



NEWS RELEASE

From New York State Inspector General Letizia Tagliafierro

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Contact: [Lee Park](#) - 518.474.1010

DISGRACED CAPITAL REGION SURGEON INDICTED FOR BILKING STATE EMPLOYEES' HEALTH INSURANCE THROUGH FRAUDULENT ORTHOTICS & COMPRESSION STOCKINGS SCHEME

SCHENECTADY – New York State Inspector General Letizia Tagliafierro today announced the felony arraignment of Steven A. St. Lucia for engineering a multi-million-dollar fraud against a New York State employee health insurance plan by illegally operating a medical supply company.

A 26-count indictment alleges that St. Lucia, 62, of Niskayuna, previously lost his medical license and then lied about the revocation in order to operate Union Foot Solutions, LLC (a/k/a Union Orthotics and Pedorthics). Through this illegal business, he also allegedly forged prescriptions, falsified insurance claims and issued inappropriate charges for orthotics and compression stockings so that he could obtain more than \$4 million over the course of at least five years. [St. Lucia was arrested for his involvement in the scheme in December 2018.](#)

St. Lucia was indicted by a Schenectady County grand jury on one count of Grand Larceny in the First Degree (B Felony), 17 counts of Health Care Fraud in the Second Degree (C Felony), two counts of Grand Larceny in the Second Degree (C Felony), one count of Scheme to Defraud in the First Degree (E Felony), and five counts of Falsifying Business Records in the First Degree (E Felony). He appeared before Hon. Kathleen B. Hogan in Schenectady County Court and was released on his own recognizance.

“This individual layered lies upon lies and frauds on top of other frauds to steal millions of dollars from the Empire Plan,” said Inspector General Tagliafierro. “With a history of severely abusing the trust we place in reputable healthcare providers, his continued behavior shows a callous disregard for others. I thank our partners in law enforcement who collaborated to help bring this individual to justice.”

State Police Superintendent Keith M. Corlett said, “This subject used devious schemes to defraud the health insurance system of millions of dollars. I commend members of the State Police Special Investigations Unit and the Offices of the Inspector General for their hard work to move this case forward. We simply won’t stand for any type of fraudulent activity.”

St. Lucia, a former practicing surgeon, lost his license to practice medicine in 2000 amidst charges by the [New York State Department of Health’s Board for Professional Medical Conduct](#) of gross incompetence, negligence and inappropriate sexual relations with three of his patients. He applied to have his license reinstated but was denied in 2008.

An investigation by the Inspector General with the assistance of the New York State Police found that since at least 2013, St. Lucia – through Union Foot Solutions – engaged in a fraudulent scheme that included the following actions:

- He concealed that, because of his license revocation, he was prohibited from billing any federal health plans by the United States Department of Health and Human Services' Office of Inspector General (HHSOIG).
- Beyond filing false claims to a third-party billing company and accreditation applications to various entities on behalf of Union Foot Solutions, St. Lucia listed family members as the straw owners of the company to further evade detection as the true owner of the company.
- The company repeatedly used prescriptions with photocopied physician signatures to justify medical necessity in claims billed to the Empire Plan.
- His company visited and set up promotional booths at State facilities to solicit employees with the promise of free compression stockings and custom-fit orthotics at no out-of-pocket expense. Such occurrences primarily took place at SUNY Upstate Medical University hospital in Syracuse.

The Inspector General thanked the New York State Police for its assistance with the investigation and arrest, the Schenectady County District Attorney's office for its assistance with the investigation and for prosecuting this case, HHSOIG and the U.S. Attorney's Office – Northern District of New York for its assistance with the investigation. The Inspector General also thanked the Empire Plan's Special Investigations Unit for its assistance with the matter.

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

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