients at Shankman's office were often instead only seen by a physician's assistant who was not authorized to exam and treat Workers' Compensation patients without Shankman's direct supervision.

"The charges allege an ongoing scheme by a physician who shamelessly stole payments meant for honest practitioners, and who pocketed ill-gotten earnings while traveling abroad," said Inspector General Leahy Scott. "This was simple greed by a doctor brazenly and illicitly enhancing his already lush lifestyle. I remain committed to using all of the resources of my office to pursue those who defraud the Workers' Compensation system."

The investigation found that Shankman was not in his Utica offices on nearly 100 days between March 2015 and March 2017 while certifying he was at the office each of those days overseeing multiple Workers' Compensation exams. On many of the days when he indicated he was performing exams at his offices in Utica, he was in fact performing other exams in offices near Buffalo, or was traveling out of State, and even in Iceland in the spring of 2016. As such, Shankman systematically submitted false bills for medical services allegedly rendered by a Workers' Compensation medical provider to the State Insurance Fund, the Special Funds Conservation Committee, the County of Oneida and other insurances carriers, third party administrators, and self-insured entities.

Shankman was arraigned in the City of Utica Court and ordered to surrender his United States Passport and released pending further court action.

Inspector General Leahy Scott thanked Oneida County District Attorney McNamara and his office for assisting with the investigation and for prosecuting this matter.

The defendant is presumed innocent until and unless proven guilty in a court of law.

###

*The New York State Office of the Workers' Compensation Fraud Inspector General investigates fraud, abuse and/or illegal acts against the New York State Workers' Compensation system, including fraud by medical service providers, employers seeking to evade appropriate Workers' Compensation charges, and employees who fabricate injuries to fraudulently receive system benefits. Complaints and referrals are kept confidential. We can be reached by calling toll free: 1-800-367-4448, utilizing our online complaint form at <http://www.ig.ny.gov> or sending an email to: [inspector.general@ig.ny.gov](mailto:inspector.general@ig.ny.gov). You also can write to our office at: Office of the Workers' Compensation Fraud Inspector General, Empire State Plaza, Agency Building 2, 16th Floor, Albany, New York 12223*