



MEDICAID FRAUD REPORT

March/April 2008

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Tennessee Psychiatrist Agrees to Pay \$1.1 Million Dollars

The Tennessee Bureau of Investigation announced on March 20 that Dr. Gulshan Sultan, a psychiatrist in private practice, signed a civil consent judgment in United States District Court and agreed to pay the United States and the State of Tennessee \$1,100,000. On July 25, 2006, in a criminal matter in the same court, Dr. Sultan had pleaded guilty to one count of making and using a false writing in connection with health care. A civil suit was brought against Dr. Sultan and the consent judgment is the result of that suit. Of the \$1,100,000, \$757,112.16 is restitution to the United States for false claims act damages and civil penalties and \$209,887.84 is restitution to Tennessee for false claims act damages and civil penalties. The Centers for Medicare and Medicaid Services will receive \$133,000 for an administrative overpayment.

This case was opened on September 11, 2000, based on a referral from Premier Behavioral Health Care, a BHO for the managed care Medicaid Program, TennCare. It was alleged that Dr. Sultan was billing for excessive hours and upcoding specific therapy sessions. The investigation involved undercover operations, surveillance, review of medical records and billing records, and interviews with staff and patients. A federal grand jury indicted Dr. Sultan on November 1, 2005. The indictment included 19 counts. Dr. Sultan pleaded guilty to the fourth count.

For further information contact Special Agent Kimberly Harmon (423) 634-3044 x119.

CASES**Assisted Living Facilities: Florida**

Attorney General Bill McCollum announced on April 17 the arrest of Shirley Adams, an assisted living facility owner on charges that she submitted false claims to the Florida Medicaid program. Adams, owner of the Adams Adult Family Care Home, allegedly billed the Medicaid program for more than \$20,000 in fraudulent reimbursements.

An investigation by the Medicaid Fraud Control Unit revealed that Adams was operating an assisted living facility that was not properly licensed. The facility was only licensed to house four adult clients but at times had up to six clients, some of whom were children, living at the facility, and Adams was billing Medicaid to reimburse her for their care. The improper billing lasted approximately 19 months.

Adams is charged with schemes to defraud, a third-degree felony punishable by five years imprisonment and a \$5,000 fine.

For further information contact Rick Lober, Director (850) 414-3600.

Chemical Dependency Centers: Texas

Attorney General Greg Abbott announced on March 13 that Thomas Sharif Udebu, aka Prince Stu Rollins, pleaded guilty to a felony theft indictment before Judge Don Strickland. Udebu was placed on a deferred adjudication for a period of ten years and was ordered to pay \$130,400.32 in restitution.

Udebu was also ordered to pay \$941 in extradition costs. Udebu had been indicted on aggregate theft by a government contractor, a second-degree felony. St. Jones Alcohol Drug Rehab Center, a chemical dependency treatment center, was owned by Linda Faye Jones and Udebu.

Between January 5, 2004, and August 21, 2004, Medicaid was billed for chemical dependency treatment services through the accounts of 71 Medicaid recipients. It has been alleged that Jones and Udebu were paid \$130,400.32 by Medicaid for services not rendered.

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Attorney General Abbott announced on March 26 that Ernest Osa Ehonwa and counselor intern Robert Edward Jackson were indicted for aggregate theft by governmental contractor, second degree felony, by a grand jury. Ehonwa and Jackson were the owner/operators of Universal Drug and Alcohol Recovering Center (UD/ARC), a chemical dependency treatment center. UD/ARC allegedly billed Medicaid for chemical dependency treatment services through the accounts of 178 Medicaid recipients and received \$369,408.03 in payment for services not rendered. Ehonwa signed

the Medicaid provider contract and was the signatory on the bank account. Jackson was responsible for billing Medicaid.

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Attorney General Abbott announced on April 10 that Emeke Agboh was sentenced in district court. Agboh was sentenced to five years incarceration and ordered to pay \$90,000 in restitution for the Genesis Drug & Alcohol case and sentenced to five years incarceration to be served concurrently. He was ordered to pay \$110,000 restitution on the Shiloh Mental Health case. On February 7, Agboh pleaded guilty to two counts of aggregated theft by government contractor. Agboh is the owner of two companies, Genesis Drug & Alcohol Rehabilitation Center and Shiloh Mental Health Services.

On March 7, 2007, a grand jury indicted Agboh and the district court subsequently issued warrants charging him with theft by a government contractor in reference to Genesis Drug & Alcohol Rehab Center and Shiloh Mental Health Services. From July 2004 thru October 2004, Agboh, doing business as Genesis Drug & Alcohol Rehab Center, billed Medicaid and was paid \$91,229 for chemical dependency treatment services not provided. Also, from June 2005 thru April 2006, Agboh, doing business as Shiloh Mental Health Services, billed Medicaid and was paid \$132,592 for counseling sessions that were not provided.

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

Counselors: Texas

Attorney General Abbott announced on March 10 that William Onyewuchi Nwanguma pleaded guilty to aggregate theft by governmental contractor, a class 3 felony and securing execution of a document by deception, also a class 3 felony. He was sentenced to two years incarceration on each charge to be served concurrently with the Texas Department of Criminal Justice. On August 17, 2007, a grand jury indicted Nwanguma and Ohuonu. Nwanguma, owner of Willuc Services, was indicted on aggregate theft by a government contractor and securing execution of a document by deception.

Ohuonu was indicted on aggregate theft by a government contractor. Willuc Services is a chemical dependency treatment facility. Between the dates October 1, 2005, and November 22, 2005, Willuc billed Medicaid \$117,450 for chemical dependency counseling through the accounts of 36 Medicaid recipients and received \$28,201.59 in payment from Medicaid for services allegedly not rendered. Nwanguma reported that he believed Ohuonu was a licensed chemical dependency counselor since Ohuonu represented himself as one. Ohuonu is a counselor intern that lacked the credentials to perform chemical dependency counseling/treatment as warranted by the Texas Medicaid program.

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Attorney General Abbott announced on April 3 that Julie Truman, LPC entered into a pre-trial diversion agreement and paid restitution in the amount of \$62,576.14 to the Texas Health and Human Services Commission. Truman is suspected of billing Medicaid recipients for a number of sessions that were not provided. Truman billed for sessions at times when it was impossible for her to have performed the services billed such as attending a professional conference, being out of town on vacation, hurricane evacuation, being in court, out sick, and various other reasons. In addition, she claimed to have provided some of the services for sessions/times when the recipients were unavailable such as when they were taking TAKS test, were out of town for holidays, were working, or were ill. From approximately June 18, 2000, through March 4, 2005, Truman billed Medicaid \$642, 843.25, of which Medicaid paid \$517,087.19. Of this amount, \$62,576.14 has been identified as overpayments.

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Attorney General Abbott announced on April 7 that counselor Nicola Holtzman, a former employee of Assessment Professionals was sentenced to five years probation, assessed a \$3,000 fine, and paid restitution in the amount of \$20,990.73. This is in connection with the August 1, 2007, federal health care fraud indictments of two chemical dependency treatment (CDT) center owners and four counselors associated with Assessment Professionals, a CDT center.

Assessment Professionals was owned by Brian Keith Wilson and Joseph Duane Armstrong. Nicola Holtzman, Kenesaw Landis Bernsen, Jimmie Adams and Armando Martinez Carmona were counselors. The six were indicted based on allegations that Assessment Professionals claimed services to many pediatric patients and billed Medicaid for substance abuse counseling for children that allegedly did not need it or did not receive it. From November 2004 to August 2005, Medicaid was billed and paid \$1,789,333.94 from over 50,000 claims that were submitted.

Witnesses were interviewed, and approximately 4,000 claims associated with them were examined which resulted in over \$197,913 being identified as suspected fraud.

On January 29, manager Brian Wilson pleaded guilty in federal court. He is facing up to 37 months in prison and \$352,000 in court-ordered restitution. On February 11, counselor Jimmie Adams pleaded guilty in federal court and is facing up to three years confinement and \$47,000 in restitution. On February 15, counselor Armando Carmona pleaded guilty in federal court and is facing up to one year probation and \$2,300 in restitution. Counselor Bernsen was ruled to be incompetent to stand trial and his indictment was dismissed.

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

Counselors: Vermont

Attorney General William H. Sorrell announced on April 28 that Hilary Tyler pleaded guilty on April 9 to two counts of Abuse of a Vulnerable Adult, both misdemeanors. Tyler admitted that while employed as a licensed mental health counselor at Valley Vista Treatment Center, an inpatient facility that treats women and adolescents who suffer from drug and alcohol dependency, she commenced a sexual relationship with a resident she was treating for severe alcoholism. Tyler continued the sexual relationship even after the resident's discharge from the facility and, as a result, the resident's rehabilitative and therapeutic efforts were severely compromised.

Tyler received a sentence of 18 months to two years, all suspended, except 120 days to serve in jail. Along with the standard conditions of probation, the court ordered Tyler not to treat vulnerable female adults or female adolescents, and to make partial restitution to the Medicaid Program for her victim's subsequent treatment, totaling \$7,505 attributable to the abuse and paid for by Medicaid. The court also ordered Tyler not to contest inclusion of her name on the Vermont registry of individuals who have abused vulnerable adults. The Vermont Board of Allied Mental Health Practitioners has suspended Tyler's clinical mental health counseling license for a minimum period of three years and conditioned her license for an additional three years if Tyler's license is reinstated.

For further information contact Assistant Attorney General Francine N. Hyman (802) 241-4440.

Dentists: Texas

Attorney General Abbott announced on April 4 that Dr. Vu Tran pleaded guilty to theft and received two years deferred adjudication. He was also required to pay back the \$23,647.72 that he fraudulently received from the Medicaid program. Dr. Tran had been indicted on October 15, 2007, for aggregated second degree felony theft by a government contractor. Dr. Tran is the owner and operator of Dental Concerns. It is alleged that Dr. Tran saw a number of Medicaid patients between the age of 12 to 24 months old in the lobby area of the dental office where he would look in the children's mouths and instruct the parents on tooth brushing, bottle feeding and thumb sucking.

It is further alleged that Dr. Tran would then bill Medicaid for sedation, fluoride, sealants, and other dental services which were not provided during the visits. Between November 2002 and December 2005, Dr. Tran billed Medicaid \$1,274,277.75 and was paid \$1,156,907.50. The investigation revealed that the suspected overpayments for services not rendered was \$23,647.72.

For further information contact Rick Copeland, Director or Chief Investigator Jim Fossum (412) 371-4700.

Drug Diversion: Florida

Attorney General McCollum announced on April 21 that Donna Cain Gatch was sentenced to four months in jail followed by five years of probation after she pleaded no contest to charges that she abused her job at Big Bend Hospice to fraudulently obtain controlled substances. Gatch pleaded no contest to 12 counts of fraudulently obtaining controlled substances and one count of grand theft. Gatch was also ordered to pay restitution to Big Bend Hospice, costs of investigation, court costs, and fines.

Gatch was arrested in October after investigators with the Diversion Response Team determined she was using her patients' names to obtain more than 50 unauthorized controlled substances prescriptions. After phoning in the fraudulent prescriptions, Gatch personally picked up the prescriptions and allowed the pharmacies to charge Big Bend Hospice for the cost.

For further information contact Rick Lober, Director (850) 414-3600.

Drug Diversion: Indiana

Attorney General Steve Carter announced on March 20 that licensed practical nurse (LPN) Kathy S. Stinson entered a plea of guilty to the Class C Felony charge on March 20. She will receive a four year sentence to the Indiana Department of Corrections with three years suspended. She has been incarcerated since her arrest on November 26, 2007 and will receive credit for time served.

On November 13, 2007, a criminal information was filed in the Floyd Superior Court charging Stinson with Interference with Medical Services (Class C Felony) and Exploitation of an Endangered Adult (Class A Misdemeanor). The charges resulted from a complaint to the Indiana MFCU that Stinson was stealing narcotics from residents of a nursing home where she was employed. The investigation revealed that she had convinced at least one resident to hoard pain medications and to turn the narcotics over to Stinson for her personal use. The patient had been prescribed those medications to ease severe knee pain.

For further information contact Allen K. Pope, Director (317) 915-5303.

Drug Diversion: New Hampshire

Attorney General Kelly A. Ayotte announced on April 24 that Tammy Tura and Stephanie Wood were convicted in separate cases of taking narcotic pain medications at the nursing homes where they worked.

Tura, a licensed medication nursing assistant, pleaded guilty in superior court to misdemeanor theft for stealing a surplus vial of liquid morphine that was due for destruction. She received ten days in jail with the remainder of her six-month sentence suspended. The nursing facility where she worked discovered the theft and reported the matter to the police department.

Wood, a licensed practical nurse, pleaded guilty in superior court to felony drug possession. Wood stole narcotic pain medications from a nursing home resident and replaced them with over-the-counter pain relievers that were not prescribed. Wood received a six-month suspended sentence. The nursing facility where Wood worked discovered the tampered medication supply and reported the matter to the police department.

For further information contact Assistant Attorney General Philip Bradley or Jeff Cahill, Director (603) 271-1246.

Drug Diversion: Tennessee

The Tennessee Bureau of Investigation announced on November 28, 2007 that Gwendolyn Richmond, a secretary in a private dental office, pleaded guilty in court to forgery, identity theft and two counts of TennCare (Medicaid) fraud. The court sentenced Richmond to two years probation, ordered her to pay \$244.19 restitution to TennCare and assessed a \$250 fine.

It was alleged that Richmond was calling in prescriptions of hydrocodone and penicillin for TennCare patients to area pharmacies. The investigation showed that Richmond, using the alias Cheryl Lester, was using the identities of TennCare patients to call in the above prescriptions. She used the identification number of the clinic dentist when ordering the prescriptions. Two of her friends would then pickup the prescriptions. She was indicted by a grand jury in March of 2007 on 13 counts. Richmond pleaded guilty to counts 2-5.

For further information contact Assistant Special Agent in Charge Stephen Phelps (731) 984-6666.

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The Tennessee Bureau of Investigation announced on March 7 that Carla Vaughn, a dental assistant in a dental group practice pleaded guilty in court to six counts of Prescription Fraud. The court sentenced Vaughn to two years supervised probation.

This case was opened on June 20, 2007, based on a referral from an investigator with the Drug Enforcement Agency. It was alleged that Carla Vaughn had six prescriptions filled using fraudulent prescriptions. The investigation showed that Vaughn had been fired as a dental assistant from a local dental practice for not showing up for work. She obtained the DEA numbers of the two dentists she had worked for. Using the DEA numbers, she would telephone her prescriptions for Lortab to one of two pharmacies. Vaughn used her TennCare (Medicaid) card to pay for the prescriptions. The grand jury indicted Vaughn on November 28, 2007 charging her with six counts of prescription Fraud.

For further information contact Special Agent Angel Beverly (615) 744-4282.

Drug Diversion: Texas

Attorney General Abbott announced on March 13 that licensed vocational nurse (LVN) Lawana Sue Guy appeared in district court. Guy was sentenced to one-year pre-trial diversion on one count of obtaining a schedule III controlled substance by fraud, a 3rd degree felony. It is alleged that in October of 2006, Guy stole two hydrocodone tablets and one soma tablet prescribed for Medicaid residents at the Country Trails Care Center, where she worked. Guy then attempted to avoid detection by falsifying the medical records.

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Attorney General Abbott announced on April 17 that a grand jury indicted licensed vocational nurse (LVN) Barron Dwain Wardwell, charging him with fraud and possession of a controlled substance. On October 22, 2006, Wardwell was terminated from the Kristi Lee Manor nursing home after he was suspected of diverting drugs from residents for his own use. An investigation revealed that Wardwell had diverted 90 tablets of hydrocodone from a locked medication cabinet. The offense was captured on video surveillance.

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

Drug Diversion: Vermont

Attorney General Sorrell announced on March 28 that Jennifer Whitney pleaded guilty on March 26, to one count of Obtaining a Regulated Drug by Deceit, a felony, and one count of Recklessly Endangering Another Person, a misdemeanor. Whitney admitted that she used her position as a licensed registered nurse at Gifford Medical Center to remove suspiciously high amounts of morphine from the Pyxis computerized narcotic security system. She also admitted to injecting herself with diverted morphine while on duty and working her shifts on the Medical-Surgical Unit, Howell Pavilion.

Whitney received a sentence of 18 months to three years, all suspended, except 90 days to serve in jail. The court ordered the standard conditions of probation along with several special conditions including that she not acquire any regulated drugs without a prescription; that she undergo substance abuse treatment and submit to random drug testing; that she make restitution to Gifford Medical Center for the cost of the drugs diverted and a \$1,000 donation to the Clara Martin Center, a non-profit substance abuse treatment center; and that she participate as a speaker in up to three education programs on drug diversion. The state Board of Nursing suspended Whitney's nursing license, Gifford Medical Center terminated her employment, and the federal Office of the Inspector General is likely to exclude Whitney from working in any Medicare- or Medicaid- funded facilities for up to five years.

For further information contact Assistant Attorney General Francine N. Hyman (802) 241-4440.

Durable Medical Equipment: Florida

Attorney General McCollum announced on April 23 that a jury returned a guilty verdict against Roman Arias, convicting him of grand theft and organized scheme to defraud the Florida Medicaid program. Arias could face up to 30 years in prison when he is sentenced at a later date.

Arias was the owner of Expo Tech Services, a durable medical equipment company. Investigators with the Medicaid Fraud Control Unit determined that Arias fraudulently billed the Medicaid program more than \$250,000 for numerous orthopedic devices by using the names and Medicaid numbers of Medicaid recipients who neither needed nor received the equipment for which their accounts were billed.

The fraud continued over the course of a nine-month period and Arias was arrested in June 2006 by law enforcement officers with the Medicaid Fraud Control Unit. During the trial, the MFCU attorney also produced evidence establishing that Arias never even purchased the equipment for which he billed. Arias was immediately remanded into custody upon the return of the jury's verdict.

For further information contact Rick Lober, Director (850) 414-3600.

Durable Medical Equipment: Texas

Attorney General Abbott announced on March 4 that Enohor V. Akarus was arrested for defrauding the Medicaid and Medicare programs. Akarue, owner of Rosewood Medical Supplies, was indicted by a grand jury when he was charged with a first-degree felony.

The arrest came after a joint investigation by the Houston FBI, the U.S. Department of Health and Human Services' Office of Inspector General and the MFCU. The investigation scrutinized the suspect's Medicaid and Medicare billing records for wheelchairs that were either never delivered or not medically necessary.

The indictment is based on allegations that Akarue billed Medicare and Medicaid from July 2002 through June 2003 for wheelchairs that were never delivered or not medically necessary. The defendant is also charged with charging the government for expensive devices, but actually delivering much less expensive scooters to patients. The suspected overpayments to Akarue by Medicare are \$564,000, with another \$53,500 coming from Medicaid.

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Attorney General Abbott announced on March 7 that durable medical equipment (DME) company owner and operator Ededem Edem, doing business as Edison Medical, was sentenced to ten years confinement in the Texas Department of Corrections and ordered to pay \$116,079.60 in restitution. Edem subsequently discharged his attorney and made notice of appeal to the court. Between January 1, 2003, and April 30, 2006, Edem was paid \$681,270 by Medicaid, of which \$117,487.56 was identified through this investigation as suspected overpayment for services not provided. The investigation also revealed that Edem billed Medicaid after his Medicare license was revoked indicating a suspected overpayments of \$681,270.63.

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Attorney General Abbott announced on March 14 that David E. Odemwingie pleaded guilty to a charge of theft \$100,000 - \$200,000, and was sentenced to ten years in the Texas Department of Criminal Justice. The sentence was suspended for the ten years. Odemwingie was also ordered to pay \$135,500.13 in restitution, \$3,000 in fines, and \$236 in court costs. Odemwingie is the owner/operator of Jaza Medical Supplies and was indicted on November 6, 2007, by a grand jury for theft over \$100,000. The allegations in this case are that during the period of January 2003 through June 2006, Odemwingie billed Medicaid and received \$135,500.13 for incontinence products that were not delivered to Medicaid clients.

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Attorney General Abbott announced on March 14 that Bibian Chikere Uluocha, a co-owner of Silver Hawk Healthcare Systems, Inc., a DME company pleaded guilty in district court to a charge of aggregate theft by a government contractor, over \$200,000. On October 15, 2007, Bibian Uluocha, Achor Uluocha, and Francis Nwosuocha were indicted by a grand jury for aggregate theft by a government contractor. Uluocha, doing business as Silver Hawk, billed Medicaid and Medicare for power wheelchairs and accessories while providing less expensive scooters. Between August 2002 and June 2003, Uluocha, doing business as Silver Hawk, was paid \$72,330.69 by Medicaid and \$1,800 by Medicare. Through investigation and interviews, suspected overpayments of \$27,478.63 by Medicaid and \$203,501.72 by Medicare for a total of \$230,980.35 were identified. An outstanding warrant remains in effect for Achor Hawkins Uluocha, who is believed to be out of the country.

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Attorney General Abbott announced on March 19 that a grand jury indicted brothers Aghaegbuna Odelugo, Kodigbo Odelugo, and Chukwuma Odelugo for organized criminal activity, 1st degree felony theft. Aghaegbuna and Kodigbo operated DMEs Nakon General Corporation and Network Advantage Corporation. Chukwuma also operated Nakon. All three brothers are suspected of billing Medicare and Medicaid for motorized wheelchairs while actually providing less expensive

motorized scooters, or no equipment at all, and using forged certificates of medical necessity (CMN). Aghaegbuna and Kodigbo are suspected of furthering this scheme by also billing for incontinent supplies not provided to recipients.

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Attorney General Abbott announced on April 2 that a grand jury indicted Kingsley Chukwudi Agu, operator of Life Line Supplies on one count of felony aggregate theft over \$100,000.

Agu is the sole operator of Life Line Supplies, a DME company he opened in his father's name. From January 1, 2003 to April 30, 2006, Agu was paid \$1,035,837 by Medicaid for incontinence supplies that were allegedly never delivered. The entire amount paid was identified as overpayments since all billing was submitted after the company's authorization had been deactivated.

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Attorney General Abbott announced on April 7 that a federal grand jury indicted Katherine Dickerson West was for conspiracy and healthcare fraud. West is the owner of Odyssey Medical Supply & Counseling Center, a DME company. West was allegedly supplying scooters to recipients and billing Medicaid/Medicare for wheelchairs. It is alleged that West was fraudulently paid \$8,188.67 by Medicaid and \$144,038.16 by Medicare.

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Attorney General Abbott announced on April 9 that Mary Lou Hernandez was sentenced to 24 months incarceration in federal prison by U.S. District Judge W. Royal Furgeson, Jr.,. The prison term is to be followed by three years supervised release. Hernandez must pay \$300 to the Crime Victims Fund, and make full restitution of \$3,032,404.94 to Medicare and \$1,377,114.73 to Medicaid. Hernandez owned and operated Angel Care Medical Supply, Inc., a durable medical equipment (DME) company.

On November 28, 2006, Hernandez pleaded guilty to three counts as charged in the information and pursuant to a plea agreement. Hernandez pleaded to one count of conspiracy, one count of health care fraud, and one count of violating the anti-kickback statute. Hernandez is alleged to have obtained patients by illegally paying kickbacks of \$800 to \$1,000 per patient to recruiters to solicit patients for motorized wheelchairs and accessories. These recruiters allegedly worked with several physicians who falsely signed Certificates of Medical Necessity authorizing the motorized wheelchairs and accessories, when in fact the patients did not qualify based on medical necessity.

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

Home Health Care Aides: Arizona

Attorney General Terry Goddard announced on March 5 the sentencing of Jessica Ann Hagey. The defendant was sentenced to Criminal Possession of a Forgery Device, after entering into a plea agreement with the State of Arizona on January 8. The court ordered her to serve one year of probation, to pay restitution to the United Cerebral Palsy (UCP) in the amount of \$2,477.61, ordered to pay investigative costs to the Medicaid Fraud Control Unit and to serve 30 days incarceration in the county jail beginning November 1 with credit for days served.

Hagey was indicted on October 16, 2007 on one count Fraudulent Schemes and Artifices, one count Theft, and nine counts of Forgery.

AHCCCS-OPI compiled and confirmed prior reviews done by United Cerebral Palsy and the Arizona State Division of Economic Security-DDD. Their investigation concluded that Hagey, then a respite provider for UCP's HBCS program, submitted billing documents to UCP for services she did not, in fact, provide. The false billings occurred during September and October of 2006, and resulted in the payment of \$2,477.61 to Hagey which she was not entitled to. In addition, the individual billing documents fraudulently submitted by Hagey were forged, as they were altered copies into which Hagey inserted false dates, times, and parental signatures.

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

Home Health Care Aides: Nevada

Attorney General Catherine Cortez Masto announced on April 1 that Dianna Smith was sentenced for a Gross Misdemeanor violation of Medicaid Fraud. District Court Judge Stewart L. Bell sentenced her to 90 days in jail, suspended; payment of \$6,500 in restitution, penalties, and costs; serve three years probation plus 80 hours of community service.

MFCU Director Tim Terry, stated that the investigation began in 2006 as a result of a citizen's complaint. The charges stemmed from a record review of home care services Smith allegedly to have performed. Investigators discovered that while she was employed at a full time job she was also submitting time sheets indicating she was providing home care services to Medicaid recipients.

For further information contact Tim Terry, Director (775) 684-1191.

Home Health Care Aides: Oregon

Attorney General Hardy Myers announced on March 6 the conviction of Susan Pearson for 13 felony counts of Making False Claim for Healthcare Payment and ten felony counts of Theft in the First Degree.

During a three day jury trial, the state presented evidence of an eight-year long fraudulent scheme by Pearson, an in-home caregiver paid with Medicaid dollars and co-defendant Carolyn Elliott, a Medicaid recipient costing taxpayers \$108,225.33. (While Elliott was also charged, she died three weeks before trial).

Starting in 1999, Pearson and Elliott agreed to a scheme whereby Elliott would pretend to be disabled and Pearson would claim to be providing care to her. Each year during the annual state assessment, Pearson and Elliott would report that Elliott was unable to bathe, toilet, cook meals and even walk without substantial assistance of a caregiver. A year-long investigation revealed that Elliott was not only capable of doing all these activities but in fact worked raising sheep and bottle-fed calves, and rode horses on a weekly basis, including in local parades. Each month for eight years, (continuing even after Elliott moved to Condon, Oregon), Pearson would bill the state Medicaid program for care she did not provide and then she and Elliott would split the illegal proceeds. Evidence included statements by Pearson that she and Elliott agreed to “drink coffee and bill the state” and that she thought that they would “never get caught because it was a state program.”

The investigation was led by the Medicaid Fraud Control Unit and included agents from the Social Security Administration and the Department of Human Services. The case was prosecuted by the MFCU through a district attorney’s office.

As a result of the convictions, Judge Jeffrey Wallace sentenced Pearson to 39 months in prison and placed Pearson on five years probation. Conditions of probation include that Pearson pay \$68,423.93 restitution to the state Medicaid program, pay a fine of \$44,131.40, and is prohibited from being a caregiver paid in any part by Medicaid or Medicare funds.

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

Home Health Care Aides: Tennessee

The Tennessee Bureau of Investigation announced that on March 20 Charles Allred Jr., a care giver employed to provide in-home care for the mentally retarded, entered into an agreement for Pre-Trial Diversion in the Putnam County Criminal Court to one count of theft over \$1,000. The court allowed Allred two years of Pre-Trial Diversion during which he must pay restitution of \$4,252.38 to the Tennessee Division of Mental Retardation Services.

This case was opened on June 21, 2007, based on a referral from an investigator with the Tennessee Division of Mental Retardation Services. It was alleged that Allred was billing his employer for time worked when, in fact, he had not worked those hours. The investigation showed that the patient’s mother made notes about Allred’s hours of work in her home. She brought the billing over to the attention of the employer, who then reported the situation to investigators. A comparison of Allred’s submitted time records to the mother’s notes showed 34 days of over billing.

After being read his rights, and while being interviewed, Allred admitted to falsifying his time sheets. He was indicted by a grand jury and charged with two counts of theft over \$1,000.

For further information contact Special Agent Robert Simmons (615) 744-4236.

Medical Clinics: Tennessee

The Tennessee Bureau of Investigation announced on March 28 that Mark Bradley, a chiropractor, Katherine Turner, a nurse practitioner, Weldon Davis, a nurse practitioner and Connie Brickey, a nurse's aide, all employed at Mark Bradley's Virginia Center for Integrative Medicine (VCIM) were sentenced after pleading guilty to various healthcare charges.

Bradley pleaded guilty on October 22, 2007 to count one of a twenty-three-count indictment. Count one is conspiracy to commit healthcare fraud, mail fraud, wire fraud, unlawful distribution of controlled substances and obstruction of justice. He was sentenced to eighteen months in federal prison; three years supervised probation, \$100 court fine and \$79,261.00 restitution of which \$44,126.00 goes to TennCare.

Turner pleaded guilty on October 22, 2007 to one count of a twenty-three-count indictment of obstruction of justice. She was sentenced to three years supervised probation and a \$100 court fine.

Davis pleaded guilty on November 16, 2007 to a one count information of conspiracy to distribute controlled substances and was sentenced to three years supervised probation and a \$100 court fine.

Brickey pleaded guilty on November 16, 2007 to a one count information of perjury and was sentenced to three years supervised probation and a \$100 court fine.

This case was opened on March 29, 2006, based on a referral from the U.S. Department of Human Services – Office of Inspector General and the Virginia State Police. It was alleged that VCIM, with a chiropractic clinic on one side and a family practice on the other side and operated by Mark Bradley, was engaging in questionable Medicare/Medicaid (TennCare) billing and drug dispensing practices. The investigation showed that the nurse practitioners were issuing prescriptions without the supervising doctor's knowledge but with his DEA number. The U.S. District Court for the Western District of Virginia indicted Mark Bradley and Katherine Turner on July 18, 2007 on twenty-three counts. Davis pleaded to an Information filed by the U.S. Attorney on November 16, 2007 and Brickey pleaded to an Information filed on November 16, 2007.

For further information contact Special Agent Dave Slagle (423) 434-6464.

Medical Transportation: Indiana

Attorney General Steve Carter announced on April 30 that Jennifer Williams, who operated a transportation company under the name of A New Way Transportation, pleaded guilty. Williams billed the Indiana Medicaid Program for transporting patients to medical appointments. Indiana Medicaid pays twice as much for transporting wheelchair-bound patients as for ambulatory patients. Williams billed Medicaid wheelchair rates for ambulatory patients. Over three years, Medicaid paid Williams approximately \$177,000. Williams received 30 months imprisonment and ordered to pay \$79,000 in program restitution.

For further information contact Allen K. Pope, Director (317) 915-5303.

Medical Transportation: Texas

Attorney General Abbott announced on April 4 that Ayad Fallah pleaded guilty to one count of conspiracy to commit health care fraud and on April 11 Murad Almasri pleaded guilty to one count of conspiracy to commit health care fraud in the Americare Medical Services case. Americare is an ambulance service originally operated by brothers Raed Elmasri and Murad Almasri together with Ayad Fallah. During the course of the investigation, the three original owners sold the company to Mazen Abdallah and Wesam Abdallah. The new owners continued to engage in the same activities which brought the company under investigation. The defendants are charged with healthcare fraud, money laundering, and violation of anti-kickback regulations. The defendants are accused of billing for non-emergency transportation for dialysis patients who do not meet the Medicaid/Medicare guidelines for such transport. Raed Elmasri is out of the country and remains a fugitive at this time.

Between October 2002 and present, Americare billed \$22.8 million and was paid over \$6.4 million by Medicare and over \$1 million by Medicaid.

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Attorney General Abbott announced on April 11 that Guadalupe Garces and Araceli Garces, owners of A-Stat Ambulance Company were found guilty by a federal jury. The jury found Guadalupe Garces guilty on one count of conspiracy to commit health care fraud and 19 counts of health care fraud. Guadalupe Garces was found not guilty on 35 counts of health care fraud. Araceli Garces was found guilty of one count of conspiracy to commit health care fraud and 14 counts of health care fraud. Araceli Garces was found not guilty on 40 counts of health care fraud.

The Garces' were indicted on December 6, 2006, by a federal grand jury for conspiracy to commit health care fraud and health care fraud. A-Stat Ambulance Services was allegedly transporting ambulatory patients who did not meet the requirements for non-emergency ambulance transports to area dialysis facilities. The investigation revealed that during the period of May 5,

2001, to June 1, 2004, they were responsible for overpayments of \$529,912 for Medicaid claims and \$2,391,833.85 for Medicare claims.

For further information on both cases contact Rick Copeland, Director or Chief Investigator Jim Fossum (412) 371-4700.

Mental Health Companies: Indiana

Attorney General Carter announced on March 11 that a jury convicted Varnador Sutton, owner of Regenerations following a two-day trial. The investigative activities started in April 2007 and a federal grand jury indicted Sutton and related suspect Antoinette Alexander in July 2007, who pleaded guilty. A jury convicted Sutton on March 11, 2008, following a two-day trial. He faces a maximum 10 year in prison. The loss amounted to \$3.2 million.

Indiana's SURS contractor received a hotline call from a concerned Medicaid recipient that a prior authorization for an unknown provider, Regenerations, Inc. was approved. The SURS contractor researched Regenerations' claim activity and determined it to be aberrant, specifically that Regenerations was exhausting all of each Medicaid recipient's outpatient mental health benefits within one month, on one claim. Through claim history research, investigators determined that Regenerations submitted claims with identical service dates, procedures, charges, and so forth. The SURS contractor conducted an on-site administrative audit, and discovered that Regenerations was non-existent. They were able to contact the owner, Varnador Sutton, by phone, but they were not able to make contact. On the same day that he was contacted by phone, Sutton terminated Regenerations' Medicaid provider number.

Multiple recipient interviews were conducted. The Medicaid recipients did not have any knowledge of Regenerations or Varnador Sutton. Sutton was not even residing in the state. The health service psychology professional whom Regenerations claimed was overseeing outpatient mental health treatment plans was not involved, and had in fact relocated to Turkey on a civilian military assignment. The investigation then focused on tracking Sutton's assets. Real estate, luxury vehicles, and money market accounts were identified valued at \$2.2 million. All of those assets were seized.

For further information contact Allen K. Pope, Director (317) 915-5303.

Nurses: Texas

Attorney General Abbott announced on March 14 that registered nurse (RN) and chief executive officer (CEO) Angela Michelle Edwards was sentenced to serve 30 months in the U.S. Bureau of Prisons and ordered to pay \$370,657 in restitution. The sentenced was handed down by the U.S. District Court for the Northern District.

On November 29, 2007, Edwards pleaded guilty to one count of health care fraud. Edwards, while employed as the CEO of Oasis Medical Clinic, allegedly up-coded medical claims for a total of \$370,657 of invalid claims across all payer sources. She allegedly also embezzled \$647,458. Edwards admitted to calling in prescriptions for her husband without a doctor's approval and admitted to "borrowing" funds from the clinic without approval.

* * * *

Attorney General Abbott announced on April 4 that registered nurse (RN) Patti Michelle Taylor pleaded no contest to two counts of obtaining a controlled substance by fraud. She was sentenced to three years deferred adjudication and fined \$472.

The indictments were based on allegations that Taylor diverted medication from a Medicaid resident of a nursing and rehabilitation center between August 2005 and July 2006 and Medicaid was billed. It is also alleged that Taylor ordered medication in the resident's name without physician orders for the medication.

* * * *

Attorney General Abbott announced on April 9 that registered nurse (RN) Angela Baker was indicted by a grand jury for one count of obtaining a controlled substance by fraud. Baker was formerly employed by WCA4 - Longview, doing business as a Medicaid home healthcare services provider. It is alleged that she used client names and Medicaid numbers to obtain controlled substances illegally.

* * * *

Attorney General Abbott announced on April 23 that nurse imposter Nancy Gutierrez Smelosky pleaded guilty to one count of tampering with a governmental record with intent to defraud and one count of fraudulent use of identification and was sentenced to 18 months for these felony charges. Smelosky also pleaded guilty to the misdemeanor charge of practicing nursing without a license and was sentenced to 270 days incarceration. In addition she was fined \$1,000.

The indictments were based on an investigation that revealed Smelosky used a Social Security number belonging to a registered nurse licensed by the State of Texas and obtained employment at Mesquite Tree Nursing Center as the director of nursing.

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

Nursing Homes: Arizona

Attorney General Goddard announced on February 27 that Julie Ann Gutierrez was sentenced to two and a half years in prison after pleading guilty to an amended theft charge on February 1. The defendant was taken into custody right after the sentencing hearing. A restitution hearing took place on April 18 and Gutierrez was ordered to pay restitution in the amount of \$203,802.28.

Gutierrez, an office manager for Evergreen Healthcare, a nursing home management company, pleaded guilty to diverting money from the firm for her own use. An audit of Evergreen Healthcare determined that the defendant had altered computer records and submitted to the corporate office requests for payments in the names of her friends, family and other seemingly legitimate payees. The audit determined that she diverted approximately \$163,830.

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

Nursing Homes: Texas

Attorney General Abbott announced on March 7 that a jury convicted nursing home owner Stephen Michael Ewing on 27 counts of the federal indictment against him and he was taken into immediate custody. Ewing, Gary Raywood Trebert and Larry Gordon May were indicted by a federal grand jury on March 14, 2007, in a 29-count indictment for conspiring to defraud the IRS and HHS, tax evasion, mail fraud, false statements to a governmental agency and false statements in a healthcare matter.

Between 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 the Medicare/Medicaid programs through approximately 70 nursing facilities located in five states. At present, the suspected overall fraud amount is estimated at approximately \$200 million. Approximately \$116 million of this amount comes from the Texas Medicaid program and the balance from the Medicare program and private payers.

* * * *

Attorney General Abbott announced on April 28 that Larry Gordon May appeared in the U.S. District Court for sentencing for his role in the Spring Season of Cuero nursing home fraud case. Judge Terry Means sentenced May to 36 months for count one of the indictment, conspiracy to defraud the government by obstructing and impeding lawful government functions of the Internal Revenue Service and Department of Health and Human Services and to 12 months for count one of the information, subscribing under penalties of perjury to a materially false federal tax return. The sentences are to be served consecutively. Upon release, May will be on supervised release for two years. Judge Means ordered no restitution, no fine and no cost of incarceration fees to be paid by May.

In the Spring Season of Cuero case, Gary Raywood Trebert, Stephen Michael Ewing and May were indicted by a federal grand jury on March 14, 2007, on a 29-count indictment for conspiring to defraud the IRS and HHS, tax evasion, mail fraud, false statements to a governmental agency and false statements in a healthcare matter. From January 1999 through May 2004, it was alleged that the subjects conspired to defraud the IRS of approximately \$34 million, largely generated from income received from the Medicare/Medicaid programs through approximately 70 nursing facilities located in five states. At present, the suspected overall fraud amount is estimated at approximately \$200 million. Approximately \$117 million of this amount comes from the Texas Medicaid program and the balance from the Medicare program and private payers.

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

Patient Abuse: Texas

Attorney General Abbott announced on March 25 that certified nurse aide (CNA) Loretta Lynn Benavidez was indicted by a grand jury on two counts of Injury to an Elderly or Disabled Individual. Benavidez worked for Rockport Coastal Care Center Nursing Home (Rockport Coastal).

Allegedly, witnesses at Rockport Coastal observed and heard Benavidez physically assault and verbally abuse two residents. Investigators interviewed the witnesses and obtained written statements related to the incidents of alleged abuse.

* * * *

Attorney General Abbott announced on March 31 that licensed vocational nurse (LVN) Linda Faye Griffin was sentenced to five years deferred adjudication, 250 hours of community service, fined \$1,500, ordered to wear an electronic leg monitor for 120 days, and ordered to attend an anger management class. On February 26, she pleaded guilty to a charge of injury to a disabled individual, with bodily injury. Griffin was initially indicted by a grand jury on October 28, 2003, and arrested on February 3, 2005.

The District Attorney's Office subsequently dismissed the charge in July 2006, due to a wording error in the indictment and re-indicted her on September 13, 2006, for the same charge. The charges were based on allegations that on June 15, 2002, two certified nurse aides were attempting to provide treatment to a resident of River City Care Center, and the resident refused treatment. Upon hearing the commotion, Griffin entered the room and allegedly threatened the resident, grabbed the resident by the throat, and clipped off her fingernails causing injury.

* * * *

Attorney General Abbott announced on April 10 that service assistant (SA) Crystal Monique Wagner was indicted by a grand jury for attempted murder of a patient in the Abilene State School.

It is alleged that on July 10, 2007, Wagner was observed by another staff member holding a pillow over the face of a state school resident in the resident's bedroom. Wagner was placed on administrative leave pending the results of the investigation.

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

Patient Trust Funds: Alabama

Attorney General Troy King announced on April 30 the conviction of Anne Marie Jones for the theft of \$97,036.25 while she was employed as an accounts payable clerk at South Haven Nursing. Jones pleaded guilty to two counts of first-degree theft and one count of second-degree criminal possession of a forged instrument.

The matter was brought to the attention of the Medicaid Fraud Control Unit by South Haven Nursing Home's management after they discovered discrepancies in the facility's patient trust fund. A subsequent investigation conducted by the MFCU and the Montgomery Police Department determined that from September 2005 to April 2007, Jones wrote checks on the nursing home's patient trust fund and represented that the money was being used for residents' personal needs. Jones was actually cashing the checks and depositing the proceeds into her personal bank account. Jones also intercepted numerous checks mailed to the facility for the benefit of residents and deposited those checks into her personal account as well. Upon discovering the theft, the nursing home reimbursed the patients' accounts for the amounts stolen.

Jones faces two to 20 years and up to a \$30,000 fine on each of the theft convictions, and one to 10 years imprisonment and up to a \$15,000 fine for the criminal possession of a forged instrument conviction.

For further information contact Bruce Lieberman, Director (334) 353-8793.

Patient Trust Funds: Florida

Attorney General McCollum announced on April 17 that Robert L. Ashley was arrested for exploiting an elderly victim and grand theft after investigators revealed that he fraudulently used more than \$23,000 of the victim's money for his own personal benefit.

Investigators with the Medicaid Fraud Control Unit's Patient Abuse, Neglect and Exploitation (PANE) team began investigating Ashley after receiving information from the Florida Department of Children and Families, Adult Protective Services. The investigation revealed that Ashley obtained power of attorney over the 87-year-old victim's affairs while the victim was in a nursing facility. Using that power of attorney, Ashley took more than \$23,000 out of the victim's bank accounts and used the funds for his own personal benefit. The victim is now deceased.

Ashley was arrested for one count of exploitation of an elderly adult and one count of grand theft, both second-degree felonies. Each felony carries a maximum penalty of 15 years in prison and a \$10,000 fine.

For further information contact Rick Lober, Director (850) 414-3600.

Patient Trust Funds: Oregon

Attorney General Meyers announced on February 28 that Nicola Warren was sentenced in circuit court. Warren was the last of three defendants to face charges in a fiduciary abuse scam which arose in a Eugene, Oregon adult care facility.

Hionda House was owned and operated by defendant Evelyn Colman. Warren and a third co-defendant, Ami Chand, worked as caregivers at the facility. While Hionda House did provide care for Medicaid recipients, one resident was a retired railroad worker, who moved into the facility in 2001, when his health began failing. When he moved in, he had significant assets and was not on Medicaid. He died in 2004, after being hospitalized six times for injuries from falls and for lack of care; he was blind and suffering from dementia when he died. His family all resided in the east coast, so he depended on Hionda House staff for all aspects of his care.

A joint investigation by MFCU Investigative Auditor Richard May and local law enforcement officials untangled a web of financial records and established that Colman, Warren and Chand all had been helping themselves to the victim's assets, writing tens of thousands of dollars worth of checks to themselves from his assets, which went for such things as financing expenses at bars, casinos and liquor stores, as well as a cruise vacation. Meanwhile, they failed to obtain nursing care they promised he would receive to recover from injuries he suffered in their care. Colman in fact charged he for "extra help" he never actually received at the facility. While Colman's own records established her income at more than \$63,000/year, she falsified paperwork so she herself received Medicaid benefits.

Colman pleaded guilty to 17 counts of Criminal [Financial] Mistreatment, seven counts of Theft, one count of Unlawfully Obtaining Public Assistance, and one count of Filing a False Health Care Claim. Colman was sentenced to serve a five year, ten month prison term and repay restitution of \$68,286. Warren pleaded guilty to eight counts of Criminal [Financial] Mistreatment and six counts of Theft. She was sentenced to serve a four year, two month prison term and repay \$59,000 in restitution. Chand pleaded guilty to two counts of Aggravated Theft. She was sentenced to serve 60 days in jail; placed on probation for five years; and sentenced to pay restitution of \$43,000.

For further information contact Investigative Auditor Richard May (971) 673-1880, x31942.

Patient Trust Funds: Texas

Attorney General Abbott announced on March 5 that Stephenia Dawn Adams was sentenced by a jury to 180 days incarceration on five counts of felony forgery and seven years probation on two counts of felony theft from the elderly and misappropriation and was ordered to pay \$8,400 in restitution. Adams was the business office manager at Meadowbrook Healthcare, when a deceased resident's responsible party notified the administrator that a burial policy had lapsed due to nonpayment of premiums. The resident's policy premium was to be paid from the residential trust fund. The investigation revealed that Adams had allegedly misappropriated the funds from the residential trust fund account. Residential trust fund signatories indicated they had not signed or authorized anyone to sign for them on questionable residential trust fund checks.

* * * *

Attorney General Abbott announced on April 25 that a grand jury indicted Pamela LaMontagne, charging her with misapplication of fiduciary property and theft of resident funds. LaMontagne is the former business office manager of Brentwood Nursing Home. It was charged that between July 2002 - October 2005, LaMontagne, misappropriated \$21,162.17, of which \$11,961 represents actual funds stolen from the trust fund accounts of residents living at the nursing home. LaMontagne was responsible for the administration of the resident trust fund, as well as other financial duties at the facility. LaMontagne accepted cash for deposit to the resident trust fund and applied income accounts. LaMontagne is alleged to have provided a receipt to the responsible party making the payment, but she then stole the cash and shredded the corporate receipts. She also misapplied funds of residents who were paying by check to cover her theft.

* * * *

Attorney General Abbott announced on April 25 that a grand jury indicted Glenda Wright on charges of misappropriation of fiduciary funds, while employed at the Lindan Park Care Center Nursing Home. Mary Brown, Christopher Hall and Calvina Walls were indicted on related forgery charges stemming from their participation with Wright in cashing checks for money belonging to the residents. On April 23, an auditor presented testimony to the grand jury about Wright, Brown, Hall and Walls. It is alleged that between May and August 2003, Wright, the former business manager of Lindan Park Care Center nursing home, misappropriated \$9,835.22 in resident trust fund money by writing checks to various individuals including her associate Brown, her relative Hall, and her relative's friend Walls.

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

Patient Trust Funds: Washington State

Attorney General Rob McKenna announced on February 5, 2008 that Katherine Joy Burwell, pleaded guilty to two counts of Theft in the First Degree, one count of Theft in the Second Degree and three counts of Forgery. She was sentenced as a first time offender to serve 45 days in jail, 12 month of Community Custody, pay restitution in the amount of \$6,392 to Regency of Puyallup, fines and court costs equaling \$1,200.

Investigator Michael Lambert conducted the investigation for the Washington State MFCU. He found that Burwell stole money from the Medicaid funded facility by forging check from several accounts. She stole \$5,400 from two Regency accounts and then transferred \$1,000 from one account to another in an effort to conceal her thefts.

For further information contact Assistant Attorney General Andrea Jarmon (360) 586-8887.

Patient Trust Funds: Wisconsin

Attorney General J.B. Van Hollen announced on April 9 that Janelle Wisner-Cook has been sentenced for theft from developmentally disabled Medicaid recipients and from the facility caring for those recipients. On February 2, Wisner-Cook pleaded guilty to a felony count of Theft. As part of her plea agreement, Wisner-Cook admitted to the facts of three additional theft crimes that the judge would consider in imposing the sentence. Judge William Atkinson sentenced Wisner-Cook to 90 days jail, followed by three years of probation. As conditions of probation, the defendant must complete any alcohol and mental health treatments deemed necessary by the Department of Corrections, seek and maintain full time employment, and write letters of apologies to the victims.

According to the Department of Justice's criminal complaint, Wisner-Cook was employed by Innovative Services, Inc. as a home manager and was assigned to work at an adult family home. As part of her duties Wisner-Cook had access to envelopes containing residents' money used to purchase personal goods and services for each resident. Wisner-Cook also had access to a corporate credit card with restricted use for business purchases only. Between August and October 2006, Wisner-Cook used the residents' funds and corporate credit card to purchase gasoline, groceries and other assorted personal items for her own use.

Upon questioning, Wisner-Cook admitted to the thefts and agreed to reimburse the parties. The amount of the unauthorized credit card purchases and resident funds was deducted from Wisner-Cook's final pay check. Wisner-Cook was terminated from employment as a result of these incidents.

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

Pharmacies: Oregon

Attorney General Myers announced on February 8 the conviction and sentencing of Bradley Wolfe, a pharmacist, on felony Possession of a Controlled Substance II.

Wolfe owned Cascade Clinical Pharmacy (“Cascade”), a compounding pharmacy and also worked as a pharmacist at the Blue Mountain Recovery Center (“Blue Mountain”). A review of Cascade’s records by the Oregon Board of Pharmacy (“BOP”) revealed various unaccounted medications and records of Blue Mountain revealed drug diversion. As a part of BOP’s investigation, Wolfe admitted a five year drug dependency problem. Because of the complicated nature of the case, local law enforcement and BOP requested that the Oregon Medicaid Fraud Control Unit prosecute the case.

As a result of the conviction, and based on the stipulation of the parties, Wolfe was placed on an extended five year probation. Conditions of probation include that Wolfe must perform 200 hours of community service, not be employed in any capacity with Medicaid or Medicare funds and pay \$666 in fines. If Wolfe successfully completes probation and drug treatment, the felony will be discharged. The BOP revoked Wolfe’s license for ten years.

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

Physical Therapists: Indiana

Attorney General Carter announced on March 27 that Gani Azeez agreed to plead guilty to one count of Healthcare Fraud and to make full restitution of the State of Indiana’s Medicaid program in the amount of \$17,610.80.

Azeez submitted false claims to the Indiana Medicaid Program, stating that he, or another staff member, had provided physical therapy services to patients, when in fact, he never rendered those services. An agent with the FBI joined with the Indiana MFCU to conduct the investigation. Patient records, seized through the execution of a federal search warrant confirmed that Azeez was adding to the patient’s chart physical therapy procedures that were in fact never rendered.

For further information contact Allen K. Pope, Director (317-915-5303)

Physicians: Tennessee

The Tennessee Bureau of Investigation announced on February 13 that Samson Orusa, a licensed medical doctor in private practice, entered into a Pre-Trial Diversion Agreement in the United States District Court for Middle Tennessee concerning seventeen charges, including healthcare fraud and money laundering. The court sentenced Dr. Orusa to twelve months pre-trial

diversion at the end of which, if he meets all of the conditions set forth by the court, the indictment will be dismissed and will not be reasserted against him

This case was opened on November 14, 2003, based on information received from the Defense Criminal Investigative Services (DoD), TriCare Management Activity, the Bureau of TennCare (Medicaid) and BlueCross BlueShield of Tennessee. It was alleged that Dr. Orusa was up coding office visits and billing BCBST for unnecessary and inappropriate services for TennCare patients. The investigation, which included the TBI-MFCU, HHS-OIG, DCIS and BCBST, showed that Dr. Orusa was up coding office visits and investing the proceeds in other financial instruments. Dr. Orusa was indicted on seventeen counts by a grand jury on March 16, 2005. The charges included false statements relating to health care matters, healthcare fraud and laundering of money instruments. By signing the Pre-Trial Diversion Agreement, Dr. Orusa accepted responsibility for his conduct as outlined in the indictment. All monies being held in escrow as a result of the sale of Dr. Orusa' real property will be paid to the Internal Revenue Service toward any outstanding tax indebtedness.

For further information contact Special Agent Angel Beverly (615) 744-4282.

Psychologists: Kentucky

Attorney General Jack Conway announced on March 25 that a grand jury has returned a four-count felony indictment against Kenneth A. Brasel, a former Kentucky psychologist for Medicaid fraud.

According to the indictment, Brasel fraudulently billed the Kentucky Medicaid Program for psychological services to school children that he did not perform. The indictment alleges that Brasel engaged in the fraudulent billing between 1998 and 2004, and that he concealed a prior felony conviction at the time he sought permission to treat the children.

For further information contact Pam Murphy, Director (502) 696-5405.

Psychologists: Texas

Attorney General Abbott announced on March 26 that Sam Smith Hill, III, Ph. D, was indicted on 15 counts of healthcare fraud by a federal grand jury. Counts one through twelve of the indictment are Medicaid counts and counts thirteen to fifteen are Blue Cross and Blue Shield (BCBS) counts. One of the BCBS counts is for the Federal Employees Health Benefits Program which is administered in Texas by BCBS. Allegedly, Hill was billing Medicaid for services that were rendered by other individuals. In some instances, dates of service were changed for claims that Hill failed to submit within the 95-day submission period for Medicaid claims. Hill also billed Medicaid for counseling children under a year old. Hill has been paid \$1,317,928.56 by Medicaid for the time period 2001 to present. The alleged fraud amount identified is \$668,739.42.

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

* * * *

Attorney General Abbott announced on March 13 that Thomas Sharif Udebu, aka Prince Stu Rollins, pleaded guilty to a felony theft indictment before Judge Don Strickland. Udebu was placed on a deferred adjudication for a period of ten years and was ordered to pay \$130,400.32 in restitution.

Udebu was also ordered to pay \$941 in extradition costs. Udebu had been indicted on aggregate theft by a government contractor, a second-degree felony. St. Jones Alcohol Drug Rehab Center, a chemical dependency treatment center, was owned by Linda Faye Jones and Udebu.

Between January 5, 2004, and August 21, 2004, Medicaid was billed for chemical dependency treatment services through the accounts of 71 Medicaid recipients. It has been alleged that Jones and Udebu were paid \$130,400.32 by Medicaid for services not rendered.

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

Rehabilitation Centers: Texas

Attorney General Abbott announced on April 14 that Eliseo Sandoval, the former owner and CEO of Just for Kids pediatric rehab facility entered guilty plea to two first-degree felonies and two state jail felony counts. Sandoval operated a Comprehensive Outpatient Rehabilitation Facility (CORF) providing physical therapy for children. Sandoval allegedly inflated his cost reports with an extensive proportion of personal expenses and related party contract expenses and misrepresented that he had earned two non-existent college degrees.

For further information contact Rick Copeland, Director or Chief Investigator Jim Fossum (412) 371-4700.

Respiratory Therapists: Florida

Attorney General McCollum announced on April 21 that Brian Castell, a respiratory therapist, has been arrested on charges that he was involved in the theft of more than \$50,000 from the Florida Medicaid program.

The arrest culminated an investigation by the Medicaid Fraud Control Unit, acting on information received from the mother of a Medicaid recipient. The investigation revealed that Casteel worked as a Medicaid respiratory therapist. Authorities allege that he submitted numerous

claims to the Medicaid program for reimbursement for respiratory therapy that he never provided to various children who are Medicaid recipients.

He is charged with one count of grand theft, a second-degree felony. If convicted, he faces up to 15 years in prison and a \$10,000 fine.

For further information contact Rick Lober, Director (850) 414-3600.

CASE UPDATES

Physicians: Texas

Attorney General Abbott announced that on April 14 that Charles Skripka, M.D., was sentenced to 78 months in prison, three years of supervised release, and ordered to pay restitution of \$6,562,186 for his ten convictions of health care fraud and conspiracy. A federal jury convicted Charles Skripka, M.D., Jayshree Patel, M.D., Pius James Ekiko, owner of Horizon Medical Supply and Dennis Brown, a patient recruiter.

This case involved five defendants, all of whom have been sentenced. On March 26, 2007, Harold Horatio Iyalla, the owner of 1st Choice Medical Supply, a DME company, pleaded guilty and was sentenced in federal court to 51 months and ordered to pay Medicare \$5,632,000 (*See: Medicaid Fraud Report: March/April 2007, p.10 and May/June 2007, p.1*). Patel was found guilty 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. Brown was a recruiter of Louisiana patients for Skripka and Patel. Iyalla billed Medicare while Ekiko billed both Medicare and Medicaid, but both billed for wheelchairs and only delivered scooters to patients.

For further information contact Rick Copeland, Director or Chief Investigator Jim Fossum (412) 371-4700.

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