



MEDICAID FRAUD REPORT

**National Association
of Medicaid Fraud Control Units**

March/April 2009

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Florida Medicaid Fraud Fugitive Arrested in Philippines

Attorney General Bill McCollum announced on March 20 that a fugitive featured on the Attorney General's "Most Wanted" website was arrested in the Philippines. Jerome Howard Feldman was located after a police detective in Dewitt, New York recognized Feldman on the fugitive website and tracked him down in the Philippines.

Between April 1998 and September 1999, Feldman and a group of seven co-conspirators engaged in a criminal enterprise which defrauded Florida's Medicaid Program of more than \$1.3 million dollars. Feldman and his group operated clinics which primarily dealt with HIV/AIDS patients. Feldman would bill the Medicaid program for large quantities of AIDS infusion therapy drugs, but never provided the drugs to several patients and even billed for patients who were no longer being seen by the facility. Feldman would consistently max out Medicaid caps on prescription drug coverage for most of his patients.

The group devised a scheme to create several fictitious corporations and bank accounts in which they could conceal the proceeds derived from their criminal activities. Feldman and his co-conspirators also devised a kickback scheme with a South Florida pharmacy to bill the Florida Medicaid program for the diverted drugs. The diverted drugs were then resold to the prescription wholesale market by his co-conspirators.

In April 2001, the Attorney General's Office of Statewide Prosecution charged Feldman with various counts of criminal activity including criminal racketeering, conspiracy to commit racketeering, Medicaid fraud, grand theft, money laundering, and dealing in stolen property. Feldman fled before trial and was not located until he was recognized in the Philippines. Feldman currently faces federal wire fraud charges in New York. He will be extradited to Florida when the federal case has concluded.

For further information contact David Lewis, Director (850) 414-3910.

CASES

Case Managers: Oregon

Attorney General John Kroger announced on March 31 that Alfred J. Howe was convicted of one count of official misconduct.

Howe was a case manager at Curry County Mental Health (CCMH), a Medicaid contractor; Howe was responsible for assisting clients of CCMH managing finances, obtaining employment and housing, and accessing other services. In January 2008, Howe abruptly quit his employment amidst rumors he had engaged in sexual activity with a client of CCMH. CCMH rules and policies clearly state that its staff members, who often have direct and indirect control over clients' financial and psychological wellbeing, are not to enter into any nonprofessional relationship with clients. Investigation established Howe in fact had a three month sexual relationship with a CCMH client, some of which occurred during working hours.

The charge on which Howe was convicted, Official Misconduct in the First Degree, prohibits public servants from engaging in unauthorized acts for their own financial or other (here, sexual) benefit.

As a result of the conviction, Howe was ordered to serve five days jail, placed on three years probation, and ordered to pay a \$1,000 fine. He was also prohibited from having contact with the victim, other CCMH clients, or working as a case manager

For further information contact Senior Assistant Attorney General Rodney Hopkinson (971) 673-1880 x31926.

Counselors: Texas

Attorney General Abbott announced on April 8 that licensed professional counselor Jerry Gordon was sentenced to two years probation, fined \$1,500 and ordered to pay \$8,849.72 in restitution after pleading guilty to Class A misdemeanor theft. Between January 1999 and October 2003, Gordon went to nursing homes and private residences and billed Medicaid for counseling services although counseling services for the residents were provided through a contracted counseling service. Gordon was not the contracted counselor. The suspected overpayment for services not provided is \$42,819.

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

Dentists: Texas

Attorney General Abbott announced on March 4 that David L. Gonzales Jr., was indicted by a federal grand jury for 24 counts of healthcare fraud. The case alleges that from January 2000 to August 2005, Gonzales billed Medicaid for numerous services not rendered. This is a joint case with the FBI.

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Attorney General Abbott announced on March 17 that dentists Tong Tony Thai and Phuong Christine Thai pleaded no contest in state court to one count each of Medicaid fraud. Both dentists were given deferred adjudication with five years of probation supervision, fines of \$5,000 each, and restitution of \$78,868.86. Between January 2001 and December 2005, the Thais, doing business as Thai Dental Clinic, were paid \$78,868.86 by Medicaid for work that allegedly was not performed.

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

Drug Diversion: Oregon

Attorney General John Kroger announced on February 23 the conviction and sentencing of Megan Eileen Olson, a former caregiver who stole pain relief patches from elderly residents.

Olson, a former employee at Rose Haven Care Center, pleaded guilty to criminal mistreatment and drug possession for taking several Fentanyl patches from elderly residents. The patches provide a continuous flow of needed pain relief.

Olson was sentenced to 20 days in jail, subject to work release, and three years probation. She must pay a fine of \$500. She must undergo drug addiction evaluation and treatment if ordered, and is subject to limitations on employment in any job where there are vulnerable adults or seniors or where Olson has access to prescription drugs.

The case arose in April 2008 when employees of Rose Haven noticed that several residents were missing their Fentanyl pain patches. The staff cross-checked employee schedules with missing patches and focused on Olson, who was fired after checking the pain patch of a resident without authorization.

For further information contact Assistant Attorney General Rodney Hopkinson and Special Agent Steve Sandercock (971) 673-1880.

Drug Diversion: Texas

Attorney General Abbott announced on February 18 that a licensed vocational nurse Shelene Carol Jines was given a one-year pre-trial diversion in state court and ordered not to work in the medical field during her diversion period based on one count of possession of a controlled substance by fraud. Jines admitted taking Soma from a patient at a nursing center for her own use in October 2006. Jines has previously participated in the Texas Peer Assistance Program for Nurses (TPAPN) for chemical dependency and was on a return to work agreement with TPAPN during the diversion.

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Attorney General Abbott announced on March 2 that a state grand jury indicted Kimberly Re'Kay Charleston and Carlos Alejandro Simmons for obtaining a controlled substance by fraud.

Charleston, a former pharmacy technician at a pharmacy, dispensed prescriptions from authorizations he allegedly fabricated. Simmons then allegedly took delivery of the unauthorized medications.

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Attorney General Abbott announced on March 26 that a state grand jury indicted licensed vocational nurse James David Raulsten on one count of tampering with a governmental record, a state jail felony. Raulsten, while employed by a nursing and rehabilitation facility allegedly took Hydrocodone from a resident for his personal use.

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Attorney General Abbott announced on March 27 that licensed vocational nurse Lynda Kaye Henson pleaded guilty in state court to one count of tampering with a governmental record. Henson was sentenced to five years deferred probation, and ordered to pay \$400 in court costs, attorney's fees and \$40 a month to the probation department. Henson was employed at a nursing home and took a nursing home patient's Hydrocodone for her personal use. This case was worked jointly with the Corpus Christi Police Department.

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Attorney General Abbott announced on March 31 that registered nurse Carolyn Janeen Odom was indicted by a state grand jury on one count of possession of a controlled substance by fraud. This case alleges that Odom, while employed at a hospital, took prescription narcotics for her personal use.

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Attorney General Abbott announced on April 8 that licensed vocation nurse Terri Jane Rube was indicted by a state grand jury on 10 counts of third-degree felony possession of drugs by fraud. Rube was employed by a rehabilitation center. During March 2007, Rube allegedly diverted Hydrocodone and Vicodin from several residents of the rehabilitation center for her own use.

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Attorney General Abbott announced on April 8 that registered nurse Carol Lynn Glover was indicted by a federal grand jury on one count of theft in connection with health care. Glover, an employee of Nurses by Prescription, allegedly provided services to a group home resident. The resident's care, however, was being provided by nursing staff of the group home.

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Attorney General Abbott announced on April 14 that a state grand jury indicted licensed vocational nurse Anna Elizabeth Brackin for tampering with a governmental record. Brackin allegedly tampered with a governmental record while employed at a nursing home. Brackin allegedly failed to administer Dilantin to a facility resident, disposed of the medication and charted on the medication

log that it was dispensed.

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Attorney General Abbott announced on April 27 that certified medication aide Kassi Shipley Salinas was sentenced to five years probation and fined \$750 after pleading no contest to one count of obtaining a controlled substance by fraud. Between January 2, 2008, and January 8, 2008, Salinas allegedly diverted Hydrocodone from two residents of a nursing home.

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 April 29 that a jury has convicted a former registered nurse at the Copley Hospital in Morrisville of stealing the powerful narcotic fentanyl from a hospital operating room in June of 2006.

James Erwin was found guilty of stealing a syringe containing the drug from an anesthesia tray in the operating room where it had been prepared in advance of a surgical procedure. Erwin had been assigned duties as a circulating nurse in the operating room on the date the theft was discovered. A subsequent urinalysis revealed the presence of fentanyl in Erwin's system. Fentanyl is routinely used as a painkiller in hospitals and is a widely abused drug throughout the United States.

On April 24, Erwin was convicted in district court on one count of Obtaining a Regulated Drug by Deceit, a felony, and one count of Unlawful Possession of a Narcotic Drug, a misdemeanor. As a result of these convictions, Erwin could receive a potential sentence of three years and one day in jail, and fines of up to \$7000, or both. The Nursing Board has suspended Erwin's nursing license and his employment at Copley Hospital was terminated.

For further information contact Linda A. Purdy, Assistant Attorney General (802) 241-4441.

Durable Medical Equipment: Colorado

Attorney General John Suthers announced on April 10 that Todd Teel was sentenced in district court to two years probation following a plea of guilty to Criminal Impersonation, a class 6 felony. As part of the plea agreement, the MFCU moved to dismiss counts of Forgery and Practicing Medicine without a License, but left sentencing open to the judge. Probation conditions include restitution in favor of his former employer, the ambulance company American Medical Response (AMR), of \$16,063.00.

Teel was working for AMR as a paramedic after submitting a national registry certificate attesting to his paramedic status. The employer discovered that the certificate was falsified and that Teel was only certified at the emergency medical technician (EMT) level. Teel was then dismissed by his employer and arrested by the MFCU.

The restitution amounts included the differential between Teel's pay as a paramedic and the wages he was entitled to as an EMT, as well as amounts AMR was required to repay the state Medicaid program for services rendered by an unqualified provider.

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

Durable Medical Equipment: Texas

Attorney General Abbott announced on March 3 that Richard Akpabio pleaded guilty in state court and was given deferred adjudication. Akpabio is the owner of Meadows Medical Supply, a durable medical equipment company. Akpabio was indicted in November 2006 for aggregate theft by a government contractor along with 31 other Houston area DME providers. From October 2003 to March 2004, Meadows Medical Supply billed Medicaid and was paid \$12,486. Akpabio billed for wheelchairs and allegedly provided scooters.

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Attorney General Abbott announced on March 9 that Aneikan Ekwere was sentenced in federal court to 18 months incarceration for his plea to one count of conspiracy to commit health care fraud and one count of healthcare fraud. Ekwere's restitution was set at \$16,993 for Medicaid and \$685,970 for Medicare. 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 Houston hospital, who has pleaded guilty and been sentenced. Between October 2002 and February 2004, Ekwere billed Medicaid and Medicare about \$1,776,080 and was paid approximately \$17,000 by Medicaid and \$662,861 by Medicare. This case was investigated jointly by the FBI and HHS-OIG.

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Attorney General Abbott announced on March 16 that Lamon Donell Easley, Jr., owner of Easley Cared Wheelchairs (ECW), a durable medical equipment provider, pleaded guilty to aggravated theft over \$200,000. From May 17, 2004, through June 28, 2007, ECW billed Medicaid \$376,951.88 and was paid \$302,958.72 for products that allegedly were not provided.

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Attorney General Abbott announced on March 18 that a federal grand jury indicted Robert Read and his wife, Claudette Read, on 75 counts of healthcare fraud, conspiracy to commit healthcare fraud and mail fraud. The allegation is that Priority One EMS, owned by the Reads, conspired to bill Medicaid and Medicare for non-qualifying ambulance runs. The investigation identified Medicaid overpayments totaling \$265,454.52, and Medicare overpayments of \$1,414,877.33, beginning in January 2004 through 2007. This case is being worked jointly with HHS-OIG and U.S. Postal Inspection Service.

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Attorney General Abbott announced on March 19 that a federal jury found Enitan Isiwele guilty of 16 counts of health care fraud and one count of conspiracy for paying kickbacks. Isiwele was owner of Galaxy Medical Supplies, a durable medical equipment company. On March 16 recruiter Yvonne Heard pleaded guilty in federal court to one count of making or causing to be made a false statement or representation. Linda Patterson another recruiter, pleaded guilty in February to one count of making or causing to be made a false statement or representation. The two allegedly recruited Medicaid/Medicare recipients and provided their names and patient information to Isiwele. Isiwele billed Medicaid and Medicare for replacement wheelchairs to be provided to recipients who lost their wheelchairs due to the Hurricane Rita disaster in Texas. From August 2005 to October 2007, Isiwele allegedly received fraudulent overpayments in the amounts of \$15,216 from Medicaid and \$75,644 from Medicare. This case was worked in conjunction with HHS.

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Attorney General Abbott announced on March 24 that Kingsley Chukwudi Agu was sentenced in state court to 60 days jail, ten years deferred adjudication, restitution of \$101,000, and a ten year voluntary exclusion from the Medicare and Medicaid programs after pleading guilty to one count of aggregate theft over \$100,000. Agu was the sole operator of Life Line Supplies, a Houston durable medical equipment 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 allegedly were never delivered. The entire amount paid was identified as overpayment since all billing was submitted after the company's provider authorization had been deactivated.

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Attorney General Abbott announced on March 25 that a federal grand jury indicted Jeanette and Eleazar (Eli) Garcia and John D. and Frank D. Martinez on multiple counts of healthcare fraud. The suspects were indicted for allegedly submitting false claims to Medicare and Medicaid for orthotic and prosthetic goods furnished by Eli Garcia through Orthopedic Specialist DME. The four suspects are also charged with conspiracy. The case is being worked jointly with the FBI and HHS-OIG.

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Attorney General Abbott announced on March 27 that Florence Ubak-Offiong was sentenced in federal court to 38 months incarceration, \$1,082,332.22 in restitution, a \$400 special assessment and three years of supervised release. She was also ordered to report to INS for deportation when she completes her sentence. A jury found Ubak-Offiong guilty in January 2008 on four counts of healthcare fraud and two counts of violations of anti-kickback law. Ubak-Offiong, owner of Champion Medical Supply, was alleged to have over-billed Medicare/Medicaid for unauthorized power wheelchairs and related accessories. Champion's Medicare provider number was suspended after Medicare sent Champion a series of letters concerning patient complaints which included delivery of scooters instead of wheelchairs and lack of certificates of medical necessity. In 2003, Champion

billed Medicare \$2,036,650.44 and received payment of \$1,052,875.39. From March 5, 2003, thru November 25, 2003, Medicaid paid \$6,239.60 to Champion on six crossover claims.

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Attorney General Abbott announced on April 7 that Brenda Davis Miller was sentenced in federal court to 97 months incarceration, three years of supervised release and was ordered to pay restitution of \$1,180,936.15. Dorothy Ann Hawkins was also sentenced in federal court on April 7, 2009, to 46 months incarceration, three years of supervised release, and ordered to pay restitution of \$1,144,325.72. Miller, owner of AA-Better Medical Supply (AA), pleaded guilty in September 2008 to one count of conspiracy to commit health care fraud and one count of money laundering. Dorothy Hawkins, owner of Genesis Medical Supply (GM), pleaded guilty in September 2008 to one count of conspiracy to commit health care fraud.

Miller billed Medicaid for psychotherapy counseling which she was allegedly neither authorized nor qualified to perform. Miller also billed Medicaid and Medicare for power wheelchairs when scooters were allegedly provided and for incontinence supplies that allegedly were not provided. Hawkins, owner of Genesis Medical Supply, billed Medicaid for psychotherapy counseling, which she was allegedly neither authorized nor qualified to perform. Hawkins also billed Medicaid and Medicare for power wheelchairs when scooters were allegedly provided and for incontinence supplies that were allegedly not provided.

Between April 2002 and June 2004, Miller was paid \$1,206,982.43 by Medicaid and \$247,289.08 by Medicare. The suspected overpayment identified is \$1,454,271.51. Between October 2001 and June 2004, Hawkins was paid \$557,746.98 by Medicaid and received \$740,697.91 from Medicare. The suspected overpayment identified is \$1,298,444.89. This was a joint investigation with the HHS-OIG, IRS and the FBI.

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Attorney General Abbott announced on April 21 that a federal jury found durable medical equipment owners Rhonda Fleming, King Adams Arthur, and Bose Ebhamen guilty on 72 counts of conspiracy, health care fraud, money laundering, and wire fraud.

Co-defendants Khira Guillory, Billy Perkins and James Chaney previously pleaded guilty. Guillory pleaded to conspiracy; Perkins pleaded to conspiracy and healthcare fraud; and Chaney pleaded to aiding and abetting the obtaining of identifiable healthcare information for economic gain.

Fleming, owner of a billing company, Advanced Medical Billing Services, and co-owner of three DME companies is the main subject of the alleged fraud scheme. All of the subjects, except for Perkins who is an employee, owned a durable medical equipment and medical billing companies with Fleming. Hi-Tech Medical Supply is owned by Fleming and Arthur. Medical Equipment and Supply is owned by Fleming and Chaney. E and R Medical is co-owned by Fleming. First Advantage Nursing is owned by Ebhamen.

Fleming and her employees and other co-owners billed Medicaid for \$4,211,120 and were paid \$383,809 between January 2002 through November 2005. All billings were alleged to be fraudulent. This case is being worked jointly with the FBI and HHS-OIG.

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Attorney General Abbott announced on April 24 that DME owner Sharon Sanders-Pickrom was sentenced in federal court to 46 months incarceration, three years supervised probation, and ordered to pay \$214,330.64 restitution to Medicaid and \$2,303,985.31 to Medicare. Sanders-Pickrom pleaded guilty in May 2008 to one count health care fraud and one count of conspiracy to commit health care fraud. Sanders-Pickrom owned and operated three Houston 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 supplied scooters to recipients and allegedly billed Medicaid/Medicare for wheelchairs. Sanders-Pickrom was paid approximately \$214,330 by Medicaid for these three DME companies and approximately \$2.2 million by Medicare for the same three companies for a total of \$2,414,330. This was a joint task force case with the FBI.

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

Home Health Care: Oregon

Attorney General John Kroger announced on April 17 the final convictions in a multi-year scheme to steal state Medicaid and federal Social Security Administration (SSA) funds. Richard A. Vanderschuere, Sr. and Karen R. Vanderschuere were each sentenced in county circuit court to serve 38 months prison; their sentencing follows the 2008 convictions of their son, Richard A. Vanderschuere, Jr., and his grandmother, Elaine Vanderschuere, on related charges.

The case stems from a scheme dating from the early 2000s when Richard Vanderschuere, Sr. faked a disability in order to receive Social Security and Medicaid benefits. Every year, Richard Vanderschuere, Sr., with the help of his wife, Karen, would claim that he was so disabled he needed round the clock care and assistance in feeding, personal hygiene, toileting and ambulation. Each year the Oregon Department of Human Services (DHS) would conduct an in-home assessment of Richard Sr. at his remote home and each year Richard Sr. was found disabled and bed-bound, virtually unable to even talk.

The state Medicaid Program provides funding for in-home care services so that disabled Oregonians can be cared for in their own homes rather than nursing homes. Richard Jr. was paid by Medicaid as the full-time care provider for his father, Monday through Friday; his step-mother Elaine was paid by Medicaid to provide the necessary weekend care.

Based on a tip, in the summer of 2007 the Oregon Medicaid Fraud Control Unit (MFCU), with assistance from the federal office of the Inspector General for Social Security Administration, opened an investigation into the services provided Richard Vanderschuere, Sr. An extensive surveillance revealed that Richard Sr. was not disabled; in fact, he routinely drove and ambulated—even up stairs—without assistance. Richard Vanderschuere, Sr. was also employed, and with his

wife Karen, under the cover of darkness, ran an early morning delivery service for a newspaper. The investigation revealed that Richard Vanderschuere, Jr., who allegedly worked full-time providing care for his father, instead worked full-time Monday through Friday at a local casino. The investigation also uncovered that Elaine Vanderschuere, who at the time was employed as a fraud investigator for the State of Oregon Employment Division, never provided the weekend care for which Medicaid paid her. In fact, she rarely if ever went to the Vanderschuere home; the only time Elaine saw Richard, Sr. was to fraudulently sign vouchers once a month.

Richard Vanderschuere, Jr., who cooperated in the prosecution, pleaded guilty to four felony counts of Theft in the First Degree and one felony count of Making False Claim for Health Care Payment and on April 30, 2008 was sentenced to serve five years probation, be responsible for restitution, and continue to cooperate with the government; failure to comply with probation will result in an additional sentence of 13-14 months prison. Elaine Vanderschuere pleaded guilty to the same charges and was sentenced on May 2, 2008 to serve 13 months in prison, thereafter placed on probation and also ordered to pay restitution for the Medicaid payments she received; prior to sentencing, she left state employment and has since paid her share of the restitution in full.

As a result of their pleas, Richard Vanderschuere, Sr. and Karen Vanderschuere were convicted of six felony counts of Theft in the First Degree and one felony count of Making False Claim for Health Care Payment and were each sentenced to 38 months prison and ordered to pay \$251,155 in restitution to the State Medicaid Program and the Social Security Administration.

For further information contact Sr. Assistant Attorney General Rodney Hopkinson (971) 673-1880 x 31926 or Investigator Steve Sandercock (971) 673 -1880 x 31964.

Home Health Care Aides: Washington State

Attorney General McKenna announced on February 6 that Melissa M. Katruska pleaded guilty to two counts of Theft in the First Degree and eight counts of Medicaid False Statement. She was sentenced to serve 30 days of confinement followed by 12 months of community custody, and was excluded from providing care services to vulnerable adults, particularly Medicaid recipients. Katruska is prohibited from initiating contact with the victim for ten years. She was ordered to pay restitution in the amount of \$20,000 to the Medicaid program, and fees and costs of \$1,050.

Investigator Amy Rose completed the investigation for the Washington State MFCU. She found that Katruska had contracted with the Medicaid program to provide in-home personal and respite care services for a Medicaid client. In order to receive payment under this program, Katruska was to submit the number of hours of care that she provided on a monthly basis. Her investigation revealed that, from September 30, 2006, until December 2007, Katruska did not provide the allotted number of care services for her family friend who suffers from a traumatic brain injury and other illnesses.

Lynn Mounsey, an Assistant Attorney General in the Washington State MFCU, handled the case for the prosecution.

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

Nurses: Florida

Attorney General McCollum announced on March 27 the arrest of Editha Andrada, the former owner and administrator of Loving Heart Home City, an assisted living facility.

Andrada is a registered nurse. Acting on information from the Agency for Health Care Administration (AHCA), the Medicaid Fraud Control Unit's investigation revealed Andrada submitted more than \$52,600 in false claims to the Medicaid program, attesting that services were provided by trained and qualified staff when the services were actually provided by untrained and unqualified persons. The investigation also revealed Andrada knew the staff members were illegal immigrants who were assuming the identities of legal residents in order to work at the facility.

Andrada has been charged with one count of organized scheme to defraud, a first-degree felony, one count of criminal use of personal identification information, a second-degree felony, and one count of Medicaid fraud, a third-degree felony.

For further information contact David Lewis, Director (850) 414-3910.

Nurses: Minnesota

Attorney General Lori Swanson announced on September 9, 2008 that Michelle Barbara Pundt waived indictment and pleaded guilty to one count of health care fraud. Pundt was the owner of Allied Home Care Services (Allied) and was enrolled in the Medicaid program as a private duty nursing provider. Allied also provided personal care assistant services. Allied billed the Medicaid program for registered nurse services and PCA services that were not provided, allowed the husband to be the paid PCA for his wife, did not have an RN on staff to do supervisory visits, and allowed her Class A license to lapse, yet continued to provide services and did not train staff.

On September 7, 2007, HHS OIG, with participation by the FBI and the Minnesota Medicaid Fraud Control Unit, conducted two search warrants; one at Pundt's home and the second at Pundt's place of business. Evidence was seized by HHS OIG. On June 11, 2008, a Felony Information was filed in U.S. District Court for the District of Minnesota charging Pundt with one count of health care fraud. On February 26, Pundt was sentenced to an executed term of 18 months in federal prison, three years of supervised probation, and was ordered to pay Medicaid restitution in the amount of \$350,000. In addition, Pundt was ordered to pay a \$100 fine.

For further information contact Assistant Attorney General Chuck Roehrdanz (651) 296-3834

Nursing Homes: Texas

Attorney General Abbott announced on March 19 that a state grand jury indicted Roberta Sinnema for securing execution of a document by deception in excess of \$1,500, a state jail felony. The charge is related to allegations that Sinneman embezzled funds from a Medicaid long-term care facility in Dallas by awarding herself unauthorized bonuses. These bonuses were included in Medicaid/Medicare cost reports of the facility.

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

Patient Trust Funds: District of Columbia

The District of Columbia Medicaid Fraud Control Unit announced on April 2 that Timothy Akers, an employee from a temporary agency assigned to work at The ARC of D.C., an organization that serves individuals with mental retardation and developmental disabilities, has been found guilty and sentenced for Theft and violation of the Bail Reform Act (BRA).

In January 2007, Akers pleaded guilty to two counts of Theft in the Second Degree. Akers failed to appear as ordered for his sentencing hearing on March 23, 2007, a BRA violation. Akers was arrested on February 24, 2009, and sentenced on March 19 in the Superior Court before the Honorable Nathalia M. Combs Greene. Judge Combs Greene sentenced Akers to 180 days in jail on one count of second degree theft, and 180 days, consecutive on the second count. The second sentence was suspended, and Akers was placed on supervised probation for one year. Judge Combs Greene sentenced Akers to 90 days on the BRA violation to be served consecutively. He was also ordered to pay \$1551 in restitution to two victims, and to cooperate with drug treatment orders. In addition, Akers was ordered to pay \$150 to the Victims of Violent Crime Compensation Fund.

According to the government's evidence, in July 2002, Akers, who was assigned to the ARC of D.C. corporate office as a temporary employee, stole money from two clients' bank accounts, totaling more than \$1550. Both of the clients are vulnerable adults and were not aware that Akers was stealing from them. Akers admitted that he used one individual's ATM card on multiple occasions, and cashed one check from the other person's bank account.

For further information contact Susan Bieber Kennedy, Director or Investigator Jonathan Rich (202) 727-8008

Patient Trust Funds: Minnesota

Attorney General Lori Swanson announced on March 2 that Ashley Lynn Dettmann pleaded guilty to one count of theft by swindle over \$5,000. Dettmann worked at a group home for vulnerable adults. She was responsible for handling the checking accounts of the four clients and possessed the key for the file cabinet where the clients' checkbooks were kept. An internal audit of the clients' accounts showed that many checks were written out to "cash" which was a misuse of client funds.

Dettmann admitted to writing out the checks from the clients' accounts, having the clients sign the checks and using the money for her personal use. Dettmann also admitted to writing checks from four clients of a second group home. On July 25, 2008, Dettmann was charged with one count of theft by swindle over \$5,000. Imposition of Dettmann's sentence was stayed and she was placed on probation for two years. Dettmann fully paid the restitution of \$8,004 to the group home (which had replaced the funds in the clients' accounts); she is to have no contact with the victims and is not allowed to have similar work during her probation period.

For further information contact Assistant Attorney General Peter Magnuson (651) 296-1352.

Patient Trust Funds: South Carolina

Attorney General Henry McMaster announced on February 19 that Tiffany Ovita Williams was convicted of one count of Breach of Trust with Fraudulent Intent, valued at \$1,000 or less. On June 13, 2007, while Williams was a caregiver for a resident of Babcock Center, she used the funds of the resident to purchase clothing for herself. She unlawfully converted funds in the amount of \$95 for her own use and purpose with the intention of permanently depriving the resident of the use and benefit of said funds.

Williams was sentenced by Judge Mel Maurer to 30 days or a fine of \$1,092.50 suspended on payment of a fine of \$470 plus 3% court costs for a total of \$484.10 plus restitution to Babcock Center in the amount of \$101.65.

For further information contact Assistant Deputy Attorney General Charles W. Gambrell, Jr., Senior Assistant Attorney General William K. Moore or Thomas E. Holliday, Sr., Special Investigator (803) 734-3660.

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Attorney General Henry McMaster announced on March 4 Falicia W. Baez was convicted of one count of Attempt to Commit Exploitation of a Vulnerable and Forgery. On or about November 10, 2005, Baez did attempt to make unlawful, improper or unauthorized use of funds or assets of a 90 year old vulnerable adult who was a resident at Sterling House, a community residential care facility. Baez did take the resident from the community residential care facility and transport the resident to a bank for the sole purpose of unlawfully cashing a \$950 check on the resident's bank account. The check was not cashed due to the fact the account was closed.

Baez was sentenced by the Honorable Garrison D. Hill to five years confinement on each count to run consecutively.

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

Patient Trust Funds: Texas

Attorney General Abbott announced on March 19 that Terry Dean West pleaded guilty in federal court to one count of making a false statement relating to healthcare. On March 16, 2009, Elizandro Valdez Arana pleaded guilty to one count of false statement relating to healthcare in the same court.

Arana was hired by West as a contract employee at Sava Senior Care Corporation. They allegedly altered the corporation's accounts receivable records to reflect credit balances, and altered the responsible party information to request refunds to be mailed to fictitious names and prearranged addresses. This case was worked jointly with the U.S. Postal Inspector.

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Attorney General Abbott announced on April 20 that certified nursing assistant Rene Cabrera was indicted by a state grand jury on one count of exploitation of an elderly individual. The case alleges that Cabrera, while employed at a nursing home, forged personal checks from a patient for his own use.

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

Patient Trust Funds: Washington State

Attorney General Rob McKenna announced on January 16 that Alexandria E. Cook pleaded guilty to one count of Theft in the First Degree and four counts of Obtaining a Signature by Deception or Duress. She was sentenced as a first time offender and given 90 days in custody (with the option of electronic home monitoring), 12 months of community custody, and was excluded from any employment involving a fiduciary responsibility or financial transactions with vulnerable adults. She is also prohibited from contracting to provide care for Medicaid clients. Cook was ordered to make restitution in the amount of \$5,877 to the Medicaid program, and pay court costs, fines and victim assessment fees of \$1,326.

Investigator Michael Bagley conducted the investigation for the Washington State MFCU. He found that Cook, an administrative assistant responsible for patient trust accounts and the petty cash fund at Whittier Care & Rehabilitation, transferred patient trust funds between residents without their permission and withdrew patient trust funds for her own use between February and August of 2005.

Andrea Jarmon, an Assistant Attorney General in the Washington State MFCU, handled the case for the prosecution.

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

Personal Care Assistants: Minnesota

Attorney General Swanson announced on November 3, 2008 that Mustapha Kamara pleaded guilty to one count of medical assistance fraud. Kamara owned National Home Health Care Services, Inc. (National) and was enrolled in the Medicaid program as a personal care provider organization. National provided personal care assistant (PCA) services, physician services, case management, chores, companion services, homemaker services, extended personal care and respite care services.

A complaint was made by a former National employee who provided PCA services to a National client. When the employee was not paid for services provided, the client and employee changed to a new provider agency. The employee learned that the new agency could not bill for hours of service because National had billed all of the client's allotted units for the entire period of the service agreement. In other words, National submitted claims to the Department of Human Services (DHS) based on the client's service agreement, not based on the employee's time cards and

the services that were actually provided.

The Minnesota MFCU investigation showed that from January 11, 2005 through June 14, 2005, Kamara billed for PCA and unskilled respite care services for six clients which were provided by unqualified or disqualified employees for whom Kamara did not request background studies and that Kamara double billed DHS by billing for more units of services than were actually documented on the PCA time cards.

On June 12, 2008, Kamara was charged with theft by swindle over \$35,000 and Medicaid fraud. On November 3, 2008, imposition of Kamara's sentence was stayed and he was placed on probation for five years. The conditions of Kamara's probation are that he pay Medicaid restitution to the Department of Human Services in the amount of \$40,000, serve 10 days in the sentence to serve program, and have no employment involving reimbursement from Medicaid. The remaining count was dismissed.

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

Personal Care Attendants: Massachusetts

Attorney General Martha Coakley announced on March 30 that Lynn Patten was arraigned in Superior Court for allegedly falsely billing the state's Medicaid program, MassHealth, over \$57,000 for Personal Care Attendant (PCA) services she did not receive. Patten is charged with Medicaid False Claims (4 counts), Larceny over \$250 (4 counts), Distribution of a Class B Substance (2 counts), Uttering and Forgery.

In November 2005, the Attorney General's Office began an investigation after the matter was referred by the Stavros Center for Independent Living Personal Care Attendant Program (Stavros Center). Investigators discovered that during the period from November 2003 through November 2007, Patten allegedly submitted approximately 80 false claims to MassHealth by submitting fraudulent timesheets to the Stavros Center. Authorities allege that Patten paid four different PCAs, with either cash or prescription medications, then signed and submitted false timesheets claiming that these PCAs worked over 35 hours per week assisting Patten with her daily living needs. Investigators discovered that not only did the PCAs work less than all of the hours documented on the falsified timesheets, but that Patten also kept for herself almost all of the Medicaid money that was supposed to be paid to the PCAs. Authorities allege that in the case of one of the PCAs, Patten continued to falsify PCA timesheets and receive Medicaid money for over one year after the PCA stopped working for her. As a result of this scheme allege that Patten received over \$57,000 from MassHealth.

For further information contact Assistant Attorney General Toby Unger and Investigator Mike Russo (617) 727-2200.

Pharmacies: South Carolina

Attorney General McMaster announced on April 30 that Christopher L. Alderman, the owner of Alderman Pharmacy, a pharmacy, was convicted on April 30, 2009 of two counts of Filing a False Claim. On November 5, 2008 and November 17, 2008, Alderman executed a scheme to defraud the state Medicaid Program by submitting false claims for the pharmaceutical drugs Tobramycin and

Zyvox.

Alderman was sentenced to three years and a \$1,000 fine, both suspended. He paid restitution in the amount of \$165,000 to the South Carolina Department of Health and Human Services.

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

Physical Therapists: Florida

Attorney General McCollum announced on March 17 the arrest of Barbara Burkhart for defrauding Florida's Medicaid program out of over \$5,300. Burkhart has been charged with one count of grand theft, a third-degree felony.

Burkhart worked as a physical therapist. Acting on information received from the Agency for Health Care Administration, the Medicaid Fraud Control Unit's investigation revealed that Burkhart submitted numerous claims to the Medicaid program for reimbursement for physical therapy that she never provided. According to investigators, Burkhart only spent two 30 minute sessions per week with a recipient and on one particular occasion denied that recipient longer sessions. However, Burkhart was billing Medicaid for four 30 minute sessions weekly on behalf of that particular recipient.

For further information contact David Lewis, Director (850) 414-3910.

Resident Abuse: Tennessee

The Tennessee Bureau of Investigation announced on April 23 that Adrienne Rogers, a home health aide, pleaded guilty to one count of adult abuse and one count of assault. Diversion was granted and Rogers was placed on 12 months probation. Rogers was ordered to complete 50 hours of community service, attend anger management training, and pay Memphis Crime Stoppers \$100. Additionally, Rogers is in the process of being referred to the abuse registry maintained by the Tennessee Department of Health.

This case was opened based on a March 7, 2008 referral from the Division of Mental Retardation Services. It was alleged that Rogers, a nurse's aide employed with Brenda Richardson Memorial Care Homes, had physically assaulted a patient by slapping and shoving him into the wall. Statements from other employees who witnessed the event supported these allegations. On April 7, 2008 Rogers was charged with one count of assault and one count of willful abuse of an adult.

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

Resident Neglect: District of Columbia

The District of Columbia Medicaid Fraud Control Unit announced on March 20 that Lisa Haythe, a former counselor at "My Own Place, Inc.," an operator of supervised apartments for individuals with developmental disabilities, has been found guilty and sentenced for Criminal Negligence.

On February 10, Haythe pleaded guilty to one count of Criminal Negligence. On February 24, Haythe was sentenced to 180 days in jail, all suspended, and 18 months of supervised probation. Haythe was also ordered to stay away from “My Own Place,” the two victims, and not to work with vulnerable adults and vulnerable children. In addition, Haythe was ordered to pay \$50 to the Victims of Violent Crime Compensation Fund.

According to the government’s evidence, on August 21, 2007, Haythe was responsible for transporting several “My Own Place” residents who attended a day treatment program for persons with disabilities and was aware of the company policy that residents are never to be left alone. Nevertheless, Haythe left to pick up the residents without a second staff member to accompany her. While stopped to pick up a resident, Haythe left two residents unattended in the transportation van with the keys in the ignition and windows down. When Haythe returned to where the van was parked, she discovered that the van had been stolen with the two residents still inside. Haythe then notified the police department that the van had been stolen with the two residents, and officers eventually located both residents alone on a sidewalk approximately half a mile away from where the van was stolen.

For further information contact Investigator Jacqueline Willoughby or Special Assistant U.S. Attorneys Stephanie Caruwan and Dangkhua Nguyen (202) 727-8008.

CASE UPDATES

Chemical Dependency Treatment Centers: Texas

Attorney General Abbott announced on March 26 that a counselor intern (CI) Robert Edward Jackson was sentenced to 15 years incarceration at TDCJ on two cases to be served concurrently and ordered to pay \$201,244.58 in restitution after pleading guilty for his involvement in two chemical dependency treatment centers.

In March 2008, Jackson and Ernest Osa Ehonwa were indicted by a state grand jury for aggregate theft by a government contractor. Ehonwa and Jackson were the owners/operators of Universal Drug and Alcohol Recovering Center (UD/ARC), a chemical dependency treatment center. (*See: Medicaid Fraud Report*, March/April 2008, p. 2) From October 10, 2002 to August 17, 2004, UD/ARC allegedly billed Medicaid for chemical dependency treatment services and received \$369,408.03 from Medicaid for services allegedly not rendered. Ehonwa signed the Medicaid provider contract and was the signatory on the bank account. Jackson was responsible for billing Medicaid. The suspected amount of Medicaid overpayments are \$369,408.03.

In February 2008, Jackson and Jean Watkins Jackson were indicted by a state grand jury for theft by a government contractor. The Jacksons were owners/operators of Turning Point Recovery Center/Starting Point Recovery Center (TP/SP), a Houston-based chemical dependency treatment center. From March 14, 2000, to August 25, 2004, TP/SP billed Medicaid for chemical dependency treatment services and received \$1,322,228.14 from Medicaid for services allegedly not rendered. Jean Jackson signed the Medicaid provider contract and was the signatory on the bank account. Robert Jackson was responsible for billing Medicaid. He admitted to buying Medicaid numbers and billing for services not rendered. Robert Jackson is not credentialed to provide services and Jean

Jackson said she did not provide counseling/treatment services. TP/SP received \$1,322,228.14 for services allegedly not rendered.

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

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