



MEDICAID FRAUD REPORT

July/August 2007

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New York Home Health Agency Operators Convicted

Attorney General Andrew M. Cuomo announced on August 27 the convictions of a licensed home care services agency and its principals who stole millions from Medicaid by employing unqualified, uncertified home health aides and causing Medicaid to be billed for services never rendered.

Nachem Singer pleaded guilty to Grand Larceny in the 3rd Degree for his role in a scheme that defrauded Medicaid of over \$12 million dollars. Ervin Rubenstein pleaded guilty to 4th degree Grand Larceny and the licensed home care service agency they operated, Immediate Home Care, Inc., pleaded guilty to Grand Larceny in the 2nd degree and will pay \$12.5 million in restitution.

Immediate Home Care, Inc. was authorized in 1994 by the Department of Health to operate as a licensed home care services agency. Between 2003 and 2006, Immediate's revenues increased from approximately \$3 million to over \$52 million. Immediate has employed at least 2,000 home health aides, including George Babuadze, Raisa Haypapetyan, Rima Petrosyan, Julieta Sephashvili, Elvira Bruce, Sahakanush Yuzbashyan, Miriam Schwinder, Vano Saralidze, Ketevan Saralidze and Hersh Schwartz, whose convictions for operating with phony certifications resulted from Operation Home Alone.

In addition to employing uncertified aides - and causing Medicaid to be billed for their work - Immediate Home Care recruited aides from training facilities where false certifications could simply be purchased, with little or no training provided. Some of the Immediate aides provided little or no care to patients at all, but would bill for their time - sometimes 24 hours in a

single day - nonetheless, sometimes splitting the proceeds with their patients and with Singer and Rubenstein.

Further, Immediate Home Care caused Medicaid to be billed for aides who provided home care to their relatives. Under the Medicaid rules, services for close relatives, such as parents, spouses and in-laws, are not reimbursable, and for other relatives are only reimbursable under exceptional circumstances.

For further information contact Senior Assistant Attorney General Richard Harrow (212) 471-5251.

CASES

Counselors: South Carolina

Attorney General Henry McMaster announced on August 6 that Dr. Robert D. Cox and Gerrish A. Smith were convicted of ten counts each of Filing False Claims. Between April 29, 1999 and June 30, 2005, Dr. Cox and Smith filed false claims with the South Carolina Medicaid Program. Services for which the claims were filed had not been provided to Medicaid recipients. The defendants were upcoding counseling services.

Dr. Cox and Smith were each sentenced by the Honorable Roger Young to three years on each count, suspended upon successful completion of two years probation, to run concurrently. Restitution in the amount of \$140,000 was paid to the South Carolina Department of Health and Human Services.

For further information contact Assistant Deputy Attorney General Charles W. Gambrell, Jr., Assistant Attorney General T. Scott Beck, or Chief Investigator Harry Bracy (803) 734-3660.

Counselors: Texas

Attorney General Greg Abbott announced on August 1 that six owners and counselors at Assessment Professionals, a chemical dependency treatment center, were indicted by a federal grand jury. Owners Joseph Armstrong and Brian Wilson and counselors Kenesaw Bernsen, Nicola Holtzman, Armando Carmona, and Jimmie Adams were indicted on charges that they were involved in a scheme to commit health care fraud. Assessment Professionals claimed services for too many pediatric patients and billed Medicaid for substance abuse counseling for children who allegedly did not need it or did not receive it. From November 2004 to August 2005, Medicaid was billed \$3,500,972.93 by submitting over 50,000 claims and was paid \$1,789,333.94. The suspected overpayment in this case is in excess of \$197,000.

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Attorney General Abbott announced that on August 16 that Dolores Johnson, sole proprietor of Gracious Steps Counseling Center, appeared in federal court and was sentenced to 37 months in prison for her part in a scheme to defraud the Texas Medicaid program. Johnson was also ordered to pay \$250,591 in restitution. Johnson had pleaded guilty to one count of Health Care Fraud in April. She started Gracious Steps in 2002 as a counseling center for kids with alcohol and drug abuse issues. She then began to bill for counseling, that was never performed. Between 2002 and 2004, Johnson billed for \$356,610 and was paid \$269,240.

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Attorney General Abbott announced on August 17 that a grand jury indicted Bernard Asika Chieke Ejiogu for Aggregate Theft by a Government Contractor. It was alleged that between August 2, 2004, and October 23, 2004, Bace THT Alcohol & Drug Center, a chemical dependency treatment facility, owned by Ejiogu, billed Medicaid for chemical dependency counseling through the accounts of 49 Medicaid recipients and received \$83,570.31 in payment from Medicaid for services not rendered.

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Attorney General Abbott announced on August 17 that a grand jury indicted William Onyewuchi Nwanguma for Aggregate Theft by a Government Contractor and for Securing Execution of a Document by Deception. Uzoma Mark Ohuonu was also indicted on Aggregate Theft by a Government Contractor. Nwanguma owned Willuc Services, a Houston-based chemical dependency treatment facility. It was alleged that between October 1, 2005, and November 22, 2005, Willuc Services, owned by Nwanguma and his wife, Lucy Kemy Nwanguma, allegedly billed Medicaid \$117,450 for chemical dependency counseling through the accounts of 36 Medicaid recipients and received \$28,201.59 in payment from Medicaid for services not rendered.

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Attorney General Abbott announced on August 15 that a federal grand jury returned a 24-count indictment against licensed professional counselor (LPC) Debra Smith. 12 of the counts were for Health Care Fraud, in excess of \$70,000 but less than \$120,000, and the remaining 12 counts were for False Statements Involving Health Care Matters. Smith was charged for billing Medicaid for services not rendered totaling \$116,546.47.

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Attorney General Abbott announced on August 24 that Paul Mason appeared in federal district court and was sentenced to 60 months in prison, and three years of supervised release to be served upon the conclusion of his prison sentence. He was further ordered to pay \$662,037.48 in restitution to the Medicaid program.

A federal grand jury indicted licensed professional counselor (LPC) Janice Linn aka Janice Linn Mason dba Oaktree Counseling and her office manager/billing manager/husband Paul Mason. Linn was indicted on 16 counts of False Statements Relating to Health Care Matters. Mason was indicted on six counts of False Statements Relating to Health Care Matters and one count of a convicted felon in possession of a firearm. This case alleges that Linn and Mason billed Medicaid for services they were not providing. In some cases, the billings to Medicaid continued for up to three years without the clients ever having seen them. From January 1, 2002, through December 6, 2006, Linn was overpaid \$662,037.48 for counseling services not rendered. Linn pleaded guilty to a felony in state court and was sentenced to ten years probation. She was further ordered to pay \$330,000 in restitution.

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Attorney General Abbott announced on August 29 that a grand jury indicted licensed professional counselor (LPC) Belinda Skloss on charges of Theft by a Government Contractor. From January 1, 2003, thru March 31, 2006, Skloss, whose business name is "Belinda", billed Medicaid \$1,050,275 for mental health/behavioral counseling services of numerous clients and received \$141,944.65 in payment from Medicaid. The investigation revealed that Skloss allegedly obtained \$43,904 for services not provided and has a criminal history which included an arrest for "acting" as a marriage/family therapist without a license.

For further information on these cases contact Rick Copeland, Director or Chief Investigator Jim Fossum (512) 371-4700.

Dentists: New York

Attorney General Cuomo announced on July 8 that Robert Alonso and his wife Emilia Alonso were arrested on July 18 and arraigned on felony complaints that included Money Laundering in the Second Degree. They are accused of making financial transactions and filing false financial disclosure statements in an effort to hide assets from the courts. In addition to the criminal proceedings, Attorney General Cuomo is pursuing a civil suit against the Alonsos.

According to their indictment for Grand Larceny, Emilia Alonso fraudulently billed Medicaid for services her husband, a dentist, either did not provide, or which he provided while he was working on salary at another care center, therefore making him ineligible for payment through Medicaid. These included routine services such as cleanings and x-rays, as well as major

procedures like gingivectomies and oral surgeries. In addition, bills were submitted to Medicaid for dates when Robert was out of the country and traveling to locations including New Zealand, Fiji, Tahiti, Switzerland, and Spain. These findings were the basis for the first indictment.

A further investigation discovered that during the course of the initial investigation, Emilia Alonso withdrew \$828,817 from one bank account and deposited the same amount into another account at a different, foreign-based bank, which she later tried to put in their 18-year-old son's name. Both Robert Alonso and Emilia Alonso would later omit the \$828,817 from sworn statements of their total assets. When confronted with this discrepancy, the Alonsos claimed they had donated the money to charities located in the Dominican Republic and Argentina. Letters they submitted as evidence of such transactions turned out to be bogus.

For further information contact Special Assistant Attorney General Thom O'Hanlon (845) 732-7523.

Denturists: Washington State

Attorney General Rob McKenna announced on August 13 that Clinton J. Olson pleaded guilty to one count First Degree Theft and seven counts of Medicaid False Statement and was sentenced to serve 30 days incarceration, 24 months community supervision, and to make restitution in the amount of \$3,582 to the Medicaid program.

Investigator Grant Collins conducted the investigation for the Washington State MFCU. During the course of his investigation he determined that Olson through Whitman Dental Clinic, billed and received payment from the Medicaid program for dentures that he did not provide to patients. Olson was paid \$3,582 which he was not entitled to receive.

For further information contact Assistant Attorney General Lynn Mounsey (509) 456-6390.

Drug Diversion: New York

Attorney General Cuomo announced on July 8 that Karina Mangar was sentenced to jail for money laundering, and a home care aide was arrested and arraigned on charges she billed Medicaid for services she never provided.

Mangar was sentenced to nine and a half months in county jail for Attempted Money Laundering, related to a prescription drug, in the Second Degree. She was sentenced in connection with a widespread prescription drug diversion ring, and signed a \$1.7 million confession of judgment for funds she owes the state. Mangar is the wife of Lakhram "Larry" Mangar, who was sentenced March 14 to 4-to-12 years in state prison for selling diverted prescription medications on the black market as part of the scheme.

The convictions are the result of a multi-year investigation by the Medicaid Fraud Control Unit that included wiretaps and multiple search warrants. The Mangars, along with other conspirators including pharmacy owner Mohammed "Sahi" Saeed Kahn, were found to have illegally obtained millions of dollars worth of unused or stolen prescription medications, and sold them to wholesalers in New York, Utah and Texas, who, in turn, resold the drugs to retail pharmacies. Kahn pleaded guilty to 24 Medicaid fraud crimes and was sentenced to two to six years in state prison.

Larry Mangar placed the drug diversion money into two safes, one of which was located inside a wall in his home, and another in the floor of the basement. When Larry was arrested, Karina asked her father and grandmother to travel from Costa Rica to help her force open the safes. Karina, the mother of a one- and three-year-old was instrumental in moving the money from the Mangar's home to another house, carrying the cash in a large diaper box. The confession of judgment represents monies Mangar will owe New York State upon her release from prison. The Attorney General's Office has also filed a civil lawsuit seeking asset forfeiture from the Mangars and several relatives, and from businesses that allegedly received proceeds from the drug ring.

For further information contact Special Assistant Attorney General Lara A. Stingley (212) 417-2194.

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Attorney General Cuomo announced on July 30 the arrest of a nurse who stole narcotics from a nursing home and then falsified records at the home to conceal her theft. She also filed for renewal of her nursing licensing by falsely denying that she had been fired from her job for that activity.

Licensed Practical Nurse Kimberly Kozakiewicz was charged in a felony complaint with multiple counts of Criminal Possession of a Forged Instrument, Falsification of Business Records, and Offering a False Instrument for Filing, and misdemeanor Criminal Possession of a Controlled Substance.

For further information contact Special Assistant Attorney General John P. Miller (518) 473-8050.

Drug Diversion: Texas

Attorney General Abbott announced on August 10 that licensed vocational nurse (LVN) Suzanna Kate Smith pleaded guilty to Obtaining a Controlled Substance by Fraud and was sentenced by a district court to three years probation and 160 hours of Community Service Restitution. In addition, Smith was ordered to notify her employers of her conviction and is ordered to pay restitution for any lab fees incurred as a result of this case. On May 3, 2006, Smith

was found by facility staff at the Heartland Healthcare Center to be in possession of two blister packs of Vicoden belonging to a deceased resident. When interviewed about the narcotics, Smith admitted to taking the narcotics for her own personal use.

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Attorney General Abbott announced on August 14 that licensed vocational nurse (LVN) Peggy Lee was indicted by a grand jury for drug diversion. Lee was charged with Obtaining a Controlled Substance by Fraud, a third degree felony. On May 15, 2006, hydrocodone medication was discovered missing from the medication cart at the Theron Grainger Nursing Home. Tablets of hydrocodone were taken from two residents' blister packs. Lee was the night shift charge nurse at the time of the diversion.

For further information on both cases contact Rick Copeland, Director or Chief Investigator Jim Fossum (512) 371-4700.

Durable Medical Equipment: Texas

Attorney General Abbott announced on July 18 that Samantha Brown pleaded guilty to Forgery and received a sentence of three years deferred adjudication. On July 27, 2006, a grand jury indicted Brown for Tampering with a Government Document. On July 18, Brown pleaded guilty. Brown was an employee of Gericare Providers Inc. Gericare was billing Medicaid for wound care supplies, which required a certificate of medical necessity. It was alleged that certificates of medical necessity were being forged in some instances. The alleged overpayment was approximately \$227,000 for Medicaid and \$342,000 for Medicare.

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Attorney General Abbott announced on August 1 that four suspects have been arrested for participating in a patient wheelchair delivery scheme that defrauded the Medicare and Medicaid programs of almost \$4 million. An investigation by the Medicaid Fraud Control Unit led to federal indictments for Terri Ann Thurman Orozco, Carmelita Lavette Thurman, Michelle Ann Ray, and Sharon Johnson Thomas.

Orozco, Thurman and Ray each owns a durable medical equipment company that specializes in wheelchairs and motorized scooters for Medicare and Medicaid patients. Thomas is a patient recruiter for all three companies. The four suspects were indicted for conspiring to commit health care fraud, money laundering and anti-kickback schemes with physicians.

According to the indictments, Ray's Heart to Heart Medical Supply, Thurman's Top of the Line Medical Supply and Orozco's Twice as Nice Medical Supply conspired to obtain fraudulent paperwork from physicians who claimed the wheelchairs were medically necessary. The defendants used the phony certificates to bill Medicare and Medicaid for wheelchairs, but instead

delivered much less expensive scooters to patients, pocketing the cost differences. The scheme was perpetrated from August 2002 to December 2004, and the conspiring physicians have already been convicted of health care fraud.

All four suspects are part of a broader Houston-based conspiracy to commit massive fraud involving the delivery of expensive durable medical goods such as wheelchairs and scooters.

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Attorney General Abbott announced on August 6 that Udofia Bassey Willie was sentenced. Willie received six years probation, 200 hours of community service, and court ordered restitution of \$100,524.96 of which \$75,000 was paid at the time of appearance and \$15,803 to be paid in monthly installments. Willie was one of the owners of the Houston-based DME company known as Edima Health Management. His sentencing followed a guilty plea on August 3. Willie was indicted by a grand jury for second degree felony theft on November 27, 2006, along with 31 other Houston area DME providers who were billing Medicaid primarily for incontinence supplies that were never delivered. The 31 providers were responsible for approximately \$8.5 million in Medicaid overpayments. From April 2004 thru February 2006, Medicaid paid Edima \$301,980. The investigation revealed that Willie, after license revocation by Medicare on September 23, 2003, billed Medicaid for incontinent supplies not provided to recipients.

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Attorney General Abbott announced on August 9 that Sandra Thurman pleaded guilty to one count of Health Care Fraud and one count of Conspiracy at her plea hearing in federal court . Sandra Thurman, Anthony Thurman, and Katrice Oliver owned two DME companies, Thurman Family Medical Supply and Senior Comfort and Care Medical Supply. All three were indicted March 8 for Health Care Fraud, Anti-Kickbacks, and Money Laundering. Allegedly, Sandra recruited patients and opened DME companies in her niece Katrice's name and her son Anthony's name. They delivered scooters to the recruited patients and billed Medicare for motorized wheelchairs, based on fraudulent CMNs, many of which were signed by Dr. Lewis Gottlieb, who pleaded guilty and was sentenced to federal prison. It is alleged that Sandra Thurman and Katrice Oliver fraudulently billed Medicare \$1,576,117 from September 2002 through January 2003 and that Sandra and Anthony Thurman allegedly fraudulently billed Medicare \$3,214,271 from August 2002 through January 2003.

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Attorney General Abbott announced on August 17 that Joseph Itaedet Duke, a durable medical equipment provider and owner of Smick Medical Supplies appeared in district court and entered a plea of guilty. Duke was sentenced to seven years probation, 160 hours of community service, and ordered to pay restitution in the amount of \$2,356.64. On November 27, 2006, Duke was indicted by a grand jury for Felony Theft, over \$1,500, along with 31 other Houston-area DME providers who were billing Medicaid primarily for incontinence supplies that were never delivered. The 31 providers were responsible for approximately \$8.5 million in Medicaid overpayments. From December 18, 2003, thru January 26, 2004, Duke billed Medicaid and was paid \$6,130. The investigation revealed that Duke billed Medicaid after license revocation on November 3, 2004, and for wheelchair products not provided to recipients.

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Attorney General Abbott announced on August 17 that a grand jury indicted Uzoma Mark Ohuonu and his wife Lorie Penaflor Ohuonu. They were charged with Aggregate Theft by a Government Contractor. Both were arrested at their residence on August 21. The Ohuonu's operated Unique Medical & Rehab Center, a Houston-based chemical dependency treatment facility. It is alleged that between April 5, 2004, and August 13, 2004, Unique Medical & Rehab Center billed Medicaid for chemical dependency counseling through the accounts of 25 Medicaid recipients and received \$52,766.74 in payment from Medicaid for services not rendered.

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Attorney General Abbott announced on August 20 that Katrice Oliver pleaded guilty in federal court to one count of Conspiracy and one count of Health Care Fraud. Sandra Thurman, Anthony Thurman, and Katrice Oliver owned two DME companies, Thurman Family Medical Supply and Senior Comfort and Care Medical Supply. All three were indicted March 8, for Health Care Fraud, Anti-Kickbacks, and Money Laundering. Allegedly, Sandra recruited patients and opened DME companies in her niece, Katrice's, name and her son, Anthony's, name. It is alleged that they delivered scooters to the recruited patients and billed Medicare for motorized wheelchairs based on fraudulent CMNs, many of which were signed by Dr. Lewis Gottlieb, who pleaded guilty and was sentenced to federal prison. It is alleged that Sandra Thurman and Katrice Oliver fraudulently billed Medicare \$1,576,117 from September 2002 through January 2003 and that Sandra and Anthony Thurman allegedly fraudulently billed Medicare \$3,214,271 from August 2002 through January 2003.

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Attorney General Abbott announced on August 24 that Kevin O. Onwudiwe, a durable medical equipment provider and owner of Bruno Medical Supply, entered a guilty plea and paid \$7,000 in restitution. Onwudiwe is to pay an additional \$8,000 in restitution. Failure for

Onwudiwe to comply would result in a two-year incarceration with the Texas Department of Criminal Justice. On November 27, 2006, Onwudiwe was indicted by a grand jury for Aggregate Theft by Government Contractor, over \$1,500 and less than \$20,000, along with 31 other Houston area DME providers who were billing Medicaid primarily for incontinence supplies that were never delivered. The 31 providers were responsible for approximately \$8.5 million in Medicaid overpayments. Between September 21, 2003, and April 19, 2006, Onwudiwe billed Medicaid and was paid \$57,833. The investigation revealed Onwudiwe billed Medicaid after license revocation in August 2003 and billed for incontinent products not provided to recipients.

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Attorney General Abbott announced on August 29 that a grand jury indicted Michael Nzeadibe, a durable medical equipment provider and owner of West Universal Healthcare Services on charges of Theft by a Government Contractor. The district court subsequently issued a warrant for his arrest setting a bond of \$82,000. From January 1, 2003, thru February 4, 2004, Nzeadibe billed Medicaid and was paid \$41,902. The investigation revealed that recipients received products as billed, however Nzeadibe allegedly submitted fraudulent Certificates of Medical Necessity for motorized wheelchairs. This case was initiated as a direct result of the "DME Special" where 31 other Houston-area DME providers were indicted for billing Medicaid primarily for incontinence supplies that were never delivered. The 31 providers were responsible for approximately \$8.5 million in Medicaid overpayments.

For further information on these cases contact Rick Copeland, Director or Chief Investigator Jim Fossum (512) 371-4700.

Home Health Care Agencies: New York

Attorney General Cuomo announced on July 16 the arrests of the former operators of Welcome Home, a family type home for adults, who allegedly used the credit cards, bank accounts and identities of their residents, one of whom was receiving hospice care, to acquire a swimming pool, a tractor and cash.

Family Type Homes, for adults of all ages, are certified by the county Department of Social Services. These are typically a single family home in which the homeowner provides supportive services, meals, supervision, and personal care to four or fewer adults who are unrelated to the homeowner/operator. Welcome Home was closed by the state Office of Child and Family Services in July 2004, after the state police found the residents of the home in the care of a 14-year-old.

Harry Smith and his wife, Christine Smith were charged with Grand Larceny in the Third Degree for stealing thousands of dollars from two elderly residents of the home. In addition, Harry Smith was charged with Grand Larceny in the Third Degree, Forgery in the Second Degree, Criminal Possession of a Forged Instrument in the Second Degree and Identity Theft in

the First Degree for falsely using the identity and credit of one of the residents to purchase a tractor.

The indictment accuses the pair of stealing the proceeds of the sale of a 71-year-old resident's home, and wrongfully using the bank account and credit card of an 87-year-old hospice patient to purchase a swimming pool, fencing, and other items for their personal use. Harry Smith is also charged with falsely using the 71-year-old resident's identity and credit to purchase a tractor costing approximately \$25,000. Both residents are now deceased.

For further information contact Special Assistant Attorney General Timothy McFarland (585) 262-3905.

Home Health Care Aides: Arizona

Attorney General Terry Goddard announced on July 18 the sentencing of Karen Ann Hopkins. On June 13, Hopkins was sentenced to two years probation, ordered to pay restitution to AHCCCS in the amount of \$8,579.71, and ordered to pay \$ 2,875.00 to the MFCU for reimbursement of investigative costs. Karen Ann Hopkins pleaded guilty to Forgery a on May 3.

Hopkins was a caregiver who over-billed for habitation and respite care for three DDD recipients from 2001 to 2004 and billed for services not rendered and forged billing documents.

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

Home Health Care Aides: New York

Attorney General Cuomo announced on July 2 that a former home health aide, Shogit Karapetyan, pleaded guilty to Petit Larceny before state Supreme Court Justice John Ingram. Karapetyan pleaded guilty June 22 and will pay restitution in the amount of \$3,000 at time of sentencing.

Karapetyan and others, including three other home health aides who also pleaded guilty this month, Irina Barisavili Jansen, Bella Scott and Ano Chiarella, purchased bogus certificates falsely certifying that they had been trained to provide home health services. Under the law, these services must be provided by those who have successfully completed a training program licensed by the Department of Health or the State Education Department, with a minimum 75 hours of training and 16 hours of supervised practical training by a Registered Nurse.

For further information contact Richard Harrow, New York City Regional Director (212) 417-5251.

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Attorney General Cuomo announced on July 8 that Debra A. Dietrich, a home care aide, was arrested July 3 and was arraigned. Dietrich is charged with Grand Larceny in the Third Degree for fraudulently billing Medicaid \$15,729 for services she never provided in the care of her grandparents under a Medicaid personal aide program that allows for a relative to be paid hourly to provide care to relatives in their home. An investigation by the Medicaid Fraud Control Unit showed that Dietrich billed Medicaid for services during times when she was not even in her grandparents' house.

For further information contact Special Assistant Attorney General James P. Clarke (631) 952-6958

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Attorney General Cuomo announced on August 22 the convictions of ten home health aides, two registered nurses, and a Medicaid recipient. Vano Saralidze, Ketevan Saralidze, and Hershl Schwartz pleaded guilty to felony grand larceny and related charges. Former home health aides George Babuadze, Raisa Haypapeyan, Rima Petrosyan, Julieta Sephashvili, Elvira Bruce, and Sahakanush Yuzbashyan each pleaded guilty to petit larceny, and will pay restitution ranging from \$3,000 to \$5,000. Miriam Schwinder also pleaded guilty to the misdemeanor, received a conditional discharge, and will pay \$40,000 over the next five years.

The charges against the aides were based on their possession of falsified certification documents, and with respect to many of the aides, their lies about the hours they worked. Medicaid requires home health care aides - who primarily care for elderly patients, administer medication, and provide services such as catheter care, colostomy care and wound care - to successfully complete a training program licensed by the Department of Health or the State Education Department. All such aides must receive a minimum of 75 hours of training, including sixteen hours of supervised practical training conducted by a registered nurse. None of the aides received that training, and as a result, Medicaid was billed for ineligible services and Medicaid patients were given care by untrained aides. Two of the aides - Schwartz and Schwinder - were caring for family members, which is also not Medicaid-reimbursable.

Additionally, many of the aides worked concurrently for multiple home care service agencies, often submitting time sheets that, when put together, totaled more than 24 hours worked in a single day. In at least one case, Medicaid was billed for 36 hours of care provided for patients by one aide in a single day. Schwartz caused Medicaid to be billed for care he was supposedly providing to his father when he was in fact working in a grocery store.

Two registered nurses also pleaded guilty to related misdemeanor charges. Medina Manashirova and Anna Mills both worked for multiple certified home health agencies, and would submit bills to the agencies for multiple patients during concurrent periods of time.

In some cases, the recipients did not need care, but were complicit in the fraud. Home care recipient Raisa Tarakanova pleaded guilty to a misdemeanor and is to repay \$3,000 for her role in a scam in which she split Medicaid payments with her home health aide, who provided no services. Cases against other recipients are also pending.

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Attorney General Cuomo announced on August 23 that he secured guilty pleas from the former operators of two "certification mills" that provided false credentials to hundreds of home health aides as part of a widespread and elaborate scheme to defraud Medicaid of millions of dollars.

Laurette Escarment pleaded guilty to Grand Larceny in the 3rd degree for her role in providing hundreds of home health care aides with the fraudulent documents through her Jamaica, Queens-based On Time Home Care Agency. Her operation ran from at least 2003 until November last year, when she was indicted.

Mary Smalls, a registered nurse, pleaded guilty to Grand Larceny in the 4th Degree, for issuing hundreds of false certifications through her Smalls Training and Counseling School. Her operation ran from at least 2003 until late 2005.

Escarment and Smalls would provide - for a fee of approximately \$300 - \$400 - certificates of completion for state-required home health aide training courses. Smalls even went so far as to furnish "students" with the correct answers to the licensure exam, keeping the exams on file as purported proof the students had completed training.

Medicaid requires home health aides - who primarily care for elderly patients, administer medication, and provide services such as catheter care, colostomy care and wound care - to successfully complete a training program licensed by the Department of Health or the state Education Department. All such aides must receive a minimum of 75 hours of training, including sixteen hours of supervised practical training conducted by a registered nurse, and must pass an examination. Many of the aides possessing certifications from Smalls and On Time had received no such training, and as a result, Medicaid was billed for services provided by unqualified aides, and Medicaid patients were given care by untrained aides.

Armed with the false credentials provided by Escarment and Smalls, aides would gain employment with licensed home care service agencies, causing Medicaid to be billed for services they provided. However, provided as they were by unlicensed practitioners, the services were not eligible for Medicaid payments. Attorney General Cuomo has extended his investigation to these agencies, at least one of which employed aides whose certifications came from Escarment and Smalls.

For further information on both cases contact Senior Assistant Attorney General Richard Harrow (212) 471-5251.

Home Health Care Aides: North Carolina

Attorney General Roy Cooper announced on March 21 that Vickie Campbell pleaded guilty to one count of Attempted Medicaid Fraud by Provicar and one count of Common Law Forgery in Hoke County District Court. Campbell was sentenced to two consecutive 45-day terms in jail, suspended, 12 months supervised probation, a \$110 fine and restitution in the amount of \$2,605 to Carrieing Home Health Care.

The investigation revealed that Campbell was providing personal care to five Medicaid recipients and her own minor child. The patient's guardian stated that Campbell was seldom in the home, and stated that out of 34 time sheets, only three had actually been signed by the patient.

Campbell confessed to providing personal care services to her minor child and to signing time sheets and not following the plan of care.

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Attorney General Cooper announced on April 11 that Chequita Carpenter pleaded guilty to two counts of Misdemeanor Common Law Uttering of Forged Papers in Hoke County District Court. Carpenter was sentenced to two consecutive 45-day terms in jail, suspended, 12 months supervised probation, and restitution in the amount of \$40.50 to Miracle Home Health Care and \$1,050 to New Beginningz.

The investigation was initiated from a referral of the Division of Medical Assistance, Program Integrity. The investigation revealed discrepancies in hours claimed on time sheets submitted to Miracle Home Health Care and New Beginningz.

For further information on both cases contact Assistant Attorney General Erica Bing or Financial Investigator Tom Meece (919) 881-2320.

Home Health Care Aides: Ohio

Attorney General Marc Dann announced on July 10 that Maggie Johnson entered a plea of guilty to one count of Medicaid Fraud, a misdemeanor of the first degree and on that same day Johnson was sentenced to 90 days in prison; suspended, two years probation, ordered to pay investigative costs in the amount of \$300, and ordered to pay restitution in the amount of \$300. On April 17, an indictment was returned which charged Johnson with one count of Medicaid Fraud, a felony of the fifth degree, and one count of Theft, a felony of the fifth degree.

Johnson was a home health worker who caused Medicaid to pay for services she did not provide.

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Attorney General Dann announced on July 19 that Shevene Pearson was sentenced to three years in prison; suspended, five years probation, and ordered to pay restitution in the amount of \$45,000 to the Hamilton County Department of Job and Family Services. On April 6, an indictment was returned which charged Pearson with one count of Tampering with Records, a felony of the fourth degree and one count of Theft, a felony of the fourth degree. On June 21, Pearson entered a plea of guilty to one count of Tampering with Records, a felony of the fourth degree, and one count of Theft, a felony of the fourth degree.

Pearson was a home health nurse who continued to provide home health nursing services after her nursing license was suspended.

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

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Attorney General Dann announced on August 15 that Regina Hollingsworth entered a plea of guilty to one count of Attempted Theft, a misdemeanor of the first degree and on that same day Hollingsworth was sentenced to six months in prison; suspended, five years probation, ordered to pay investigative costs in the amount of \$3,406.77, and ordered to pay restitution in the amount of \$3,972. On March 20, an indictment was returned which charged Hollingsworth with one count of Medicaid Fraud, a felony of the fifth degree, and one count of Theft, a felony of the fifth degree.

Hollingsworth submitted timesheets to her employer, who, in turn, billed Medicaid for hours that Hollingsworth did not in fact work. Hollingsworth was working at a local grocery store during the same times that she reported she was providing services to her recipient/boyfriend.

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

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Attorney General Dann announced on August 16 that Stephen Luzier entered a plea of guilty to three counts of Medicaid Fraud, each being a felony of the fourth degree and on that same day Luzier was sentenced to 54 months in prison; suspended, five years probation, ordered to perform 100 hours of community service, ordered to obtain and maintain employment not as a

home health aide, ordered to undergo a Netcare Assessment, ordered to pay investigative costs in the amount of \$3,712, and ordered to pay restitution in the amount of \$59,328.50. On February 20, an indictment was returned which charged Luzier with three counts of Unlicensed Practice of Nursing, each being a felony of the fifth degree, three counts of Falsification, each being a misdemeanor of the first degree, three counts of Falsification in a Theft Offense, each being a felony of the fourth degree, five counts of Forgery, each being a felony of the fourth degree, three counts of Medicaid Fraud, each being a felony of the fourth degree, and three counts of Theft, each being a felony of the fourth degree.

Luzier is a home health aide who, on three separate applications for employment, represented himself as a LPN and presented employers with fraudulent credentials, including a fraudulent American Heart Association card, a fraudulent American Red Cross CPR card, and a fraudulent Texas nursing license.

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

Home Health Care Aides: Oregon

Attorney General Hardy Myers announced on July 9 that Cynthia Lorntzen pleaded guilty to one count of Making a False Claim for Health Care Payment and one count of Theft in the Second Degree for billing the Medicaid program for in-home care services that she did not provide.

Lorntzen was paid by the Medicaid program to provide in home care to her disabled mother. In the spring of 2006, she billed \$1,750.04 to the Oregon Department of Human Services for care that she did not provide.

She was sentenced to three years of probation with conditions that included 80 hours of community service, paying full restitution, fines and assessments, attorney's fees and special conditions that prohibit her from employment in any capacity paid with Medicaid or Medicare funds or with disabled and/or elderly individuals.

For further information contact Senior Assistant Attorney General Sheen Y. Wu (971) 673-1880.

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Attorney General Myers announced on July 16 that Crystal Slaughter was convicted of three felony counts of Theft I and two felony counts of Making a False Claim for Healthcare Payment.

Slaughter was one of two Medicaid-paid home healthcare workers who were paid to provide care for a severely disabled 20-year-old woman. Care was coordinated by the 20-year-old's mother, Enzel Bowler. In late December 2006, it was discovered that one of the care providers had quit and moved to California (the care provider called the Department of Human Services (DHS) to make sure her W-4 was sent to the correct out of state address). After the telephone call, DHS checked its records and saw that vouchers had been submitted in the caregiver's name. DHS suspected that vouchers submitted by Slaughter may be fraudulent. An investigation by the Medicaid Fraud Control Unit revealed that Bowler was submitting fraudulent vouchers under both care providers' names. While the care provider who moved to California was unaware of the fraud, the MFCU investigation revealed that Slaughter was aware of the fraud and that she and Bowler were splitting the money.

In an interview with a MFCU investigator, Slaughter admitted the fraud and said it all started when Bowler approached her at a homeless shelter with an offer to make some money and all she had to do was "sign some papers." Bowler has been charged with 47 various felonies and her case is pending.

As a result of her convictions, Slaughter was sentenced to serve a total of 20 days jail, placed on three years probation with conditions including the payment of \$16,890 to DHS.

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Attorney General Myers announced the conviction on August 10 of homecare worker Carrie Henderson of Making False Claim for Healthcare Payment.

Henderson was a Medicaid-paid homecare worker for an elderly Medicaid recipient. Henderson was authorized to work up to 65 hours every two weeks assisting in various healthcare tasks. In August 2006, the recipient was hospitalized for an extended period of time, but the defendant nevertheless submitted vouchers claiming to have provided services. The fraud was discovered when a case manager for the recipient learned of the hospitalization and cross-checked to see if Henderson was still submitting vouchers. It was discovered that one voucher had been submitted and paid, and a second voucher had just been submitted. The recipient died shortly thereafter.

As a result of the conviction, Henderson received credit for time served and placed on 36 months formal probation and ordered to perform 80 hours of community service, pay restitution of \$616.63, and pay other fines and assessments totaling \$826.63. Henderson was also ordered not to work as a Medicaid provider and not work with any elder or dependent persons without her probation officer's approval.

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Attorney General Myers announced on July 5 the conviction and sentencing of Vanessa Stinnitt on the felony charges of Making a False Claim for Healthcare Payment and Theft in the First Degree.

Stinnitt was a Medicaid recipient. Because of a claimed disability, Medicaid paid for a weekly care provider for Stinnitt; Stinnitt's caregiver was her daughter. In October 2006, Stinnitt's caseworker became suspicious that Stinnitt's daughter was no longer providing care and that Stinnitt was submitting forged vouchers for Medicaid payment, falsely claiming hours were worked and care was provided. As a result, the caseworker contacted the Medicaid Fraud Control Unit (MFCU).

The MFCU investigation determined that Stinnitt's daughter had moved in late August 2006 to Portland, which is a four hour drive from Coos Bay, and that the daughter had applied for food stamps and obtained a job in the Portland area. The MFCU investigator contacted Stinnitt on November 9, 2006, and she eventually admitted that the daughter had not provided care to her since the end of August 2006, and that she had forged four vouchers that she submitted, on which Medicaid paid a total of \$1,550.95. Stinnitt signed a written confession. There was no evidence indicating that the daughter was aware of her mother's fraud.

As a result of the convictions, Stinnitt was placed on three years probation and ordered to serve 30 days in jail and conditions of probation included payment of \$1,997.29 in fines, fees and restitution.

For further information on these cases contact Senior Assistant Attorney General Rodney Hopkinson (971) 673-1880.

Nurses: Minnesota

Attorney General Lori Swanson announced on August 10 that Adetoun Olufadebi Coker was charged by criminal complaint with six counts of theft by false representation. Coker is a registered nurse who billed the Medicaid program for services not provided. Coker was responsible for conducting supervisory visits of home health aides every 60 days to ensure that the home health aide was properly caring for the recipient. The RN supervisory visit must occur while the home health aide is providing the recipient with care. Coker falsified records when she reported (and signed time cards) that she supervised home health aides Adela Kazaniuk, Jon Kazaniuk, Sofia Litovsky and Jill Kazaniuk on dates when the services did not take place because the aides worked at other jobs or were out of the country.

For further information contact Assistant Attorney General Gina Jensen (651) 297-1093.

Nurses: New York

Attorney General Cuomo announced on July 30 that a home care nurse who falsely billed Medicaid for over \$150,000 was sent to jail.

Claudette Davis collected money for care she did not provide to her patient, a severely mentally and physically challenged child patient. She also took the child out of the state, despite rules forbidding her from doing so. Davis was sentenced by Acting Suffolk County Court Judge Jack Toomey to 60 days in jail, and has already paid \$168,000 in restitution.

Davis was employed through the Medicaid "Care at Home" program, which pays for nurses to provide care in the homes of disabled patients under the age of 18. For nearly six years from 2000 through 2005, Davis collected \$154,431 for care she did not provide, and for care she provided during long stints out of state unaccompanied by the patient's family members, which the program does not permit.

MFCU investigators further discovered that Davis billed Medicaid for 10 trips she took - without the patient - to Montego Bay, Jamaica and to Orlando, Florida, where in early 2005 she bought a home.

For further information contact Special Assistant Attorney General Alan Buonpastore, Director, Hauppauge Regional Office (631) 952-6966

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Attorney General Cuomo announced on August 20 that a former nurse at Whittier Rehab and Skilled Nursing Center, who recklessly injured a patient and then hid the incident from facility staff, was arrested.

Registered Nurse Brenda L. Griffin was charged in a felony complaint with Falsification of Business Records and Offering a False Instrument for Filing as well as misdemeanor Reckless Endangerment and Willful Violation of Health Laws.

According to the charges filed against her, Griffin changed a resident's catheter without a physician's order, despite rules forbidding her to do so, causing injury to the patient. She then failed to inform the treating physician of what she had done even as the resident's symptoms worsened. In addition, she covered up her actions by leaving them off the resident's medical chart.

Griffin is also accused of renewing her nursing license under false pretenses by failing to disclose that she had been restricted by the facility she used to work for, and that she had resigned to avoid the full imposition of those restrictions.

Griffin pleaded not guilty to all counts of the complaint, and was released on her own recognizance. Under the terms of her release, Griffin is not to have any patient contact in her capacity as a nurse at a different facility, unless under direct supervision of another RN.

For further information contact Special Assistant Attorney General Thomas N. Schleif (518) 474-8289.

Nurses: Ohio

Attorney General Dann announced on August 10 that Tina Smith was sentenced to 12 months in prison; suspended, four years probation, ordered to perform 40 hours of community service, ordered to pay investigative costs in the amount of \$901.32, and ordered to pay restitution in the amount of \$56,270.40. On February 20, an indictment was returned which charged Smith with one count of Medicaid Fraud, a felony of the fourth degree, and one count of Theft, a felony of the fourth degree. On June 21, Smith entered a plea of guilty to one count of Medicaid Fraud, a felony of the fifth degree.

Smith was a LPN who married the recipient to whom she was providing care. Smith billed Medicaid for services provided to her spouse at their home and also billed while her husband was in the hospital.

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

Nurses: Oregon

Attorney General Myers announced on July 20 the conviction of nurse Kathy Louise Meharry on felony Possession of a Controlled Substance, Driving Under the Influence of Intoxicants and Reckless Endangering.

The facts of the case date back to 2002 when Meharry was arrested by local police for Driving Under the Influence. At the time of the arrest, Meharry, a nurse at her husband's rural medical clinic, was found to have a syringe on her person and a search of her car revealed various prescription medications prescribed to a patient of the clinic where Meharry worked. Meharry was alleged to have diverted drugs presented in the name of patients, for her personal use.

As a result of her convictions, Meharry was ordered to serve 30 days house arrest and placed on 18 months probation and ordered to complete a drug and alcohol evaluation, perform 80 hours of community service, and pay \$2,093 in fines and assessments.

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

Nurses: Texas

Attorney General Abbott announced on August 1 that Certified Nursing Assistant Latasha Brooks was indicted by a grand jury on felony charges of Identity Theft. Between January and August of 2006, Brooks allegedly used the identifying information of a resident of Park View Care Centers to obtain phone and gas services at her residence.

For further information contact Rick Copeland, Director or Chief Investigator Jim Fossum (512) 371-4700.

Nursing Homes: Arizona

Attorney General Goddard announced on August 8 that the sentencing of Cynthia Henyard. On July 11, Henyard was sentenced after pleading guilty to forgery. Henyard was sentenced to two years probation and ordered to pay investigative costs to the Medicaid Fraud Control Unit of \$500.

Henyard between May 26, 2005 and October 10, 2005 forged a fingerprint clearance card to obtain employment with an elderly care facility and an assisted living facility. She also failed to acknowledge her prior convictions on her job applications.

For further information contact Steven Duplissis, Director (602) 542-3881.

Nursing Homes: New York

Attorney General Cuomo announced on July 30 that Abe Zelmanowicz, the former owner of Eastchester Health Care Center and Split Rock Multi Care Center, was sentenced to two to six years in prison and paid \$2.5 million in criminal restitution and civil damages for fraudulently billing Medicaid. He must pay \$3.5 million more over the course of a three-year period.

From 1997 to 2003, Zelmanowicz caused bills to be submitted Medicaid that fraudulently claimed his nursing homes were entitled to payments for reserving or "holding" residents' beds during periods when the residents were temporarily hospitalized.

Under New York State law, nursing homes are allowed to temporarily bill Medicaid for "bed holds" only when the nursing home is at 95% occupancy and the resident lived in the nursing home for at least 30 days before his/her hospitalization. Zelmanowicz's homes did not meet the requirements for "bed hold" reimbursement.

Zelmanowicz and the companies that ran his nursing homes were indicted in 2006 on one count of Grand Larceny in the First Degree and multiple counts of Offering a False Instrument for Filing in the First Degree. He was also charged with submitting claims that fraudulently

represented Medicaid patients at his facilities were receiving ventilator treatment, when in fact they were not.

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.

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

Nursing Homes: North Carolina

Attorney General Cooper announced on July 19 that Brunswick Cove d/b/a Brunswick Cove Nursing Center, the North Carolina Department of Justice, and the United States Department of Justice entered into a settlement agreement. Brunswick Cove agreed to pay \$178,594, representing double damages, and to enter into a Corporate Integrity Agreement with the Office of Counsel to the Inspector General, Office of Inspector General, United States Department of Health and Human Services.

The investigation was initiated on a referral from the Division of Medical Assistance, Audit Section. The MFCU investigators analyzed cost reports covering the dates from 1997 through 2002, interviewed numerous witnesses, including former employees and vendors, and reviewed voluminous corporate financial and business records.

The investigation revealed that for the years 1998 through 2001, Brunswick Cove included in its Medicaid cost reports direct care expenses that were not reimbursable direct care expenses resulting in an overpayment of \$89,297.

For further information contact Special Deputy Attorney General Charles H. Hobgood or Financial Investigator Pete Krupp (919) 881-2320.

Patient Abuse: District of Columbia

The District of Columbia Medicaid Fraud Control Unit announced on August 6 that a caregiver in a group home for developmentally disabled adults has been found guilty and sentenced for abuse of a vulnerable adult in 2006.

On July 26, Gigi L. Carter was found guilty of one count of criminal abuse of a vulnerable adult following a bench trial in the Superior Court of the District of Columbia. Carter, a caregiver in a group home operated by RCM of Washington, Inc., was sentenced on August 3, to 180 days in prison, with all but 15 days suspended, for criminal abuse of vulnerable adult residing at the group home. The defendant was also sentenced to one year of probation, ordered not to have

contact with vulnerable adults, and required to undergo drug testing and ordered to stay away from the facility, the vulnerable adult and government witnesses.

According to the government's evidence, on July 21, 2006, the victim and the defendant returned to the group home from a day program for developmentally disabled persons. While in the group home, the defendant repeatedly called the vulnerable adult a derogatory name, which led to further escalation and an angry exchange of words between the vulnerable adult and the defendant.

For further information contact Investigator Jonathan Rich (202) 727-5864.

Patient Abuse: Massachusetts

Attorney General Martha Coakley announced on August 8 that a former certified nursing assistant Martha Cruz pleaded guilty in connection with the assault and battery on an elderly patient in her care. She was sentenced to serve two years probation. Cruz pleaded guilty to the charge of assault and battery upon an elderly person. As a condition of her probation, Judge Pearson ordered that Cruz not be allowed to care for any elderly person in any context. She was ordered to stay away from the Sutton Hill Center Nursing Home, the victim and the two witnesses. Cruz must also perform 100 hours of community service and undergo an anger management assessment. The felony conviction permanently excludes Cruz from ever working in an elderly nursing home setting.

The charges follow an investigation by the MFCU into abuse that occurred at the Sutton Hill Center Nursing Home. According to authorities, on May 8, 2006, Cruz prevented an 86-year-old female nursing home patient from getting out of bed by stepping on her face and swearing at her. The incident was witnessed by two other staff members, who were both also certified nursing assistants. Sutton Hill staff immediately reported the incident to the Department of Public Health (DPH) and the Attorney General's Office. Cruz was terminated after a suspension and an investigation.

For further information contact Assistant Attorneys General Toby R. Unger and Julie Chattopadhyay (617) 727-2200.

Patient Abuse: Minnesota

Attorney General Swanson announced on July 17 that Saran Kellety Benga pleaded guilty to disorderly conduct. Benga, a registered nursing assistant, was terminated from her employment after she kicked nursing home resident in the shin, causing a large hematoma. Benga was sentenced to one year of probation with the conditions that she perform 40 hours of community service within 240 days and have no contact with vulnerable adults.

For further information contact Assistant Attorney General Jennifer Hasbargen (651) 296-1406.

Patient Abuse: New York

Attorney General Cuomo announced on August 6 that Joyce Card was arrested, arraigned, and charged with Willful Violation of Health Laws and Endangering the Welfare of an Incompetent or Physically Disabled Person, both misdemeanors, for restraining and injuring the patient when he became combative in the course of receiving care.

Card worked at Heritage Village from August 2006 until February, when she resigned amid the MFCU's investigation. The patient is 93-years old and suffers from chronic kidney disease, dementia and severe depression. Staff were instructed that, should the patient become difficult, they were to leave him to calm down and reapproach him later.

On one occasion in February, Card and two other nurses were attending to the patient when he became agitated and resistant. Rather than leaving the room, Card held the patient's arms across his chest, causing bruising and skin tears. Her actions were reported to the state Department of Health, which referred the case to the MFCU. Heritage Village cooperated fully with the investigation.

For further information contact Special Assistant Attorney General Laurie Frank (716) 853-8582.

Patient Abuse: Ohio

Attorney General Dann announced on July 19 that Jean Schulte was sentenced to 15 months in prison; suspended, one year probation, ordered to pay court costs, prohibited from holding employment and/or contact with the elderly in patient care, and ordered obtain and maintain verifiable employment. On March 6, an indictment was returned that charged Schulte with one count of Patient Abuse, a felony of the fourth degree. On May 21, Schulte entered a plea of guilty to one count of Patient Abuse, a felony of the fourth degree.

Schulte was employed by a nursing home facility. While transferring a resident, the resident became combative and swatted at Schulte. Immediately after the transfer, Schulte responded by slapping the resident in the back of the head with an open hand. An employee witnessed the incident and reported it.

For further information contact Assistant Attorney General Amy Koorn (614) 466 0722.

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Attorney General Dann announced on July 31 that Earlena Raspberry was sentenced to two years of probation, ordered to perform 200 hours of community service, and ordered to complete an anger management program. On March 6, an indictment was returned which charged Raspberry with one count of Felonious Assault, a felony of the second degree and one count of Patient Abuse, a felony of the fourth degree. On June 25, Raspberry entered a plea of guilty to one count of Attempted Assault, a felony of the third degree and one count of Patient Abuse, a felony of the fourth degree.

Raspberry twisted the arm of a resident resulting in a spiral fracture to the forearm.

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Attorney General Dann announced on August 6 that Arthur Robert entered a plea of guilty to one count of Attempted Assault, a misdemeanor of the second degree and on that same day Robert was sentenced to one year probation, ordered to pay a fine in the amount of \$200, and prohibited from working in long-term care. On August 11, 2006, an indictment was returned which charged Arthur Robert with one count of Assault, a misdemeanor of the first degree.

Robert, a STNA, struck a resident twice in the eye with a rag.

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

Patient Neglect: Nevada

Attorney General Catherine Cortez Masto announced on July 31 the sentencing of two Las Vegas residents on charges of Elder Neglect. The two separate cases were investigated by the Las Vegas Metropolitan Police Department's Abuse-Neglect Detail in connection with the Attorney General's Medicaid Fraud Control Unit (MFCU). Both cases were prosecuted by the MFCU. Those convicted are Lolita Taqueban and Emilie DaMaso.

Lolita Taqueban was operator of a group home. On October 26, 2006, she went grocery shopping, leaving the group home without a caregiver. While she was out, one of the residents suffered an apparent heart attack. Since no caregiver was present it was left up to the remaining residents and a boarder to call 911 to request emergency assistance and begin CPR.

On July 9, Taqueban plead guilty to one court of Elder Neglect, a gross misdemeanor offense with a possible penalty of one year in jail and a \$2,000 fine. District Court Judge James Bixler sentenced her to 12 months incarceration, suspended; two years of probation and over 400 hours of community service.

DaMaso was operator of a private group home. During March 2004, she accepted an elderly woman as a new resident. Even though DaMaso had opportunities, she failed to make a thorough inquiry with a physician about the resident's medical needs. It was alleged that the resident needed supplemental care and DaMaso's failure to quickly confirm the resident's condition complicated the staff's ability to provide adequate care.

On June 5, DaMaso pleaded guilty to one count of Elder Neglect, a gross misdemeanor violation with a potential maximum penalty of one year in jail and a \$2,000 fine. District Court Judge Valerie Adair sentenced her to nine months incarceration, suspended; three years of probation, \$2,000 restitution and over 500 hours of community service.

For further information contact Senior Deputy Attorney General Mark Kemberling (702) 486-3420.

Patient Neglect: New York

Attorney General Cuomo announced on August 13 that a former aide at the now-defunct Jennifer Matthew Nursing and Rehabilitation Center pleaded guilty to neglecting a 70-year-old resident and falsifying the patient's records to cover up her conduct.

Certified nurse assistant Tammy Devos admitted that she failed to turn and reposition the resident every two hours during her shift, as required by the patient's medical condition. She also falsely indicated she had provided this care and had regularly checked the patient for incontinence.

This patient suffered from dementia and other ailments including decubitus ulcers, which required that the patient be turned frequently to prevent skin breakdown. Devos pleaded guilty to one count each of Willful Violation of Health Laws and Falsifying Business Records in the Second Degree, both misdemeanors. She was immediately sentenced to serve four months of work weekends in jail.

As a result of the Attorney General's investigation, Devos becomes the tenth former Jennifer Matthew Nursing and Rehabilitation Center employee to plead guilty to neglecting the same resident. The crimes were revealed by evidence taken from video cameras that were hidden in the patient's room by the Medicaid Fraud Control Unit investigators. The cameras were hidden with the consent of the patient's family.

A civil case against the primary owner and operator of the facility, Anthony Salerno, and his consulting company, Healthcare Associates, is still pending.

For further information contact Senior Assistant Attorney General Jerry Solomon (585) 262-3970.

Patient Neglect: Ohio

Attorney General Dann announced on August 29 that Amy Sammons entered a plea of guilty to one count of Disorderly Conduct, a minor misdemeanor and on that same day Sammons was ordered to pay a fine in the amount of \$100, and ordered to pay court costs in the amount of \$121. On March 6, a complaint was filed in the Franklin County Municipal Court which charged Sammons with one count of Patient Neglect, a misdemeanor of the second degree.

Sammons was an aide at a nursing facility and inappropriately transferred a resident, which resulted in an injury sustained by a resident.

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

Patient Trust Funds: South Carolina

Attorney General McMaster announced on July 25 that Delphine Tate was convicted on July 25 of Breach of Trust with Fraudulent Intent (under \$1,000). Beginning on October 10, 2006 and continuing until on or about February 28, Tate received Social Security income and unlawfully converted the funds in the amount of \$800 to her own use and purposes with the intent of permanently depriving a patient at Cherokee County Long Term Care of these funds. The defendant is the stepdaughter of the resident.

Tate was sentenced to a fine of \$1,087 or 30 days confinement and ordered to pay \$800 in restitution to Cherokee County Long Term Care.

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

Patient Trust Funds: Texas

Attorney General Abbott announced on August 24 that Arthur Robert Thompson III, was sentenced to ten years deferred adjudication and ordered to pay \$30,000 in restitution and \$278 in court costs. On August 6, Thompson pleaded guilty to Theft. Thompson was indicted in March 2006 of theft over \$1,500.00 in a related case, for writing checks to himself out of a facility's general operating account. Thompson was the facility's administrator and office manager from May 2003 through December 2005. The investigation disclosed that Thompson wrote checks to himself and a co-worker from the facility's resident trust fund account of \$38,859.

For further information contact Rick Copeland, Director or Chief Investigator Jim Fossum (512) 371-4700.

Patient Trust Funds: Wisconsin

Attorney General J.B. Van Holen announced on August 8 that Kimberly Bagley is going to jail as part of a sentence handed down by the court. In June, Bagley pleaded guilty to two felony counts of Unauthorized Use of an Individual's Personal Identifying Information. A third count was dismissed and read in for sentencing purposes. The sentence is for three years probation on each of the two counts. As a condition of probation, Bagley must serve 90 days in jail and complete any alcohol and mental health treatments deemed necessary by the Department of Corrections. Bagley must also find and maintain full time employment in a non-caregiver position. Bagley was also required to pay restitution in the amount of \$2,239.90, to compensate the victims of her crime.

According to the Department of Justice's criminal complaint, Bagley was employed by Luther Manor Corporation and was assigned to work at River Oaks Assisted Living and Nursing Home. In 2006, Bagley was a caregiver to a pair of residents who are husband and wife. The wife suffers from advanced Alzheimer's and the husband has limited mobility and uses a wheelchair. As part of her duties, Bagley was given permission to use the residents' debit card in order to make purchases and run errands for them. Bagley was also given permission by the resident to use the debit card to purchase gas for her own vehicle once a month. Over the course of several months in 2006, the resident began to see excessive misuse of his debit card account by Bagley and charges on his Visa credit card which Bagley had never been given permission to use.

Upon questioning Bagley admitted that she "over-stepped the boundaries" in the use of the debit card. In a subsequent interview, Bagley admitted to performing all of the suspected transactions, which include purchases for cell phone service, computer software and credit reports. She also admitted that she knew that she only had permission to use the debit card to fill her gas tank once a month and to make purchases for the elderly victims.

For further information contact Assistant Attorney General Eric Défort (608) 266-8514.

Personal Care Attendants: Minnesota

Attorney General Swanson announced on August 8 that Kerri Lynn Votava pleaded guilty to theft by false representation. Votava was a personal assistant who provided personal assistant services to a Medicaid recipient. The recipient's mother called Votava's employer to question entries on her daughter's budget report, indicating that the number of staffing hours provided by Votava seemed too high. Votava's time cards were reviewed. Votava's last day of providing services to her daughter was August 23, 2006. Votava continued to submit time cards to her employer from August 24, 2006 through January 13, 2007 and was paid \$5,106.76 for those false hours. Votava was placed on probation for two years. She must perform 25 hours of community service within 90 days, pay a fine in the amount of \$50 and not accept any job involving Medicaid payment. Prior to sentencing, Votava paid \$5,106.76 to her employer.

For further information contact Assistant Attorney General Gina Jensen (651) 297-1093.

Personal Care Attendants: Texas

Attorney General Abbott announced on August 1 that a grand jury indicted personal care attendant Paula Washington on felony charges of Theft. Washington was charged with falsifying timesheets from November 2003 to March 2005 to cover for services not rendered. Washington worked for Home Health Specialties which was paid \$12,643.60 by Medicaid based on submitted billings. Washington was in turn paid \$7,848 by Home Health Specialties based on the alleged falsified timesheets.

For further information contact Rick Copeland, Director or Chief Investigator Jim Fossum (512) 371-4700.

Pharmacies: North Carolina

Attorney General Cooper announced on April 27 a settlement agreement was executed in which James Pierce and Pierce Pharmaceuticals agreed to pay \$3,139,028.80 for Medicaid recoupment, federal civil penalties, and relator's fee. Previously, on December 13, 2004, Pierce pleaded guilty to one count of health care fraud in the U.S. District Court of North Carolina.

The investigation was initiated upon information received from two employee of Pierce Pharmaceuticals alleged that Pierce was defrauding the North Carolina Medicaid Program. The investigation revealed numerous incidents in which Pierce Pharmaceuticals submitted Medicaid claims for refilling medications when, in fact, refills were not requested or delivered to the long-term care facilities serviced by Pierce Pharmaceuticals. The investigators conducted over 30 interviews which revealed that Pierce had employees prepare special reports showing prescriptions that had not been refilled during the current and previous month. Pierce was observed at computer terminals late at night entering data, and was observed using other employee's passwords to log onto the Pierce Pharmaceuticals computer system. Review of records, billing data, and reimbursement data showed that prescription refills were repeatedly billed for months at a time when the medications were never delivered to the facilities serviced by Pierce Pharmaceuticals.

For further information contact Charles H. Hobgood, Director or Financial Investigator, Tom Potts (919) 881-2320.

Physicians: Massachusetts

Attorney General Coakley announced on July 20 that sentenced Dr. Michael Brown was sentenced in connection with illegally prescribing drugs to seven of his patients, defrauding the state's Medicaid program, and larceny over \$250. Dr. Brown was sentenced to two and a half to three years in state prison. Judge Nickerson also ordered that Dr. Brown serve five years probation following the state prison sentence. Under the terms of his probation, Dr. Brown will be required to submit to random drug and alcohol screenings and make no steps towards reinstating his medical license.

Dr. Brown, a board certified physician specializing in internal medicine, practiced at his office from 1984 until his suspension by the Board of Registration in Medicine in August 2005. Dr. Brown prescribed to his patients OxyContin, Roxycodone and other Oxycodone-based medications for no legitimate medical purpose. OxyContin is a powerful and highly addictive narcotic used to treat moderate-to-severe chronic pain. It is a controlled substance in a category of drugs determined to have a high potential for abuse. OxyContin is highly sought after by drug abusers because of its substantial street market value of \$1 per milligram and because it causes a euphoric high. OxyContin is a controlled-release formulation of oxycodone, intended for continuous pain relief.

On April 25, 2006, Dr. Brown was indicted by a grand jury. He was charged with violating the Controlled Substances Act (16 counts), violating the Medicaid False Claims Act (11 counts), and larceny over \$250.

Dr. Brown's trial began with jury selection on July 11, 2006. Opening statements were delivered later that day. The trial continued over five days, with closing arguments given on July 18, 2007. The jury deliberated for approximately two days before reaching a verdict.

For further information contact Assistant Attorney General Steven L. Hoffman or Senior Investigator John Curley (617) 727-2200.

Physicians: Texas

Attorney General Abbott announced on August 31 that a civil settlement order was signed in the Orthopedic Surgery Center Case. In the agreement, Dr. Raul Marquez will pay \$3,128,466 and enter into a Corporate Integrity Agreement ensuring future compliance with all of the applicable rules and regulations of both the Medicare and Medicaid programs. Dr. Raul Marquez, owner of Orthopedic Surgery Center, allegedly billed for physician services performed by an LVN, submitted billings for services when he was out of town, up coded visits and billed for patient transfers to home for a higher reimbursement rate when in fact these were transfers to a rehabilitation center owned by Dr. Marquez. Martha Cepeda, Dr. Marquez's office manager, previously pleaded guilty to her role in the case and was sentenced on December 20, 2006, to five months incarceration and two years supervised release with the first five months served as home confinement.

For further information contact Rick Copeland, Director or Chief Investigator Jim Fossum (512) 371-4700.

Psychologists: Texas

Attorney General Abbott announced on August 15 that Dr. Joe Lerma, Ph. D. was convicted by a federal jury. The jury found Dr. Lerma guilty on all nine counts of Healthcare Fraud. He is facing a maximum of ten years and a \$250,000 fine on each count. The guilty verdict is based on charges that Dr. Lerma billed Medicaid for psychological interviews and psychological

testing which exceed more than 24 hours in a day. In addition, it was alleged that Dr. Lerma was also allowing unlicensed individuals to perform psychological procedures on his behalf. Lerma was paid \$1,592,787.16 by Medicaid for the time period 1999 to 2007. Overpayments identified are approximately \$1.1 million for Medicaid and \$40,000 for Medicare.

For further information contact Rick Copeland, Director or Chief Investigator Jim Fossum (512) 371-4700.

CASE UPDATES

Counselors: Texas

Attorney General Abbott announced on August 9 that licensed professional counselor (LPC) Janice Linn, aka Janice Linn Mason, pleaded guilty to one count of 1st Degree Felony Health Care Fraud. She received ten years probation, restitution in the amount of \$330,000, a \$60 community service fee and was ordered to do 320 hours of community service. On February 21, Linn was originally indicted by a federal grand jury on 16 counts of False Statements Relating to Health Care Matters. (See: *Medicaid Fraud Report* May/June 2007, page 2) The case was removed to state court for a plea and sentencing. This case alleged that Linn and her husband and bookkeeper, Paul Mason, were billing Medicaid for services they were not providing. In some cases, it was alleged that the billings to Medicaid continued for up to three years without the clients ever having seen them. It was charged that from January 1, 2002, through December 6, 2006, Linn was paid \$662,037.48 for counseling services not rendered.

For further information contact Rick Copeland, Director or Chief Investigator Jim Fossum (512) 371-4700.

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