



National Association
of Attorneys General

MEDICAID FRAUD REPORT

May 2006

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Metron Integrated Health Systems Agrees to Corporate Integrity Agreement

Attorney General Mike Cox announced on May 23 that Metron Integrated Health Systems has agreed to enter into a Corporate Integrity Agreement designed to improve the clinical performance of the Metron facilities.

The Attorney General filed a civil complaint against Metron on March 8, 2006, alleging that since 2003, Metron's Allegan, Big Rapids, and Kalamazoo facilities provided inadequate care to their residents and failed to comply with applicable state and federal law or the policies, procedures, rules, and regulations of the Medicaid Program. The civil action followed criminal charges the Attorney General brought against eight employees of the Metron of Big Rapids nursing home stemming from the death of an oxygen-dependant resident.

The Corporate Integrity Agreement will be the basis for settling the civil action. Highlights of the Agreement include the following: A mutually agreed upon Monitor will be appointed within 60 days of executing the Agreement to oversee clinical aspects of operations at all nine of Metron's nursing homes and making the changes necessary to bring Metron into compliance with state and federal law, and Medicaid policies, procedures, rules, and regulations. All costs of the Monitor will be borne by Metron, but the Attorney General retains authority to terminate the Monitor for cause. The Monitor will have broad authority, including authority to determine whether Metron is complying with its obligations to properly staff its facilities, train its entire staff, and implement appropriate policies and procedures.

The Monitor has the authority to impose liquidated damages of \$2,500 per day for a material breach of the Agreement and \$1,500 per day for failure to report significant events to the Monitor.

The many undertakings to which Metron has agreed to include the following: Metron must fully comply with all of the requirements of state and federal law, including but not limited to the Medicaid False Claims Act and the Michigan Public Health Code, if there is an event at one of Metron's facilities that could be a significant violation of state or federal requirements, Metron must notify the Monitor within one business day of discovering that the event occurred. Within 10 days of the event, Metron must submit to the Monitor and the Attorney General a written report of the event. Reporting the event does not preclude the Attorney General or any other state or federal agency from taking any appropriate action related to the event, including prosecution or the imposition of regulatory fines.

Metron has agreed to check the criminal history reports of all staff and potential staff, including temporary and pool staff, in compliance with Michigan's Criminal Background Check Statute.

Should Metron wish to sell one or more of its nursing homes, the sale must first be approved by the Attorney General. If a sale were proposed, the Attorney General is likely to consider the background and ability of the purchaser to properly operate the homes. The sale of a facility to a bona fide purchaser approved by the Attorney General would cause the Corporate Integrity Agreement to terminate at that facility and the new purchaser would have a fresh start at operating the facility. Also, if Metron intends to acquire additional nursing homes during the term of the Agreement, it must first obtain the Attorney General's acquiescence.

The Agreement will be in effect for two years from the date a Monitor is appointed, subject to extensions for periods of material breach. The Agreement could end before two years if Metron sold all of its facilities. In addition, a Settlement Agreement to be entered with the Court requires that Metron pay the Attorney General \$78,015 within 10 days to settle the Medicaid restitution and penalty claims set forth in the civil complaint.

For further information contact Assistant Attorneys General Mark Matus or Jessica Frazier (517) 241-6500.

CASES

Counselors: Ohio

Attorney General Jim Petro announced on March 27, 2006, that a bill of information was filed against Joelley Weidman charging her on one count of Falsification, a misdemeanor of the first degree. On May 1, 2006, Weidman entered a plea of guilty to one count of Falsification, a misdemeanor of the first degree. Also on May 1, 2006, Weidman was sentenced to a \$200. fine and court costs, to be paid in 60 days. In addition, Weidman paid restitution in the amount of \$3,840.75.

Weidman is a former executive director and current shareholder of Cambridge Counseling Center, Inc., where she billed for counseling services that she did not render.

For further information contact Assistant Attorney General Constance Nearhood (614) 466-0722.

Home Health Care Aides: Arizona

Attorney General Terry Goddard announces the indictment of Esther Bucci on April 18, 2006. Bucci was indicted on one count Fraudulent Schemes and Artifices, a class two felony; one count theft, a class three felony; and 13 counts of Forgery, class four felonies.

Between July of 2002 and June of 2003, Bucci was an independent habilitation provider and allegedly forged signatures on time sheets for services not performed, billed AHCCCS, and then obtained payment from AHCCCS for non-performed services for a loss of \$8,640.30.

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

Home Health Care Aides: Colorado

Attorney General John Suthers announced on May 8, 2006 that Ella Azatyan, pleaded guilty to the original charge of Theft between \$100 and \$500, a Class two misdemeanor. Azatyan received a conviction, with one year probation, 25 hours of community service, fines and costs totaling \$159 and was ordered to pay \$244.92 in restitution.

The investigation by the Colorado MFCU showed that Azatyan was employed by a home services agency, and billed her employer for services that she did not provide, either because she did not work as long as she stated on her time sheets, or because she did not work at all on a given day. This was discovered through the use of an undercover Medicaid recipient who kept track of the time spent by providers caring for her.

For further information contact Assistant Attorney General George A. Coddling or Investigator Theresa Bradbury (303) 866-5431.

Home Health Care Aides: Ohio

Attorney General Petro announced on May 8 that Shelia Johnson was indicted on one count of Medicaid Fraud, a misdemeanor of the first degree. Also on May 8, Johnson entered a plea of no contest. Johnson was sentenced to six months incarceration, suspended, placed on community control for one year, and ordered to pay \$800 in restitution, court costs and a \$50 fine.

Johnson appeared on a report that indicated that she billed for services that, due to the time period in which they occurred, were unlikely or impossible to have been rendered.

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

* * * *

Attorney General Petro announced on May 10 that Cleveland Williams pleaded guilty to one count of Medicaid Fraud, a misdemeanor of the first degree and was sentenced to six months incarceration, suspended, ordered to pay court costs, and \$1,044 in restitution. On February 21, Williams was indicted on one count of Medicaid Fraud, a felony of the fifth degree. Williams billed for home health services while the recipient was receiving treatment in a hospital.

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Attorney General Petro announced on May 10 that Crystal Williams pleaded guilty to one count of Medicaid Fraud a misdemeanor of the first degree and was sentenced to six months incarceration, suspended, and ordered to pay \$1,524 in restitution and court costs. On February 21, Williams was indicted on one count of Medicaid Fraud, a felony of the fifth degree. Williams billed for home health services while the recipient was receiving treatment in a hospital.

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

Home Health Care Aides: Texas

Attorney General Gregg Abbott announced on May 5 that Licenced Vocational Nurse (LVN) Ellen Harrison pleaded guilty to the charge of Theft of more than \$1,500 and was sentenced. On January 19, Harrison was indicted by a grand jury for submitting false time sheets. The home health agency that employed her then overbilled Medicaid for \$11,543.90.

Harrison was sentenced to four years deferred probation, fined \$1,000 with the understanding that if she pays \$500 within the next 90 days the remaining \$500 will be suspended. Harrison was ordered to pay \$5,000 in restitution and ordered to perform 129 hours of community service. The home health agency, Save Home Healthcare, discovered the problem and self-reported and refunded the overpayment to Medicaid.

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

Medical Transportation: Vermont

Attorney General William H. Sorrell announced that Donna Morgan was arraigned on May 1, in Vermont District Court for Franklin County on six counts of knowingly filing false claims, all felonies.

The charges stem from Morgan allegedly submitting false claims under a Medicaid funded transportation service program, stating that she provided her family member, a Medicaid recipient, with transportation. The papers filed in court stated the total amount allegedly received by Morgan through the filings of false claims is over \$19,000.

For further information contact Linda A. Purdy, Director (802) 241-4440.

Medical Transportation: Texas

Attorney General Abbott announced on May 24 that a grand jury indicted Mark Mercado on a charge of forgery. Mercado is employed as a licensed paramedic with Life Line Ambulance and is the company's public relations specialist. It is alleged that while gathering paperwork to establish a clients eligibility for non-emergency ambulance transport, Mercado forged a nursing assessment form. Mercado was previously arrested on the charge March 21 based on a probable cause felony warrant issued by a McAllen Municipal Court Judge.

For further information contact Rick Copeland, Director or Chief Investigator Jim Fossum (512) 463-2011.

Nurses: Arizona

Attorney General Goddard announced the indictment of Dona Marie Aragon on April 18. Aragon was indicted on one count of Fraudulent Schemes and Artifices, a class two felony; two counts of forgery, class four felonies; and one count of Criminal Impersonation.

In December of 2004, Aragon applied for a position as an LPN with a medical office in Phoenix. She filled out the employment application and allegedly was hired based on false representations on the application and her resume. She provided a copy of a document purporting to be an LPN license. The document was an altered Arizona Board of Cosmetology Nail Tech License issued to another individual. She also provided a false reference letter.

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

Nursing Homes: Michigan

Attorney General Cox announced on May 18 that he has charged a former Chief Executive Officer (CEO) of Church of Christ Care Center in Clinton Township with knowingly presenting and causing to be presented false claims to the state's Medicaid Program and for embezzling money belonging to the Church of Christ Care Center for his personal expenses.

Stephen Czekiel was employed at the Church of Christ Care Center as the assistant administrator and in February 2004 became the Chief Executive Officer. From January 2000 through September 2004, Czekiel had sole responsibility for the Center's accounts payable and had access to the American Express and Home Depot company charge cards.

In May 2005, the MFCU received an anonymous complaint regarding Czekiel's misappropriation of the Center's funds. The Michigan Department of Community Health (MDCH) assisted in the investigation and completed an audit of Church of Christ Care Center's cost report for January 1, 2003 through December 31, 2004. Each year nursing homes are required to submit a cost report to the MDCH. The cost report summarizes the home's expenses and operating costs and is used to determine a nursing home's Medicaid reimbursement rate.

The audit completed by the MDCH revealed that Czekiel had misappropriated approximately \$88,000 from the Church of Christ for personal expenses, such as repairs to his personal vehicles, propane to heat his personal residence, and satellite television services.

Czekiel has been charged with two counts of violating the Medicaid False Claims Act, a felony with a maximum penalty of four years and/or a \$50,000 fine, and one count of embezzlement by an agent or trustee of \$20,000 or more, a felony with a maximum penalty of 10 years and/or \$15,000 or three times the amount embezzled, whichever is greater.

For further information contact Assistant Attorney General Jessica Frazier (517) 241-6500 or Special Agent Ryan Maring (517) 241-6525.

Nursing Homes: New York

Attorney General Eliot Spitzer announced on May 17 that a grand jury has indicted former nursing home owner Abe Zelmanowicz for stealing more than \$3 million from the Medicaid program. In addition to criminal charges, the Attorney General's office has filed a lawsuit against Zelmanowicz seeking treble damages – civil penalties of three times the amount of his larceny.

Zelmanowicz, is the former owner of two nursing homes, Eastchester Health Care Center, LLC and Split Rock Multi-Care Center, LLC. According to the charges in the indictment, from January 1, 1997, to August 27, 2003, Medicaid payments were made to the homes based on submissions by Zelmanowicz, which claimed that the nursing homes were properly reserving or "holding" a resident's room when the resident was temporarily hospitalized.

Under state law, nursing homes are only allowed to temporarily bill for "bed holds" when the home is 95% occupied and when the hospitalized residents had lived in the nursing home for at least 30 days before their hospitalization. It is alleged that Zelmanowicz knowingly billed for "bed holds" when he knew that he was not entitled to receive those payments under these regulations.

It is further alleged that Zelmanowicz fraudulently submitted claims for payment to the Medicaid program which falsely claimed that Medicaid patients were receiving ventilator treatment when the patients were not. Medicaid pays nursing homes significantly more for nursing home patients who receive ventilator care.

Zelmanowicz and the entities which formerly owned the two homes were arraigned in Albany County Court on a 21-count indictment charging with one count of Grand Larceny in the First Degree and 20 counts of Offering a False Instrument for Filing in the First Degree. If convicted, Zelmanowicz faces up to 25 years in prison.

Zelmanowicz and his partner, Rebecca Rich, sold the nursing homes in September 2002. The current owners of the nursing homes cooperated with the investigation and were not accused of any misconduct.

A related civil lawsuit filed by the MFCU seeks asset forfeiture from Zelmanowicz and Rich and seeks repayment by Zelmanowicz of three times the amount he fraudulently overbilled. The civil complaint alleges that Zelmanowicz, who took an \$800,000 annual salary from the nursing homes, ignored the repeated admonitions of his accountants to end his wrongful billing practices and repay the Medicaid program. The complaint further alleges that Zelmanowicz was warned by his staff that he was violating the rules governing Medicaid reimbursement but that he nonetheless instructed them to continue submitting the fraudulent claims. Altogether, the civil complaint seeks more than \$12 million from Zelmanowicz.

For further information contact Special Assistant Attorneys General Gilbert Epstein (845)732-7529 and Thomas O'Hanlon (845) 732-7523.

Patient Abuse: District of Columbia

The District of Columbia Medicaid Fraud Control Unit announced on May 5 that Clement Bassey Nkop was sentenced in D.C. Superior Court after being found guilty of two counts of attempted misdemeanor sexual abuse and two counts of simple assault on March 17. Nkop was found guilty following a trial in which two residents of a nursing home testified that Nkop engaged in sexual contact while providing personal care to them. The women informed a nursing manager about the offensive touching, which was subsequently reported to the D.C. Long Term Care Ombudsman.

Based on the seriousness of the offenses, Judge Jeanette Clark ordered Nkop to serve consecutive sentences totaling 400 days in jail for all four charges, to three years of supervised probation by Court Services & Offender Supervision Agency's sex offender supervision team, to stay away from the complainants, nursing home, and all statutorily defined vulnerable adults, and to register as a sexual offender.

For further information contact Susan Kennedy, Director (202) 727-8008

Patient Abuse: Ohio

Attorney General Petro announced that on September 21, 2005 that Jomo Henry was indicted on one count of patient abuse, a felony of the fourth degree. On February 13 Henry pleaded guilty to one count of patient abuse, a misdemeanor of the first degree. On May 12 Henry was sentenced. Henry struck a resident of Patterson Assisted Living Center on the head after a confrontation regarding a guest in the resident's room.

For further information contact Deputy Attorney General Keesha Mitchell (614) 466-0722.

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Attorney General Petro announced on May 15 that Ann Niles-Crumb was sentenced six months incarceration, suspended, 150 hours of community service, three years community control, and ordered to pay a \$1,000 fine in addition to court costs. On November 17, 2005, Niles-Crumb was indicted on one count of patient abuse, a felony of the fourth degree. On April 4, Niles-Crumb pleaded guilty to one count of Attempted Patient Abuse, a felony of the fifth degree. While working at Fairfax Health Care Center, Ann Niles-Crumb slapped a resident across the face.

For further information contact Senior Assistant Attorney General Constance Nearhood (614) 466-0722.

Patient Abuse: South Carolina

Attorney General Henry McMaster announced that Elexander B. Dow was convicted on May 22 of Assault and Battery of a High and Aggravated Nature. On or About September 15, 2005, Dow, while employed as a care giver at Clarendon Community Residential Care Center, did knowingly and willfully commit the offense of Assault and Battery of a High and Aggravated Nature. Dow did took indecent liberties with a resident.

On May 22, 2006, Dow pleaded guilty and was convicted for the Assault and Battery of a High and Aggravated nature. Dow was sentenced by the Honorable Howard P. King to five years suspended to two years probation.

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

Patient Abuse: Tennessee

The Tennessee Medicaid Fraud Control Unit announced on May 4 that Lasharia Day, a care giver for the mentally retarded, pleaded guilty to one count of Aggravated Assault in the Circuit

Court for Jackson and requested Judicial Diversion. The court sentenced Day to three years supervised probation, attend anger management classes and pay court costs. If, at the end of three years probation, she meets all conditions set forth by the court, the charges will be dismissed and expunged from the record.

This case was opened on April 25, 2005, based on a referral from an investigator for the Tennessee Division of Mental Retardation Services. It was alleged that Day, a direct caregiver with Mosaic, also know as Martin Luther Homes, a state contractor hired to provide services for the mentally retarded, assaulted a patient she was in charge of. The patient received numerous marks and bruises about her body. Another employee noticed the injuries and reported them to her supervisor. Day eventually told investigators what happened. The Division of Mental Retardation Services referred Day to the state Abuse Registry.

For further information contact Special Agent Glyn Whitworth (731) 984-6657.

Patient Abuse: Texas

Attorney General Abbott announced on May 25 that Royce Leon Wall, a Licensed Vocational Nurse (LVN), plead "No Contest" to a Class-A Misdemeanor charge of Assault in the County Court at Law for McLennan County, Texas. Wall was sentenced to twelve months Deferred Adjudication/Community Supervision.

In October 2003, while employed as a Charge Nurse at Hometown Care Center in Moody, Texas, Wall assaulted a sixty-one year old disabled female resident when he grabbed her by the arm and forced her to walk to the facility dining room. This action frightened the resident and resulted in bruising to her arm. Two days later, Wall refused to allow facility employees to assist the same resident when she fell out of her wheelchair. This caused the resident to crawl about the floor on her hands and knees in front of several other facility residents and resulted in bruises to the resident's knees.

For further information contact Rick Copeland, Director or Chief Investigator Jim Fossum (512) 463-2011.

Patient Neglect: Texas

Attorney General Abbott announced that on May 19 Michael Charles Moran, a registered nurse, pleaded guilty to Tampering with a Governmental Record, a Second Degree Felony. A second count of Injury to Elderly was dismissed in the plea agreement. The suspect was given a ten year Deferred Adjudication, ordered to pay a \$2,000 fine, to serve 500 hours of community service, and is prohibited from holding a nursing license for the term of ten years while on probation.

The case involves a patient who had been at Mountain Villa Nursing Home and had a change in condition which resulted in her being hospitalized and her leg amputated. Her leg was swollen and bruised and the condition was due to poor circulation in her leg. This happened on a Saturday and staff refused to send her to a doctor until Monday. The patient got worse during the night and Sunday the staff called for an ambulance. The emergency room physician examined the patient and said the leg was dead and that she should have been brought in much sooner.

For further information contact Rick Copeland, Director or Chief Investigator Jim Fossum (512) 463-2011.

Patient Trust Funds: Ohio

Attorney General Petro announced on May 1 that Eddie Williams, Jr. entered a plea of guilty to one count of Receiving Stolen Property, a misdemeanor of the first degree. On February 21, Williams was indicted on one count of Misuse of a Credit Card. Also on May 1, Williams was sentenced to six months incarceration, suspended, a \$100 fine, ordered to serve 30 hours of community service, and to pay costs. There was no restitution. The credit card company was able to reverse the \$1,314.16 in charges. Williams was involved with suspicious activity related to a resident's account at Isabelle Ridgway Care Center.

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

Patient Trust Funds: Texas

Attorney General Abbott announced on May 3 that Assistant Director of Nurses Angela Leal and Activity Director Abby Muir both pleaded guilty to Misappropriation of Fiduciary Funds, a state jail felony. They were both sentenced to two years of deferred adjudication, fined \$300 and each ordered to pay restitution of \$1,517.07. In addition they were ordered to pay \$50 to Crime Stoppers and \$100 to the Attorney General's Crime Victim's Compensation Division.

This case involves exploiting financial funds of private pay residents of the Palo Duro Nursing and Rehabilitation facility during 2005. It was charged that Leal and Muir were using funds from various patients to purchase Christmas presents for themselves and their children. A former employee of the nursing facility witnessed both suspects purchase the items. The Amarillo Globe News sets up an Empty Stocking Fund at the nursing facility for qualified residents allotting \$30 for each resident. This fund is intended to be used to buy Christmas gifts for the residents. Money from this fund was used by the suspects to purchase gifts for themselves and their children. Molino submitted 118 names to the Globe and the Globe pays \$30 for each resident. Molino told the nursing home administrator that they only received \$1,200 from the Globe when in fact they received \$3,540. The total amount of theft on this case is \$4,345.

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

Physicians: Tennessee

The Tennessee Medicaid Fraud Control Unit announced on December 12, 2005 that Young Moon, MD, an oncologist, was found guilty of three counts of Health Care Fraud and one count of False Statements Regarding Health Care Matters in United States District Court for Middle Tennessee. The court sentenced Moon to fifteen and a half years (188 months) to be served in the federal Bureau of Prisons. When released, she is to serve two years of supervised probation. In addition, she is ordered to pay an assessment of \$400 and restitution of \$432,238. Of the total restitution, \$328,369 is to be returned to the Centers for Medicare and Medicaid, \$11,723 is to go to the Tennessee Office of the Attorney General (TennCare/Medicaid) and \$92,146.00 is restitution for BlueCross/BlueShield of Tennessee.

This case was opened on July 12, 2001, based on a telephone call to the MFCU reporting possible fraud by Moon. It was alleged that Moon was billing for services not rendered, up-coding, and billing for drugs not administered. An agent for U.S. Department of Health and Human Services, Office of Inspector General joined with the MFCU to conduct the investigation. The investigation revealed that Moon was up-coding office visits to bill for a greater amount than documentation in the patient charts supported. In addition, the investigation showed that Moon was not administering the amount of medication she was billing for. The Tennessee Department of Health, Board of Medical Examiners revoked Moon's medical license on March 15.

For further information contact Special Agent in Charge Bob Schlafly, Director (615) 744-4362.

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The Tennessee Medicaid Fraud Control Unit announced on May 1 that Ronald Wright, a patient of Dr. Lorenzo Nichols, pleaded guilty in McMinn County Criminal Court to one count each of Prescription Fraud and Conspiracy to Commit Prescription Fraud. The court sentenced Wright to three years probation for the prescription fraud and two years probation for the conspiracy charge. They are to run concurrently. In addition, he must undergo drug and alcohol assessment.

This case was opened on August 24, 2004, based on information received from a former employee of Dr. Nichols. It was alleged that Nichols was writing prescriptions for hydrocodone and tramadol for various family members, in-laws and others. After having the prescriptions filled, the "patient" was to bring the tramadol to the doctor and keep the other. The investigation revealed that Wright, Nichols brother-in-law, was one of the people involved in the prescription fraud scheme.

For more information, contact Special Agent Kim Harmon (423) 634-3044.

Social Workers: Texas

Attorney General Abbott announced on May 12 that Bonnie Williams, owner of Medical Social Services of Grand Prairie, Texas, was sentenced in the 167th District Court of Travis County to five years Deferred Adjudicated Probation and 150 hours of community service pursuant to her plea regarding tampering with a government record. Williams has also been required to surrender her social worker license. Medicaid provider status and social worker licensure upgrade was obtained by Williams by failing to disclose her criminal history. She had previously been convicted under federal racketeering charges. During the investigation of this case, it was learned that Williams had agreed to re-pay the Medicaid program \$500 per month for approximately \$1 million of administrative overpayments identified by single state agency.

For further information contact Rick Copeland, Director or Chief Investigator Jim Fossum (512) 463-2011.

Substance Abuse Clinics: Texas

Attorney General Abbott announced on May 25 that Doris Blake, a chemical dependency treatment provider, was sentenced to 50 years incarceration. Blake was also ordered to pay \$1,043,970 in restitution. Blake pleaded guilty on March 29 to Felony Theft. Blake, the former owner of the chemical dependency treatment center, Help Helping Live Positive, was indicted September 1, 2005, for Felony Theft over \$200,000 and was arrested on September 9, 2005. Allegedly, Blake fraudulently obtained over \$1 million from Medicaid for counseling services that were never provided during her tenure as a Medicaid provider.

For further information contact Rick Copeland, Director or Chief Investigator Jim Fossum (512) 463-2011.

CASE UPDATES**Home Health Care Aides: New York**

Attorney General Spitzer announced on May 9 that a registered nurse was sentenced to a prison term of two to six years in connection with her theft of \$365,000 from the Medicaid Program by billing for home nursing services which she never provided.

Crystal J. Gemmell, pleaded guilty on March 9 before Judge Biagio J. DiStefano in the Madison County Court to one count of Grand Larceny in the Third Degree. As part of her guilty plea, she admitted that she had stolen from the state over a period of five years by billing Medicaid for services which she falsely claimed she had provided to five severely disabled children.

In addition to her prison sentence, Gemmell will lose her nursing license and be barred from participating in any federally-funded healthcare programs for at least five years. She also executed

a confession of judgment acknowledging that she owes the state three times the amount that she stole from the Medicaid program. (See: *Medicaid Fraud Report*, March 2006, pg. 7.)

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.

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

Physicians: Texas

Attorney General Abbott announced on May 22, 2006, that Dr. Linda Morgan was sentenced to 120 months on 12 counts of healthcare fraud and 60 months on one count of conspiracy, to be served concurrently. Morgan was found guilty by a federal jury on February 15, 2006. Morgan was ordered to pay \$7.9 million in restitution to Medicare and Medicaid and also received three years supervised release. (See *Medicaid Fraud Report*, February 2006, pg. 13) She was ordered not to practice medicine again, without the court's written permission, and she cannot submit any government claims other than for herself. Morgan, a licensed osteopath in Oklahoma, moved to the Houston area and signed pre-printed prescriptions and Certificates of Medical Necessity (CMNs) for motorized wheelchairs, in exchange for approximately \$250 each, without ever seeing any patients.

Twelve recipients that were identified in the indictment testified that they received scooters instead of motorized wheelchairs and that they had never been treated by Dr. Morgan. Four of the recipients had Medicaid crossover claims. From 2002 through 2004, Dr. Morgan's prescriptions resulted in about \$10 million in false claims to Medicare and Medicaid. From January 2004 through September 2004, Houston based Rovic Medical Supply, owned by Victor Davies, used false CMNs and billed Medicare over \$670,000 and Medicaid almost \$50,000. The investigation of Davies is continuing. This case was investigated jointly with the FBI and was prosecuted by the US Attorney's office in Houston, Texas.

For further information contact Rick Copeland, Director or Chief Investigator Jim Fossum (512) 463-2011.

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