For Whistle-Blower in Medicaid Suit, Finding Guidance in Parents and Capra

It has not always been a wonderful life for Dr. Gabriel Ethan Feldman. He has been bankrupt, unemployed and penniless. He has been forced to move back to his mother's house. At this very moment, he lives in a 275-square-foot rent-stabilized studio apartment in a frumpy building on the Upper West Side.

But Dr. Feldman has always had a strong sense of right and wrong, inculcated in him by his father, Irwin, a conservative rabbi; his mother, Bernice, the daughter of a doctor who made $82 house calls; and Frank Capra movies.

His determination to do the right thing paid off on Monday, when he was awarded $14.7 million from a $70 million settlement in a Medicaid fraud case against New York City. When his mother heard about the award, she said: "Good. Now I hope you'll get married," Dr. Feldman, 50, said Tuesday.

For his part, Dr. Feldman, a squarely built man with black-framed glasses, seemed shell-shocked by his newfound wealth. He had brought the case against the city under the federal whistleblower law, which usually entitles whistleblowers to 15 percent to 25 percent of the ill-gotten gains that the government recovers. He got 21 percent.

After taxes and fees to his lawyers, Alan J. Konigsberg and Theresa A. Vitello, he will get to keep about $4.9 million, he said. He was not certain what he would do with the money. Life in New York is expensive, he said. Maybe he will just take care of his apartment and to keep showing up for his job every day, in a cubicle in an office building on 125th Street in Harlem. The job — reviewing what kind of care to give to the elderly and disabled for an agency that has a contract with the city — pays about $105,000 a year.

"Everybody has to decide what they get up for in the morning," he said. "I like this job."

In his lawsuit, filed in 2009, Dr. Feldman contended that the city was giving people services that included dressing, bathing and feeding, from shifts of workers that cost 100 percent to 25 percent of the ill-gotten gains that the government recovers. He got 21 percent.

It’s not clear how he is going to use what he was awarded. "I’m not turning down the money either," he added.

Dr. Feldman said he planned to stay in his apartment and to keep showing up for his job day in, day out in a cubicle in an office building on 125th Street in Harlem. The job — reviewing what kind of care to give to the elderly and disabled for an agency that has a contract with the city — pays about $105,000 a year.

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In his lawsuit, filed in 2009, Dr. Feldman contended that the city was giving people services that squandered taxpayer money. Often, he said Tuesday, people got 24-hour services that included dressing, bathing and feeding, from shifts of workers that cost $150,000 a year, when much the same care could be had from one worker sleeping over for $75,000 a year.

"Movies like ‘Mr. Smith Goes to Washington’ made a very big impact on me," Dr. Feldman said. "That’s why I came forward."

He is a longtime do-gooder. As an undergraduate at Brandeis University, he handed out antismoking kits at parties. He attended the Tel Aviv University Sackler School of Medicine.

He began reviewing Medicaid cases in New York in 1990, and first tried to blow the whistle on the city's program in 1993, when he testified before the City Council. But, he said, nobody seemed to care.

Feeling ostracized, he said, he went to work battling tuberculosis for the Department of Health and Mental Hygiene, then moved to Atlanta, where he became director of colon cancer prevention and education for the American Cancer Society.

In 1998, he opened a kosher barbecue restaurant in Decatur, Ga, called 12 Oaks, after a plantation in "Gone With the Wind." Despite its focus on healthy, noncarcinogenic meat (no charring), it went under, and Dr. Feldman went bankrupt.
In 2006, he returned to his New York City job, and took up the cudgel against Medicaid fraud once again, this time getting the attention of the Justice Department, which joined his case. The city, before agreeing to the settlement, accused him of being, well, Mr. Potter-like with his decisions, denying care to people who, the city thought, needed it.

“It’s painful,” he said. “It’s hurtful to me, because I have a mom.”

In the settlement, the city admitted to procedural mistakes.

As the middle of three sons, he said, he had often been in the shadows. “I am a Gemini,” he said, “painfully shy half the time and painfully aggressive half the time.”

He turned to public health because bedside manners were not his strong suit. “I think it would be better to have mastered the world of emotional intelligence,” he said, “which I’m still working on.”

The $70 million settlement is one of the largest whistle-blower awards the city has paid. In a case against the city and New York State that was settled in 2009, the whistle-blower, a speech therapist, was awarded $10 million.

Dr. Feldman’s mother, Bernice Pohl Feldman, said she was proud of her son. “He is just a wonderful person,” Mrs. Feldman said. “My three sons, they are the soul of integrity.”

But she could not resist adding her hopes for her now richer son: “I hope he can find a Jewish wife who is caring and wonderful and observes Passover. If she observes Passover, then I don’t have to ask any other questions.”

Jack Begg contributed research.