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# MEDICAID FRAUD REPORT

March 2006

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### **Oklahoma Nursing Home Owner Pleads Guilty to Bank Fraud**

Attorney General W.A Drew Edmondson announced that on March 1 Ricky Lynn Cooper devised a scheme to obtain control of several nursing homes in Southwest Oklahoma by claiming non-existent and/or previously pledged assets to meet Oklahoma State Department of Health (OSDH) asset requirements to operate those homes. The OSDH asset requirements are designed to weed out potential operators who do not have the funds to properly operate a nursing home. Conditions at these nursing homes began to worsen after they were taken over by Cooper, and Cooper was ultimately unable to purchase necessary medications, medical supplies, oxygen, and other items necessary to the well being of the nursing home residents.

While operating these nursing homes, Ricky Cooper and various other individuals engaged in a massive checks kiting scheme, which included the structuring of bank deposits to cover up the fact that Cooper Nursing Homes, Inc., was basically insolvent. Further, Cooper fraudulently obtained a \$450,000 loan through the U. S. Small Business Administration and the Stillwater National Bank, Stillwater, Oklahoma, after failing to advise the bank of monetary suits that had been filed against him and/or his companies. Cooper defaulted on that loan after making only three monthly payments.

The case against Cooper was presented to a federal grand jury in the Western District of Oklahoma on November 2, 2004, and the grand jury returned a true bill of indictment for one count of Bank Fraud, three counts of Structuring, and forty-nine counts of Health Care Fraud. During plea bargaining, the U. S. Attorney's Office agreed to allow Cooper to plead to the one count of Bank Fraud and to one count of Structuring, which was done to fund the operation of Cooper's nursing homes. The total loss involved was set at \$1,509,000 during the plea bargaining phase, although Cooper's exposure on relevant conduct issues involving the health care fraud was much greater.

Cooper, is to self-report to the El Reno Federal Correctional Institution or some other designated facility no later than May 1, 2006. He is also to perform 104 hours of community service during the first year after his release. The payment of restitution is to commence within thirty days after his release and is to be paid at the rate of \$500 per month or ten percent of his monthly income, whichever is greater, until the entire amount is paid.

For further information contact Don Brown, Director MFCU (405) 522-2962 or Investigator Harold Gibson (405) 522-2961.

**CASES****Dentists: New York**

Attorney General Spitzer announced on March 28 that an audit by the MFCU of Dr. Lewis Milhim's dental practice established that he, in fact, improperly operated a group practice and that he employed other dentists to perform services which he billed under his individual Medicaid provider number. One of those employed was a dentist, Dr. Edward Levy, who was terminated from the Medicaid program during the time he was working for Milhim.

Under the law, Medicaid will not pay for services rendered by excluded providers and, as a result, Milhim was not entitled to bill Medicaid for any services provided by Levy. Had Milhim complied with Medicaid regulations and properly registered his practice as a group practice, he would have received notification that Levy had been excluded from the Medicaid program. In addition to these billings, the audit revealed that Milhim had billed for other services which were not supported by documentation required by the Medicaid program. To settle these audit findings, Milhim agreed to pay Medicaid \$154,000.

For further information contact Special Assistant Attorney General Alan Buonpastore (631) 952-6966.

**Drug Diversion: New Hampshire**

Attorney General Ayotte announced on January 25 that Laura Locke, pleaded guilty in Merrimack County Superior Court to misdemeanor patient abuse. Locke received a 15-day jail sentence with an additional five months suspended and was banned from working in healthcare for two years. Locke was working as a registered nurse at a nursing home when, for her own use, she diverted Percocet from a resident and substituted over-the-counter Tylenol to treat the resident's pain. The case was referred for prosecution by the state's board of nursing after it received an incident report from the nursing facility.

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Attorney General Ayotte announced on January 17 that Patricia Trottier, was indicted on two felony counts of drug possession and two misdemeanor counts of patient abuse for allegedly stealing Lorazepam, an anxiety medication, from two residents and substituting Atenolol, which treats high blood pressure. Trottier was working as a personal care attendant for a nursing facility when the alleged diversions occurred. The case was referred for prosecution by the office of the long-term care ombudsman after it received an incident report from the nursing facility.

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Attorney General Ayotte announced on February 14 that Kristen Clough was indicted for allegedly stealing pain medications from a nursing home resident. Clough is charged with two counts of felony drug possession and two counts of misdemeanor patient abuse. It is alleged that, while working as a licensed nursing assistant at the Edgewood Center nursing home in Portsmouth, she removed narcotic Fentanyl patches from two residents for her own use. The case was referred

for prosecution by the state's board of nursing after it received an incident report from the nursing facility.

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Attorney General Ayotte announced on February 14 that Katelyn Cynewski, was indicted for allegedly stealing pain medications from nursing home residents. Cynewski is charged with felony drug possession and misdemeanor patient abuse. The charges against her allege that, while working as a licensed practical nurse at the Sunbridge of Exeter nursing home, she removed narcotic Fentanyl patches from a resident for her own use. The case was referred for prosecution by the office of the long-term care ombudsman after it received an incident report from the nursing facility.

For further information on these cases contact Assistant Attorneys General Phil Bradley or Jeff Cahill at (603) 271-1246.

### **Drug Diversion: Texas**

Attorney General Gregg Abbott announced that on March 8 Licensed Vocational Nurse (LVN) Terri Barnwell pleaded guilty in Sherman County District Court and was sentenced to three years deferred adjudication with a fine of \$1,500. Barnwell allegedly diverted narcotics from Coldwater Manor nursing facility located in Stratford, Texas.

In November of 2004, a med-aide noticed that a resident who normally does not receive pain medicine, Lortab (Schedule III narcotic), was receiving it every night. Because the facility is so small, there is only one nurse who works the shift that the medicine was supposedly being administered. The night shift nurse, Barnwell, was questioned about the incident. Barnwell provided a statement to the facility that said if she was going to take medicine from one resident she would just take it from all the residents. The criminal investigation revealed just that.

For further information contact Chief Investigator Jim Fossum (512) 371-4732.

### **Durable Medical Equipment: Massachusetts**

Charm Medical Supply, Inc., a durable medical equipment company, has paid \$75,000 to the Massachusetts Medicaid (MassHealth) program to settle allegations that it was overpaid as a result of erroneous billing and documentation, Attorney General Tom Reilly announced on March 31 .

The investigation alleged that Charm Medical Supply billed MassHealth for services including delivery of diapers, cotton tip applicators, alcohol wipes, gloves and other medical equipment for which billing could not be justified. MassHealth pays for durable medical equipment and supplies for some of the state's neediest residents. Program rules and regulations require that services be adequately documented and records be maintained. Suppliers must maintain record of invoices, signed delivery slips showing receipt by the recipient, and a physician's letter noting that the supplies requested are medically necessary for the particular recipient. These rules help providers show the services that MassHealth has been billed for have actually been delivered to eligible recipients. The investigation looked into the extent to which Charm Medical Supply billed and maintained the appropriate documentation for supplies it delivered from October 1999 through August 2003. Although Charm Medical Supply's ownership has changed since that time, the new owners continue to provide supplies as a MassHealth provider.

In addition to paying MassHealth \$75,000, Charm Medical Supply has agreed to institute a comprehensive compliance and training program.

For further information contact Assistant Attorney General Julie C. Chattopadhyay or Investigators John Curley and Bob Molvar (617) 727-2200

**Home Health Care Aides: Arizona**

Attorney General Terry Goddard of Arizona announced the sentencing of Richard Gordon. Gordon plead guilty to Count two, amended Theft, a class six undesignated felony on January 25. He was sentenced on February 28 to one year probation, ordered to pay \$5,434 in restitution, and perform 100 hours of approved community work service.

He was indicted on August 16, 2005, by the State Grand Jury on one count of Fraudulent Schemes and Artifices, a class two felony, and one count of Theft, a class three felony.

The defendant, a Home Base Service Provider, between April, 2003 through February, 2004, was contracted by AHCCCS to provide attendant care services for his daughter. Arizona Department of Corrections employment records show that Gordon was employed as a Correction Officer at Lewis Prison while allegedly providing attendant care services to his daughter.

For further information contact Assistant Attorney Steven Duplissis (602) 542-3881.

**Home Health Care Aides: Nevada**

Attorney General George J. Chanos announced on March 29 that Jesus Rena Rene Perez pleaded guilty to the gross misdemeanor offense of Medicaid Fraud-Failure to Maintain Records. Clark County District Court Judge Donald M. Mosley sentenced Perez to serve one year in jail. He suspended the jail time conditioned upon her completing two years of probation, performance of 16 hours of community service per month and a payment of \$3,370.25 in restitution. Perez was on parole for an earlier theft when this offense occurred. This offense is a violation of that parole. She is awaiting the outcome of her parole violation hearing and could be returned to prison for the balance of her two to seven year term.

According to MFCU Director Timothy Terry, the investigation showed that while one of Perez's Medicaid clients was out of the state she continued to submit service records indicating she was providing home care services to the client.

For further information contact Mr. Terry, Director (775) 684-1185.

**Home Health Care Aides: Ohio**

Attorney General Jim Petro announced on February 15 that Denise Carter was convicted of one count of Medicaid Fraud, a felony in the fourth degree. On March 31 Carter was sentenced to one year in jail and ordered to pay restitution of \$6,396. Carter billed for daily living services when the recipient was hospitalized.

For further information contact Assistant Attorney General Claude Nicholson (614) 466-0722.

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Attorney General Petro announced on January 18 that Karen Moore, a home health worker, was indicted on one count of Medicaid Fraud, a misdemeanor of the first degree. On March 3 Moore was convicted of one count of Medicaid Fraud, a misdemeanor in the first degree. Also, on the same day she was sentenced to pay a \$100 fine and \$376 in restitution.

Moore was a home health worker who billed for services not rendered. Moore is an independent Medicaid provider of home health services. On October 7, 2005 the Medicaid Fraud Control Unit received a referral from the Ohio Department of Job and Family Services that Moore did not provide services to a Medicaid recipient due to the death of Moore's sister. On November 8, 2005 when Moore was interviewed she admitted that she billed for nine days of services not provided during the months of August and September, 2005.

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Attorney General Petro announced on March 30 that Sonia Forbes was charged with and convicted of one count of Medicaid Fraud, a misdemeanor of the first degree and sentenced to two years probation and ordered to pay restitution of \$5,678.80.

Forbes is a home health nurse who provided services to a child. According to the child's mother, Forbes never worked holidays or weekends, and never worked past 6:30 p.m. However, Forbes billed Medicaid as though she had worked on some weekends and holidays, and also billed as though she had worked until 8:00 p.m. A comparison of Taylor's statements to the billings revealed a loss to the Medicaid program in the amount of \$5,676.80.

For further information on both cases contact Assistant Attorney General Jordan Finegold (614) 466-0722.

**Home Health Care Aides: Oregon**

Attorney General Hardy Myers announced the plea and sentencing on March 2 of Kelly Sue Koellermeier on one felony count of Making False Claim for Health Care Payment and one felony count of Theft I.

The defendant was a home healthcare worker paid with Medicaid money. The defendant agreed to provide care for a homebound Medicaid recipient. Every two weeks the defendant submitted vouchers to the Medicaid program in which she reported the number of hours worked for the previous two week period.

Over a five month period, the defendant would forge vouchers, signing the recipient's name, and would inflate the number of hours she actually worked. As part of the plea, defendant was placed on probation for three years and ordered to perform five days of compensatory service, pay a \$225 fine, and pay \$1,856.76 in restitution.

For further information contact Senior Assistant Attorney General Rodney Hopkinson (971) 673-1926.

**Home Health Care Aides: Wisconsin**

Attorney General Peg Lautenschlager announced on March 8 that Janice Corbett has been convicted of filing fraudulent insurance claims.

Under a plea agreement Corbett must permanently surrender her Medicaid provider number and pay a fine of \$2,500. Corbett has already made restitution in the amount of \$32,330.44 and performed 100 hours of community service.

According to the Department of Justice's criminal complaint, Corbett, an R.N., was hired to help provide 24-hour nursing coverage for a resident suffering from muscular dystrophy. Corbett continued to submit claims after her employment was terminated.

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Attorney General Lautenschlager announced on March 8 that Rosalie Zahn, appeared before Dane County Circuit Court Judge Daniel Moeser and entered a guilty plea to one count of misdemeanor fraudulent insurance claims. Under a plea agreement, Zahn must permanently surrender her Medicaid provider number and pay a fine of \$1,000. Zahn has already made restitution in the amount of \$17,006.88 and performed 100 hours of community service.

According to the Department of Justice's criminal complaint, Zahn, an R.N., was hired to help provide 24-hour nursing coverage for a resident suffering from muscular dystrophy. Zahn continued to submit claims after her employment was terminated on November 10, 2002.

For further information on both case contact Assistant Attorney General Frank Remington (608) 266-3542.

**Mental Health Clinics: Texas**

Attorney General Abbott announced that on March 2 Judge Caprice Cosper sentenced Carol Chiaghana to ten years imprisonment at the Texas Department of Corrections. She was ordered to pay \$114,430.52 in restitution. Chiaghana was a Medicaid provider under the Mental Retardation Local Authority (MRLA) program of Texas Department of Mental Health and Mental Retardation (TDMHMR). During a routine examination by a billing review team, it was discovered Chiaghana could not produce adequate medical records for her clients. The investigation revealed that Chiaghana had billed Medicaid for services not provided. Medicaid paid Chiaghana over \$144,000 for services she did not provide from May 2001 through August 2002. Chiaghana was indicted by a grand jury on December 1, 2004 for Aggregate Theft. Chiaghana was arrested on June 29, 2005, by U.S. Customs Agents when she returned to the United States from Nigeria. On November 16, 2005, she entered a plea of guilty to Second Degree Felony Aggregate Theft.

For further information contact Chief Investigator Jim Fossum (512) 371-4732.

**Nurses: Arizona**

Attorney General Goddard announced on February 22 the indictment of Carmen Monge, a nurse aide. Monge was indicted on two counts of Forgery, class four felonies. Monge allegedly presented an altered CNA certificate to two care facilities to obtain employment in November of 2002 and again on June 7, 2005. Her license had expired.

For further information contact Assistant Attorney Steven Duplissis (602) 542-3881.

**Nurses: New York**

Attorney General Spitzer announced that a registered nurse has pleaded guilty to stealing from the Medicaid Program by billing for services she never provided to a Medicaid recipient.

Appearing on March 9 before Judge Biagio J. DiStefano, Crystal J. Gemmell, pleaded guilty to one count of Grand Larceny in the Third Degree. As part of her plea, she admitted that she had stolen from the state by submitting false Medicaid claims over a period of five years.

Judge DiStefano stated that he intended to sentence Gemmell to state prison for a term of two to six years but he adjourned the case to a later date for sentencing. Gemmell agreed to surrender her nursing license and agreed to sign a confession of judgment of over \$1.3 million (a "treble damages" plus interest figure arrived at as a result of approximately \$365,000 in fraudulent claims).

Gemmell has been a registered nurse since 1997, and has been enrolled in the Medicaid program as an independent provider of nursing services since 1998. She has cared for several children who have long-term medical problems requiring nursing services in their homes.

For further information contact Special Assistant Attorney General Norman S. Hatt (315) 423-1113.

**Nurses: South Carolina**

Attorney General Henry McMaster announced that Lavenda S. Holmes was convicted on March 17 of one count of Forgery. On or about June 10, 2005, Holmes, while seeking employment at Commander Nursing Home in Florence, South Carolina, submitted a forged certified nursing certificate. The certificate showed she had completed the required competency evaluation program for a nurse aid certification in long term care.

The Honorable Paul M. Burch sentenced Holmes to one year, suspended to 18 months probation and 60 hours of public service.

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Attorney General McMaster announced that Pamela J. Wilson was convicted on March 17 of one count of Forgery. On or about June 10, 2005, Wilson, while seeking employment at Commander Nursing Home in Florence, South Carolina, submitted a forged certified nursing certificate. The certificate showed she had completed the required competency evaluation program for a nurse aide certification in long term care.

The Honorable Paul M. Burch sentenced Wilson to one year, suspended to 18 months probation and 60 hours of public service.

For further information on these cases contact Assistant Deputy Attorney General Charles W. Gambrell, Jr., Senior Assistant Attorney General William K. Moore, or Chief Investigator James T. Bagnall (803) 734-3660.

**Nurses: Texas**

Attorney General Abbott announced that on March 21 that a grand jury indicted Nancy Gutierrez Smelosky. She was charged with Practicing Nursing without a License, Tampering with a Governmental Record with Intent to Defraud, and Fraudulent Use of Identification.

The investigation revealed that she used a Social Security number belonging to a registered nurse licensed by the State of Texas and obtained employment at the Mesquite Tree Nursing Center as the Director of Nurses. Smelosky is currently incarcerated at Carswell FMC Federal Medical Center in Fort Worth for an unrelated felony conviction of Mail Fraud.

For further information contact Chief Investigator Jim Fossum (512) 371-4732.

**Nursing Homes: Michigan**

Attorney General Mike Cox announced March 8 that he has filed suit against Metron Integrated Health Systems and three of its nursing facilities located in Allegan, Big Rapids, and Kalamazoo.

Eight employees of Metron of Big Rapids nursing facility were recently charged by the Attorney General with a variety of criminal offenses, including involuntary manslaughter, stemming from the death of an oxygen-dependent resident in January 2005. Inspections of the Big Rapids facility by the Department of Community Health in 2004 and 2005 led to 27 and 12 deficiency citations, respectively, which are significantly above the state norm of seven deficiencies per inspection.

Evaluations of Metron's Allegan and Kalamazoo nursing homes also established that these two facilities have been operating in a manner that could endanger their residents. After receiving six deficiencies in 2004, Metron of Allegan was cited for 21 deficiencies in 2005. Similarly, Metron of Kalamazoo's evaluation was worse in 2005, with an increase from eight deficiency citations in 2004 to 15 in 2005.

For further information contact Assistant Attorney General Scott L. Teter (517) 241-6500 or Special Agent Thomas Stroemer (517) 241-6526.

**Patient Abuse: Kentucky**

Attorney General Greg Stumbo announced that two former nurse assistants have pleaded guilty to felony Criminal Abuse in connection with their treatment of patients at Irvine Health and Rehabilitation Center in Irvine. Lisa Kilburn and Kim Congleton were sentenced to five years, which was probated by the Estill Circuit Court.

On October 18, 2004, Kilburn and Congleton abused elderly and medically fragile patients by administering laxative suppositories that were not medically necessary and not ordered as part of the patients' treatment. The acts, which took place during a bed check at the end of the second shift on that date, were apparently done to harass the nurse assistants on the next shift. Some of the patients suffered pain and rectal bleeding after the suppositories were administered. Kilburn's and Congleton's employment at the facility was terminated after their actions were discovered.

As a condition of their guilty plea, Kilburn and Congleton have agreed never to seek, accept, or continue any employment that would involve direct patient care. They have also forfeited their certified nurse assistant licenses and have agreed never to seek a nurse or nurse assistant license in the future in this state or any other state.

For further information contact Assistant Attorney General Mary P. Cartwright (502) 696-5405.

**Patient Abuse: Louisiana**

Attorney General Charles C. Foti, Jr., announced on March 22 that special agents with the Medicaid Fraud Control Unit have arrested Amy L. Allen, on one charge of Cruelty to the Infirm. Allen, a former employee of Southwest Louisiana Developmental Center, allegedly struck a mentally retarded resident in the face.

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Attorney General Foti announced on March 21 Janet Marie Hebert, was arrested on one charge of Cruelty to the Infirm. Hebert, a former employee of the Southwest Louisiana Developmental Center, allegedly struck a resident on the buttocks, grabbed the resident's arm and forcefully put the victim into her wheelchair while verbally abusing the victim for not sitting up straight in the wheelchair.

\* \* \* \*

Attorney General Foti announced on March 21 that Frances W. Kerry, surrendered to MFCU agents on one count of Simple Battery of the Infirm. MFCU special agents allege that Kerry, a licensed practical nurse and former employee of The Guest House in Shreveport, Louisiana, attempted to feed a resident through a catheter rather than the peg tube, which is surgically placed in the resident's stomach. Through their investigation, special agents learned that Kerry was allegedly under the influence of methamphetamine at the time of the incident.

For further information on these cases contact Fred DUBY, Director (225) 326-6210.

**Patient Abuse: Ohio**

Attorney General Petro announced on March 1 that Holly Brown was convicted of two counts of Patient Abuse, a felony of the fourth degree and sentenced to six months in jail which was suspended for two years of community control. Brown was also ordered to never work at a nursing home or with individuals of special needs in the future. She smacked a resident in the face and spit on a second resident.

For further information contact Assistant Attorney General Corinna Vaughn (614) 466-0722.

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Attorney General Petro announced on February 21 that Traci Massey pleaded guilty to two counts of Patient Abuse, a felony of the fourth degree. On March 29, Massey was sentenced to 30 days in jail and three years probation. Massey, an employee of Manorcare Health Services- Belden Village, slapped two residents across the face.

For further information contact Assistant Attorney General Claude Nicholson (614) 466-0722.

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Attorney General Petro announced on February 7 that Frederic Alexander pleaded guilty to six counts of patient abuse, felonies of the fourth degree. On March 7 he was sentenced to one year in county jail. Alexander, a former nurse aide at Westlake Healthcare Center, sexually abused two nursing home residents, a male and a female, in a series of separate acts.

For further information contact Assistant Attorney General Adrienne Blair (614) 466-0722.

### **Patient Abuse: Tennessee**

The Tennessee Medicaid Fraud Control Unit announced that on March 29 Darnel Ford, a direct care staff member employed by Reaching Visions Today, LLC, pleaded guilty to one count of Assault in Davidson County General Sessions Court. The court sentenced Ford to six months in the local jail.

This case was opened on September 2, 2005, based on a referral from an investigator with the Tennessee Division of Mental Retardation Services. It was alleged that Darnel Ford used a rope or drawstring to tie a mentally retarded person's hands together. The restraining method left open wounds and bruising on both of the patient's arms. The investigation revealed that Ford had worked the night shift and that prior to his taking over the shift, the patient did not have bruising or wounds on his arms. The day shift staff member found the marks and contacted the shift supervisor who, in turn, notified authorities.

For further information contact Special Agent Ramona Smith (615) 744-4229.

### **Patient Neglect: Texas**

Attorney General Abbott announced that on March 23 Coverson Bush was sentenced to ten years probation in Bell County, Texas, for the charge of Criminally Negligent Homicide. On August 10, 2004, Bush transported an 87-year-old Sunrise Oaks Healthcare resident from her doctor's appointment to the facility in the facility's van. Upon returning to the facility at approximately 12:30 p.m., Bush parked the van in the parking lot and left the facility.

The resident was left in the unventilated and non air-conditioned van for approximately four and one-half hours. At approximately 5:00 p.m. that same afternoon, Bush drove the van to pick up another resident from their dialysis appointment and upon arrival at the dialysis center, he opened the back of the van to find the resident deceased. The weather on the date in question was sunny, with temperatures reaching near 100 degrees.

For further information contact Chief Investigator Jim Fossum (512) 371-4732.

**Patient Trust Funds: New Hampshire**

Attorney General Ayotte announced on February 14 that Deborah Heirs was indicted on a felony charge of theft by misapplication. The indictment alleges that over a nine-month period between February and October of 2005, Hiers had control of her mother's money and a known legal obligation to pay for her mother's care at the Rockingham County Nursing Home.

Hiers allegedly failed to make any payments to the nursing facility during that time period while diverting approximately \$93,000 of her mother's money to her own use. At the time of the alleged thefts, the defendant was managing her mother's finances under the authority of a durable power of attorney and therefore had a fiduciary duty to serve her mother's best interests. The defendant's mother was exposed to discharge proceedings as a result of the alleged thefts.

For further information contact Assistant Attorney General Philip B. Bradley, or Jeffrey S. Cahill (603) 271-1246.

**Patient Trust Funds: Ohio**

Attorney General Petro announced on March 20 that Angela K Merino was sentenced to one year probation, fined \$100, and ordered to pay \$110 of restitution. On January 12 Merino pleaded guilty to one count of Theft, a misdemeanor of the first degree.

Merino deposited checks from a nursing home resident into her joint bank account that were supposed to be used as a down payment on the purchase of a car for the resident. The resident did not receive the car and the down payment was not returned.

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Attorney General Petro announced that on March 27 Scott M. Arnold was sentenced to two years of probation and ordered to pay a \$250 fine. On December 23, 2005, Arnold pleaded guilty to one count of Theft, a misdemeanor of the first degree. In addition, Arnold is not to work at a nursing home for two years.

Arnold accepted and cashed checks from a nursing home resident that were supposed to be used as a down payment on the purchase of a car for the resident. Arnold never delivered the car to the resident and did not return the resident's money.

For further information on both cases contact Assistant Attorney General Claude Nicholson, (614) 466-0722.

**Patient Trust Funds: South Carolina**

Attorney General McMaster announced that Charles Randall Carver was convicted on March 15 of Breach of Trust with Fraudulent Intent in Pickens County, South Carolina. During the period between March 1, 2005 and July 31, 2005, Carver converted the Social Security funds of his mother, a resident of Greenville Living Center, to his own personal use with the intent of permanently depriving Greenville Living Center of the use and benefit of the funds.

Carver was sentenced by Judge Phillip A. Snow to 30 days, suspended and a fine of \$465. Restitution in the amount of \$2,625. was paid.

For further information contact Assistant Deputy Attorney General Charles W. Gambrell, Jr., Senior Assistant Attorney General William K. Moore, or Special Investigator David Addison at (803) 734-3660.

**Physicians: Texas**

Attorney General Abbott announced that on March 21 a grand jury returned a true bill of indictment on Dr. Pushpa Rana, a primary care physician whose office is located in Dallas, Texas. The indictment is based on allegations that Dr. Rana has billed the Medicaid and CHIP programs for allergy and skin tests that were never performed in an amount of \$41,091, as well as upcoding medical procedures in an amount totaling \$225,124. The indictments include Theft Aggregated \$20,000 and Theft Aggregated \$200,000.

For further information contact Chief Investigator Jim Fossum (512) 371-4732.

**Psychologists: Missouri**

Attorney General Jay Nixon announced on March 6 that Nathaniel R. Burger admitted to over billing three clients while providing psychotherapist services pleaded guilty to three counts of Medicaid fraud.

Burger admitted that he committed the class D felony of causing to be made a false statement to receive a health care payment on different occasions in 2004 and 2005. An investigation office revealed that the defendant over billed two clients by an hour on two occasions in December of 2004, and also billed two other clients located at different locations for one hour of service at the same time, on January 5, 2005.

After Burger entered guilty pleas on all three counts yesterday, the court placed him on one year of probation and ordered him to pay \$7,500 and \$3,356 in restitution with the remainder covering all investigative costs for the case. The court also ordered that the defendant be excluded from providing psychotherapy services for a period of five years.

For further information contact Richard G. Williams, Director, MFCU (573) 751-7192.

**Social Workers: Missouri**

Attorney General Nixon announced on March 21 that a licensed clinical social worker who admitted that she billed the Missouri Medicaid program for therapy that she did not provide has been ordered to pay the state \$27,690. Cheryl Jean Apollo pleaded guilty to two counts of stealing by deceit and one count of making a false statement to receive a health care payment.

In addition to ordering her to repay the state \$17,690 in restitution and \$10,000 for investigative costs, Lincoln County Circuit Judge Dan Dildine sentenced Apollo to concurrent terms of seven years on each of the stealing counts and four years on the false statement charge. The court suspended execution of the sentence and placed Apollo on supervised probation for five years.

At the time of the fraud, Apollo was an employee of Evergreen Behavioral Services, located in Mexico, Missouri. According to the probable cause statement filed with the charges, Apollo claimed that she provided numerous therapy sessions for clients that did not occur and then submitted bills for payment to the Medicaid program. The charges cover fraudulent claims made in 2002 and 2003.

For further information contact Rick Williams, Director (573) 751-7192.

**Social Workers: Washington State**

Attorney General McKenna announced on March 16 that Arthur E. Krontz and his wife Carol A. Krontz plead guilty in U.S. District Court, Eastern District of Washington in Yakima. Arthur Krontz plead guilty to one count of Conspiracy to Commit Health Care Fraud, seven counts of Money Laundering, one count Theft of Public Money and one count Criminal Forfeiture and was sentenced to serve 48 months incarceration, three years probation, ordered to make restitution in the amount of \$126,013.14 to Medicaid and Medicare, \$9,932 to Social Security Administration and an assessment of \$900.

Carol Krontz plead guilty to one count of Misprision of Health Care Fraud and one count of Misprision of Money Laundering and was sentenced to 30 days incarceration, one year probation, ordered to make restitution in the amount of \$126,013.14 joint and several with her co-defendant, and an assessment of \$200.

According to David W. Waterbury, Director of the Washington State MFCU, defendant Arthur Krontz, a DSHS social worker, was entrusted with spending authority reaching 32 million dollars. Krontz diverted Medicare and Medicaid monies from the intended beneficiaries, developmentally disabled children, in several Washington counties. Carol Krontz knew of her husband's crimes and tried to conceal it by establishing a fraudulent bank account for a non-existent business entitled "Access for Challenged Children and Adults" through which the Krontz' laundered the proceeds of the fraud.

For further information contact Mr. Waterbury (253) 593-2154.

**Substance Abuse Clinics: New York**

Attorney General Spitzer announced on March 28 that Dr. Simon Zysman, the Executive Director and owner of Employee Assistance Resource Services, Inc., ("EARS") a substance abuse clinic, agreed to pay \$700,000 to the Medicaid program to resolve allegations that EARS had submitted a false cost report to the New York State Department of Health which caused Medicaid to overpay the clinic.

As part of the settlement, EARS and Zysman will implement a compliance program that includes the appointment of a compliance officer, training for clinical and billing personnel and the employment of a certified public accountant to audit EARS billings to the Medicaid program.

An audit by MFCU revealed that Zysman, a psychotherapist, wrongly included in the EARS cost report payments for rent and legal fees unrelated to the EARS operation and salaries paid to persons not employed by EARS. In addition to overstating EARS costs, the cost report substantially understated the number of patient visits at the EARS clinic. Based on these reported costs and patient visits, the Department of Health calculated a higher reimbursement rate for EARS services than EARS was entitled to receive.

For further information contact William J. Comiskey, Director (212) 417-5250.

### **Substance Abuse Clinics: Texas**

Attorney General Gregg Abbott announced that on March 31 that the substance abuse case against Jose Eloy Salinas was resolved in the 229<sup>th</sup> Judicial District Court, Starr County, Texas, by a pre-trial diversion agreement which required full restitution in the amount of \$40,531. Salinas had been indicted in December 2005 for theft over \$20,000 but less than \$100,000 and securing execution of a document by deception.

Salinas operated the Salinas Substance Abuse Counseling, a business with a Medicaid contract to provide chemical dependency counseling to Rio Grande City residents and those in surrounding rural areas. The indictment charged that Mr. Salinas never acquired the necessary hours and/or license to counsel independently of direct supervision. On many dates on which he held counseling sessions and billed for counseling sessions, he had no supervision by another counselor available, nor one on staff. From September 1, 2001, until mid 2003, Salinas billed for and was paid \$40,531 by Medicaid. The case was prosecuted by the Starr County District Attorney's Office.

For further information contact Chief Investigator Jim Fossum (512) 371-4732.

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