



National Association
of Attorneys General

MEDICAID FRAUD REPORT

March/April 2007

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Money Laundering Scheme Nets Tax Preparer 11 Years

Attorney General Edmund G. Brown Jr. announced that Yakoob Habib was sentenced to 11 years state prison for his role in an international money laundering operation. The Attorney General's Office identified more than \$12 million that Habib, a tax preparer and used car salesman, illegally transferred to destinations including the United Arab Emirates, Pakistan, Russia, and Latvia. He also underreported more than \$28 million in income.

Orange County Superior Court Judge James A. Stotler sentenced Habib under a plea agreement that Habib and the Attorney General's Office reached in February. When he pled guilty, Habib admitted to laundering more than \$2.5 million that he knew or should have suspected was from criminal activity. The source of the funds included money stolen from Medi-Cal through California Premier Medical Laboratories and Professional Service Reference Laboratory.

In papers filed with the court, Habib said that he "received money with the goal of rendering it so that it would be difficult for law enforcement to determine the origin of this money and its ultimate destination." Habib said he used a variety of aliases and businesses to handle the money, and moved funds through traditional banks as well as through "hawala." Hawala is a money transfer system which took root in the Islamic world hundreds of years ago, that relies on the trading of "IOUs" and has been modernized with the use of fax, phone, and e-mail. Once money enters the hawala stream, it can be impossible for authorities to follow the money trail.

Habib was indicted by the Orange County Grand Jury in June, 2004. Habib has been in custody since November 21, 2003 when he was arrested by the Royal Canadian Mounted Police

on a fugitive warrant and extradited to Orange County. Habib was located in Mississauga, Ontario, Canada by the FBI where he had fled after jumping bail on an earlier criminal case involving running an unlicensed money transmitting business out of his Anaheim tax office.

In addition to pleading guilty to money laundering, Habib pled to charges of flight on bail and tax evasion. According to the Franchise Tax Board, which investigated Habib with the State Attorney General and the Inspector General of the U.S. Department of Health and Human Services, Habib was a certified tax preparer who operated a store front he called K-Tax Services. Habib failed to report nearly \$10 million that flowed through his personal accounts, and another \$18 million that went through his corporation, K & K International. In his guilty plea Habib described several tax dodges that revolved around using aliases, including his Pakistani family name, Kalia. He lied on his tax return that Yakoob Kalia was his brother and was a dependent, when that was actually his birth name. He also sent more than \$7 million in clandestine wire transfer under the Kalia name to an account in the United Arab Emirates. In the year 2000 alone, Habib understated more than \$13 million that he received.

Attorney General Brown credited the work of the Bureau of Medi-Cal Fraud and Elder Abuse, the Franchise Tax Board, and the HHS Inspector General's Office for their painstaking investigation of Habib over the past six years. That led to dozens of bank accounts that fed money into Habib's control, Habib's multiple identities, and eventually connected Habib to associates convicted of laundering money for drug traffickers in Canada and accused of kidnaping in Pakistan.

"Habib came across our radar in 2001," said Deputy Attorney General Hardy Gold, the MFCU prosecutor. "He was a peripheral character in a syndicate that stole \$20 million from Medi-Cal by running fraudulent clinical laboratories that billed for bloodwork that wasn't done or wasn't authorized by doctors."

Habib was first arrested in June, 2002, along with eleven other defendants in the laboratory fraud case. He pled guilty in October that year, and agreed to cooperate with law enforcement. Prosecutors filed papers stating that Habib breached his agreement by giving conflicting statements, avoiding testifying against a co-defendant, and traveling to England, Dubai and Malaysia, without permission of the court. Faced with the prospect of a prison sentence for violating his plea bargain, Habib went underground in July, 2003, and was sentenced to three years in state prison in absentia. Four months later he was arrested in Canada.

"Ultimately, we were able to establish more than \$30 million ran through Habib's hands in a five year period yet he had nothing to show for it. He lived in a non-descript apartment that he didn't pay rent on because his wife and he managed it, and he drove an old car. We later determined he was Yakoob Kalia, and that his brothers controlled the Kalia Group, a large financial conglomerate in Pakistan that includes Khanani & Kalia, yet Habib certainly didn't live in the lap of luxury."

Fortune Magazine identifies Khanani & Kalia as Pakistan's largest chain of moneychangers. The Kalia Group website shows subsidiaries involved in stocks and bonds, commodity exchange, information technology, and security vaults.

Habib's wife, Rashida Kalia, was also indicted by the Orange County Grand Jury for tax evasion. She remains a fugitive.

For further information contact Deputy Attorney General Hardy Gold (619) 688-6165.

CASES

Alcohol and Substance Abuse Clinics: Kansas

Attorney General Paul Morrison announced on March 29 that a husband and wife who ran The Great Meeting Is On For Your Success drug and alcohol treatment center face prison time after being convicted of health care fraud. Federal jurors found Peggy Franklin-El and Johnnie Franklin-El guilty of making more than \$1.24 million in false claims to Medicaid.

Peggy Franklin-El was convicted on 69 counts including conspiracy to defraud Medicaid, health care fraud, money laundering and obstruction of justice. The jury found Johnnie Franklin-El guilty on 22 counts including conspiracy, health care fraud, money laundering and obstruction of justice.

According to the grand jury indictment, the business submitted false claims for services that were not provided. The claims named 67 Medicaid beneficiaries that were supposed to have received services.

Among them are the following; claims for treatment reportedly provided to infants and children 12 and younger, in one case, the beneficiary was only 36 days old; claims for beneficiaries who had no history of drug or alcohol use and had not been diagnosed as needing community-based drug and alcohol abuse services, claims for services not authorized before claims were submitted and for which they could not bill Medicaid, such as tutoring, anger management counseling, transportation, feeding and baby-sitting, and claims for services not documented and for which required assessment tools were not completed.

Evidence showed that Peggy Franklin-El received a salary of \$65,000 to serve as executive director and Johnnie Franklin-El was paid as much as \$5,000 a week to serve as president and program director and to provide counseling.

For further information contact Loren Snell, Director (785) 368-6214.

Alcohol and Substance Abuse Clinics: Texas

Attorney General Greg Abbott announced that on March 7 a grand jury indicted Emeke Agboh, charging him with Aggregate Felony Theft by a Government Contractor. Agboh was subsequently arrested on March 8 by MFCU peace officers. Agboh was the owner of Genesis Drug & Alcohol Rehab Center and Shiloh Mental Health Services. From July 2004 thru October 2004, Agboh, through Genesis Drug & Alcohol Rehab Center, allegedly billed Medicaid and was paid \$91,229 for chemical dependency treatment services not provided. It is also alleged that from June 2005 thru April 2006, Agboh, through Shiloh Mental Health Services, billed Medicaid and was paid \$132,592 for counseling sessions that were not provided.

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Attorney General Abbott announced on March 16 that Ruthie P. Thurman (aka Gayla Thurman) pleaded guilty to one count of violating Healthcare Fraud, in federal court. The other 14 counts of the of the original indictment were dismissed.. Thurman was the Executive Director of Artie B's Bridge of Hope, a Medicaid provider for adolescent chemical dependency counseling. The allegations are that Artie B's was providing medically unnecessary services to adolescent Medicaid recipients and also billing Medicaid for services not rendered. The suspected overpayments in this case are \$760,478.06.

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

Counselors: Texas

Attorney General Abbott announced on April 3 that Dolores Johnson, sole proprietor of Gracious Steps Counseling Center, pleaded guilty to one count of health care fraud. Johnson started Gracious Steps in 2002 as a counseling center for kids with alcohol and drug abuse issues. She then began to bill for SHARS counseling which was never provided. Between 2002 and 2004, Johnson billed for \$356,610 and was paid \$269,240.

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Attorney General Abbott announced on March 9 that Licensed Chemical Dependency Counselor (LCDC) Deborah Beresky, owner of Delta Area CD Counseling, was sentenced to ten years confinement in the Texas Department of Corrections. The sentencing was based on a guilty plea to one count of first degree felony theft. LCDC Beresky was indicted on April 26, 2006, based on allegations that from 2002 to 2005, Beresky was paid \$1,947,769.47 by Medicaid for services that were not provided. This case was worked jointly with HHSC MPI, the Department of State Health Services, Substance Abuse Compliance Group and the FBI Office in McAllen, Texas.

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Attorney General Abbott announced on March 28 that Licensed Professional (LPC) Counselor Madelina Garcia was indicted by a grand jury on two counts of tampering with a government record and one count of theft over \$20,000 and under \$100,000. The indictment specifies that the monies were taken under a contractual relationship with the government making the offense a second-degree felony. Allegedly Garcia was billing Medicaid for counseling services for foster children that were not rendered. During 2004 to 2006, the provider was paid \$515,968.39. The amount of alleged fraud identified is \$56,950.16.

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Attorney General Abbott announced on April 11 that a federal grand jury returned a 24-count indictment against licensed professional counselor Sheri Bell. She was true-billed on 12 counts of Health Care Fraud and 12 counts of False Statement Relating to Health Care Matters. This case alleges that the subject is being paid at a level that is not reasonable for her provider type and that Medicaid does not allow for the supervision of or billing on behalf of work performed by other providers. An initial analysis of billing records determined that Bell was billing well above 12 hours per day on the majority of her clients, some days are billed as 23 hour days. The investigation has determined a Medicaid overpayment in the amount of \$404,214 for 2002 through 2006.

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

Dentists: Kentucky

Attorney General Greg Stumbo announced on March 8 that Peter Robert Ciampa, an oral surgeon was found guilty of defrauding the Kentucky Medicaid Program. A jury convicted Ciampa of fraudulently billing the Kentucky Medicaid Program and double-billing for services. He is charged with three counts of devising or engaging in a scheme to defraud the Kentucky Medical Assistance Program (KMAP, commonly known as Medicaid) out of nearly \$10,000 between January, 2001 and November, 2004. On March 7 the jury recommended a sentence of one year on each count to run concurrently.

For further information contact Assistant Attorneys General Lettricea Jefferson-Webb or Jennifer Wintergerst (502) 696-5405.

Dentists: Texas

Attorney General Abbott announced on March 27 that Dr. John Antle, DDS and his office manager wife Gloria Antle with Saratoga Dental pleaded guilty to Medicaid Fraud. They were

sentenced to three years deferred adjudication and ordered to pay \$20,000 in restitution within a year and 120 hours of community service. Dr. Antle's community service is to provide free dental services to Nueces County probationers. Dr. and Mrs. Antle were indicted in November 2006 for Medicaid Fraud and charged with adding dental procedures to claims for services not performed. Saratoga Dental was paid \$634,010 by Medicaid for the time period 2000 to the present. Investigators have identified approximately \$13,814 in false claims from the records review for prosecution.

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Attorney General Abbott announced on April 17 that a representative for Professional Clinic Management, Inc., and its corporate counsel pleaded guilty to one count of Medicaid Fraud and agreed to pay \$100,000 in restitution to Medicaid at time of sentencing. Based on this plea, it is anticipated that specific charges against Kevin Seddens, DDS, will be dropped. A February 2005 indictment alleged that Seddens, an Arkansas dentist, had obtained approximately \$500,000 from the Texas Medicaid program for services to Texas patients not actually provided, including full mouth debridements; periodontal scaling and root planing; and the administration of nitrous oxide. He was found guilty in federal court on June 24, 2005, but never sentenced. On March 9, 2006, a federal grand jury in Tyler re-indicted the defendant on 22 counts of Healthcare Fraud. Medicaid overpayments in the amount of \$532,459.03 have been identified.

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

Drug Diversion: Tennessee

The Tennessee Bureau of Investigation announced on March 5 that Lloyd Starr entered into a Memorandum of Understanding for a Suspension of Prosecution. He was charged with one count of Prescription Fraud and one count of Conspiracy to Commit Prescription Fraud. If he complies with the terms in the memorandum for one year, the charges will be dismissed.

This case was opened on August 24, 2004, based on information received from a former employee of Dr. Nichols. It was alleged that Dr. Nichols was writing prescriptions for pain medication, primarily hydrocodone and tramadol, with little or no medical necessity. Dr. Nichols would have the patient (sometimes family members) pick up the prescriptions and bring the drugs back to him and share some of the drugs with that person. A lengthy investigation showed that Starr, among many others, was one of the patients picking up the prescriptions and receiving a portion from Dr. Nichols. In March 2006 Starr and nine others were indicted by a grand jury on one count each of Prescription Fraud and Conspiracy to Commit Prescription Fraud.

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

Drug Diversion: Texas

Attorney General Abbott announced on March 9 that Judith Ann Boyd, a registered nurse (RN), pleaded guilty to one count of Obtaining Controlled Substance by Fraud, a Second Degree Felony and was sentenced to five years incarceration, which was subsequently probated for five years. Additionally, Boyd was ordered to pay a \$2,000 fine. She agreed to surrender her nursing license to the Texas State Board of Nursing Examiners. A MFCU investigation found that in October 2005, Boyd falsified governmentally required narcotics records while employed as a nursing supervisor at Red Oak Health and Rehabilitation Center, located in Red Oak, Texas. She did so for the purpose of diverting, for her own personal use, a blister pack containing 30 tablets of hydrocodone, a controlled substance, narcotic medication.

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Attorney General Abbott announced on April 5 that certified medication aide (CMA) Johnnie Delores Watkins pleaded guilty to two counts of Obtaining a Controlled Substance by Fraud and one count of Possession of a Controlled Substance. Watkins was sentenced to ten years in jail, probated for ten years and ordered to 400 hours of community service for the fraud charges. She received ten years deferred probation for the possession charge and was also ordered to pay a \$4,000 fine, as well as \$1,290.87 restitution to the Health and Human Services Commission.

Watkins was previously indicted on August 12, 2005, for Possession with Intent to Deliver and for Obtaining a Controlled Substance by Fraud for drug diversions which occurred at Westward Trails. At this facility, Watkins ordered controlled substance medications (Phenergan with Codeine and Hydrocodone) without physician orders from March 2004 to October 2004. She admitted she sold the controlled substance medications for personal gain. She was also indicted for Obtaining a Controlled Substance by Fraud at Westridge Manor. At this facility, Watkins obtained Hydrocodone from a resident in January 2005 and admitted to taking the medication for personal use.

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Attorney General Abbott announced on April 26 that certified medication aide (CMA) Steven White pleaded guilty to a charge of Obtaining a Controlled Substance by Fraud, a Third Degree Felony. White was sentenced to ten years in the Texas Department of Criminal Justice Institutional Division which was probated ten years, and ordered to pay \$721.81 in restitution and to complete 600 hours of community service. The MFCU investigation found that White, while employed at Texas Heritage Oaks and Rehabilitation Center in Lubbock, made false entries on governmental documents showing that he had dispensed narcotics to residents at the facility when in fact he had not. White was suspected of diverting narcotics when a resident's wife informed the facility that her husband was not responding to his prescribed narcotics for pain

relief. A drug screen on the resident showed no narcotics in the resident's system. White had documented giving narcotics to the resident hours before.

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

Durable Medical Equipment: South Carolina

Attorney General Henry McMaster announced on April 12 that George H. Richardson, IV was convicted of one count of Filing False Claims. Richardson submitted records to his employer, Professional Medical Services, which were false and resulted in a claim being filed with the Medicaid Program for services which had not been rendered or provided by Richardson.

He was sentenced to three years with the South Carolina Department of Corrections and a \$500 fine, suspended upon six months service, payment of the \$500 fine and four years probation. Probation may be terminated after two years provided all restitution has been paid. He was ordered to pay court costs of \$697.37 and restitution of \$15,001.27.

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

Durable Medical Equipment: Texas

Attorney General Abbott announced on March 5 that Ekpedeme Obot, a Houston-based durable equipment provider, pleaded guilty in the Praise Medical Supplies investigation and was sentenced to two years probation and 180 hours of community service. No restitution was ordered since identified overpayment restitution was paid to HHSC Sanctions prior to the pleading. Obot was indicted by a Harris County grand jury in November 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. Between January 2003, and April 2006, Obot/Praise DME billed Medicaid and was paid \$11,497 for incontinence supplies not provided.

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Attorney General Abbott announced on March 8 that Sandra Thurman, Anthony Thurman, and Katrice Oliver were indicted on 46 counts, including Health Care Fraud, Anti-Kickbacks, and Money Laundering. S. Thurman, A. Thurman, and Oliver are owners of Senior Comfort and Care Medical Supply and Thurman Family Medical Supply, two Houston DME companies. It is alleged that S. Thurman, the mother of A. Thurman's mother and the aunt of Oliver was a recruiter of patients to obtain fraudulent CMNs. She allegedly opened her own

DME companies in her niece's name (Senior) and her son's name (Thurman Family) to deliver scooters to the recruited patients, while billing Medicare for motorized wheelchairs.

The billings were based on fraudulent CMN's, many of which were signed by Dr. Lewis Gottlieb, who has pled guilty and is currently serving time in a federal prison. Gottlieb fraudulently billed Medicaid for the visits of the recruited patients and would then sell signed fraudulent CMNs to DME companies. It is alleged that S. Thurman and Oliver fraudulently billed Medicare \$1,576,117 from September 2002 through January 2003 and that S. Thurman and A. Thurman fraudulently billed Medicare \$3,214,271 from August 2002 through January 2003.

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Attorney General Abbott announced on March 13 that a grand jury indicted Emmanuel Paschal Okon, a Houston durable medical equipment provider and the owner of Transition Medical Supply, for Felony Aggregate Theft. The case originated in the Houston "DME Special." Between January 1, 2003, and April 30, 2006, provider Okon, who is also employed full time at the Texas Department of Corrections as a prison guard, allegedly billed Medicaid after license revocation and for incontinence supplies not provided to recipients.

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Attorney General Abbott announced on March 21 that a federal grand jury handed down a 35-count indictment for Ime Wilson and Theresa Peters, owners and directors of Access Medical Supply, a Houston DME company. The charges include Conspiracy, Health Care Fraud, Wire Fraud, Mail Fraud, Money Laundering Promotion, and Money Laundering Concealment. The charges stem from an alleged scheme to defraud Medicare and Medicaid by billing for motorized wheelchairs and delivering scooters. From February 2001 through October 2002, Wilson and Peters billed Medicare for \$3,345,016 and were paid \$1,023,509. From January 2003 through June 2003, they billed Medicaid for \$115,818.35 and were paid \$8,518.15.

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Attorney General Abbott announced on March 23 that Kwasi Darfour was indicted by a grand jury for Felony Aggregate Theft in the SandPlex Medical Supplies investigation. The court subsequently issued a warrant for his arrest setting a bond of \$272,000. Reportedly, Darfour fled the Houston area in August 2006. Kwasi Darfour, owner of the Houston based company, who is also a durable medical equipment provider, allegedly billed and obtained \$379,190 from Medicaid from November 2003 thru March 2006, after his license was revoked. DME suppliers who are enrolled in the Medicaid program must maintain their license with Medicare in order to participate in the Medicaid program. The investigation revealed evidence that Darfour billed Medicaid for incontinent supplies that were not provided to recipients.

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Attorney General Abbott announced on March 26 that Paul Udo, the owner of Dependable Medical Supply, pleaded guilty on charges of Felony Aggregate Theft. He paid restitution in the amount of \$3,122. Udo was indicted by a grand jury for Aggregate Theft by a Governmental Contractor (over \$1,500 and under \$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 January 2003 and April 2006, Dependable Medical Supply was paid \$3,122 by Medicaid for products not provided. Allegedly Dependable billed Medicaid for wheelchairs while only providing recipients scooters.

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Attorney General Abbott announced on March 26 that Harold Horatio Iyalla, also known as Prince Yellowe, the owner of 1st Choice Medical Supply, a DME company, was sentenced to 51 months and ordered to pay Medicare \$5,632,000. Iyalla has further been ordered to forfeit various assets including a business bank account with approximately \$758,000, his Houston residence, a Land Rover and his Hummer.

In October 2006, a federal jury convicted the other four of the five defendants. The trial concerned Charles Skripka, M.D.; Jayshree Patel, M.D.; Harold Horatio Iyalla; Pius James Ekiko, owner of Horizon Medical Supply; and Dennis Brown, a patient recruiter. The total fraud scheme involved over \$21 million in Medicare/Medicaid dollars. Skripka was found guilty of conspiracy, six counts health care fraud, one count of wire fraud and three counts of money laundering; Patel of ten counts of health care fraud; Ekiko of conspiracy, nine counts health care fraud, three counts of wire fraud and 12 counts of money laundering; and Brown of conspiracy, 11 counts health care fraud, and two counts of wire fraud. Iyalla had pled guilty before the trial and testified against the other defendants.

Skripka and Patel were doctors employed by Lewis Gottlieb to write fraudulent CMNs. Dennis Brown was a recruiter from Louisiana who brought in Medicare patients by vans, cars, and buses to Skripka and Patel. Iyalla billed Medicare only and Ekiko billed Medicare and Medicaid for wheelchairs, but instead delivered scooters to patients. From August 2002 through June 2003, the total amount paid was \$1,422,714.55 with \$228,057.73 from Medicaid and \$1,194,656.82 from Medicare. It has been determined that all the billing was fraudulent.

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Attorney General Abbott announced on April 16 that Ollie Elvin Ross, a durable medical equipment provider and owner of Ollie Ross Medical, pleaded guilty to charges of Felony Aggregate Theft and was sentenced to four years deferred adjudication. On November 27, 2006, Ross was indicted by a grand jury 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 January 1, 2003, and April 30, 2006, Ross billed Medicaid and was paid \$81,041. The investigation revealed that Ross billed Medicaid for power wheelchairs not provided to recipients and continued billing after revocation from Medicare in May 2004.

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Attorney General Abbott announced on April 24 that Ohaeto C. Maduabuchi, a Houston-based durable equipment provider and owner of Emco Medical Supplies pleaded guilty to charges of Aggregate Theft by a Government Contractor. Maduabuchi was sentenced to two years probation, 160 hours community service and paid \$22,058.51 in restitution. On November 27, 2006, Maduabuchi was indicted by a grand jury for Aggregate Theft by a Government Contractor, 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 August 1, 2003, and April 30, 2006, Emco Medical Supplies billed Medicaid and was paid \$24,706. The investigation revealed that Maduabuchi allegedly billed Medicaid after license revocation on June 6, 2003, for wheelchairs and wheelchair accessories not provided to recipients.

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

Home Health Care Agencies: Ohio

Attorney General Dann announced on April 18 that Wilma Kpohanu was sentenced to a total prison term of 97 months, three years probation after release, and ordered to pay restitution in the amount of \$2,714,148. Kpohanu is jointly and severally responsible for restitution. On June 27, 2006, an indictment was returned charging Kpohanu with one count of Healthcare Fraud, one count of Obstruction of Official Business, and two counts of making a False Statement in a Healthcare Matter. On December 8, 2006, Kpohanu was found guilty of one count of Healthcare Fraud, and two counts of making a False Statement in a Healthcare Matter.

Kpohanu is the owner of Angel Health Care in central Ohio. Kpohanu, was responsible for concocting the scheme to submit false billing information to the Ohio Medicaid Program for services not rendered.

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Attorney General Dann announced on April 18 that Angel Health Care (AHC) was sentenced to three years probation, and ordered to pay restitution in the amount of \$2,714,148. AHC is jointly and severally responsible for restitution. On June 27, 2006, an indictment was returned charging Angel Health Care (AHC) with one count of Healthcare Fraud, one count of

Obstruction of Official Business, and two counts of making a False Statement in a Healthcare Matter. On December 8, 2006, AHC was found guilty of one count of Healthcare Fraud, and two counts of making a False Statement in a Healthcare Matter.

AHC is a healthcare company in central Ohio. AHC, currently in bankruptcy, was responsible for submitting false billing information to the Ohio Medicaid Program for services not rendered.

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

Home Health Care Aides: Ohio

Attorney General Marc Dann announced on March 28 that Latisha Christian entered a plea of guilty to one count of Theft, a misdemeanor of the first degree and on that same day Christian was sentenced to 90 days in prison; suspended, and ordered to pay restitution to New Millennium Home Health in the amount of \$640. On January 16, an indictment was returned which charged Christian with one count of Medicaid Fraud, a felony of the fifth degree and one count of Theft a felony of the fifth degree.

Christian, a home health aide, billed for services she never provided to a Medicaid recipient. The owner of the healthcare agency reported Christian when he learned that Christian continued to bill for services while the recipient was incarcerated.

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Attorney General Dann announced on March 29 that Kimberly Carter entered a plea of guilty to one count of Medicaid Fraud, a misdemeanor of the first degree and on that same day Carter was sentenced to 30 days in prison; suspended, ordered to pay court costs, and ordered to pay restitution in the amount of \$504. On January 16 an indictment was returned which charged Carter with one count of Medicaid Fraud, a felony of the fifth degree and one count of Theft a misdemeanor of the first degree.

Carter, a home health aide, submitted time sheets to a healthcare agency claiming that she worked 12 hours. In reality, Carter was working only none hours.

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 March 9 that Shirley Townsend (Curgil) was sentenced to 12 months in prison; suspended, five years probation, and ordered to pay restitution

in the amount of \$24,753.23. On January 23, Townsend (Curgil) entered a plea of guilty to one count of Medicaid Fraud, a felony of the fifth degree. On October 17, 2006, an indictment was returned which charged Shirley Townsend (Curgil) with one count of Medicaid Fraud, a felony of the fourth degree and one count of Theft, a felony of the fourth degree.

Townsend worked for A Caring Alternative as a home health aide providing daily living serves to consumer Stanley Curgil. She worked there from December 2003 until February 2006. A Caring Alternative terminated Townsend upon learning that she was married to Stanley Curgil, her lone patient. Mr. Curgil was a participant in the waiver program. Townsend and Stanley married on September 21, 2004, as evidenced by their marriage certificate. In addition to learning about Townsend's marriage during the investigation, MFCU agents also determined that Townsend had a criminal record for aggravated assault.

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

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Attorney General Dann announced on April 18 that Angela Whitfield entered a plea of guilty to one count of Medicaid Fraud, a misdemeanor of the first degree. On April 18, Whitfield was sentenced to six months in prison; suspended, four years probation, assessed a fine of \$250; suspended, ordered to pay restitution in the amount of \$4,260, and ordered to pay investigative costs in the amount of \$50. On November 21, 2006, an indictment was returned charging Whitfield with one count of Medicaid Fraud, a felony of the fifth degree, and one count of Medicaid Fraud Kickbacks, a felony of the fifth degree.

Whitfield, a former home health aide, billed for services not rendered from July 17, 2006 to September 3, 2006 as well as participated in a kickback scheme with a recipient.

For further information contact Senior Assistant Attorney General Alan Schwepe (614) 466-0722.

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Attorney General Dann announced on April 6 that Danielle Scott entered a plea of guilty to one count of Medicaid Fraud, a misdemeanor of the first degree and was sentenced to 60 days in prison; suspended, ordered to pay restitution in the amount of \$4,224, and ordered to pay investigative costs in the amount of \$2,736.15. On January 16, an indictment was returned charging Scott with two counts of Medicaid Fraud, both felonies of the fifth degree.

Scott, a former home health aide, billed for services not rendered to two different recipients. She confessed to a special agent of the MFCU.

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

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Attorney General Marc Dann announced on April 30 that Joshua Butcher was sentenced to 20 days in prison; suspended, ordered to pay a fine in the amount of \$250, and ordered to pay restitution in the amount of \$996. On February 20, an indictment was returned charging Butcher with one count of Medicaid Fraud, a felony of the fifth degree. On April 30, Butcher entered a plea of guilty to one count of Medicaid Fraud, a misdemeanor of the first degree.

Butcher, an independent home health provider, billed for services not rendered from October 7, 2004 to December 8, 2004.

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

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Attorney General Dann announced on April 5 that Tabitha Farnsworth was sentenced to five years of probation, ordered to perform 80 hours of community service, ordered to pay court costs, ordered to complete a program to obtain a GED, ordered to pay restitution in the amount of \$31,752, and ordered to pay investigative costs in the amount of \$1,500. On March 21, 2006, an indictment was returned charging Farnsworth with one count of Medicaid Fraud, a felony of the fourth degree. On February 26, Farnsworth entered a plea of guilty to one count of Medicaid Fraud, a felony of the fifth degree.

Farnsworth, a home health aide, billed for services not rendered from January 6, 2005 to January 5, 2006.

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

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Attorney General Dann announced on April 24 that Tosha Fisher entered a plea of guilty to one count of Theft, a felony of the fourth degree and was sentenced to six months in prison; suspended, four years of probation, ordered to pay a fine in the amount of \$500, and ordered to pay restitution to the victim in the amount of \$11,424. On February 20 an indictment was returned charging Fisher with one count of Medicaid Fraud, a felony of the fourth degree, and one count of Theft, a felony of the fourth degree.

Fisher, a former home health aide, billed for services not allowed by the All Service Plan from January 1, 2004 to April 14, 2006.

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

Home Health Care Aides: South Carolina

Attorney General McMaster announced on April 12 that Jennifer M. Tidwell was convicted of one count of Filing False Claims. Tidwell submitted records to her employer, Nurses on Call, which were false and a claim was filed with the Medicaid Program for services which had not been rendered or provided by Tidwell.

She was sentenced by the Honorable G. Thomas Cooper to three years with the South Carolina Department of Corrections, suspended upon two years probation, 48 hours community service, restitution in the amount of \$802.40 and court costs of \$128.75.

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

Home Health Care Aides: Texas

Attorney General Abbott announced on April 30 that Iyad Abu El Hawa was sentenced in federal court, to 46 months in a federal prison. Both entered guilty pleas for charges of Health Care Fraud and Tampering with a Consumer Product during the fake flu shot case in Houston in September 2005. El Hawa was the operator of Amazing Grace Resources, Inc., dba Comfort and Caring Home Health Care and America Home Healthcare Services, and Gonzales was his employee. The two orchestrated a scheme to provide counterfeit flu shots to over 1,000 employees of ExxonMobil as well as to a number of elderly residents at area senior citizens' housing facilities. The plan was uncovered and stopped before any significant Medicaid billing could be submitted. El Hawa remains in federal custody in Houston while Gonzales is free on a \$50,000 bond.

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

Medical Transportation: Texas

Attorney General Abbott announced on March 26 that John Laws pleaded guilty in the United States District Court for the Southern District of Texas to one count of health care fraud and one count of conspiracy. Laws is the owner of Vital Care Ambulance, an ambulance company which operated in Houston, Texas. During September 2000 through December 2003, Vital Care submitted claims to Medicare and Medicaid for ambulance transportation of patients

to and from dialysis centers when the patients allegedly did not meet the criteria for ambulance transportation. In some cases, Vital Care transported patients in personal cars or commercial vehicles. Vital Care was paid over \$116,000 by Medicaid and over \$1,100,000 by Medicare. In December, Laws was indicted in the Southern District of Texas on 30 counts of health care fraud, four counts of money laundering, one count of conspiracy to commit health care fraud. He was arrested shortly thereafter.

* * * *

Attorney General Abbott announced on March 27 that guilty verdicts were returned against Anura Andradi on 40 of 42 Healthcare Fraud Charges. Not guilty verdicts were returned on the additional charges of Conspiracy to Commit Healthcare Fraud and Conspiracy to Commit Money Laundering. On March 28, the jury rendered a verdict relating to the money loss for the case and the asset forfeiture. The jury concluded that the loss amount for this case was approximately \$750,000 and further awarded the government approximately \$224,000 located in four separate bank accounts belonging to Andradi as well as five previously seized ambulances valued at over \$63,000.

Between January 2004 through December 2005, Doctor's Ambulance Service, owned by Andradi, transported at least 20 patients that either walked or sat in a wheelchair. Due to their ambulatory status, these patients appear to not have qualified for the regularly scheduled non-emergency ambulance transport to and from dialysis treatments. Doctor's was paid \$1.6 million for transports to these 20 patients, which represented 54% of Doctor's gross profit.

* * * *

Attorney General Abbott announced on March 30 that Carlos L. Nelson pleaded guilty to Securing Execution of Document by Deception in the amount of \$1,500 to \$20,000 by Aggregate Amount. The plea agreement ordered five years deferred probation with restitution to the State of Texas in the amount of \$9,348.81. Nelson made immediate partial payment in restitution of \$2,500 to the court. The case involved Nelson who contracted with the State of Texas to be the primary source of transportation for medical appointments for her son who was a Medicaid recipient. Nelson billed and received mileage reimbursement for claimed travel that did not occur on 247 occasions between September 2001 and August 2002 for a total of \$9,348.81.

* * * *

Attorney General Abbott announced on April 18 that a federal grand jury indicted five men associated with Americare Medicial Services. They were charged with Health care fraud. Indicted were, Raed Awad Almasri, Murad Anwar Almasri, Ayad Mahmoud Fallah, Mazen Younes Abdallah and Wesam Younes Abdallah. Americare is a Houston-based ambulance service originally operated by Raed, Almasri and Fallah. During the course of the investigation, the three original owners sold the company to Abdallah and Abdallah. The indictment charged

that new owners continue to engage in the same activities which brought the company under investigation. Allegedly, the company billed for non-emergency transportation for dialysis patients who do not meet the Medicaid/Medicare guidelines for such transport. Between October 2002 and 2007, Americare billed \$2.1 million and was paid over \$570,000 by Medicare and over \$600,000 by Medicaid.

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

Mental Health Clinics: Texas

Attorney General Abbott announced on March 8 that a grand jury indicted Emmanuel Amatosero for Aggregate Theft by a Government Contractor in the Trinity Assisted Recovery Center investigation. From June 2005 thru January 2006, Amatosero, who is the owner of the Houston-based company, billed Medicaid and was allegedly paid \$12,741 for mental health and behavior counseling that was not provided.

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

Nurse Aides: Texas

Attorney General Abbott announced on March 1 that Judy Irene Houze entered a plea of guilty before Tarrant County Criminal District Court , Judge Elizabeth Berry for the felony offense of Fraudulent Use of Identifying Information. Houze received five years deferred adjudication and a \$1,500 fine. Houze was a certified nursing assistant at Arlington Heights Health and Rehabilitation when she fraudulently obtained a residents identifying information and used it to obtain a cell phone.

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

Nursing Assistants: Colorado

Attorney General John Suthers announced on April 2 that Gay Ellen Copher pleaded guilty to forgery. Copher received a two-year deferred judgment and sentence on the felony, with conditions to include 50 hours of useful public service and payment of court costs and victims assistance fees.

The investigation by the MFCU showed that Copher worked for many years for a home health provider performing Certified Nurse Assistant (CNA) duties in the city of Denver and elsewhere. She periodically submitted certificates to her employer which appeared to be CNA certificates issued by the State of Colorado. When the employer recently began verifying

employee status through the state, it learned that Copher had never been certified as a CNA by Colorado. The MFCU and licensing investigators determined that Copher had forged several certificates over the years to support her employment as a CNA. When questioned, she told investigators that she had taken the state CNA written test, but never returned to take the practical exam and instead simply forged the certificates.

For further information contact Assistant Attorney General George A. Coddington or Investigator Kenneth Bohling (303) 866-5755.

Nurses: Ohio

Attorney General Dann announced on March 20, that Tamara Brown entered a plea of guilty to one count of Medicaid Fraud, a misdemeanor of the first degree and on that same day Brown was sentenced to pay court costs, ordered to pay a fine of \$100, and ordered to pay restitution in the amount of \$11,000. On August 15, 2006, an indictment was returned which charged Brown with one count of Medicaid Fraud, a felony of the fourth degree.

Brown was a LPN for First Choice Health of Ohio. The MFCU determined that Brown billed for providing services to a home health recipient while simultaneously working full time, seven nights a week, at a nursing home facility. Brown is the second defendant to be sentenced in connection with this investigation.

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

Nurses: Texas

Attorney General Abbott announced on March 8 that registered nurse (RN) Victor Chukwuocha of Houston pleaded guilty to one count of Aggregate Theft by a Governmental Contractor and was sentenced to three years deferred adjudication. The subject paid \$18,000 in restitution up front. Chukwuocha, dba CNE Health Services, was indicted in October 2006 for billing for services not rendered. Several patients interviewed claimed to have never seen the nurse nor even heard of him. One Medicaid recipient stated she provided a representative of CNE Health Services the Medicaid numbers of her seven children because she was promised various kinds of assistance, but she did not receive any services. It has been alleged that between August 2002 and August 2003, CNE Health Services was paid \$40,879 for services not rendered.

* * * *

Attorney General Abbott announced on March 20 that a jury sentenced licensed vocational nurse Phyllis Eskue to a seven-year prison sentence probated for seven years. Eskue pleaded guilty to Obtaining a Controlled Substance by Fraud and Tampering with a Governmental Record on March 19. Judge Alvin Khoury subsequently imposed the following

additional terms: Eskue's probation was extended to eight years; she must serve 30 days in jail as a condition of probation; complete an alcohol/drug evaluation; and perform 384 hours of community service. Eskue was formerly employed as a licensed vocational nurse at Gregg Home for the Aged. While employed there, Eskue diverted hydrocodone and subsequently tried to conceal her actions by changing dates on the medication sheet. She was also accused of a drug diversion at Crestcare Nursing and Rehabilitation Center which was taken into consideration at sentencing.

* * * *

Attorney General Abbott announced on March 29 that a grand jury indicted registered nurse Patti Michelle Taylor on two counts of Obtaining a Schedule 3 Controlled Substance by Fraud, which are Third Degree Felonies. The drug diversions took place at Panola Nursing and Rehabilitation. During a period of August 2005 to July 2006, Taylor is alleged to have diverted medication from a resident and Medicaid was billed for the medication. It is also alleged that Taylor ordered medication in the resident's name without physician orders for the medication.

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

Nursing Homes: Michigan

Attorney General Mike Cox announced on April 19 a \$100,000 penalty against Metron Integrated Health Systems for quality of care deficiencies at its Greenville nursing home. The penalty was levied by an independent monitor, appointed in June 2006, under the terms of a groundbreaking agreement made last year between Metron and Attorney General Cox.

A Corporate Integrity Agreement (CIA) between the Attorney General's office and Metron settled a civil complaint filed by the Attorney General's Office against Metron on March 8, 2006. The unique agreement increased the amount of direct care each patient receives by 33% above state standards at three of Metron's facilities and forced the corporation to pay for a monitor who has the power to inspect any facility at any time, with no warning, no questions asked. This monitor reports the company's compliance status to the Attorney General's Office. The civil lawsuit, which resulted in the CIA, alleged 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 \$100,000 fine assessed against Metron is for bedrail issues at Greenville for various residents from February 17 through March 29, 2007. Metron failed to have doctors' orders for side-rails as required by law; did not have a signed consent with risks and benefits identified; did not have a plan of care addressing side-rail usage; did not have proper side-rail assessments; and did not comply with the initial five-day measurements required after installation of side-rails.

The deficiencies presented a dangerous condition for the affected residents, who could have become entrapped in the side-rails and incur injury or death.

To ensure compliance, the agreement provides that the monitor has sole authority to determine whether Metron meets its continuing obligations to properly staff its facilities, train its entire staff, and implement appropriate policies and procedures to insure quality of care.

The monitor also has authority to impose a penalty 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 current assessment is the fourth since the monitor was appointed in June 2006. Total penalties assessed to date are \$119,500. The other assessments were: \$10,000 on October 9, 2006 at Metron's Kalamazoo nursing home for a bedrail issue. Metron closed the facility less than 30 days later, on November 7, 2006; \$4,500 on March 21, 2007 at Metron's Allegan nursing home for failing to report incidents to the monitor that it had reported to the Department of Human Services, as required by the agreement; and The civil action followed criminal charges the Attorney General brought in February 2006 against eight employees of the Metron of Big Rapids nursing home stemming from the death of oxygen-dependant resident Sarah Comer in January 2005.

This unique approach used in this case, both civil and criminal charges, allowed the nursing home to continue operating with oversight by a monitor; and at the same time, the Attorney General's office criminally prosecuted the individuals directly responsible for the deceased patient's care. The criminal charges include manslaughter, falsification of medical records, and failure to report, among other charges. The criminal case remains in litigation.

For further information contact Wallace T. Hart, Director (517) 241-6509.

Nursing Homes: Texas

Attorney General Abbott announced on March 14 that Gary Raywood Trebert, Stephen Michael Ewing, and Larry Gordon May were indicted by a federal grand jury. The charges range from conspiracy to commit fraud, tax and healthcare fraud, to mail fraud. Trebert, Ewing and May were the owners/operators of approximately 70 nursing facilities located in five states. From January 1999 through May 2004, it is alleged that the subjects conspired to defraud the IRS of approximately \$34 million, largely generated from income received from Medicare/Medicaid programs. Other allegations for the same time period include: failure to provide accurate and complete information to state/federal regulatory agencies; failure to pay vendors, employees, and utilities of the nursing homes; and placing nursing home residents at risk for these failures. At present, the suspected overall fraud amount is estimated at \$200 million, approximately \$117 million of this amount comes from the Texas Medicaid program and the balance from the Medicare Program and private insurance.

* * * *

Attorney General Abbott announced on April 26 that Rocky Lemon was sentenced to 42 months in federal prison; three years of supervised release; \$2.6 million in restitution to Medicaid and \$1.4 million in restitution to Medicare. This case was initiated based on allegations that Lemon, the owner of TLC Healthcare Inc., defrauded the Medicaid program by taking Medicaid payments and diverting part of those funds for his own personal use instead of paying for required Medicaid goods and services in his nursing home chain which include 72 homes throughout the U.S. and 17 in Texas. It was alleged that Lemon abandoned all of his Texas nursing homes, thus causing the state to take action to take care of the residents in these nursing homes. The amount of suspected Medicaid overpayments due to the state take-over is \$28,602,759.70. The \$4 million in restitution was based on the amount of Medicaid funds he used to purchase and re-sell four nursing homes and funneling the proceeds for his personal use. His sentencing was based on a November 15, 2006, plea of guilty to one count of a violation of Healthcare Fraud and one count violation of Money Laundering.

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

Patient Abuse: Michigan

Attorney General Mike Cox announced on March 22 that Parkridge Associates, formerly Northland Nursing Center, and Kathryn Gillis, R.N., the former Director of Nursing at the nursing home, have been sentenced by Wayne County Circuit Court Judge Robert Colombo in the 2001 heat-related deaths of four patients at the nursing home. Gillis previously pleaded guilty to one count of involuntary manslaughter and one count of 2nd degree vulnerable adult abuse. The nursing home previously plead guilty to four counts of vulnerable adult abuse in the 2nd degree.

Parkridge Associates was sentenced on February 6 and barred from ever engaging in the nursing home business again. Gillis was sentenced February 28 to five years probation, 167 hours of community service and up to 12 months in jail at the Court's discretion should she violate any term of probation. She was also required to surrender her nursing license and to pay court costs.

Parkridge Associates; Kathryn Gillis and Patrick Charles, M.D. Parkridge Associates' Medical Director/co-owner were charged by Attorney General Cox with one felony count of Involuntary Manslaughter, which carries a maximum penalty of 15 years in prison and/or a \$7,500 fine, and four felony counts of Vulnerable Adult Abuse-2nd degree, which carries four years in prison and/or a \$5,000 fine.

Charges of Involuntary Manslaughter against the Detroit nursing home, its medical director/co-owner, and director of nursing were originally filed on April 21, 2003, following an investigation into the heat-related death of a 78-year-old tube-feed female resident. On February

9, 2005, four additional charges of Vulnerable Adult Abuse-2nd Degree were filed against the three Defendants.

The case presented by the Attorney General's Health Care Fraud Division alleged that in June 2001, the defendants failed to ensure the residents' safety in hazardous temperature levels, failed to adequately monitor and assess the condition of residents, failed to initiate evacuation procedures, and allowed internal body temperatures of some residents to escalate as high as 107°.

The investigation revealed that the facility's air conditioning system was not functioning, the facility's windows did not open, and there was a lack of fans for residents to use when temperatures in Detroit reached 87° F on June 13, 89° F on June 14, and 90° F on June 15, 2001. On June 14, 2001, several of the nursing home's seriously ill residents identified as being "at risk for dehydration" began experiencing life-threatening problems as a result of the high temperatures. One resident who was found unconscious with no vital signs and a temperature of 107° F was prescribed Tylenol® and transferred to the hospital. The medical examiner concluded that the death was caused by prolonged exposure to excessive heat. As Director of Nursing, Kathryn Gillis was responsible for the proper care and assessment of the patients. Three other vulnerable patients were transferred to the hospital for serious heat-related conditions.

Earlier this month, Dr. Charles, the former medical director/co-owner of the nursing home, was found not guilty of the charges by a jury.

For further information contact Wallace T. Hart, Director (517) 241-6509.

Patient Abuse: Ohio

Attorney General Dann announced On March 28 that Amy Fackler entered a plea of guilty to one count of Assault, a misdemeanor of the first degree, also on March 28 Fackler was sentenced to 30 days in prison; suspended, one year probation, 30 days house arrest with electronic monitoring and work privileges, and ordered to pay a fine in the amount of \$100. On June 30, 2006, an indictment was returned which charged Amy Fackler with one count of patient abuse, a felony of the fourth degree.

Fackler, an employee at Oak Grove Health Care Center, a nursing home, became aggravated with a resident during care. Two nurse aides eye witnessed Fackler slap a resident across the face which left a red mark on the face, and also stunned the resident. The facility found abuse occurred and terminated Fackler.

* * * *

Attorney General Dann announced on March 22 that Allyne Johnson entered a plea of guilty to one count of patient abuse, a felony of the fourth degree and on that same day Johnson

was sentenced to two years probation, ordered to pay court costs, and ordered to surrender nursing license and to never reapply. On November 29, 2006, an indictment was returned which charged Johnson with one count of patient abuse, a felony of the fourth degree.

Johnson, an employee of Rudwick Manor nursing home, engaged in a course of malicious treatment of a mentally retarded resident throughout the day on April 20, 2006. Although Johnson initially denied all allegations, she backed off her story and admitted to pushing the resident, but could not remember any of the other allegations.

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

* * * *

Attorney General Dann announced on March 6 that Lori Renick entered a plea of guilty to one count of Disorderly Conduct, a minor misdemeanor and on that same day Renick was sentenced to pay court costs in the amount of \$85. On November 16, 2006, an indictment was returned which charged Lori Renick with one count of Assault, a misdemeanor of the first degree.

Renick, ex-employee of Arden Courts of Anderson, became frustrated while giving care to a resident. In an attempt to control the resident, Renick slapped the resident on the left buttock leaving a reddened handprint. During an interview Renick confessed to MFCU Special Agents. The facility terminated Renick as a result of the incident.

For further information contact Senior Assistant Attorney General Alan Schwepe (614) 466-0722.

* * * *

Attorney General Dann announced on April 17 that Mandy Wadsworth entered a plea of guilty to one count of Gross Patient Neglect, a misdemeanor of the first degree. On April 18, Wadsworth was sentenced to 180 days in prison; suspended, two years probation, ordered to perform 50 hours of community service, and ordered not to be a caregiver for the elderly. On May 31, 2006, an indictment was returned charging Mandy Wadsworth with one count of Patient Abuse, a felony of the fourth degree. Wadsworth, former nursing home employee, confessed to striking a resident.

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

Patient Abuse: Texas

Attorney General Abbott announced on March 1 that Judge Thomas Wheeler convicted Certified Nurse Aide (CNA) Rosie Blissett of Injury to a Disabled Individual after she pleaded nolo contendere. She was sentenced to ten years imprisonment; however, the sentence was suspended and she was placed on community supervision for ten years and ordered to perform 160 hours of community service. The conviction resulted from an MFCU investigation that determined Blissett slapped a resident on the face at an ICF-MR facility. According to an employee, the resident was having "behaviors" and Blissett was trying to redirect him. The resident had been heard yelling at Blissett for ten to fifteen minutes when the employee checked on them to see if Blissett needed any help. When the employee entered the resident's room, she saw Blissett strike the resident across his face with her hand. According to Blissett, she was only holding him by his cheeks and telling him that if he did not calm down she was going to wash his mouth out with soap.

* * * *

Attorney General Abbott announced on March 29 that certified nurse aide (CNA) Charles Darnell Ross was indicted by a grand jury. Ross was employed at the Brookhaven Nursing Center in Carrollton, Texas. Ross transferred a resident by himself, contrary to instructions, and dropped the resident to the floor. The resident sustained right tibia and fibula fractures and a left fibula fracture, which required surgery to repair. The resident subsequently died due to her injuries.

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

Patient Trust Funds: Ohio

Attorney General Dann announced on March 30 that Patricia Horn entered a plea of guilty to one count of Theft, a misdemeanor of the first degree and was sentenced to 90 days in prison; suspended, 30 days house arrest, ordered to pay a fine of \$50, and ordered to pay restitution to the victim in the amount of \$142.80. On February 28 an indictment was returned which charged Horn with one count of Theft, a felony of the fifth degree and one count of Forgery a felony of the fifth degree.

Horn, a recipient, stole her provider's paycheck, forged the provider's signature, and cashed the check. Horn confessed to agents of the MFCU that she had used the money from the check to gamble at an "illegal gambling place in Proctorville, Ohio".

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

* * * *

Attorney General Dann announced on March 28 that Shannon Price entered a plea of guilty to one count of Theft, a felony of the fourth degree and on that same day Price was sentenced to seven months in prison; suspended, five years probation, ordered to pay the cost of investigation in the amount of \$609, and ordered to pay restitution in the amount of \$33,753.23. On August 15, 2006, an indictment was returned which charged Price with one count of Forgery, a felony of the fourth degree and one count of Theft by Deception a felony of the fourth degree.

Price was the accounts receivables manager for a nursing home facility, having been promoted in November 2002. Price was in charge of updating the books for Medicaid, Medicare and private pay patients. She was also in charge of the patient needs allowance accounts. MFCU agents reviewed the accounting records and ledgers and determined that Price was taking funds for her own use from the account of a private pay patient who later became a Medicaid patient.

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

Patient Trust Funds: Texas

Attorney General Abbott announced on March 21 that a grand jury indicted Judy Putman, business office manager at the Renfro Health Care Center on two felony counts of Misapplication of Fiduciary Property. The investigation determined that Putman allegedly diverted funds belonging to 110 residents into a residential trust fund bank account which had been operated by the prior management company. It is alleged that Putman issued and forged 145 checks totaling \$356,650 for her own benefit. Putman also had control of a resident's personal check book and allegedly received \$34,180.72 from this resident's account.

* * * *

Attorney General Abbott announced on April 6 MFCU investigators arrested Gabriela Aguilar at a State Farm Insurance Agency in Houston where she was employed as a receptionist. The arrest was based on an April 2 indictment by a grand jury Felony Theft / Misapplication of Fiduciary Property. Between September 20, 2004, and November 18, 2005, while Aguilar was employed as the business office manager for the Briarwood Healthcare Center, she allegedly misapplied \$4,350 from the residents' trust fund account for her personal use. On April 13, 2006, Aguilar was indicted for misapplication of fiduciary property and theft of \$32,489.65 in the Waller County Brookshire Nursing Center investigation. During the course of that investigation, it was revealed that she also allegedly diverted funds from Briarwood's trust fund account.

* * * *

Attorney General Abbott announced on April 11 that Lola Stewart pleaded guilty to Felony Theft. She was sentenced to seven years confinement probated for seven years; fined \$200; given 160 hours of community service; and paid restitution in the amount of \$7,492.11.

Stewart, the former business manager at Overton Healthcare Center, was arrested on November 14, 2006, for Felony Theft. Stewart pleaded guilty to diverting applied income checks thru her grandmother's trust fund account balance. Stewart's grandmother was a resident of the nursing home and a trust fund participant. Additionally, Stewart made substantial cash deposits into her personal account after cashing trust fund checks under the guise of replenishing the trust fund.

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

Physicians: Ohio

Attorney General Dann announced on March 19 that Jitander Kalia entered a plea of guilty to one count of Medicaid Fraud, a felony of the fifth degree and on that same day Kalia was sentenced to pay the investigative cost of \$3,326.30, and ordered to pay restitution in the amount of \$9,750.14. On October 18, 2005, an indictment was returned which charged Jitander Kalia with one count of Medicaid Fraud a felony of the fourth degree.

Kalia was a medical doctor who had his license to practice medicine permanently revoked by the Medical Board on August 12, 2004, but continued to see patients and bill Medicaid until September 17, 2004.

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

Psychiatrists: Texas

Attorney General Abbott announced on April 18 that psychiatrist Rafael Solis, M.D., medical biller Sylvia Delgado, and social worker Robert Rael were arrested in Del Rio, Texas, following their indictment for a scheme to defraud Medicare and Medicaid by filing false claims for group psychotherapy services. Solis and Rael were also charged with money laundering and conspiracy to commit money laundering in connection with the scheme. They established a business, Synergy Counseling, where clients engaged in activities such as reading, watching television, and playing bingo, but psychotherapy by a licensed therapist did not occur. All of the claims were billed as though Solis had provided services, when, in fact, he was never present.

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

Social Workers: Texas

Attorney General Abbott announced on April 26 that Juan J. Vargas, a licensed clinical social worker, pleaded guilty and was sentenced in federal court, to one count of health care fraud. He was sentenced to five months in federal prison, five months home confinement, and

three years supervised release. In addition, he was ordered to pay restitution of \$548,498.58. Vargas had over 2,000 claims which falsely stated he provided one hour individual counseling sessions to multiple family members on the same day, when he never spent more than an hour total with any one family. On 70 occasions he claimed 20 or more hours of individual counseling on a single day, and on 20 of those days claimed more than 24 hours of individual counseling. In addition, Vargas billed 30 individual counseling sessions for twins who were five months of age when the claimed sessions commenced.

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

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