

Medicine Gone Wrong

Commercial Recovery Associates will discuss Weinberger case on 'American Greed'

It's a true story that seems destined for the Hollywood treatment: A high-profile doctor rakes in cash performing bogus surgeries, goes on the lam for five years, and finally gets caught in a remote town in the Italian Alps. The story's infamous star is disgraced Merrillville, Ind., physician Mark Weinberger, and when he left his practice in shambles, Commercial Recovery Associates was there to pick up the pieces.

Commercial Recovery Associates Managing Partner Robert Handler will discuss the firm's successful wind-down of Weinberger's clinic next month on CNBC's documentary series "American Greed." The episode airs May 4 at 10 p.m. Eastern/ 9 p.m. Central.

"The details of this case are unbelievable," Handler says. "We've dealt with situations that involved law enforcement before, but this one was really unusual."

Commercial Recovery Associates began working to salvage the clinic's operations and finances shortly after Weinberger disappeared in 2004. The flashy so-called "Nose Doctor" had numerous lawsuits pending against him, and authorities were investigating his alleged practice of performing unnecessary surgeries on patients, sometimes worsening their conditions, to collect the insurance money.

After he fled, Weinberger's wife called the clinic looking for him, and staffers called the clinic's lawyer when it became clear Weinberger was gone for good. The lawyer got the clinic's main lender involved, and the lender phoned Handler for help immediately.

Weinberger, a sole practitioner, had employed 40 people at the clinic at one point, but that number had dwindled to 12 by the time Commercial Recovery Associates came aboard. The billing staff was gone, leaving Handler to sort out longstanding requests from employees, patients and creditors.

Meanwhile, Handler was fielding calls from the FBI, the Indiana Attorney General's Office and the Internal Revenue Service. Investigations turned up increasingly strange details about Weinberger's planned disappearance -- he had stockpiled camping equipment in his office, bought raw diamonds to use as currency, hidden thousands of dollars of Euros by gluing them into books, and ordered guides from Amazon on how to flee and leave no trace.

A grand jury eventually indicted Weinberger on multiple fraud charges during his absence. While Handler readily complied with law enforcement requests, his focus was on the clinic's bottom line.

"We always cooperate with law enforcement to the fullest, but we do everything we can to save the company," Handler says.

Because of the pending charges against Weinberger, the clinic couldn't collect its receivables, leaving the practice with no source of income. Creditors were also banging on the door, including Weinberger's own father, who had a \$1 million claim. With money quickly running out, Commercial Recovery Associates began liquidating the clinic.

Handler solicited proposals from real estate firms for property the clinic owned and sold other items at auction, including medical and office equipment. He even sold one of Weinberger's SUVs to be used in the 2006 movie version of "Miami Vice." Selling assets individually instead of trying to find a buyer for the entire business allowed Handler to fetch the maximum value possible for the clinic's lenders. Handler also instituted procedures to allow the clinic's patients to access their records and facilitated referrals to other doctors.

Nearly seven years later, Commercial Recovery Associates continues to manage the clinic's medical records. Requests for files aren't likely to slow down soon: Weinberger pled guilty to all the criminal charges against him after his 2009 arrest, and he was ordered in March to pay \$13 million in the first of more than 300 malpractice lawsuits filed against him.

"We'll continue to manage this for as long as it takes," Handler says. "We try to bring efficiency and a good bedside manner to every turnaround, and I think that's what we did here."