



National Association  
of Attorneys General

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# MEDICAID FRAUD REPORT

May/June 2007

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### Texas Obtains Lengthy Sentence in DME Case

Attorney General Greg Abbott announced on June 18 that federal district court Judge Vanessa Gilmore sentenced Dennis Brown to a 60-month prison term for conspiring to violate the laws of the United States and 80 months imprisonment for his convictions of health care fraud and wire fraud, with all prison terms to run concurrently. Brown was also sentenced to three years supervised release upon the completion of his prison term and was found to be liable for restitution to Medicare in the amount of \$2,188,200.

On October 13, 2006, a federal jury convicted Charles Skripka, M.D., Jayshree Patel, M.D., and Pius James Ekiko the owner of Horizon Medical Supply, Dennis Brown, a patient recruiter, along with Harold Horatio Iyalla, the owner of DME - 1st Choice Medical Supply. On March 26, 2007 Iyalla pleaded guilty and was sentenced in federal court to 51 months and ordered to pay Medicare \$5,632,000. The total fraud scheme involved over \$21 million in Medicare/Medicaid dollars. Skripka was found guilty of conspiracy, health care fraud, wire fraud and money laundering; Patel of health care fraud; Ekiko of conspiracy, health care fraud, wire fraud and money laundering; and Brown of conspiracy, health care fraud, and wire fraud.

Syripka, Patel, and Ekiko are still to be sentenced. Brown was a recruiter of Louisiana patients to Skripka and Patel. Iyalla billed Medicare only while Ekiko billed Medicare and Medicaid. Both billed for wheelchairs but delivered scooters to patients.

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

**CASES**

**Alcohol and Substance Abuse Centers: Texas**

Attorney General Abbott announced on May 24 that Emmauel Oritsewey Amatosero, a chemical dependency treatment provider and owner of Trinity Assisted Recovery Center appeared in district court and pleaded guilty to charges of Aggregate Theft by a Governmental Contractor, a theft of over \$1,500 and less than \$20,000. Amatosero was sentenced to six years deferred adjudication, 160 hours of community service and ordered to pay \$4,241 in restitution. Amatosero had previously paid \$8,500 in restitution prior to sentencing. Amatosero had been indicted by a grand jury on March 8, for Aggregate Theft by a Governmental Contractor. From June 2005 thru January 2006, Amatosero billed Medicaid and was paid \$12,741 for mental health and behavior counseling allegedly not provided to recipients.

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Attorney General Abbott announced on June 11 that a grand jury indicted Emmanuel Nyo for Felony Theft by a Government Contractor in the Trinity Drug and Alcohol Recovering Center investigation. Nyo, the owner of the facility billed Medicaid and was paid almost \$300,000 for drug and alcohol counseling services between May 25, 2004, and December 12, 2005, and reportedly fled to Nigeria. The investigation revealed that the majority of the chemical dependency treatment center recipients were adolescents. Thirty-six recipients/guardians were interviewed and only one received any counseling or any of services from the facility.

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 May 17 that licensed professional counselor (LPC) Paul Mason appeared in federal court and pleaded guilty to one count of False Statements Relating to Health Care. On February 21, a federal grand jury indicted 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 alleged that Linn and Mason, her husband and bookkeeper, were billing Medicaid for services that they did not provide. 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.

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Attorney General Abbott announced on May 30 that Eric D. Allen pleaded guilty before Judge Mark Kent Ellis. Allen was sentenced to five years probation, 240 hours of community service and ordered to pay restitution in the amount of \$32,262.19. E. A. Christian Faith Services was a counseling service that was owned and operated by Allen. Allen was indicted on October 23, 2006, based on allegations that Allen was billing for more hours than the licensed professional counselors that worked for him actually conducted. In addition, a number of the counselors left employment with E.A. Christian, but their services continued to be billed after they terminated employment.

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Attorney General Abbott announced on June 6 that Shanta D. Allen, billing clerk for E. A. Christian Faith Services, entered a plea of guilty in district court and was sentenced to six years incarceration and ordered to pay restitution in the amount of \$32,262. On September 1, 2006, Shanta Allen was indicted on Felony Theft/Government Contractor over \$20,000. E. A. Christian Faith Services was a counseling service that was owned and operated by Eric D. Allen. The indictment was based on allegations that Eric Allen was billing for more hours than the licensed professional counselors employed by him actually worked. In addition, a number of the counselors left employment with E.A. Christian, but their services continued to be billed after they terminated employment.

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Attorney General Abbott announced on June 20 that Charles Ihaza was sentenced to serve six years in the Institutional Division of the Texas Department of Criminal Justice and ordered to pay \$112,577.38 in restitution. On February 6, Ihaza entered a guilty plea regarding his operation of Charleston Rehabilitation and Charleston RBCVE. On February 15, 2006, a grand jury indicted Ihaza in both the Charleston Rehabilitation and the Charleston RBCVE investigations. Charleston Rehabilitation is a behavioral/mental health counseling center owned by Charles Ihaza, Elizabeth Ihaza, and Cyril Ihaza and is located in Houston and Wharton, Texas. From October 11, 2004 to January 22, 2005, Charleston Rehabilitation billed Medicaid over \$144,000 and was paid over \$122,000. The indictment alleged that 100% of the billing was for services not rendered. Charleston RBCVE is a chemical dependency treatment facility owned by Charles Ihaza, Elizabeth Ihaza, Cyril Ihaza, and Aguebor Ihuezor. From April 9, 2005, to April 30, 2005, Charleston RBCVE billed Medicaid over \$11,000 and was paid almost \$11,000, of which over \$10,000 is alleged to be fraud/over payment. Charleston billed for services not rendered and upcoding.

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

**Drug Diversion: Texas**

Attorney General Abbott announced on May 10 Licensed Vocational Nurse (LVN) Cindy Jensen pleaded guilty Jensen was sentenced to one year in jail which was probated and assessed a \$4,000 fine. Jensen was charged on September 21, 2006, with one count of Possession of a Controlled Substance. The case is based on evidence uncovered during an MFCU investigation that revealed on February 6, 2006, Jensen allegedly diverted six 200 mg tablets of Provigil (Modafinil), a Schedule IV non-narcotic controlled substance while employed as a charge nurse at Royal Manor Health Center, a nursing home.

\* \* \* \*

Attorney General Abbott announced on May 16 that registered nurse (RN) Bradford Brookhart pleaded guilty to one count of Possession of a Dangerous Drug and was sentenced to one year of probation, fined \$300, given 24 hours of community service, ordered to pay restitution in the amount of \$140 and ordered not to work in the medical profession. Brookhart was indicted by a grand jury on December 6, 2006, on charges that she stole Darvocet from a patient's drawer for his personal use.

\* \* \* \*

Attorney General Abbott announced on May 17 that licensed vocational nurse (LVN) Nicki Jo Vanderlaan entered a plea of guilty to the felony charge of Obtaining Drug by Fraud before Judge Bruce McFarling. Vanderlaan was sentenced to four years deferred adjudication probation and received a \$1,000 fine. On April 14, 2006, Vanderlaan diverted seven hydrocodone from a resident at the Vista Ridge Nursing and Rehabilitation. Vanderlaan gave a written confession to investigators.

\* \* \* \*

Attorney General Abbott announced on May 24 that licensed vocational nurse (LVN) Thomas Grady entered a plea of guilty to felony charges of Obtaining Drugs by Fraud and Tampering with a Government Record. Grady was sentenced to ten years deferred adjudication on the charge of Obtaining Drugs by Fraud and five years state jail deferred on the charge of Tampering with a Government Record. Grady diverted a total of 930 hydrocodone pills from a resident at Manor Care Health Services.

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Attorney General Abbott announced on May 24 that licensed vocational nurse (LVN) Andrea Michelle Ray pleaded guilty to the offense of 2nd Degree Felony Fraud. The original indictment was based on an allegation that Ray misappropriated 60 Vicodin narcotic tablets belonging to a patient residing in the Gardendale Rehabilitation and Nursing Center in Jacksonville.

\* \* \* \*

Attorney General Abbott announced on May 25 that medical assistant Manuel Angel Martinez pleaded guilty to two counts of prescription fraud. He was sentenced to two years in prison to be served concurrently with a sentence he is already serving on an unrelated burglary charge. While employed by Carlos Rosas, MD, Martinez called in prescriptions for hydrocodone tablets (a Class III controlled substance) without authorization. The investigation found 75 phone-in orders for 29 patients, and there was no documentation in 28 patient files that a physician had ordered the medication. During the course of the investigation, Martinez presented a forged prescription for Lorcet (hydrocodone) at a pharmacy but left when staff began examining the prescription.

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Attorney General Abbott announced on June 11 that Mary Jane Roberts (Betts) was sentenced in district court in Cass County to three years confinement in state jail; probated for three years; and was fined \$1,500. Roberts was also ordered to pay restitution to Theron Grainger Nursing and Rehabilitation in the amount of \$2,049. On May 14, Roberts entered a plea of guilty to Theft, greater than \$1,500 but less than \$20,000. Roberts was indicted June 22, 2006, for one count of State Jail Felony Theft. The indictment alleged that Roberts stole non-narcotic medications from the Theron Grainger Nursing and Rehabilitation Center in Hughes Springs, Texas, valued at approximately \$2,049. Police recovered the medications from Roberts' residence during an unrelated search in March 2006.

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

### **Durable Medical Equipment: Colorado**

Attorney General John Suthers announced on May 16 that William Humphries pleaded guilty to two counts of theft over \$15,000. Humphries was sentenced to five years in prison, followed by five years of mandatory parole, and restitution of over \$728,000.

Humphries was a manager at a company called D&D Medical which engaged in an extensive scheme to bill for wheelchair repairs that either did not occur or were greatly exaggerated in the number of hours used to make the repairs. Employees generated internal corporate documents that purported to show repairs (sometimes recording as much time as 8 hours for tasks such as filling tires or replacing an armrest), often forging the signature of disabled recipients on the corporate forms. The false repairs were then submitted electronically to Medicaid for payment. The Attorney General alleged that over \$1 million was stolen by the company through these false repairs and through a second scheme in which wheelchair parts prices were inflated or billed without being provided. Three other defendants were also charged.

For further information contact George A. Coddling, Director or Investigator Kerry Sanchez (303) 866-5431.

**Durable Medical Equipment: Texas**

Attorney General Abbott announced on May 21 that Linda Lopez and Priscilla Gonzalez pleaded guilty to Medicaid Fraud, a second degree felony, in the Starr Medical Equipment case. Lopez and Gonzalez were sentenced to three years deferred adjudication probation and restitution of \$105,000 that was paid in full at the time of the plea. In addition, a fine of \$1,000 and 240 hours of community service was imposed. Lopez and Gonzalez were indicted on October 11, 2006. Linda Lopez and Priscilla Gonzalez, through Starr Medical Equipment, were charged with billing Medicaid for adult diapers that the clients did not receive. During the time period of 2004 to present, they defrauded \$105,000 from Medicaid.

\* \* \* \*

Attorney General Abbott announced on May 21 that Sergio Perez pleaded guilty to Medicaid Fraud, a state jail felony. Perez was the co-owner of La Paloma Medical Supply. Perez was sentenced to three years deferred adjudication probation and ten days in jail. Additionally, a fine of \$1,000 and 160 hours of community service was imposed. The court also ordered Perez to pay \$8,000 in restitution as his portion of the fraud scheme. Co-owner Juan Avila's case is pending in the 299th Judicial District Court. Sergio Perez and Juan Avila were charged with billing Medicaid for products not provided to recipients. The amount of fraud identified was \$101,113.57.

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Attorney General Abbott announced on June 4 that Ordy Chikodi Nwachukwu, a Houston-area durable medical equipment provider and owner of Citizens Medical Equipment pleaded guilty to Securing Execution of a Document by Deception. Nwachukwu was sentenced to one year deferred adjudication and ordered to pay \$712.18 in restitution. On November 27, a grand jury indicted Nwachukwu for Securing Execution of a Document by Deception, 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 January 1, 2003, thru April 30, 2006, Medicaid paid Nwachukwu \$7,258 of which \$712 was identified in the investigation as wheelchair products not provided to recipients.

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Attorney General Abbott announced on June 6 that Emmanuel Gabriels, a durable medical equipment provider and owner of Flexon Medical Supply, pleaded guilty to charges of Aggregate Theft by a Governmental Contractor, over \$1,500 and under \$20,000, and was sentenced to three years deferred adjudication after paying \$13,581.63 in restitution prior to the sentencing. On November 27, 2006, Gabriels 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, Gabriels billed Medicaid and was paid \$45,168. The investigation revealed that the provider falsified his Medicaid application, billed Medicaid after revocation from Medicare, and billed for wheelchairs and accessories while only providing scooters to Medicaid recipients.

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Attorney General Abbott announced on June 22 that Charles Byron Chandler, a Houston durable medical equipment provider doing business as Mid-Town Home Health, pleaded guilty on charges of Aggregate Theft by a Governmental Contractor and was sentenced to three years probation, 160 hours of community service and ordered to pay \$45,000 in restitution. On November 27, 2006, Chandler 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, Chandler billed Medicaid and was paid over \$333,000 of which approximately \$85,000 was identified through the investigation as the amount paid by Medicaid for incontinent supplies not provided to recipients. The investigation additionally revealed that Chandler falsified his Medicaid application.

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Attorney General Abbott announced on June 26 that Thomas Oliver Mann and Beverly Ann Mann waived indictment and entered guilty pleas to one felony information count each of Tampering with a Government Record. The pleas were accepted and they were each sentenced the same date by Magistrate Judge Gene Grant to two years deferred adjudication. Restitution of \$11,989.82 was made on the same date. MFCU investigation had revealed that false claims totaling \$11,989.82 were identified, along with an overpayment of \$605,865.67, for which the subjects maintained no supporting documentation. Thomas Oliver Mann and his spouse Beverly Ann Mann were the two owners of the provider Bio Care Specialties, Colleyville, Texas.

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

### **Home and Community Based Services: Texas**

Attorney General Abbott announced on May 16 Tommy Ransom II was sentenced in federal court for his part in a scheme to defraud the Medicaid program. Ransom received a sentence of 112 months in the federal penitentiary and was ordered to pay \$2,084,562 in restitution. In 2002, Ransom opened a business called Crossroads Community Outreach Center, which held itself out to be a community outreach facility for low income families who needed assistance with utilities and apartment rent. Instead, Ransom gained the family's Medicaid information and billed the family's

children for counseling services which were never provided. In June of 2004, the scheme was discovered and Crossroads was shut down. Between 2002 and 2004, Ransom billed for nearly \$12 million and was paid \$2.08 million.

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

**Home Health Care Agencies: Minnesota**

Attorney General Lori Swanson announced on May 31 that Gloria Humu Savage and Ransford D. Savage, doing business as Wild Flower Health Care Services, Inc. (Wild Flower), were each charged with six counts of theft by swindle, six counts of theft of public funds and two counts of criminal neglect. Wild Flower is an enrolled provider in the Medicaid program as a private duty nursing provider. The Savages swindled over \$224,000 from the Medicaid program by billing for registered nurse services when licensed practical nurse services were provided, by billing for unqualified workers for whom no background studies were requested and by billing for services not provided and/or without the required documentation.

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

**Home Health Care Agencies: Texas**

Attorney General Abbott announced on May 23 that the owner of Angelitos Home Health, Inc., Alvaro Pena, was indicted by a grand jury. Pena was indicted on one count of first degree felony Medicaid Fraud and one count of second degree felony tampering with a government record. Allegedly, Pena answered "No" to the question, "Have you ever been convicted of a crime in State or Federal Court." This question is on the initial application for licensing and on two subsequent license renewals, as well as the provider contract. Pena signed these documents before a Notary Public when in fact he had been found guilty of Aggravated Possession of Cocaine by a jury on January 14, 1994, and was sentenced to 10 years probation and fined \$5,000. During the time period of 2005 to 2006, Pena was paid \$1,014,048.98 by Medicaid and \$8,318,265.47 by Medicare.

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

**Home Health Care Aides: Minnesota**

Attorney General Swanson announced on June 22 that Jill Marie Kazaniuk was charged by criminal complaint with one count of theft of public funds and two counts of theft by false representation. From April 2004 through December 2004, Kazaniuk was employed as a home health aide. During the same time period she was also employed by another company. The comparison of her home health aide time cards to the time cards from the other company showed that she reported working in two places at the same time. Some of Kazaniuk's clients were interviewed and

could not identify her when shown a picture. Kazaniuk submitted fraudulent time cards to the home health agency and was paid for those false hours.

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

**Home Health Care Aides: Oregon**

Attorney General Hardy Myers announced on May 9 that Jana McCarty pleaded guilty and was convicted of one felony count of making a false claim for health care payment and one count of theft in the second degree. She was sentenced to three years of probation, ordered to pay restitution of \$1,300 and sentenced to 40 hours of community service.

McCarty was paid with Medicaid funds to provide in-home care to clients of the Oregon's Mental Health and Addictions Program. She was paid to provide a maximum of 20 hours of care per client per month and was required to submit a monthly voucher stating the number of hours she worked. McCarty forged her clients' signatures and billed the Oregon Department of Human Services for hours that she did not work.

For further information contact Senior Assistant Attorney General Sheen Y. Wu (971) 673-1992.

**Home Health Care Aides: Texas**

Attorney General Abbott announced on May 14 Martha Denise Gonzales was sentenced to five years probation for her part in the Houston flu shot scam case. The Houston U.S. Attorney's Office is considering an appeal of this sentence. On April 30, the federal district court sentenced Gonzales' co-defendant, Iyad Abu El Hawa, to 46 months in a federal prison. In September 2005, both entered guilty pleas on charges of Health Care Fraud and Tampering with a Consumer Product resulting from this investigation.

El Hawa was the operator of Amazing Grace Resources, Inc., dba Comfort and Caring Home Health Care and America Home Healthcare Services. 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 citizen 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.

**Home Health Care Aides: Washington State**

Attorney General McKenna announced on January 16 that Sandra C. Christiansen pleaded guilty to four counts of Theft in the First Degree and was sentenced to serve two days in jail, 30 days converted to in home monitoring, 12 months of community supervision, ordered to make restitution in the amount of \$75,000 to the Medicaid program, and to pay court costs and victim assessment fees of \$800.

Investigator Patricia Allen conducted the investigation for the Washington State MFCU. She found that Christiansen had contracted with the Medically Intensive Home Care Program administered by Department of Social and Health Services, Aging and Disabilities Services Administration. Christiansen routinely billed the Medicaid program through her own business called First Choice Health Services, Inc. for skilled nursing services when no nurse care was provided and/or she billed for a higher level of care than was provided. Christiansen received payment from Medicaid from March 1999 through August 2004.

For further information contact Assistant Attorney General Aileen Miller (360) 586-8888.

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Attorney General McKenna announced on May 8 that Stuart Patterson Trick pleaded guilty to one count of theft in the first degree and one count of Medicaid false statement and was sentenced to serve 12 months probation, 240 hours of community service and to make restitution in the amount of \$2,527 to the Medicaid program.

Investigator Beverly Maddox conducted the investigation for the Washington State MFCU. She found that Trick had contracted with the Medicaid program to provide in-home personal and respite care services for a developmentally disabled Medicaid client. In order to receive payment under this program, Trick was to submit the number of hours he provided care through Invoice Express, a telephonic invoice system on a monthly basis.

According to Dawn Cortez, Director of the Washington State MFCU, Trick continued to bill Medicaid claiming he was providing services to an individual for three months after he stopped providing services.

For further information contact Ms. Cortez (360) 586-8888.

**Nurse Aides: New York**

Attorney General Andrew M. Cuomo announced that Rebecca Sopko, a certified nurse aide, pleaded guilty on May 22 to stealing \$8,000 from an elderly resident under her care in order to pay a debt she owed for the purchase of cocaine.

In February, Sopko stole two blank checks from a 97-year-old resident at The Waters of Orchard Park nursing home. She forged the checks as payable to herself for \$2,000 and \$6,000 respectively. Sopko admitted to investigators that she used the money to pay off a debt from a cocaine purchase.

Sopko was subjected to a standard background check by The Waters of Orchard Park, which cooperated fully during the investigation. Sopko was summarily terminated from her employment at the nursing home in February. The victim's money has already been reimbursed by her bank.

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

**Nurses: Arizona**

Attorney General Terry Goddard announced on May 14 the sentencing of Donna Marie Aragon on May 2. The defendant was sentenced to four years probation and restitution to the Medicaid Fraud Control Unit for investigative costs in the amount of \$500.

The defendant pleaded guilty on March 7 to forgery. Aragon was indicted April 18, 2006 on one count of Fraudulent Schemes and Artifices, two counts of forgery, and one count of Criminal Impersonation.

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

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

**Nurses: New York**

Attorney General Cuomo announced on May 14 that two health care workers were sentenced to jail time for Medicaid fraud and for endangering a patient in two separate proceedings.

Adrian Clements, a licensed practical nurse, admitted that she submitted phony claims to the Medicaid program for private duty nursing services for children. The services she put claims in for were provided by another nurse or not provided at all.

Clements, who previously pleaded guilty to felony Grand Larceny in the Fourth Degree, was sentenced to four months of weekends in jail, five years probation and ordered to repay \$70,785.95 to the Medicaid program.

Debra Wilson, a certified nurse aide, was sentenced to six months of weekends in jail on her misdemeanor convictions to one count of Endangering the Welfare of an Incompetent or Physically Disabled Person and one count of Willful Violation of Health Laws. After a trial in March, she was convicted of transferring a 92-year-old resident of Shore Winds Nursing Home without assistance, as was required by her care plan. The patient, who sustained skin tears and bruises as a result of the improper transfer, was discovered about two hours later with a bloody towel wrapped around her arm.

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

**Nursing Homes: Arizona**

Attorney General Goddard announced on May 31 the sentencing of former nursing home Social Services Director Todd A. Clausen. The defendant was sentenced on April 16 to three years probation with eight months of incarceration in the Maricopa County Jail and was ordered to pay \$10,535.50 in restitution as well as \$550 to the nursing home patient. Clausen pled guilty on March 2 to one count of forgery.

Clausen had been the Social Services Director of Hearthstone of Sun City in 2004. Almost a year after Clausen resigned his position at the home an 82 year old former resident complained that Clausen had told her that she needed to write out a check for \$550 in order for her to receive therapy at a group home she was being transferred to. The victim provided Clausen with a personal check for \$550 which was then deposited into his bank account. When the nursing home discovered what had happened they immediately notified the Maricopa County Sheriff's Office and the Arizona Department of Health Services.

The matter was referred to the Medicaid Fraud Control Unit where an investigation further determined that Clausen did not have a Social Work degree from Arizona State University as he had claimed, and that he would frequently use other people's Social Security numbers when applying for work.

It was learned that Clausen owed more than \$40,000 in child support and it has been alleged in the indictment that his use of other people's Social Security numbers was a scheme to avoid having the government garnish his wages which would have been directed to the support of his two children living in Wisconsin.

It was further learned that in 2002 Clausen had worked as a Program Manager for Community Action Program in Chandler, Arizona. It has been alleged that Clausen falsely claimed to have a Social Work degree from Arizona State University when applying for work there. It was further alleged in the indictment that Clausen had told clients seeking housing assistance that they needed to bring him blank money orders made out for hundreds of dollars. The applicants were told

that the money was going to be used to pay half of their rent and then the program would match this amount. It has been alleged that the money orders were deposited in Clausen's bank account.

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

**Patient Abuse: District of Columbia**

The District of Columbia Medicaid Fraud Control Unit announced on May 25 that a residential counselor, Mary L. Bradley, has been sentenced to 180 days in prison, with all but 30 days suspended, after being found guilty of criminal abuse of a group home resident in her care.

Bradley was found guilty and sentenced in the Superior Court of the District of Columbia on May 24 following a non-jury trial. Bradley was also sentenced to two years of probation, ordered to stay away from the victim, all group homes operated by Careco, Inc., ordered not to work with any vulnerable adults, complete anger management courses, and to pay \$50 towards the Victims of Violent Crime compensation fund.

According to the government's evidence at trial, on July 19, 2006, the victim was a resident of a group home for mentally retarded and developmentally disabled persons. On that day, the defendant was assigned to assist feeding the victim her dinner. During dinner time, defendant's co-workers heard a loud slap coming from the direction of the defendant. Both co-workers observed that the victim's cheek was red shortly after hearing the slap. The defendant's supervisor confronted the defendant the following day immediately after the abuse was reported, and defendant admitted to hitting the resident.

For further information contact Special Agent Yolanda Brooks (202) 727-5816.

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The District of Columbia Medicaid Fraud Control Unit announced on May 31 that Ronald Gene Dickerson, a direct care employee of a District of Columbia day treatment program operator, has been sentenced to 180 days in prison, with all but 90 days suspended, for criminal abuse of a client who attended the program.

Dickerson pleaded guilty on May 29 to criminal abuse of a vulnerable adult. Dickerson was also sentenced to five years of probation, ordered to stay away from the victim and the United Cerebral Palsy of Washington, D.C., to not work with any vulnerable adults, to maintain employment, and to pay \$50 towards the Victims of Violent Crime compensation fund.

According to the government's evidence, on January 11, the victim attended a day treatment program for developmentally disabled persons operated by United Cerebral Palsy in Washington, D.C. On that day, the defendant became angry with the victim after he alleged that she spit on him. The defendant's co-workers stated that defendant struck the victim in the face two to three times by

propelling his finger in a flicking motion. The defendant was also heard saying, "Bi\*\*\*, get away from me." Although the defendant was told to stop by a co-worker and another co-worker moved the victim away from defendant, the defendant nevertheless approached the victim again and struck the victim's face twice by flicking his finger.

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

**Patient Abuse: South Carolina**

Attorney General Henry McMaster announced on June 12 that Darlene Jean Pauley was convicted of Assault and Battery. On or about March 25, while employed as a CNA at Carolina Health and Rehab, Pauley struck a resident about the body. Witnesses provided information that the resident was assaulted. The resident is a vulnerable adult under South Carolina law.

Pauley was sentenced by Judge Valerie Stroman Boyd to 30 days or a fine (including court costs) of \$1,120.13.

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

**Patient Abuse: Texas**

Attorney General Abbott announced on June 22 that after a week long jury trial, a jury convicted Christopher Lee Thompson on one charge of Aggravated Sexual Assault. Thompson was sentenced by the jury to a penitentiary term of 14 years in the Texas Department of Criminal Justice. Thompson was arrested on August 16, 2006, after being discovered by a facility staff member, laying on top of a resident in the resident's room at Mission Oaks Care Center.

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

**Patient Abuse: Wisconsin**

Attorney General J.B. Van Hollen announced on May 10 that Brian Hoffart, a registered nurse accused of sexually assaulting patients in an emergency room where he worked, has pleaded no contest to one felony count of third degree sexual assault and one misdemeanor count of fourth degree sexual assault. He now faces up to ten years in prison and nine months in jail.

According to the Department of Justice criminal complaint, Hoffart was employed as an R.N. in the emergency room at Froedtert Memorial Lutheran Hospital in Milwaukee. On December 15, 2005, a patient went to the E.R. complaining of abdominal pain. Hoffart volunteered to be assigned to the victim even though he already had more than the standard number of patients in his care. The victim was alone in an examination room with Hoffart when he assaulted her under the guise of an

examination. During the assault Hoffart did not allow both the hospital registration clerk and the patient's boyfriend into the room. The patient felt uncomfortable with Hoffart's conduct and reported the assault immediately after Hoffart left the room.

On November 2, 2004, another E.R. patient seeking treatment for abdominal pain was assaulted by Hoffart. Hoffart's employment at Froedtert was terminated as a result of the incidents.

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

**Patient Trust Funds: Ohio**

Attorney General Marc Dann announced on June 28 that Michael McQueen was sentenced to two years in prison; suspended, three years of probation, ordered to observe a curfew of 9:30 pm, except for employment purposes, ordered to maintain child support payments, ordered to perform 24 hours of community service, and ordered to pay restitution to the victim in the amount of \$475. On May 11, an indictment was returned, which charged McQueen with one count of Forgery, a felony of the fifth degree. On May 30, McQueen entered a plea of guilty to one count of Forgery, a felony of the fifth degree.

McQueen possessed a check that was stolen from a resident of a nursing home. McQueen was caught on a surveillance camera cashing the forged check.

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

**Patient Trust Funds: Texas**

Attorney General Abbott announced on May 7 that Gabriela Aguilar, former business office manager for the Waller County Brookshire Nursing Center, pleaded guilty to charges of misapplication of fiduciary property. Aguilar was sentenced to 60 days in jail, ten years probation, 240 hours of community service and ordered to pay \$32,489.65 in restitution. In addition, Aguilar was ordered to attend an eight-hour course addressing theft. On April 11, 2006, Aguilar was indicted by a grand jury for misapplication of fiduciary property and theft of \$32,489.65 in the Brookshire Nursing Center investigation. During the course of that investigation, it was determined that Aguilar also allegedly diverted funds from Houston's Briarwood Health Care Center trust fund account for which she has also been indicted for Felony Theft/Misapplication of Fiduciary. This matter is pending before the court.

\* \* \* \*

Attorney General Abbott announced on May 17 that Tiffany J. Burch appeared in federal court and pleaded guilty to one count of Theft/Embezzlement relating to Health Care. Burch was

indicted by a federal grand jury on February 21 on nine counts of Theft or Embezzlement. Burch worked as the office manager for Lakeside Rehabilitation and Care Center (LRCC) from April 2002 until September 2005. Her duties included handling the trust fund accounts of the patients for LRCC. During her employment, Burch embezzled \$98,189 from patients' trust fund accounts.

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

**Personal Care Attendants: Colorado**

Attorney General John Suthers announced on May 16 that Nancy Morgan pleaded guilty to identity theft and forgery. Morgan was sentenced to four years of probation, with conditions to include 200 hours of community service work, restitution at the time of sentencing of \$20,396.01, 90 days jail with credit for 60 served and the other 30 suspended, a mental health evaluation, and letters of apology.

The investigation by the MFCU showed that Morgan was a Medicaid recipient eligible to receive home services (HCBS). She became acquainted with a woman whom she met at a bakery, and obtained her personal information saying she might need an employee. Instead, Morgan submitted the woman's information to a personal care provider (PCP) agency, which signed the woman up as an employee providing PCP services to Morgan. The agency paid their "employee" by issuing checks to the woman at Morgan's mailing address. Morgan would then cash the paychecks, signing or stamping the endorsement and keeping the money for herself.

Morgan's fraud was discovered after she wrote a number of false time sheets purportedly prepared by the "employee," pre-dating them for the future, and asked another acquaintance to mail them to the PCP agency on a monthly basis. The "employee" was completely unaware of her status with the PCP agency, and is still working to clear the false employment from her labor and tax records. The PCP agency is under investigation for its part in creating an employment file for the false employee, including records of training and site visits that did not occur.

Morgan was also discovered to have committed fraud against Medicaid's Health Insurance Buy-In (HIBI) program, which permitted her to sign up for private health insurance and be reimbursed by Medicaid for the premiums. Once she had signed up for HIBI, Morgan dropped the insurance and retained the premium money.

For further information contact George A. Coddling, Director or Investigator Anthony Matthews (303) 866-5431.

**Personal Care Attendants: Minnesota**

Attorney General Swanson announced on May 21 that Agnes Kula Arnett entered into Operation De Novo, Inc., a pretrial diversion program. Arnett was a personal care assistant who

co-owned the Agnes Arnett Agency, a Medicaid provider agency. Arnett provided personal care assistant services to a client. After reviewing her daughter's explanation of benefits statement, the client's mother reported that Arnett claimed to be providing more services to her daughter than she had actually provided. The client only needed services when her mother was at work. During the months of July and August 2004, Arnett had submitted timecards for providing services seven days a week, when only five days of services were needed. Arnett was paid \$5,356.28 for those false hours.

The terms of the one year De Novo program are that Arnett pay Medicaid restitution in the amount of \$5,356.28, 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. In addition, Arnett will turn over all business records of the Agnes Arnett Agency to the Medicaid Fraud Control Unit and cooperate in the investigation of the agency co-owner and testify, if necessary.

For further information contact Assistant Attorney General Deborah R. Peterson (651) 296-0320.

\* \* \* \*

Attorney General Swanson announced on May 23 that a criminal complaint was filed charging Nadezhda Ivanovna Bugenhagen with two counts of theft by false representation and one count of criminal neglect. Bugenhagen is a personal care assistant who billed the Medicaid program for services she did not provide. The Federal Bureau of Investigation conducted a surveillance of Bugenhagen from Monday, January 23, 2006 through Sunday, January 29, 2006 beginning at 6:00 a.m. to 10:00 p.m. The FBI agents did not observe Bugenhagen at all on Saturday or Sunday; it later learned that Bugenhagen was out of state January 28 - 30, 2006. Bugenhagen reported on her timecards working 51.5 hours between 6:00 a.m. and 10:00 p.m. Comparing Bugenhagen's time cards to the FBI surveillance January 23 - January 27, Bugenhagen had 22 hours of false entries. Bugenhagen's timecards also stated that she worked 15.5 hours during January 28-30, 2006, when she was out of state.

\* \* \* \*

Attorney General Swanson announced on June 25 that Charity Louise James pleaded guilty to theft by false representation. Charity James was a personal care assistant who billed her agency for services she did not provide to a client who was also James' niece. The client's mother Donette James had reported that she was not receiving all of the services which were identified in the explanation of benefits. The investigation determined that during the time period that Charity James was supposed to be providing services to the client, she was also employed at two other companies. Timecards and/or work hour reports from the three companies were compared and they showed that James could not have been providing personal care assistant services to her because she was working at one of her other jobs. Donette James had signed Charity's false personal care assistant timecards.

Charity James was placed on probation for a period of five years with the conditions that she pay Medicaid restitution in the amount of \$4,435.25 (joint and several with Donette James, case pending), pay a fine and fees of \$125, and perform 100 hours of community service within 150 days. James was also ordered to provide a DNA sample, not work in a Medicaid reimbursed field, and to testify truthfully if called in the Donette James trial.

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

**Social Workers: Minnesota**

Attorney General Swanson announced on May 22 that Cynthia J. Klein, LICSW, doing business as Counseling Associates, Inc. was charged with three counts of theft by false representation. Klein is a licensed social worker who billed the Medicaid program by billing for travel time in conjunction with waived services and billing for travel time when Medicaid recipients were out of the country and travel did not occur.

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

**CASE UPDATES****Counselors: Texas**

Attorney General Abbott announced on June 1 that licensed professional counselor (LPC) Madelina Garcia entered into a Pre-Trial Diversion agreement with the Cameron County Community Supervision and Corrections Department. The agreement specifies that Garcia will pay \$56,950.16 in restitution and \$1,440 in supervision fees. The agreement further stipulates that Garcia will pay \$1,000 to a non-profit charity and perform 80 hours of community service.

Garcia was indicted on March 28 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 indictments specify that the monies were taken under a contractual relationship with the government making the offense a second-degree felony. (*See: Medicaid Fraud Report: March/April 2007, p.5*). Garcia was billing for counseling services for foster children and inflating the number of hours billed to Medicaid. During the time period of 2004 to 2006, the provider was paid \$515,968.39. The amount of alleged fraud identified is \$56,960.16.

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

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