



MEDICAID FRAUD REPORT

May/June 2008

INSIDE

Colorado Durable Medical Equipment Owner Sentenced to Ten Years	1
Cases	2
Case Updates	23

Colorado Durable Medical Equipment Owner Sentenced to Ten Years

Attorney General John Suthers announced on June 4 that Daniel Crispin Arnold pleaded guilty in district court to felony counts of Violation of Colorado Organized Crime Control Act (racketeering), Theft Over \$15,000, Theft Over \$500, and Forgery. On June 4, Judge Harlan Bockman sentenced Arnold to ten years in prison, followed by five years of mandatory parole, and restitution of over \$1,000,000.

Arnold was the co-owner of a business called D&D Medical that repaired and sold wheelchairs to Medicaid recipients and others. According to a 49-count indictment, Arnold engaged in and oversaw a number of diverse schemes to defraud Colorado Medicaid. The indictment reflected that the schemes were perpetrated by Arnold himself and, as the company grew, by some of his managers and employees. Three other employees were indicted and had already entered guilty pleas, one of them receiving a five year prison sentence.

Among the schemes alleged by the MFCU:

1. When a recipient needed a wheelchair repair, D&D would send a technician to the recipient's home to do the repair. The repairs took from 15 minutes to an hour, and never took more than 2 hours. Nonetheless, the business would bill Medicaid for 5, 6, 7, or 8 hours of repairs.
2. The business generated thousands of claims for repair that never happened at all. In those cases, employees would forge the signature of the recipient or make other notations on the paperwork to suggest that the recipient had authorized the repair.

3. The business frequently billed Medicaid for new wheelchair parts supported by manufacturer invoices that were completely false and forged. The false invoices stated the product purchase price at a much higher level than actually paid.

4. The business “unbundled” certain wheelchair parts to charge separately for them and gain higher payment than what it would have received if it had charged them together. For example, most manufacturers supplied motors and gearboxes as a bundled unit, but the company would charge separately for the parts, resulting in higher payment.

5. The company forged invoices for new wheelchairs that reflected higher manufacturer costs, and also unbundled out many of the separate components of the chairs to make it appear as though they had to be paid for separately.

6. The company submitted bills for expensive seating systems supported by invoices purporting to be from an independent company. In fact, the company was an undisclosed alter ego of Dan Arnold. Colorado Medicaid regulations specifically prohibit a company from submitting (and marking up) products from an alter ego company.

7. Arnold attempted to train other employees on the forgery of parts invoices such that manufacturer discounts would be removed. Most manufacturer discount savings were required to be passed on to Medicaid. By removing discount information from an invoice, the company would be able to make it appear that the parts cost more, and that they company was entitled to a higher reimbursement.

8. Employees stated that even though the company would bill for new parts, it often would take old parts out of other chairs to install in the recipients’ chairs.

Arnold was charged with separate counts reflecting the above schemes, as well as a racketeering charge to encompass the entire enterprise. Evidence showed that he profited from all of the schemes, and that he and the co-owner were the only people to take illegally obtained money out of the company (although it was alleged that he supported an inordinate number of family member employees with unreasonable salaries).

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

CASES

Adult Care Facilities: North Carolina

Attorney General Roy Cooper announced on February 4 that Wanda Denise Quick pleaded guilty to one count of Embezzlement Superior Court. Quick was sentenced to 20 days in jail, six to eight months suspended sentence, five years probation, and to pay restitution in the amount of \$16,758.73 and \$505 in court costs.

The investigation was initiated as the result of a referral from the Division of Facility Services (now, Division of Health Service Regulation), Health Care Personnel Registry Section. Quick was employed at Diversicare Assisted Living of Seven Lakes (DALSL), a Medicaid adult care facility. Diversicare Assisted Living Services NC I, LLC (Diversicare) conducted an internal investigation of alleged embezzlement after the retirement of Quick from DALSL. The internal investigation revealed that cash for room and board had not been deposited, and that there were shortages to patient trust funds, each of which was under the control of Quick.

The investigator conducted witness interviews of current and former employees of DALSL and Diversicare and reviewed business records. It was concluded that Quick received cash payments from family members of residents that were subsequently deposited for less than the amount of cash received with a difference of \$8,586 and that patient trust fund monies were less than the balance due by \$7,667.73.

For further information contact Financial Investigator David Smith or Charles Hobgood, Director (919) 881-2320.

Counselors: Texas

Attorney General Abbott announced on May 22 that licensed professional counselor (LPC) Debra Noel Smith, an independent contractor for Family Counseling Services, pleaded guilty to health care fraud in district federal court. Smith was indicted on 24 counts of fraud. Twelve of the counts were for health care fraud, in excess of \$70,000 but less than \$120,000; the remaining twelve counts were for false statements involving health care matters. The referral originated when an LPC for Family Counseling Services contacted the Medicaid hotline to report that Compcare, an insurer for a Medicaid managed care organization, reported billing discrepancies from Smith. Investigation by the LPC revealed that Smith had billed for counseling for several families to which she did not provide services. She admitted to what she had done and was terminated. She also admitted that all her billings to Compcare were false. The total amount of overpayment was determined to be \$89,067.49 and it was repaid prior to sentencing.

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Attorney General Abbott announced on June 12 that licensed professional counselor (LPC) Ramona Degraw was convicted in state court on a charge of aggregate theft by a governmental contractor. The jury sentenced Degraw to eight years probation, and ordered her to pay a \$10,000 fine, and \$63,020.10 in restitution. It was alleged that Degraw spent little or no time visiting the majority of recipients, gave small gifts to the children, and provided no counseling services.

Interviews revealed that Degraw provided some counseling. However, improper billing allegedly resulted in overpayments by Medicaid to Degraw. From January 2000 through August 2005, Degraw was paid \$818,761 by Medicaid, with \$151,300 identified as suspected Medicaid

overpayments. Of that amount, \$98,268 was for services allegedly not provided. Sandra Douglas, a dispatcher for the local sheriff's office and billing clerk for Degraw, was indicted in December 2007 by a grand jury on a charge of tampering with evidence in connection with the Degraw investigation.

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

Drug Diversion: Arizona

Attorney General Terry Goddard announced on June 23 the sentencing of Jennelle Marie O'Toole. O'Toole, after pleading guilty to Theft and Obtaining a Narcotic By Fraud on April 11, was sentenced to six months in jail and two years probation on both counts. The defendant was also ordered to pay \$1,550 to the Medicaid Fraud Control Unit beginning January 1, 2009.

Between January 2006 and August 2007, O'Toole while employed as a medical assistant at East Valley Family Medical (doctor's office), stole a block of blank prescriptions. After leaving her employment, the defendant was found to have acquired Vicodin and Hydrocodone using the forged prescriptions. The defendant admitted her involvement when questioned by Chandler Police on June 14, 2007.

The defendant was again questioned by detectives on October 16, 2007. At that time, the defendant was confronted with numerous additional prescriptions for Hydrocodone and Oxycodone she had obtained. The defendant told police she had gone to many different doctors to obtain the prescriptions, and admitted to "doctor shopping." She told police she had been to a different doctor, dentist, or Urgent Care Facility each day to obtain additional prescriptions. She also stated she had medical problems requiring surgery for which she obtained painkillers, and admitted she was an addict. She denied selling the prescriptions to other parties. She also admitted forging a prescription from a dentist office to obtain additional prescriptions for Vicodin. She said she had taken a partial prescription pad from East Valley Medical while employed there, but threw away most of the prescriptions, after writing at least twenty or thirty forged prescriptions.

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

Drug Diversion: Tennessee

The Tennessee Bureau of Investigation announced on April 30 that Lakisha Hodges, LPN, a nurse with the Memphis Jewish Home, pleaded guilty in criminal court to two counts of obtaining a controlled substance by fraud. The court sentenced Hodges to two years probation for each count, to run concurrently.

This case was opened on July 24, 2007, based on a referral from a West Tennessee Health Care Facilities investigator. It was alleged that Lakisha Hodges had inappropriately signed out thirty-one PRN (as needed) narcotic medications for fifteen patients (four of the patients were

TennCare/Medicaid recipients). The investigation, which included interviews with staff and patients, time sheet logs, controlled drug disposition logs and video tape of the hallways leading to the individual patient rooms, showed that Hodges was the only possible person who could have taken the medications. Each of the patients interviewed denied requesting the pain medication that was signed out to them by Hodges. The video tapes showed that Hodges did not enter the patients rooms at the time the records showed the medication was dispensed. The information was presented to a grand jury and she was indicted on December 4, 2007.

For further information contact Special Agent Roger Turner (901) 379-3432.

Drug Diversion: Texas

Attorney General Abbott announced on May 5 that a certified medical assistant (CMA) Shericka Watson pleaded guilty in court to Obtaining a Controlled Substance by Fraud.

Watson was sentenced to three years deferred adjudication and ordered outpatient drug counseling as a condition of probation. Watson allegedly obtained unauthorized hydrocodone prescriptions by using her employer's DEA prescription number. The prescriptions were called in to various pharmacies in September 2006, while she was employed as a CMA at a doctor's office.

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Attorney General Abbott announced on May 6 that Regina Baca, registered nurse, pleaded guilty in district court, to one count of obtaining hydromorphone by fraud and one count of possessing hydromorphone. The plea agreement calls for her to surrender her nursing license and be placed on deferred adjudication for two years.

It is alleged that Baca diverted 78 syringes of 4 mg. hydromorphone (brand name Dilaudid), a Schedule II controlled substance, from an automated dispensing cabinet at the Metropolitan Methodist Hospital over a four and one-half month period. Entry to the cabinet is made by a unique code and electronic fingerprint. It is alleged that Baca knowingly entered fictitious patient information and obtained the drugs without a doctor's order for her own use.

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Attorney General Abbott announced on May 14 that licensed vocational nurse Pamela Dawn Glasco pleaded guilty to four felony counts of obtaining a drug by fraud in district court. She was sentenced to eight years in the Texas Department of Corrections, probated for eight years. She was further ordered to surrender her nursing license and by court order, cannot hold any position in the medical field. Glasco also received one year in the HOPE drug rehabilitation program. Glasco was suspected of diverting morphine sulfate from residents at Glen Rose Medical Center in February of 2007. The morphine sulfate containers were tampered with and diluted with water.

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Attorney General Abbott announced on June 9 that registered nurse Danny Keith Beard pleaded guilty in state court, to one count of obtaining a controlled substance by fraud. He was sentenced to ten years deferred adjudication, fined \$2,000 and ordered to complete 200 hours of community service. Beard was charged with obtaining a controlled substance by fraud, a third-degree felony, based on allegations that he stole hydrocodone tablets prescribed for a facility resident and then attempted to avoid detection by avoiding drug testing.

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Attorney General Abbott announced on June 13 that Kenneth Fannin, former RN, was indicted by a grand jury on one count of obtaining a controlled substance by fraud, a third-degree felony. The initial allegation was received by local law enforcement concerning Fannin, an emergency room nurse. He allegedly removed 14 demerol equivalent injections from the emergency room for his own use in December 2006. There were 13 patients involved, four of whom were Texas Medicaid recipients and three were from the Arkansas Medicaid program.

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

Drug Diversion: Vermont

Attorney General William H. Sorrell announced on June 27 that Martha Chadwick was arraigned on May 13 in Vermont district court on two charges of Obtaining a Regulated Drug by Deceit, two charges of False Statement in Records, all felonies, and Possession of a Narcotic Drug, a misdemeanor. The charges stem from Chadwick's employment as a Licensed Registered Nurse in the Emergency Department of Fletcher Allen Health Care. According to papers filed in court, Chadwick admitted to routinely removing Schedule II narcotics from starter packs dispensed to patients being discharged from the hospital.

Chadwick pleaded innocent to the charges and was released on standard conditions plus special conditions that she not provide direct patient care or work in a setting where she would have direct access to narcotics. The court also ordered her to continue to see a licensed drug or alcohol counselor and use regulated drugs only with a prescription and after disclosing her pending charges to the physician. The Vermont Secretary of State's Office of Professional Regulation has suspended Chadwick's nursing license and Fletcher Allen has terminated her employment. Chadwick's New Hampshire nursing license has also been revoked.

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

Durable Medical Equipment: Texas

Attorney General Abbott announced on May 1 that a federal superseding indictment was filed against Fatai A. Shokunbi, aka Fatai Adisi, owner of FAMS Medical Supply, for health care fraud and conspiracy to commit health care fraud. The original indictment was against the other three subjects, Robert Healing, MD, Margarete H. Tukes, and Martha B. Ramos. The superseding indictment also added additional counts against Healing regarding certificates of medical necessity (CMN) he signed for FAMS. Margarete Tukes and Martha Ramos, owners/operators of DME company M&M Medical Equipment and Supplies were indicted, along with Dr Healing, and were included in the overt acts of the superseding indictment. All four defendants were indicted for healthcare fraud and conspiracy, with the addition of violation of the anti-kickback statute against Healing, Ramos and Tukes.

M&M was paid \$1,204,126 by Medicare and \$100,207 by Medicaid. FAMS was paid \$1,591,974 by Medicare and \$121,260 by Medicaid.

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Attorney General Abbott announced on May 28 that Enohor Victor Akarue, Rosewood Medical Supplies owner, pleaded guilty to a first degree felony of aggregate theft in district court. The investigation of Akarue determined that he was billing Medicaid and Medicare for wheelchairs when he did not deliver anything and for delivering a scooter instead of a wheelchair or billing for wheelchairs that were not medically necessary. Total suspected overpayments paid to Enohor Victor Akarue are \$563,905.65 by Medicare and \$53,528.97 by Medicaid.

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Attorney General Abbott announced on May 30 that Sharon Sanders-Pickrom pleaded guilty to one count health care fraud and one count conspiracy to commit health care fraud in federal court. Sanders-Pickrom owned and operated three DME companies: Macedonia Medical Supply, Kingwood Medical Supply Inc., and Kingwood Medical Supply Ltd. In addition, she owned and operated a case management business, Helping Hearts and Hands. From October 2001 to March 2003, Sanders-Pickrom was allegedly supplying scooters to recipients and billing Medicaid and Medicare for wheelchairs. It is estimated that for these three DME companies, Sanders-Pickrom billed Medicaid approximately \$2.3 million and was paid about \$279,000. It is further estimated that Sanders-Pickrom billed Medicare about \$3.4 million and was paid about \$2 million. The estimated fraud amounts are \$17,666 for Medicaid, \$141,508 for Medicare, for a total of \$159,174.

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Attorney General Abbott announced on June 23 that durable medical equipment provider Aneikan Ekwere pleaded guilty in federal court to one count of conspiracy to commit health care fraud and one count of healthcare fraud. He will pay an as yet undetermined amount of restitution. Ekwere, doing business as Coastal Medical Supplies, submitted claims to Medicaid and Medicare for

motorized wheelchairs and allegedly provided a less expensive scooter or no product at all. Ekwere allegedly purchased fraudulent prescriptions and certificates of medical necessity, as well as patient information from Jude Akpan, a radiologist at a large hospital, who has already pleaded guilty. From October 2002 until February 2004, Ekwere billed Medicaid and Medicare about \$1,776,080 and was paid approximately \$17,000 by Medicaid and \$662,861 by Medicare.

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Attorney General Abbott announced on June 25 that Linda Patterson was indicted by a federal grand jury on one count of conspiracy to receive illegal remuneration. Patterson allegedly recruited several Medicaid/Medicare recipients and provided their names and patient information to Enitan Isiwele, owner of Galaxy Medical Supply, a DME company. Isiwele billed Medicaid and Medicare under the CMS "CR Modifier" code which allowed replacement wheelchairs to be provided to recipients whose chair lost one of its wheels. Based on 18 recipient interviews, it is alleged that from August 2005 to October 2007, Isiwele received overpayments in the amounts of \$15,216 from Medicaid and \$75,644 from Medicare.

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Attorney General Abbott announced on June 25 that durable medical equipment (DME) owners Carmelita Thurman, Michelle Ray, Terry Orozco, and recruiter Sharon Thomas were sentenced in federal court on one count each of health care fraud and conspiracy to commit health care fraud.

Thurman was sentenced to 18 months in prison, three years probation, and was ordered to pay restitution of \$1,500,000 to Medicare and Medicaid. Ray was sentenced to 16 months in prison, three years probation, and was ordered to pay \$2,100,000 to Medicare and Medicaid. Orozco was sentenced to 37 months in prison, three years probation, and was ordered to pay restitution of \$3,868,157 to Medicare and Medicaid. Thomas was sentenced to six months in prison, three years probation with six months of the three years in home detention, and was ordered to pay restitution of \$264,658 to Medicare and Medicaid. Twice as Nice, Top of the Line, and Heart to Heart are Houston DME companies which were heavily involved in the wheelchair fraud scheme.

Allegedly, the three owners Ray, Thurman, Orozco and Thomas purchased fraudulent certificates of medical necessity from areas doctors. The owners billed Medicare and Medicaid for wheelchairs but instead delivered scooters to the patients. From August 2002 through December 2004, the total amount billed to Medicaid and Medicare by the owners was \$7.18 million, and they were paid \$3.47 million. It is alleged that all the billing was fraudulent.

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

Home Health Care Agencies: North Carolina

Attorney General Cooper announced on February 21 that Paula Inette Smith pleaded guilty to one count of Embezzlement of Patient Funds in Superior Court. Smith was sentenced to eight to ten months in jail, suspended, and 36 months supervised probation. Smith was ordered to pay restitution in the amount of \$28,958.63, a fine of \$300, reimbursement of \$450 in court appointed attorney fees, reimbursement of the \$50 attorney application fee and court costs in the amount of \$245.50.

The investigation was initiated on a referral from the Vice President of Finance and Chief Operating Officer of Britthaven of Havelock, a home health care agency, regarding Smith who was employed as bookkeeper. The investigator reviewed evidence, reconciled the missing monies, interviewed the caregivers of each resident and verified the dollar amount of the missing monies from the patient trust funds. Investigator also interviewed the suspect who confessed to using various schemes to conceal the embezzlement of the resident's patient trust funds.

For further information contact Assistant Attorney General Erica Bing or Financial Investigator Amy Massey (919) 881-2320.

Home Health Care Aides: Ohio

Attorney General Marc Dann announced on April 16 that James Estep entered a plea of guilty to one count of Medicaid Fraud, a misdemeanor of the first degree, and one count of Theft, a misdemeanor of the degree. Estep was sentenced to a aggregate term of one year in prison (180 days for each count); suspended, one year probation, ordered to pay a fine in the amount of \$250, and ordered to pay restitution in the amount of \$11,472 (\$4,000 of which was paid prior to sentencing). On May 15, 2007, an indictment was returned that charged Estep with one count of Medicaid Fraud, a felony of the fourth degree, and one count of Theft, a felony of the fourth degree.

Estep, an independent provider, billed for services he never provided. Estep frequently worked only six hours, but billed as if he had worked eight to twelve hours.

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

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Attorney General Dann announced on April 28 that Christina McDonald entered a plea of guilty to one count of Theft, a misdemeanor of the first degree. McDonald was sentenced to pay a fine in the amount of \$250, ordered to pay court costs within six months of sentencing, and ordered to pay restitution in the amount of \$6,444 (all of which was paid in full at the time of sentencing). On January 15, 2008, an indictment was returned that charged McDonald with one count of Theft, a felony of the fourth degree.

McDonald, an independent provider, billed for services not rendered, including a time period when she was on vacation in Myrtle Beach.

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

Home Health Care Aides: Oregon

Attorney General Hardy Myers announced the sentencing of Ronald Thomas Caudill on one felony count of Making False Claim for Health Care Payment and one felony count of Theft in the First Degree.

Caudill was a home healthcare provider for numerous Medicaid recipients. In mid-2007, a case manager for one of the recipients noticed that Caudill was submitting vouchers claiming that he was providing 40 hours of home healthcare services every week, yet the case manager knew that the recipient had been hospitalized for virtually the entire time period. The case manager referred the case to the Oregon Medicaid Fraud Control Unit which investigated and prosecuted the case.

As a result of the conviction, Caudill was placed on three years supervised probation. Some of the conditions of probation ordered included that Caudill perform 80 hours of community service, not work in any capacity paid with Medicare or Medicaid funds, not work with the elderly, and pay restitution and other fines totaling \$2,064.

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Attorney General Myers announced the sentencing of Stacey Lynn Seal on January 18 on three felony counts of Making False Claim for Health Care Payment and one felony count of Theft in the First Degree.

Seal was a home healthcare provider for a Medicaid recipient. Seal was authorized to provide 15.5 hours of health care every two weeks. For a six month period in 2006, Seal failed to work the full hours authorized. The Medicaid recipient was afraid to complain about these reduced hours and reduced services. However, in November 2006, upon learning that Seal was submitting vouchers to the state claiming to work the full hours (and forging the recipient's signatures on these vouchers), the recipient fired Seal and reported the fraud. The case was investigated by the Oregon Medicaid Fraud Control Unit and presented to the Multnomah County District Attorney's Office for prosecution.

As a result of the conviction, Seal was ordered to perform 160 hours of community service and was placed on three years supervised probation. Conditions of probation include that Seal must attend and successfully complete a Theft Talk program, inform future employers of the nature of the convictions and pay restitution to the Department of Human Services.

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

Kickbacks: Ohio

Attorney General Dann announced on April 8 that Deborah Hines entered a plea of guilty to one count of Medicaid Fraud, a misdemeanor of the first degree. Hines was sentenced to one year of non-reporting probation, and is jointly and severally responsible for restitution in the amount of \$2,520. On October 16, 2007, an indictment was returned that charged Hines with one count of Medicaid Fraud, a felony of the fifth degree.

Hines is a Medicaid recipient that entered into a kickback arrangement with her provider whereby the provider would bill as if she provided services on Sundays. In reality, the provider did not provide any services on Sundays. As part of the arrangement, Hines agreed to accept \$80 in lieu of services.

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

Medical Transportation: Texas

Attorney General Abbott announced on May 22 that Mazen Abdallah was found guilty of one count of conspiracy to commit health care fraud and his brother, Wesam Abdallah, was found guilty of one count of conspiracy to commit health care fraud, four counts of health care fraud, and one count of violation of the anti-kickback statute. Only two of the five subjects were on trial because Murad Almasri pleaded guilty to one count of conspiracy to commit health care fraud and Ayad Fallah pleaded guilty on April 4, 2008. Raed Elmasri is out of the country and remains a fugitive at this time.

Americare, an ambulance company, was 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 are alleged to have continued to engage in the same activities which brought the company under investigation. The defendants were charged with healthcare fraud, money laundering, and violation of anti-kickback regulations. The defendants were accused of billing for non-emergency transportation for dialysis patients who do not meet the Medicaid/Medicare guidelines for such transport. Americare billed \$22.8 million and was paid over \$6.4 million by Medicare and over \$1 million by Medicaid.

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

Nursing Agencies: Texas

Attorney General Abbott announced on May 27 that Vergie Brannon appeared in the United States District Court and pleaded guilty to charges that she committed health care fraud. Brannon is restricted from traveling outside of Texas until she is sentenced, which is tentatively scheduled for September 12. Brannon operated Vital Legal Nursing, a company providing services to residents

primarily living in nursing home facilities. The conviction is based on fraudulent services billed by and paid to Brannon between January 2001 and April 2007. Brannon was paid \$6,240.32 by Medicaid for services not rendered.

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

Nurses: Ohio

Attorney General Dann announced on April 21 that Karen Ivey was sentenced to five years probation, ordered to pay investigative costs in the amount of \$8,000, and ordered to pay restitution in the amount of \$113,463 (\$20,000 of which was paid at the time of sentencing). On August 21, 2007, an indictment was returned that charged Ivey with one count of Medicaid Fraud, a felony of the third degree, and one count of Theft by Deception, a felony of the third degree. On February 28 Ivey entered a plea of guilty to one count of Medicaid Fraud, a felony of the fourth degree.

Ivey, a registered nurse, worked several different jobs. One of those jobs involved providing skilled nursing services to a Medicaid recipient. Due to her hectic work schedule, Ivey had the recipient, a minor child, live with Ivey. For a period of approximately four years, the recipient lived with Ivey and spent every other weekend at her family's home. During those weekends, Ivey did not provide any services, yet billed as if she had. Additionally, Ivey would often have members of her own family care for the recipient.

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

Nursing Homes: Vermont

Attorney General Sorrell announced on June 9 that Green Mountain Nursing Home, a licensed nursing facility, has reached a civil settlement with the state. The nursing home has admitted to violating the state's laws on the reporting of abuse, neglect, and exploitation of vulnerable adults, and for failing to report an untimely death to the Office of the Chief Medical Examiner. The untimely death of the resident occurred after a series of assaults by another resident. As part of the settlement, the nursing home has agreed to be monitored at its own expense, by an out-of-state independent quality monitor/consultant for a period of at least one year.

Green Mountain Nursing Home has also agreed to make a donation in the amount of \$1,000, in lieu of fines for the reporting law violations, to the End of Life Care Program and to pay \$4,000 in restitution to the Vermont Medicaid Program for lapses in standards. The nursing home has also agreed to conduct, plan, and attend a series of trainings, at its own expense, on issues relating to resident-to-resident violence, identifying and reporting abuse, neglect, and exploitation, and "Do Not Resuscitate Orders." Senior staff and the owner of the nursing home must also attend training on communicating with family members of vulnerable adults.

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

Occupational Therapists: Texas

Attorney General Abbott announced on May 16 that occupational therapist Albert C. Albert pleaded guilty to felony theft by a government contractor in a court. Between February 2, 1999, and February 16, 2004, Albert ran two clinics, Skillcare Rehabilitation Services and Nelbat Rehabilitation Services, and was paid \$1,283,671.26 by Medicare and Medicaid for occupational and physical therapy services. During the investigation, 33 recipient interviews were conducted, out of which 26 recipients alleged that Medicaid and/or Medicare was billed for services that were not provided to them. The suspected overpayments are \$19,950 for Medicaid and \$150,268 for Medicare.

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

Patient Abuse: Massachusetts

Attorney General Martha Coakley announced on May 9 that Leah Holsborg, a former certified nurse assistant (CNA), pleaded guilty in district court yesterday to removing pain control patches from a 66-year-old nursing home resident and taking the medication from the patches. Holsborg entered a change of plea to guilty on charges of Larceny from a Person over Sixty-Five years old and Assault and Battery of an Elderly Person. Judge Frederick Rutberg sentenced Holsborg on each charge to one year in the House of Correction, with 30 days to serve and the balance suspended for three years. The sentences will run concurrently. Judge Rutberg also ordered Holsborg to have no contact with the victim and undergo drug and alcohol treatment. Holsborg must also not be employed in patient care or patient services.

An investigation by the Medicaid Fraud Control Unit began after the matter was referred by the Massachusetts Department of Public Health. Holsborg, a former CNA at Hillcrest Commons Nursing and Rehabilitation Center, was responsible for the care of a 66-year-old patient diagnosed with multiple sclerosis. This patient in Holsborg's care received fentanyl patches, which were applied to the skin, for pain control. Fentanyl is a potent narcotic, federally classified as a class II substance.

After Holsborg left the facility, another CNA became responsible for the 66-year-old patient's care. The victim was observed in pain, prompting staff at the facility to check the victim's fentanyl patches. The staff discovered puncture marks on the patches and determined that medication was missing from the patches. Authorities discovered that Holsborg removed the medication from the victim's fentanyl patches.

For further information contact Assistant Attorney General George Zachos or Investigator Mike Russo (617) 727-2200.

Patient Abuse: North Carolina

Attorney General Cooper announced on March 7 that Gail Marie Schabel entered into a Deferred Prosecution Agreement and admitted guilt to one count of Assault on a Handicapped Person in district court. Schabel was sentenced to six months supervised probation, and to stay away from the victim. Smith was also ordered to perform 24 hours of community service and pay court costs in the amount of \$120.

The investigation was initiated on a referral from the Division of Health Service Regulation, Health Care Personnel Registry. Schabel was employed by Upscale Residential Care. She stayed overnight with the victim, a Medicaid recipient, for the purpose of overnight respite care. The following day, the victim's mother noticed that her eyes were swollen and red and she appeared to have bruising on her head. Schabel claimed that the injuries occurred while she and the victim were playing in a swimming pool. She claimed that she accidentally kicked the victim in the face when she was flipping over in the water. An investigator interviewed numerous witnesses, including relatives of the victim and health care personnel who treated the victim for her injuries. The investigator also reviewed the victim's medical records. It was determined that the victim could not have sustained the injuries to her face and head with just a single blow to the head.

For further information contact Assistant Attorney General Douglas Thoren or Special Agent John Perkinson (919) 881-2320.

Patient Abuse: Tennessee

The Tennessee Bureau of Investigation announced that on April 18 Frances Fox, an RN at NHC Healthcare, agreed to one year of unsupervised judicial diversion in criminal court for one count of simple assault and one count of willful abuse of an adult. If Fox does not violate any laws during that time, the charges will be dropped.

This case was opened on December 7, 2006, based on a referral from the Tennessee Department of Health, Health Care Facilities (HCF). The Health Care Facilities investigator alleged that Frances Fox, RN, assaulted a patient at the nursing facility and two staff members witnessed the event. The witnesses reported the following; The patient was an 81-year-old female diagnosed with dementia, Alzheimers Disease, a history of falls, osteoporosis, wheelchair bound and suffers from decubitus ulcers. Fox grabbed the patient's hair and pulled her, while in her wheelchair, out of her room, Fox held her hand forcefully over the patient's mouth, struck the patient on the side of her head and, using both hands, pulled the patient's head back by pulling her hair. Fox told both witnesses "not to talk to anyone about the incident". The investigation supported the HCF report. Also, while being interviewed, Fox admitted to most of the allegations made against her.

For further information contact Special Agent Margaret Chuinard (865) 686-1915.

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The Tennessee Bureau of Investigation announced on May 1 that Darlene Brown, a direct care giver employed by AA Martin Group Home, pleaded guilty in criminal court to one count of disorderly conduct. The court sentenced Campbell to seven days in jail, 24 days of probation and ordered her to pay court costs.

This case was opened on June 14 based on a referral from the Tennessee Department of Human Services' Adult Protective Services. It was alleged that Brown assaulted and battered a patient because the patient would not take her medication. The patient received abrasions on her face, bruising over her left upper arm and shoulder, and her right hand and wrist were injured. The investigation showed that the patient, diagnosed as paranoid schizophrenic, was refusing to take her prescribed medication. Brown and the patient got into an argument and this led to the altercation and injuries.

For further information contact Special Agent Paul Murray (615) 744-4552.

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The Tennessee Bureau of Investigation announced on May 14 that Robert Watkins, a care giver employed at a group home for the mentally retarded, pleaded guilty in criminal court to one count of assault. The court sentenced Watkins to eleven months and twenty-nine days of supervised probation, assessed him a \$100 fine, ordered him to provide fifty hours of community service and successfully complete anger management class and have no contact with the victim. After he successfully completes the anger management class and the 50 community service hours, he may be transferred to unsupervised probation.

It was alleged, in a report from the Division of Mental Retardation Services, that on December 27, 2007, Watkins picked up and slammed to the ground a group home resident. The resident was taken to the hospital and was treated for an injury to his head. The investigation, which included investigators with the Police Department and the Division of Mental Retardation Services, showed, through eye witnesses and the hospital report, that Watkins did pick up and slam to the ground the resident.

For further information contact Special Agent Terrill McLean (731) 984-6667.

Patient Abuse: Texas

Attorney General Abbott announced on May 8 that service assistant Belyn Castro was indicted by a grand jury for injury to a disabled individual. This case alleged that on February 27, 2007, Castro, an employee at the Abilene State School, was observed running from a patient's room by other staff. Staff discovered that the patient had suffered a laceration on the upper left side of his head which

required four sutures to close. It is alleged Castro struck the patient with a gait belt while he slept after earlier threatening the patient.

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 7 that Mary Ann Jones had been sentenced for her conviction of Battery. Milwaukee County Circuit Court Judge Dennis Moroney sentenced Jones to serve four months in jail followed by eight months probation. While on probation, Jones will be required to complete an anger management program, maintain employment, and avoid work as a caregiver for residents or resident facilities. If Jones fails to comply with the terms of probation, she may serve five months in addition to the four that she would have already served. Jones must also pay a fine of \$300 in addition to the court costs of the action. If Jones fails to pay the fine, she will be incarcerated for an additional 60 days.

According to the Department of Justice's criminal complaint, Jones was employed as a caregiver at a resident facility. Jones was witnessed grabbing the victim by the front lapels and shoving her down to the ground. The victim was heard crying out, "Please don't hit me again. Are you going to hit me again?" and "Please help me! Someone help me!" In her statement to police, Jones stated the victim simply lost her balance and fell to the ground. The victim suffered pain and swelling to her right arm as a result of the defendant's conduct.

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

Patient Neglect: Maryland

Attorney General Douglas F. Gansler announced on May 20 that former licensed practical nurse, Augustine Okafor pleaded guilty in court to intentionally neglecting a vulnerable adult who was in his care. Judge John Prevas sentenced Okafor to 11 months in jail, all suspended, and placed the defendant on probation for nine months. The Board of Nursing has already taken Okafor's nursing license.

Okafor was initially convicted following a jury trial in June, 2005. The Maryland Court of Special Appeals reversed the conviction and sent the matter back to the Circuit Court for retrial. Okafor pleaded guilty the morning on which his second trial was to begin.

The investigation revealed that Okafor was working the overnight shift on November 15, 2002 at Villa St. Michael Nursing & Rehabilitation Center. A nursing home resident had returned from Maryland General Hospital that afternoon after having a feeding tube inserted to assist her with eating. Okafor was instructed to not feed her at all during his shift. However, at 1:30 a.m. Okafor found that the victim had already received 1500 mls. of fluid, three times more

than the doctor ordered. Nevertheless, he hung another 1500 ml. bag of tube feeding and kept the feeding tube running throughout the night. When Okafor found her to be in distress with labored breathing, and moaning and groaning in pain, he failed to provide her with necessary and essential medical treatment and failed to call 911. The victim remained in distress, gasping for air for several hours until the nurse who relieved Okafor ordered that 911 be called. She could not be revived and was pronounced dead at Sinai Hospital. The cause of death was asphyxia due to overfeeding.

* * * *

Attorney General Gansler announced on June 11 that former caregiver, Renald Nelo Orneus, was charged by Criminal Information with one count of Neglect of a Vulnerable Adult for leaving a developmentally disabled individual who was in his care alone and unattended from the evening of September 5, 2007 through the early morning of September 6, 2007.

Orneus was charged with intentionally failing to provide the necessary assistance and resources for a developmentally disabled individual who resided in a group home run by Bay Shore Services, Inc., is a nonprofit organization designed to enable people with disabilities be independent in their community.

For further information contact Assistant Attorney General Cathy Schuster Pascale (410) 576-6530.

Patient Neglect: Wisconsin

Attorney General Van Hollen announced on May 7 that Bennie Morris, Jr. was convicted of Neglect of a Resident. Morris appeared before Judge Dennis Moroney and entered a plea of guilty to one count of Felony Neglect of a Resident Likely to Cause Great Bodily Harm.

According to the Department of Justice's criminal complaint Morris worked as a caregiver at a group home. One of the facility residents suffers from autism, schizophrenia, and severe mental retardation. These various disabilities have resulted in the man's inability to talk, prepare his own food, bathe himself, or care for himself. On April 1, 2007, police and rescue personnel were called to the group home in response to a call about this resident having been injured while being bathed. They arrived to find the resident had suffered second degree burns over the lower 30% of his body causing strips of skin to slough off his legs and feet.

According to the complaint Morris told police, he was the one bathing the resident and it was his responsibility to check the temperature of the water before the resident entered the tub. Morris admitted that the resident showed signs that the water was too hot by kicking at the water and splashing the floor and Morris. A witness in the house at the time reported seeing Morris push the resident into the bathroom and then heard "banging" "crashing" and sounds of a "struggle" as though the resident did not want to get into the tub. The witness said after five

minutes Morris came out of the bathroom and his shirt and pants were wet. Shortly thereafter, the witness noticed redness on the victim's buttocks.

In a related case, Toy Robbins appeared before Judge Robert Hawley and entered a plea of guilty to one misdemeanor count of Obstructing an Officer. The court withheld sentence and placed Robbins on nine months probation. In addition to the standard conditions of probation, Robbins must report the conviction to any employers.

According to the complaint, police questioned Robbins at the scene and she stated that she had bathed the victim without incident and then left him in the care of another worker while she prepared the resident's room for the night. Robbins stated when she returned to the bathroom she noticed the skin peeling off the victim's legs and buttocks.

Robbins was questioned again a few hours later by another police officer and she stated at that time she was not involved in getting the resident into the bath tub. Robbins stated it was caregiver Bennie Morris who filled the tub and bathed the resident. When asked why this statement conflicted with her previous statement, Robbins told the Detective she had lied earlier to "cover Bennie" and to keep him "clean of the situation."

An informational release from the Department of Health and Family Services directed to Adult Family Homes, indicates that second and third degree burns can occur in six seconds in water that is 140 degrees F. An officer at the scene tested the hot water tap in the bathtub where the victim was bathed and found the water reached 145 degrees F. in 30 seconds.

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

Patient Trust Funds: Ohio

Attorney General Dann announced on March 7 that Tameika Stewart entered a plea of guilty to one count of Theft from the Elderly, a felony of the fourth degree and one count of Misuse of a credit card, a felony of the fourth degree. On April 10, Stewart was sentenced to two years probation, and ordered to pay restitution to the victim's credit card companies in the amount of \$734.98. On August 27, 2007, an indictment was returned that charged Stewart with one count of Theft from the Elderly, a felony of the fourth degree, three counts of Misuse of a Credit Card, each a felony of the fifth degree and one count of Theft, a felony of the fifth degree.

Stewart, an employee of a nursing home, helped herself to a resident's credit cards and other personal information. Stewart then went on a shopping spree for clothes, shoes, and gasoline.

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

Patient Trust Funds: Oregon

Attorney General Myers announced on May 13 the conviction and sentencing of Shawna M. Tuel on numerous felony counts relating to theft from several residents of a group home.

Tuel had been employed as a house manager of a group home for approximately four years. In that capacity, she managed some of the residents' bank accounts. In April 2007, a staff member noticed that checks were being written on the residents' accounts made payable to "Cash." An internal investigation ensued and Tuel was terminated. When the Oregon Medicaid Fraud Control Unit became aware of fraud, the case had already been referred to the local law enforcement agency, but a backlog of cases prevented them from investigating the case. However, in August 2007, the agency agreed to transfer the investigation to the MFCU. In November 2007, Tuel was interviewed by a MFCU investigator and she admitted taking money from two residents' accounts. She said she did not know how much she had stolen, but the MFCU investigation determined it was approximately \$3,300.

Tuel was convicted of one count of Criminal Mistreatment in the First Degree and one count of Identity Theft. As a result of the conviction, Tuel was sentenced to 20 days jail and placed on probation for three years. Conditions of probation include 160 hours community service, tour the state prison, notify future employers of her conviction, and pay restitution of \$3,360 to the two victims.

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

Patient Trust Funds: Tennessee

The Tennessee Bureau of Investigation announced on April 9 that Cassandra Stanfield, the "lead cashier" in the Regional Medical Center's (RMC) Patient Financial Services Department, pleaded guilty in the United States District Court for the Western District of Tennessee to one count of Theft from an Organization Receiving Federal Funds and one count of Attempt to Evade or Defeat the Income Tax. The court sentenced Stanfield to 60 months in prison for each count, to run concurrently. In addition, the court ordered her to pay an assessment of \$200 and restitution of \$2,919,134.87, \$25,000 to the Regional Medical Center, \$413,315.45 to the Internal Revenue Service and \$2,480,819.42 to The Fidelity and Deposit Company of Maryland.

This case was opened on March 15, 2005, based on a referral from the United States Attorney's Office. Representatives from the RMC met with the United States Attorney and presented information which alleged that Cassandra Stanfield had embezzled approximately \$2,000,000 from the RMC. The investigation, conducted by the Medicaid Fraud Control Unit and the Federal Bureau of Investigation, showed that Stanfield intercepted claims checks from

government and private insurers and diverted the funds for her personal use. In doing this, she created a separate account in the name of the RMC with a local bank doing business with RMC. She was able to show a balance to the hospital accounting office through false documentation. Stanfield did not report the money as income and therefore did not pay income taxes.

For further information contact Special Agent Terry Reed (901) 379-3433.

Patient Trust Funds: Texas

Attorney General Abbott announced on May 1 that business office manager Frankye Musgrove was indicted by a grand jury on one count of theft, \$1,500 or more but less than \$20,000. Musgrove was formerly employed by Cross Timbers Rehabilitation and Healthcare, Medicaid nursing facility provider. It is alleged that between July 6, 2004, and August 28, 2006, Musgrove took \$10,249.40 cash paid by relatives of Medicaid residents that was intended as applied income payments for the patients.

* * * * *

Attorney General Abbott announced on May 15 that a grand jury indicted Patricia Ann Dean Ibrahim, a former social worker serving as trustee at the Wellington Oaks Nursing and Rehabilitation Center. She was charged with one count of theft and one count of misapplication of fiduciary property. Both charges were enhanced based on the fact that the residents were elderly. Between February 2005 through October 2006, it is alleged that Ibrahim misappropriated resident funds in the amount of \$4,833.41.

* * * * *

Attorney General Abbott announced on May 27 that business office manager Stephenia Dawn Adams pleaded to misapplication of fiduciary property, a state jail felony, and was sentenced to 150 days in jail to run concurrently with her previous conviction in Grayson County of two years confinement probated for five years, \$8,955 in restitution and \$500 in fines. Adams was the business office manager at Windsor Place Healthcare Center in Lancaster, Texas.

The investigation revealed that Adams had allegedly misappropriated \$16,509.16 from the residential trust fund account and from the facility.

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

Pharmacies: Florida

Attorney General Bill McCollum announced on May 9 the indictment and arrest of Marilyn Garcia Ferro, a pharmacy owner, on federal charges of defrauding the Medicaid

program. Ferro, a licensed pharmacist and the owner and operator of Accu Care Services, Inc., was arrested by agents from the Medicaid Fraud Control Unit based on a federal health care fraud indictment.

The arrest was the result of an investigation conducted by investigators with the Medicaid Fraud Control Unit, acting upon information received from Florida's Agency for Health Care Administration. A federal grand jury indicted her on charges of conspiracy to defraud the United States and five counts of health care fraud. Ferro will be held at the Federal Detention Center until her initial appearance before a federal magistrate.

According to the indictment, Ferro billed the Medicaid program for expensive HIV/AIDS medications and other medications not determined to be medically necessary. Ferro is alleged to have been involved in a scheme to defraud the Medicaid program out of more than \$400,000 over a five-year period.

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

Pharmacies: Ohio

Attorney General Dann announced on March 4 that Daniel Behrens entered a plea of guilty to eight counts of Aggravated Possession of Drugs, each a felony of the second degree, four counts of Illegal Processing of Drug Documents, each a felony of the fourth degree and four counts of Deception to Obtain Dangerous Drugs, each a felony of the fourth degree and on that same day Behrens was sentenced to four and a half years in prison.

On August 10, 2006, an indictment was returned that charged Behrens with 14 counts of Aggravated Possession of Drugs, each a felony of the second degree, one count of Medicaid Fraud, a felony of the third degree, 14 counts of Deception to Obtain Dangerous Drugs, each a felony of the fourth degree, 14 counts of Illegal Processing of Drug Documents, each a felony of the fourth degree, and six counts of Theft by Deception, each a felony of the fourth degree. In total, Defendant Behrens was charged with 49 felonies.

Behrens worked for a pharmacy in Southwestern Ohio. During an internal audit, a manager of the pharmacy noticed inconsistencies with work done by Behrens. Upon further investigation, the manager found evidence that Behrens had filled prescriptions without an accompanying physician's order. Behrens had filled such prescriptions for at least a period of one year. The primary drug involved was Oxycontin. In order to help cover his tracks, Behrens routinely filled "regular" medications to Medicaid recipients so as to make the Oxycontin prescriptions appear legitimate.

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

Psychologists: Texas

Attorney General Abbott announced on June 30 that a federal jury convicted psychologist Dr. Sam Smith Hill, III on six of 19 counts of health care fraud. Dr. Hill was indicted in March 2008 on 15 counts of healthcare fraud. In June 2008, four additional counts were added in a superceding indictment to reflect billings after the original indictment. All of the counts were related to billings for psychological services performed by Dr. Hill's associates. The six counts for which he was convicted were for Medicaid claims filed in 2008. Dr. Hill was indicted for billing Medicaid and Blue Cross/Blue Shield (BCBS) for services that were rendered by other individuals. Hill has been paid \$1,317,928.56 by Medicaid.

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

Rehabilitation Centers: Texas

Attorney General Abbot announced on June 23 that Eliseo Sandoval, the former president and primary stockholder for Just for Kids rehabilitation center, was sentenced to ten years in prison for defrauding Medicaid and misapplication of fiduciary property. Sandoval was also sentenced to two years in prison on two counts of tampering with a government document. The sentences will run concurrently.

Sandoval pleaded guilty to Medicaid fraud in April after he admitted to filing inflated cost reports with the program in order to receive more tax-payer funded reimbursements than he was owed. The defendant used proceeds from his illegal scheme to support a lavish lifestyle and fund personal business ventures, including real estate and sporting goods enterprises.

Sandoval admitted that he used more than \$4 million in fraudulent, inflated Medicaid reimbursements to acquire a ranch, an office building, several sports cars, a motorcycle and high-end sport utility vehicles. He also used the ill-gotten Medicaid funds to cover mortgage payments and construction costs on his office building, which doubled as a rehabilitation center for children.

Sandoval pleaded guilty to three separate charges, including misapplying Medicaid funds through his business; filing false, excessive cost reports with Medicaid for salary compensation; and falsely claiming college degrees from the University of Texas Pan American and St. Edwards University. According to investigators, Sandoval claimed two college degrees in order to illegally profit from a Medicaid provision entitling multiple degree-holders to higher reimbursement rates.

In July 2004, the Just for Kids pediatric rehabilitation center filed for bankruptcy, despite having received more than \$10 million annually from Medicaid payments. Shortly after

Sandoval completed construction of the \$3 million rehabilitation center, he filed for personal bankruptcy and sought bankruptcy protection for other businesses he controlled.

These businesses included Fishing Properties, which owned the building leased to Sandoval's sporting goods enterprise, Rio Grande Outfitters. Sandoval also owned Genesis Pediatric Development, a real estate company that owned the Just for Kids rehabilitation office complex. Just for Kids, in turn, paid rent to Genesis and Sandoval. The defendant also profited from a Medicaid billing company that exclusively serviced Just for Kids, charging the organization 15 percent of its Medicaid-billed amounts for its billing service.

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

Social Workers: New Hampshire

Attorney General Kelly A. Ayotte announced on May 20 that a grand jury indicted Lee Bird for the felony offense of theft by deception. The indictment alleges that Bird, while in private practice as a licensed clinical social worker, falsely billed the state's Medicaid program for counseling sessions that were never provided. According to the indictment, between January of 2004 and February of 2007, Bird submitted multiple claims on behalf of ten Medicaid beneficiaries, falsely representing that he was treating them. Bird was paid \$65 for each claimed session. The alleged theft amount totals more than \$21,000.

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

UPDATES

Chemical Dependency Treatment Centers: Texas

Attorney General Greg Abbott announced on June 6 that chemical dependency treatment center owner Bernard Ejiogu pleaded guilty in state court, to felony aggregate theft by a government contractor. He was placed on deferred adjudication for ten years, ordered to pay \$83,570.31 in restitution and to complete 130 hours of community service. Ejiogu is the owner of BACE THT Alcohol & Drug Center. Between August 2004 and October 2004, BACE billed Medicaid for chemical dependency counseling through the accounts of 49 Medicaid recipients and received \$83,570.31 in payment from Medicaid for services allegedly not rendered. Uzoma Oluonu completed the superbills for BACE then forwarded them to a third-party billing agent. The sole licensed chemical dependency counselor (LCDC) employed by BACE was interviewed and reported that she did not provide any chemical dependency treatment/counseling. (See: *Medicaid Fraud Report*, July/August 2007, p.3)

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Attorney General Abbott announced on June 26 that Assessment Professionals owner Brian Keith Wilson, and counselors Jimmie Adams and Armando Carmona were sentenced in federal court for health care fraud.

Wilson received 30 months in prison followed by three years of supervised release, and was ordered to pay \$347,161.89 in restitution. Adams received three years probation, 400 hours of community service, and was ordered to pay \$47,074.50 in restitution. Carmona received two years of probation, 300 hours of community service, and was ordered to pay \$2292.20 in restitution. Brian Keith was a co-owner of Assessment Professionals, a chemical dependency treatment center. Nicola Holtzman, Jimmie Adams and Armando Martinez Carmona were counselors. The investigation was based on allegations that Assessment Professionals claimed services to many pediatric patients, and billed Medicaid for substance abuse counseling for children who allegedly did not need it or did not receive it. From November 2004 to August 2005, Medicaid 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 April 7, counselor Nicola Holtzman, a former employee of Assessment Professionals was sentenced to five years probation, assessed a \$3,000 fine, and paid restitution to HHSC in the amount of \$20,990.73. (See: *Medicaid Fraud Report*, July/August 2007, p.2)

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

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INDEX TO CASES

ADULT CARE FACILITIES 2

CHEMICAL DEPENDENCY TREATMENT CENTERS

Bernard Ejiogu 23

Brian Keith Wilson, Jimmie Adams, Armando Carmona 24

COUNSELORS

Ramona Degraw 3

Debra Noel Smith 3

DRUG DIVERSION

Regina Baca 5

Danny Keith Beard 6

Martha Chadwick 6

Kenneth Fannin 6

Pamela Dawn Glasco 5

Lakisha Hodges 4

Jennell Marie O’Toole 4

Shericka Watson 5

DURABLE MEDICAL EQUIPMENT

Fatai A. Shokunbi aka Fatai Adisi 7

Enohor Victor Akarue 7

Aneikam Ekwere 7

Linda Patterson 8

Sharon Sanders-Pickrom 7

Carmelita Thurman, Michelle Ray, Terry Orozco, Sharon Thomas 8

HOME HEALTH CARE AGENCIES 9

HOME HEALTH CARE AIDES

Ronald Thomas Caudill 10

James Estep 9

Christina McDonald 9

Stacey Lynn Seal 10

KICKBACKS 11

MEDICAL TRANSPORTATION 11

NURSING AGENCIES 11

NURSES	12
NURSING HOMES	12
OCCUPATIONAL THERAPISTS	13
PATIENT ABUSE	
Darlene Brown	15
Belyn Castro	15
Frances Fox	14
Leah Holsborg	13
Mary Ann Jones	16
Gail Marie Schabel	14
Robert Watkins	15
PATIENT NEGLECT	
Bennie Morris, Jr.	17
Augustine Okafor	16
Renald Nelo Orneus	17
PATIENT TRUST FUNDS	
Stephenia Dawn Adams	20
Patricia Ann Dean Ibrahim	20
Frankye Musgrove	20
Cassandra Stanfield	19
Tameika Stewart	18
Shawna M. Tuel	19
PHARMACIES	
Daniel Behrens	21
Marilyn Garcia Ferro	20
PSYCHOLOGISTS	22
REHABILITATION CENTERS	22
SOCIAL WORKERS	23