



MEDICAID FRAUD REPORT

**National Association
of Medicaid Fraud Control Units**

May/June 2009

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Tennessee Reaches Settlement with Kindred Healthcare, Inc.

The Tennessee Bureau of Investigation announced on June 5 that a civil settlement agreement was reached in the United States District Court with Kindred Healthcare, Inc. and its successor PharMerica Healthcare Pharmacy, LLC. The settlement was reached following a joint investigation with the United States Attorney's Office and the Tennessee Attorney General's Office. As a condition of the agreement, Kindred will pay the State of Tennessee and the United States, collectively, the total sum of \$1,307,752.

This case was opened on April 25, 2005, based on allegations brought by a former billing clerk employee of Kindred in a lawsuit filed on behalf of both the United States and the State of Tennessee under the qui tam provisions of the federal False Claims Act and the Tennessee Medicaid False Claims Act. Kindred contracts with TennCare and Medicare to provide pharmaceutical services to long-term care facilities and mental health group homes. It was alleged that Kindred billed TennCare for larger quantities of pharmaceuticals than were actually supplied to the facilities. An examination of prescriptions and billing records confirmed that patients were receiving the medications in the quantities they were prescribed, however Kindred was billing for quantities in excess of the prescribed amount. Further investigation indicated that Kindred was aware of the discrepancies, which Kindred attributed to errant computer software programs. It was further alleged that despite Kindred's knowledge of the software deficiencies, the company was not proactive in correcting the mistakes nor did they report the inaccuracies to TennCare or Medicare.

Under the terms of the settlement agreement, Kindred will pay the State of Tennessee \$588,488.40, of which \$100,043.03 will be paid to a relator. Additionally, Kindred will pay the United States \$719,263.60, of which \$122,274.81 will be paid to a relator. Kindred is also responsible for the relator's attorney fees and costs in the sum of \$58,364.54.

For further information contact Special Agent David Slagle (423) 434-6424 x114.

CASES

Adult Day Care Centers: Texas

Attorney General Greg Abbott announced on June 17 that home health company owners Luz Elizarde and Ricardo Elizarde were indicted by a state grand jury for Medicaid fraud and injury to an elderly individual. The Elizardes, owners of Valley View Primary Home Care and Valley View Adult Day Care Center, allegedly misrepresented their expenditures on cost reports submitted to Health and Human Services Commission by reporting international travel and out-of-state travel as legitimate business expenses. In addition, the owners allegedly reported personal business expenses as employee relations on the cost reports.

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Attorney General Abbott announced on June 26 that Martha Alaniz pleaded guilty in federal court to one count of the anti-kickback statute. Martha Alaniz is the former owner of La Familia Adult Day Care Center. Raul Torres was a marketer for Fabian Aurignac, MD. Torres allegedly paid Alaniz on behalf of Aurignac for access to adult day care clients to obtain personal information to fraudulently bill Medicaid for cardiac services.

Aurignac pleaded guilty on May 8 to one count of health care fraud in federal court and agreed to reimburse the government \$1,157,000. Although he had closed his office, Aurignac allegedly continued to practice medicine at another location, at adult day care centers and flea markets. He billed for services that were allegedly not rendered, not medically necessary and that subjected patients to unnecessary invasive procedures. Aurignac's medical license was indefinitely suspended on October 17, 2007, by the Texas Medical Board.

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

Adult Homes: Florida

Attorney General Bill McCollum announced on May 15 that Paula Jo McAlexander, a former owner and operator of an adult family care home, was taken into custody based on allegations that she forged fire safety inspection reports to operate her facility. Knowing that the Agency for Health Care Administration (AHCA) largely based her license renewal on the annual fire inspection reports, McAlexander forged the inspection reports. The facility was immediately shut down by AHCA as a direct threat to the health, safety and welfare of the residents.

McAlexander pleaded no contest to Medicaid Fraud, Wire Fraud, two counts of Forgery, and five counts of Uttering a Forged Instrument, all third degree felonies. She was sentenced to two years of house arrest and eight years of probation, and ordered to pay restitution to the Medicaid program, costs of investigation, fines and court costs.

For further information contact Acting Regional Chief Betty Cheramie (850) 414-3300.

Assisted Living Facilities: 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, a registered nurse, was arrested after the Medicaid Fraud Control Unit investigated an allegation that Andrada hired unqualified illegal aliens as caregivers providing services to the residents of Loving Heart Home City. The investigation, which covered the period January 1, 2004 to March 31, 2007, began as a result of a referral from the Agency for Healthcare Administration (AHCA).

The investigation disclosed that Andrada submitted false claims to the Medicaid program by attesting that billed services were provided by trained and qualified staff when, in fact, the services were provided by untrained and unqualified persons. The investigation revealed that Andrada knew that the staff were illegal aliens assuming the identities of legal residents and that she aided in the deception of state officials. Andrada took the identity of citizens and submitted fraudulent documentation to AHCA. As a result, Andrada received payments of \$52,691 from the Medicaid program to which she was not entitled. Andrada was arrested and charged with Medicaid Fraud, Organized Scheme to Defraud and Criminal Use of Personal Identification Information.

For further information contact Regional Chief Scott Farr (813) 287-7940.

Billing Clerks: Texas

Attorney General Abbott announced on June 2 that billing clerk Katherine Ferguson was sentenced in federal court to seven months confinement with credit for time served, placed on three years probation, and was ordered to pay \$7,383.98 in restitution. Ferguson pleaded guilty in December 30, 2008, to one count of health care fraud.

This case stems from an August 6, 2008, indictment of Ferguson for 28 counts of healthcare fraud, and is based on allegations that while working for LPCs Alan Apperson and Diane Freedman, she intentionally double billed Medicaid claims for sessions provided by these counselors. Each counselor paid Ferguson a percentage of the money they received from Medicaid, and neither was unaware that the double billing was taking place.

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

Counselors: Texas

Attorney General Abbott announced on May 20 that Darrell Lee Jones was indicted by a state grand jury on charges of money laundering, greater than \$200,000. Jones is the ex-husband of Christine Lee Jones, who was indicted in November 2006 for aggregate theft over \$200,000. Christine Jones' trial is set for June 2009. Darrell Jones' indictment is related to Medicaid money paid to Christine Jones, owner of Center for Developing Healthy Minds (CDHM), a counseling service. The investigation revealed that Christine Jones billed Medicaid between February 1999 and

February 2003 for individual psychotherapy sessions with children that allegedly were not provided.

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

Dentists: Idaho

Attorney General Lawrence Wasden announced on July 2 that Alfred and Vera Lopez, owners of the People's Denture Center of Caldwell, were sentenced for Medicaid provider fraud. Judge Thomas J. Ryan ordered the Lopezes to serve three years of probation and ordered them to pay \$6,863 in restitution. The couple must also perform 200 hours of community service.

The Lopezes pleaded guilty on April 20, to one felony count of provider fraud. The Department of Health and Welfare, Program Integrity Unit, had a history of recovering money from the Lopezes. Between 2001 and 2007, the Program Integrity Unit recovered over \$4,500 concerning similar allegations. When it became clear the conduct was continuing despite repeated intervention by the Department of Health and Welfare, the matter was referred to the Medicaid Fraud Control Unit for investigation and prosecution.

For further information contact Kendal McDevitt, Director (208) 334-4100.

Dentists: Wisconsin

Attorney General J.B. Van Hollen announced on June 30 that a dentist, Anthony R. Sanchez, was convicted of three counts of theft related to his prohibited provider charges of Medicaid recipients. Sanchez prepaid restitution for six identified victims in the amount of \$5,638.20 and was fined \$10,500. Sanchez also agreed not to contest placement on the U.S. Department of Health & Human Services, Office of Inspector General, provider exclusion list.

According to the Department of Justice's criminal complaint Sanchez owns Smi:)e Dental. Between April 2005 and March 2006, Sanchez advised five patients that they required root canals and that Medicaid did not cover the service. The patients were made to pay between \$400 and \$775 to cover the procedures. Another patient was charged \$4,000 due to needing bridge work in addition to the root canal. Sanchez was aware the Medicaid Program does reimburse the cost of root canals and bridge work but chose not to inform the patients of this or told them that those were not covered and instead required them to pay.

During this same time period, Sanchez instituted a policy requiring Medicaid recipients to pay \$50 to make an appointment. If patients kept the appointment they were not charged a co-pay but were not reimbursed the balance of the \$50.

For further information contact Tom Storm , Director (608) 266-9945.

Drug Diversion: Texas

Attorney General Abbott announced on May 4 that registered nurse Alisa Katherin Harwell was sentenced in state court to four years deferred prosecution, four years license suspension, fined \$1,500, and was ordered to serve 160 hours of community service and drug rehabilitation after pleading guilty to tampering with a governmental record. Harwell, a former employee at Silsbee Oaks Health Care Center and Village Creek Rehab and Nursing Facility, falsified, governmental records to obtain a controlled substance by deception.

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Attorney General Abbott announced on May 14 that licensed vocational nurses John Vanecek and Dara Dabelgott were indicted by a state grand jury for obtaining a controlled substance by fraud, a third-degree felony. The two allegedly diverted patient narcotics on February 27, 2008, from Woolridge Nursing Home, where they were employed as LVNs. Both admitted to taking the narcotics.

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Attorney General Abbott announced on May 26 that registered nurse Vicky Lynn Dominytus was sentenced to 12 months deferred adjudication, fined \$250 and ordered to complete 50 hours of community service after pleading guilty in state court to one count of attempted nursing violations. This case alleged that Dominytus, former director of nursing at The Plaza, took prescription drugs that were intended for destruction and kept them for her own use.

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Attorney General Abbott announced on May 28 that licensed vocational nurse Denise Cleaver was indicted by a state grand jury for obtaining a controlled substance by fraud. Cleaver, a former employee of Ranger Care Center, allegedly diverted 30 Hydrocodone tablets from a resident at the center.

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Attorney General Abbott announced on June 23 that Carmen Lopez Hale was sentenced to five years incarceration, probated for three years, after pleading guilty in state court to one count of obtaining a controlled substance by forgery. The case alleges that Hale, while employed by Medicaid provider Phillip Burgette, MD, wrote numerous false prescriptions for herself and two daughters-in-law using Burgette's name.

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 May 8 that Ann-Marie Noel was convicted in district court on a misdemeanor charge of unlawfully Possessing a Narcotic. Noel received a

sentence of nine to twelve months all suspended, with one year of probation. The court ordered the standard conditions of probation along with several special conditions. By order of the court, Noel must not administer any controlled substance during the first nine months of her probation. She must not possess regulated drugs without a valid prescription. She must be evaluated for substance abuse, dependency and addiction. She must submit to random urinalysis or provide hair samples for testing, and complete any substance abuse counseling or treatment program that her probation officer requires. She must also perform 40 hours of community service.

The charge stems from Noel's employment as a Licensed Registered Nurse at Fletcher Allen Health Care Hospital. Noel admitted to unlawfully possessing the narcotic, Oxycodone. Her employment at Fletcher Allen Health Care Hospital has been terminated.

For further information contact Earl F. Fechter Assistant Attorney General (802) 241-4440.

Durable Medical Equipment: Texas

Attorney General Abbott announced on April 30 that Benjamin Essien and Rose Essien were indicted by a federal grand jury on eight counts of health care fraud, one count of conspiracy to commit health care fraud and one count each of aggravated identity theft. Benjamin Essien is owner and Rose Essien is office administrator and manager of Logic World Medical, a DME company. The investigation revealed that Medicaid paid Logic World for DME supplies that allegedly were never delivered or only partially delivered. The FBI is a federal partner in this investigation.

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Attorney General Abbott announced on May 8 that Francisca Mbanaja Simien was sentenced in state court to ten years in prison probated for ten years, three days home confinement, fined \$3000, and was ordered to pay \$216,875 in restitution after pleading guilty to one count of Medicaid fraud over \$200,000, a first-degree felony. Simien was an owner of P&F Medical Supply. The case was based on allegations that between January 2003 and July 15, 2006, P&F Medical Supply fraudulently obtained \$216,875.77 for incontinence products that were not delivered.

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Attorney General Abbott announced on May 11 that a state grand jury indicted Joseph Bassey Ene-Ita for theft by a government contractor, theft over \$100,000, for his role as operator of a durable medical equipment provider Nexzin Health Management. Ene-Ita is charged with billing Medicaid and Medicare for motorized wheelchairs and accessories that were not provided. This case is being worked jointly with the FBI and HHS.

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Attorney General Abbott announced on May 20 that Cathy Johnson, owner of a DME company, was placed on pre-trial diversion for 18 months, ordered to pay \$28,000 in restitution, and to perform 100 hours of community service. This case stems from Johnson, doing business as Continental Consulting, billing for DME products such as power wheelchairs and incontinence supplies and providing supplies other than those for which she billed.

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Attorney General Abbott announced on June 5 that DME owner Ene Hogan pleaded guilty in federal court to three counts of health care fraud. Hogan is the owner and operator of Shanet Medical Source, Inc., a DME company. He was ordered to immediately surrender all of his Medicare and Medicaid numbers and both his U.S. and his Nigerian passports. Hogan was paid \$683,360 by Medicaid between October 21, 2002, and May 1, 2006, for DME supplies that were allegedly never delivered or only partially delivered.

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Attorney General Abbott announced on June 5 that DME owner Felicia Williams' case in state court was dismissed, based on an agreement reached in which Williams paid full restitution and voluntarily waived and excluded herself from applying as a Medicare/Medicaid provider. Between July 15, 2003, and January 19, 2007, Williams, owner of Modern Medicine Healthcare, a durable medical equipment provider, allegedly billed Medicaid \$103,456.54 for incontinent supplies after her Medicaid provider number had been revoked. Additionally, some recipients never received the supplies as billed by the provider. The investigation identified \$15,740.58 as suspected fraud.

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

Habilitation Facility: Arizona

Attorney General Terry Goddard announced on June 17 that Ashley Danelle Lock was sentenced in Maricopa County Superior Court to five years probation and restitution in the amount of \$20,342 payable at \$150 per month. Lock worked for a state funded habilitation facility. Lock provided respite care to disabled children in their homes. Between January 10, 2005 and May 23, 2006, she engaged in a fraud scheme wherein she completed fraudulent time sheets claiming hours for which she did not work, but was paid. She forged signatures of the patient's parents and/or completed the time sheets with false information. The loss was determined to be approximately \$20,000.

On August 17, 2008, Lock was indicted by a grand jury on one count of Fraudulent Schemes and Artifices, one count of Theft, and 17 counts of Forgery. On February 4, Ashley Lock entered into a plea agreement with the State. Lock pleaded guilty to an amended count 2 of Theft, a class 3 felony instead of a class 2 felony offense. The plea agreement reflected that the defendant would pay restitution in the total amount of \$20,342.00 and investigative costs to the Medicaid Fraud Control Unit in the amount of \$3,000.

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

Home Health Care Agencies: Texas

Attorney General Abbott announced on May 20 that a federal grand jury indicted Edgar Narvaez, owner of Narvaez Family Provider Services, Alicia Narvaez, and Edward Gonzales on

health care fraud, for conspiracy to commit health care fraud, social security number misuse and aggravated identity theft. Narvaez Family Provider Services allegedly submitted claims after forging doctor's and employee's signatures, and falsifying service delivery records resulting in suspected Medicaid and Title XX overpayments. The Social Security number misuse and aggravated identity theft are secondary charges related to defendants' alleged systematic practice of falsifying client records and billing Medicaid for unauthorized services and services not rendered. This case is being worked jointly with HHS-OIG, FBI, and Social Security-OIG.

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

Home Health Care Aides: Oregon

Attorney General John Kroger announced on May 14 the conviction and sentencing of Jennifer Gammell, an in-home caregiver paid with Medicaid funds. Gammell was convicted of one count of Submitting a False Claim for Health Care Payment. She was sentenced by a county circuit court judge to 36 months of probation, 80 hours of community service and ordered to pay the full restitution of \$1,206.57.

For further information contact Senior Assistant Attorney General Sheen Wu (971) 673-1880.

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Attorney General Kroger announced on June 16 the conviction of Nancy Ann Edwards county circuit court of felony Theft I.

Edwards was hired in December 2007 to provide respite care for the father of disabled Medicaid recipient. However, not much respite care was required and over the course of a year, Edwards only provided care on approximately five occasions. In October 2008, the father received a call from his child's caseworker letting him know that he was exceeding the number of hours allowed for respite care. The caseworker informed the father that Edwards had been submitting vouchers over the past year claiming to be providing between 17-95 hours of care a month; the father informed the caseworker no such hours were provided. The fraud was referred to the Oregon Medicaid Fraud Control Unit which investigated and determined that Edwards had billed for over 650 hours that she did not work.

As a result of the conviction, Edwards was ordered to perform 120 hours community service and placed on two years probation. Conditions of probation include that Edwards must pay restitution to the Department of Human Services of \$5,180.65, pay a \$300 fine, and not be employed in any capacity paid directly or indirectly, with Medicaid or Medicare funds.

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

Home Health Care Aides: Tennessee

The Tennessee Bureau of Investigation announced on May 20 that Adria Branscom Austin, a health care aide, pleaded guilty in district criminal court to one count of TennCare Fraud. Austin was given a two year suspended sentence and four years probation. Additionally, Austin was ordered to pay restitution in the amount of \$3,075 to the Bureau of TennCare.

This case was opened on November 14, 2007 based upon a referral from the Division of Mental Retardation Services. It was alleged that Austin, a personal assistant employed by United Cerebral Palsy, billed TennCare for services not rendered between June 2006 and June 2007. Austin submitted to her employer contact notes for services and upon investigation, it was discovered that the majority of these contacts never occurred. Additionally, Austin was employed by Spectrum Support as a personal assistant. Austin produced timesheets to United Cerebral Palsy that reported time worked identical to the time reported on her Spectrum Support timesheets. Austin admitted to reporting the same hours on both timesheets and agreed to pay back any amount of money she owed for the timesheet discrepancies. On November 4, 2008, Austin was indicted and charged with two counts of TennCare Fraud and one count of theft of property over \$1,000.

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

Kickbacks: Texas

Attorney General Abbott announced that on May 6 Raul Torres and Martha Alaniz were indicted on three counts of violation of the anti-kickback statute. Raul Torres was a marketer for Fabian Aurignac, MD, and Martha Alaniz, the former owner of La Familia adult day care center in McAllen. Torres allegedly paid Alaniz on behalf of Fabian Aurignac for access to adult day care clients to obtain personal information to fraudulently bill Medicaid for cardiac services.

Aurignac pleaded guilty on May 8, in federal court to one count of health care fraud. Aurignac agreed to reimburse the government \$1,157,000. His plea was based on allegations that he billed Medicaid for services not rendered, billed for services that were not medically necessary and subjected patients to unnecessary invasive procedures. Between 2003 and May 2006, Aurignac was paid \$3,830,055.49 by Medicaid.

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

Medical Transportation: Minnesota

Attorney General Lori Swanson announced on February 29 that Peter Nji Igwacho pleaded guilty to theft by false representation. Igwacho owned and operated Prestigious Care and Handicap Ride, Inc. and was enrolled in the Medicaid program as a provider of special transportation services. The Department of Human Services Surveillance and Integrity Review Section (DHS/SIRS) received a telephone call from a nurse who provided services to a Medicaid recipient. The recipient was transported once by Prestigious, but his explanation of medical benefits showed Prestigious billed the Medicaid program for numerous transports that were not provided to him.

DHS/SIRS conducted an audit of Prestigious and interviewed Igwacho. DHS/SIRS eventually pended all claims by Prestigious and referred the case to the Minnesota Medicaid Fraud Control Unit for prosecution.

MFCU investigators learned that Igwacho had moved to Anchorage, Alaska and was the subject of a criminal investigation in connection with a Medicaid assisted living home he was operating in Anchorage. MFCU investigators reviewed Prestigious' transportation records at the office of the Minnesota Department of Transportation, including the Special Transportation Service Certificate of Compliance; obtained claims data history from DHS/SIRS for special transportation services provided to 15 recipients during the period December 27, 2001 to June 11, 2003; and requested claims histories from DHS/SIRS of all medical claims for the 15 recipients for whom Prestigious billed special transport, extra attendant and mileage claims.

Based upon the claims data, for the period July 1, 2002 through June 17, 2003, Prestigious had an overpayment of \$51,985.60. On July 23, 2007, Igwacho was charged with two counts of theft by false representation. On April 10, imposition of Igwacho's sentence was stayed and he was placed on probation for a period of ten years. The conditions of Igwacho's probation are that he pay restitution to the Department of Human Services in the amount of \$40,000, pay fine and fees in the amount of \$178, and serve three days in the county jail.

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

Medical Transportation: Texas

Attorney General Abbott announced on June 2 that Nasir Muhammed Usman, David Ray McNac and Shaun Jason Outen were indicted by a federal grand jury in relation to two Dallas area ambulance companies. Usman, McNac and Outen were the owner/managers of Royal Ambulance Service, Inc., and First Choice EMS. Usman, McNac and Outen were indicted for health care fraud, conspiracy to commit health care fraud and aiding and abetting. Usman was also charged with money laundering. Investigation has revealed that the two ambulance companies have allegedly defrauded Medicaid and Medicare by billing for services that did not qualify for reimbursement.

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

Nurses: Texas

Attorney General Abbott announced on May 18 that registered nurse Carol Lynn Glover pleaded guilty in federal court to theft in connection with health care fraud. Glover, employed by Nurses by Prescription, provided services to a patient at Day Break Group Home. During this same time period, the patient's care was provided by nursing staff of the facility. From April 12, 2005, until July 24, 2006, Nurses by Prescription submitted prior authorization requests for 80 hours of home health private duty nursing services per week for the patient. Nurses by Prescription was paid approximately \$2,574 a week from April 2005 until July 2006, accounting for \$134,980 in overpayment.

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

Pain Management Clinics: Texas

Attorney General Abbott announced on June 3 that Medic Management owner Ashley C. Walkes pleaded guilty in federal court to misprision of a felony. Walkes also forfeited approximately \$500,000 seized from three bank accounts during the investigation. On June 2, Medic Management office manager Kristi Rose pleaded guilty to a misdemeanor count of embezzlement and misapplication of funds of a healthcare benefit program.

The third defendant, Isam Anabtawi, MD, pleaded guilty on May 21, to one felony count of health care fraud. In a plea agreement, Anabtawi will be in the pre-trial diversion program for 18 months and perform 200 hours of community service providing indigent health care. He also surrendered his DEA license to prescribe schedule II and III drugs. Anabtawi was employed as the sole performing provider at Medic Management, a pain clinic.

Medic Management billed Medicaid for services not rendered and upcoded visits. It was also paid for multiple physical therapy services without having a facility license or licensed physical therapist. The services were billed under Anabtawis' TPI although he neither performed the services nor directly supervised them. Medic Management also upcoded physician visits by billing for more complex services than those performed. The suspected fraud amount is \$4,055,809 from Medicaid and \$208,333 from Medicare.

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

Patient Trust Funds: Minnesota

Attorney General Swanson announced on January 5 that George William Spires, Jr. pleaded guilty to theft by swindle. Spires was the guardian of his father, who resided at University Good Samaritan Health Care Center, a Medicaid funded facility, during a portion of the time Spires accessed his father's funds and transferred those funds for Spire's own use. Therefore, his father met the definition of a vulnerable adult under Minnesota Statute because he received services from a Medicaid funded facility.

The financial records showed that while acting as his father's guardian, Spires obtained a financed cash-out mortgage, an auto loan, and two new credit cards in his father's name. Spires frequently used his father's money for personal and business expenses without his father's knowledge or consent, and not for his benefit. The documentation showed that Spires used \$144,813.74 of his father's money in unlawful expenditures.

Spires was charged with five counts of theft by swindle and five counts of financial exploitation of a vulnerable adult. On March 24, imposition of Spires' sentence was stayed and he was placed on probation for 20 years. Spires must pay restitution to his father in the amount of \$144,813.74, pay fine and fees in the amount of \$95 and perform 300 hours of community service.

For further information contact Assistant Attorney General Jennifer Hasbargen (651) 296-1406.

Patient Trust Funds: South Carolina

Attorney General Henry McMaster announced on June 17 that Erica L. Poston's sentence from December 11, 2008 was reaffirmed after a hearing on a Motion to Reconsider Sentence of Exploitation of a Vulnerable Adult. During the period of May 1, 2008 and continuing until on or about July 17, 2008, Erica L. Poston in Florence County, committed the offense of Exploitation of a Vulnerable Adult. Poston made unlawful, unauthorized, or improper use of the funds, assets, property or power of attorney of a vulnerable adult for the benefit of Poston or another person. At all times relevant the resident was a vulnerable adult under South Carolina law.

Poston was sentenced by the Honorable Michael Nettles to five years, suspended to 18 months, five years probation and restitution in the amount of \$35,889.00 plus court costs of \$133.75.

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

Patient Trust Funds: Tennessee

The Tennessee Bureau of Investigation announced on February 3 that Dollie Bea Shipp, a residential coordinator, pleaded guilty in county criminal court to one count of theft. Shipp was granted diversion and placed on probation for eleven months and 29 days. Additionally, Shipp was ordered to pay \$5,160 restitution to the State of Tennessee's Department of Human Services.

This case was opened on March 29, 2005, based on a referral from the Department of Human Services, Adult Protective Services. It was alleged that Shipp, a residential coordinator employed by Impact Centers of Columbia, used her position to steal \$5,1600 from her clients' spending money. One of Shipp's responsibilities required her to request spending money for clients. It was standard procedure for Shipp to cash the checks and deliver the cash to the house managers. These transactions would then be documented by the house managers. However, inconsistencies in the transaction logs indicated that not all of the money was being delivered to the house managers. Shipp was unable to provide documentation that accounted for the inconsistencies. On June 22, 2008, Shipp was indicted and charged with one count of theft.

For further information contact Special Agent Ramona Smith (615) 744-4229.

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The Tennessee Bureau of Investigation announced on May 29 that Tammie McKuhn, a home health aide, pleaded guilty in criminal court to one count of adult exploitation and one count of theft. McKuhn was sentenced to 30 days at the Shelby County Correctional Center Workhouse in addition to 300 hours of community service. Additionally, McKuhn was ordered to pay restitution in the amount of \$1,408.67 to OmniVision, Inc.

This case was opened on July 24, 2008 based upon a referral from the Division of Mental Retardation Services. It was alleged that McKuhn, an operations manager employed by TennCare subcontractor, OmniVision, Inc., misappropriated funds from the personal bank account of a TennCare recipient. McKuhn allegedly wrote and cashed several checks on the client's behalf for personal use. Additionally, there were several items purchased for the client which were not found at the client's residence. McKuhn admitted to misappropriating \$820 via fraudulent checks and \$488.67 in fraudulent purchases. On January 8 McKuhn was indicted and charged with one count of willful exploitation of an adult and one count of theft of property over \$500.0

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

Patient Trust Funds: Texas

Attorney General Abbott announced on May 1 that Deborah Hovda pleaded guilty in state court to misapplication of a fiduciary property, a Class A misdemeanor. Hovda was sentenced to one year deferred adjudication, ordered to pay \$4,400 in restitution and was fined \$203. Hovda worked for Jubilee Group Homes as a house manager. Hovda misapplied Medicaid recipient funds from individual accounts of residents at the Jubilee. The total misapplication is \$36,214.42. Hovda's associate, Victor Martinez, pleaded guilty in November 2007 to misapplication of fiduciary property and was sentenced to five years probation, 120 hours of community service and ordered to pay \$20,000 in restitution.

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Attorney General Abbott announced on June 4 that Pamela Ann LaMontagne was sentenced to ten years in prison probated to ten years, fined \$2,000 and ordered to pay \$19,484 in restitution after pleading guilty in state court to misapplication of fiduciary property.

LaMontagne is the former business office manager of Brentwood II Nursing Home. Between July 2002 and October 2005, LaMontagne allegedly misappropriated \$21,162.17, including \$11,961 in cash stolen from the residents' trust fund accounts. LaMontagne accepted cash for deposit to the resident trust fund and applied income accounts. LaMontagne is alleged to have provided receipts to the responsible parties making payments to client trust funds, before stealing the cash payments and shredding the corporate receipts. She also allegedly misapplied the funds of some residents, who were paying by check, to cover her theft.

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Attorney General Abbott announced on June 10 that nursing home office manager Murelene Jenkins was sentenced in federal court to two years probation and ordered to pay \$4,113.26 in restitution. Jenkins pleaded guilty on November 25, 2008, to one count of mail fraud. Jenkins was the former office manager of Beaumont Nursing and Rehabilitation, a nursing home owned by Daybreak Ventures LLC. Jenkins allegedly used residents' trust fund money for her personal benefit. From February 26, 2007, through March 28, 2007, Jenkins wrote \$6,063.26 in checks from residents' trust fund accounts for her own use.

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

Patient Trust Funds: Wisconsin

Attorney General Van Hollen announced on May 6 that Amanda Turner appeared before county circuit court Judge William Gabler and entered a plea of guilty to three counts of embezzlement of property of a patient or resident of a facility. Turner was sentenced to 12 months probation with the following three conditions; continue parenting classes, obtain a mental health evaluation and participate in any necessary treatment and pay court costs.

The charges stem from Turner's employment at Aurora Residential Alternatives, an adult family home facility. According to the criminal complaint filed by the Department of Justice, Turner was employed as Program Manager at the facility which provides care and assisted living services to developmentally disabled residents. The victim resident suffers from Down Syndrome and although he understands the concept of money, he does not comprehend amounts. One of the services provided by the facility, and Turner as Program Manager, was the management of the victim's financial account. In October 2007, the victim's financial ledger showed a large amount of money, \$900, was given to the office for safekeeping, but the office never received that money. Upon questioning about the whereabouts of the money, Turner initially told a series of lies but finally admitted that she was in possession of the \$900 and that she had been using the resident's money for her own personal use. Turner subsequently paid back the full amount that she misappropriated. Turner also admitted to the falsification of the financial ledger to cover up the commission of the crime.

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

Personal Care Assistants: Minnesota

Attorney General Swanson announced on March 17 that Tammy Spraggins pleaded guilty to one count of theft by false representation over \$5,000. Spraggins signed false timesheets for personal care assistant services that were provided to her son. In March 2006, Spraggins's son was authorized to receive 16 units of PCA services per day. PCA services were provided to him through Summit Services Co. and Summit Healthcare, Inc. Effective July 1, 2006, he was removed from his mother's custody and placed in the custody of his aunt who lived in Illinois. From July 1, 2006 until December 23, 2007, time cards continued to be submitted to Summit, representing that PCA services were being provided to in Minnesota when, in fact, the son was living in Illinois. Spraggins verified that all of the PCA services had been provided when she signed, as the responsible party.

On November 24, 2008, Spraggins was charged with two counts of theft by false representation over \$2,500, one count of theft by false representation over \$5,000, and two counts of theft by false representation--liability for crimes of another. On March 17, imposition of her sentence was stayed and Spraggins was placed on probation for five years with the condition that she pay restitution to the Department of Human Services in the amount of \$10,000.

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

Pharmaceutical Manufacturers: Kentucky

Attorney General Jack Conway announced on June 24 that a jury handed down a \$16 million judgment against Sandoz, the generic-drugs division of pharmaceutical giant Novartis, for defrauding the Medicaid program and Kentucky consumers by inflating the prices of their prescription drugs.

The Kentucky Medicaid program relies on published average wholesale prices (AWPs) to calculate Medicaid drug-reimbursement rates. During the trial, the Commonwealth showed that Sandoz published significantly inflated AWPs for its drugs that bore no relationship to any prices that Sandoz actually charged its customers. In some cases the published AWP price was 70 times greater than the actual price.

For further information contact Mitchel Denham, Director (502) 696-5405.

Pharmaceutical Manufacturers: Wisconsin

Attorney General Van Hollen announced on May 12 that he requested forfeitures against Pharmacia totaling approximately \$212 million, as well as an injunction requiring Pharmacia to report truthful prices.

The dispositional hearing before the Honorable Richard Niess was the latest development in a case filed by the Wisconsin Department of Justice in 2004 against 36 pharmaceutical manufacturers.

Under Wisconsin law it is unlawful to make representations with the intent to sell pharmaceuticals when the representations are untrue, deceptive or misleading. Each defendant company allegedly identified average wholesale prices (“AWPs”) for their drugs which were provided to a pricing compendium relied on by the Medicaid program to reimburse pharmacists.

Wisconsin law provides that a court may impose a forfeiture of not less than \$100 and not more than \$15,000 for each violation of the Medicaid fraud statute. Attorney General Van Hollen proposed a sliding scale of forfeitures for the repeated violations that increased over time, reflecting a sanction for Pharmacia’s escalating unlawful behaviors. Additionally, he sought the injunction to ensure that the fraudulent reporting practices could not continue in the future.

Three of the 36 manufacturers named in the lawsuit have settled with the state without trial, agreeing to pay over \$3 million to resolve their claims. Trials against several other manufacturers are scheduled for next year.

For further information contact Tom Storm, Director (608) 266-9945.

Pharmacies: Florida

Attorney General McCollum announced on February 19 that the former owners of a pharmacy were arrested and charged with defrauding the Florida Medicaid program out of more than \$1.6 million. Rolando Fraga and his wife, Mercedes Fraga formerly owned and operated Excellent Care Pharmacy, Inc.

The Medicaid Fraud Control Unit began investigating the Fragas after the two were arrested in 2005 by federal authorities for selling diverted pharmaceuticals which were paid for by the New York Medicaid program. That federal investigation led to a detailed examination of their billing activity through Excellent Care to the Florida Medicaid program. The Medicaid Fraud Control Unit's investigation revealed the Fragas allegedly used Excellent Care to fraudulently bill the Medicaid program for prescription medications that were never dispensed from August 2003 to January 2006.

The Fragas are charged with one count of organized fraud and one count of grand theft, both first-degree felonies.

For further information contact Regional Chief Andrea Andio (305) 377-5441.

Pharmacies: South Carolina

Attorney General McMaster announced on April 2 that George Andrew Love, the previous pharmacist in charge at SuperX Pharmacy, and previous owner of Dillon Discount Pharmacy was convicted on January 23 and sentenced on April 2.

From January 2002 through February 2004, Love executed a scheme to defraud the South Carolina Medicaid Program by submitting 3,287 false claims for reimbursement with the state Medicaid agency and falsely representing that prescriptions had been filled by Dillon Discount Pharmacy when prescriptions were, in fact, filled by another pharmacy.

Love was sentenced by the Honorable Thomas E. Rogers, III to 36 months probation and 50 hours of community service. Love was also ordered to pay a \$25 special assessment fee, a \$500 fine, and restitution in the amount of \$3,811.28.

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

Pharmacists: Florida

Attorney General McCollum announced on June 24 that Victor O. Osagie, a former pharmacist, was sentenced for defrauding the Florida Medicaid program out of over \$1.7 million. Osagie, owner of Viko Drug Store, was convicted after a jury trial, of fraudulently billing the Medicaid program for prescription drugs never purchased or delivered to Medicaid recipients. During the trial, an audit was introduced in evidence relating to the purchases, inventory and sales of prescription drugs at Viko Drug Store. The audit and the investigation revealed that Osagie was paying recipients to let him keep their prescribed medications, but was billing the Medicaid program for refills that were neither authorized nor delivered to the recipients.

Osagie was sentenced on one count of grand theft, a first-degree felony and one count of Medicaid fraud, a third-degree felony. He received a total of ten years in prison which will run concurrently with a drug trafficking sentence he is currently serving. Osagie will also be responsible for restitution in the amount of \$1.7 million.

For further information contact Regional Chief Andrea Andio (305) 377-5441.

Pharmacy Technicians: Missouri

Attorney General Chris Koster announced on May 27 that Kristy L. Costner was sentenced in circuit court to five years supervised probation, ordered to pay restitution and to serve 60 days shock confinement in the county jail.

Costner falsely billed Medicaid for the drug Zyvox, which was not dispensed by her. Her false billing totaled \$462,926.37. She was a pharmacy technician at Randolph Medical Plus, L.L.C., d/b/a Randolph Drug Store. The pharmacy fully repaid the amount falsely claimed.

During the investigation, it was determined that as a pharmacy technician, Costner was able to submit false claims. Costner was aware that the claims she entered into the computer were submitted automatically to Medicaid and would be paid to the pharmacy. The computer program used by the pharmacy is designed so that creation of the internal records also submits the bill electronically.

When Costner falsified prescription records for a Medicaid recipient, she also submitted the false billing. She also was aware that the claims were false and that the recipients whose department control number she used for these false claims did not have a legitimate prescription for the drug Zyvox. Costner submitted these false claims for the sole purpose of receiving a healthcare payment. Costner's income was directly affected by the profit that the pharmacy made as a result of the false claims due to the bonus incentive program that was in place. She admitted to making these false billings and also brought the Zyvox medication back to the pharmacy.

On March 25, Costner entered pleas of guilty to five counts of making or causing to be made a false statement to receive a health care payment.

For further information contact Rick Williams, Director (573) 751-7192.

Physicians: Florida

Attorney General McCollum announced on March 3 that Dr. Urmundalavaru Mallikarjuna, was sentenced to five years probation and ordered to pay full restitution to the Medicaid program of over \$100,000, costs of investigation to the MFCU, court costs and fines. He was adjudicated guilty of committing an Organized Scheme to Defraud and Wire Fraud.

Mallikarjuna was arrested on July 22, 2008 after an MFCU investigation revealed that Mallikarjuna fraudulently billed the Medicaid program. Mallikarjuna created a scheme to bill Medicaid for providing children who were Medicaid recipients with a physical, or a "well visit," when the children had been brought in for a "sick" visit, thus, fraudulently doubling his payment from Medicaid.

For further information contact Acting Regional Chief Betty Cheramie (850) 414-3300.

Physicians: South Dakota

Attorney General Larry Long announced in June that a settlement agreement was reached with Dr. Gary Welsh. The civil settlement resolves allegations that Dr. Welsh employed unlicensed personnel as nurses. Dr. Welsh admitted no wrongdoing as part of the settlement. The settlement amount was \$57,000, which includes reimbursement to Medicaid and Medicare, and also costs of investigation.

For further information contact Paul Cremer, Director (605) 773-4102.

Psychologists: Tennessee

The Tennessee Bureau of Investigation announced on April 20 that Dr. John Emery Sawyer III, a clinical psychologist, pleaded guilty in United States District Court of Middle Tennessee to one count of health care fraud. Sawyer was sentenced to serve 18 months in the custody of the United States Bureau of Prisons, to be followed by three years probation upon his release. Additionally, Sawyer was ordered to pay restitution in the amounts of \$44,825.95 to the Centers for Medicare and Medicaid Services and \$32,264.75 to the Bureau of TennCare.

This case was opened on September 29, 2005 based upon a referral from the Department of Health and Human Services, Office of Inspector General. It was alleged that Dr. Sawyer, a provider of psychological services for nursing homes and rehabilitation facilities, billed for services not rendered and overbilled for individual psychotherapy services. An initial review of the data indicated that Sawyer billed 139 days in which the total time spent with the beneficiaries exceeded 24 hours per day. Further investigation showed that over a 90 day period in 2005, Sawyer billed for 14 days on which he did not travel to a facility or perform psychotherapy services. Sawyer did travel to facilities on 28 of those days, however in many cases the amount of time billed exceeded the actual amount of time he was present at the facility. On January 27, 2007, Dr. Sawyer was charged with one count of health care fraud.

For more information contact Special Agent Ramona Smith (615) 744-4229.

Psychologists: Texas

Attorney General Abbott announced on June 18 that Matthew Hamilton Leddy, PhD, was indicted for Medicaid fraud and felony theft of more than \$200,000 and less than \$100,000. Leddy allegedly billed Medicaid for testing services he did not provide. Interviews with recipients, parents and guardians revealed that Leddy did not provide psychological testing or tested on one occasion, yet billed for more than one. Psychologists are allowed to bill Medicaid on the date a test was performed and when the recipient is present. Psychologists cannot bill over a three- or four-day period, which Leddy allegedly did on all occasions.

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

Rehabilitation Centers: Florida

Attorney General McCollum announced on June 3 that Jorge Alonso was arrested for defrauding the Florida Medicaid Program out of more than \$44,000.

Investigators with the Medicaid Fraud Control Unit discovered the fraud while investigating Rehab & Treatment Center, an HIV/AIDS clinic. Alonso is a partner and investor in the clinic, which was established to provide Medicaid and Medicare recipients with HIV/AIDS infusion/injection services. The investigation revealed that Alonso and others were paying Medicaid recipients for the use of their recipient numbers so the clinic could order the infusion treatments and bill Medicaid for reimbursements. The investigation also revealed that patient records and daily sign-in sheets were falsified and duplicated at Alonso's direction.

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

Resident Abuse: Florida

Attorney General McCollum announced on June 5 that Mark Stephen Harris pleaded guilty to several felony charges stemming from sexually abusing three mentally disabled women under his supervision. Harris used his position as a direct care worker at an adult day treatment program to sexually abuse his victims. Harris pleaded guilty to three counts of Lewd or Lascivious Battery of an Elderly or Disabled Person, and two counts of Lewd or Lascivious Exhibition in the Presence of an Elderly or Disabled Person. Harris was adjudicated guilty on all counts and sentenced to twelve years state prison, three years probation and ordered to pay court costs and fines. Additionally, Harris was sentenced as a sexual offender and will be required to complete a sex offender treatment program.

For further information contact Acting Regional Chief Betty Cheramie (850) 414-3300.

Resident Abuse: Tennessee

The Tennessee Bureau of Investigation announced on February 13 that Terethia Mabonne, a direct care staff member, pleaded guilty in county criminal court to one count of assault and one count of adult abuse. Mabonne was granted diversion for a period of 18 months. Additionally, Mabonne is in the process of being referred to the abuse registry maintained by the Tennessee Department of Health.

This case was opened on July 17, 2007, based on a referral from the Shelby County Department of Health, Adult Protective Services Division. It was alleged that Mabonne, a direct care staff member employed by West Tennessee Family Solutions, used wooden spoons to strike a client on the head and on the bottom of his feet. Witness statements supported the allegations that Mabonne struck the client with wooden spoons for disciplinary purposes. On September 10, 2007, Mabonne was arrested and charged with one count of assault and one count of adult abuse.

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

* * * *

The Tennessee Bureau of Investigation announced on May 5 that Rose M. Fields, a foster parent, was placed on deferred probation by the court as a result of a charge of forgery and assault. Fields was ordered to serve one year of deferred probation under the supervision of the Madison County Department of Correction and submit to random, monthly drug screens. An adjudication of guilt and sentencing will be imposed should Fields violate the conditions of deferred probation within the one year period.

This case was opened on July 14, 2008 based upon a referral from the Division of Mental Retardation Services. It was alleged that Fields, foster parent for a TennCare service recipient, physically abused a recipient in her care. While attending the McNairy County Developmental Center, staff found that the recipient had burns to her buttocks and left leg. The recipient was first examined by a nurse practitioner and then transported to the Jackson-Madison County General Hospital where she was treated for her injuries. On August 12, 2008, Fields was arrested for willful abuse and neglect of an impaired adult and forgery. On November 3, 2008, Fields was indicted for willful abuse, aggravated assault, and forgery.

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

* * * *

The Tennessee Bureau of Investigation announced on June 9 that Katrina Frizzell, a licensed practical nurse, pleaded guilty in county criminal court to one count of willful abuse of an impaired adult. Frizzell was granted Judicial Diversion and probation for a period of 12 months and ordered to pay a \$50 fine. Additionally, Frizzell is in the process of being referred to the abuse registry maintained by the Tennessee Department of Health.

This case was opened on April 7, 2008, based on a referral from the Tennessee Department of Human Services, Adult Protective Services Division. It was alleged that Frizzell, a licensed practical nurse employed at a private home for disabled adults, physically and verbally assaulted a resident. Witness statements supported the allegations that Frizzell struck the resident with the palm of her hand in an excessive manner while attempting to feed the resident. On May 13, 2008, Frizzell was arrested and charged with one count of willful abuse of an adult.

For further information contact Special Agent Stanley Hodges (423) 434-6424.

Resident Abuse: Texas

Attorney General Abbott announced on May 26 that a state grand jury indicted licensed vocational nurse Sheryl Lester on charges of felony manslaughter and injury to the disabled. The case stems from allegations that on July 4, 2008, Lester set a gastric tube (G-Tube) pump for a resident at the Country Care Plex nursing home at a rate six times higher than prescribed by the resident's attending physician. Lester allegedly failed to check on the resident when the alarm on the G-Tube pump sounded. Lester's failure to check on the resident resulted in the resident's death by aspiration.

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

Resident Neglect: Florida

Attorney General McCollum announced on June 30 that Gwendolyn Ann McClain was arrested on charges that she neglected five disabled adults, operated an unlicensed assisted living facility, and engaged in the practice of nursing without a license. McClain had the residents living in a condemned and uninhabitable mobile home with no running water, inadequate sources of heat and air conditioning, no operational bathroom or kitchen, exposed wiring, and no operational telephone. McClain also administered medications to the residents and made medical decisions for them without any license, training or certification. McClain took the residents' Supplemental Security Income and Social Security Disability checks as payment for her services. McClain is charged with two counts of Operating an Assisted Living Facility without a License, five counts of Neglect of a Disabled Adult, and one count of Practicing Nursing without a License, all third-degree felonies.

For further information contact Acting Regional Chief Betty Cheramie (850) 414-3300.

Resident Neglect: Texas

Attorney General Abbott announced on May 20 that Elbert Harrington, owner/operator of Home With Love, was indicted by a state grand jury on two counts of injury to a child, elderly or disabled individual. Home With Love is licensed for three patients and there were ten in residence. Harrington was the sole caretaker on the premises and he was to provide 24-hour care for the residents, who are mentally incompetent. Harrington allegedly left the facility unattended while he resided at night at another address. The residents were removed from the home due to unsanitary living conditions, inadequate food and medication. Two of the residents were admitted to local hospitals with dehydration and other symptoms of severe neglect.

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

Speech Pathologists: Florida

Attorney General McCollum announced on June 6 that Oliver Workman, a speech pathologist, surrendered to law enforcement after learning the MFCU issued a warrant for his arrest. Workman fraudulently billed the Medicaid program for over \$262,000 from 2003 to 2007. According to information from parents of recipients, Workman repeatedly billed the Medicaid program for their children's speech therapy, but never performed the services. Workman is charged with Medicaid Fraud, a third-degree felony, and Grand Theft over One Hundred Thousand Dollars, a first-degree felony.

For further information contact Acting Regional Chief Betty Cheramie (850) 414-3300.

CASE UPDATES

Chemical Dependency Treatment Centers: Texas

Attorney General Abbott announced on May 28 that registered nurse Jeanne Watkins Jackson pleaded no contest, and was given deferred adjudication, sentenced to ten years probation and ordered to pay \$66,995.77 in restitution. Prior to the hearing she paid \$50,000 in restitution.

On March 26, counselor intern Robert Edward Jackson pleaded guilty and was sentenced in state court to 15 years incarceration on two cases to be served concurrently and ordered to pay \$116,995.57 in restitution. Jeanne Jackson and Robert Jackson owned and operated Turning Point Recovery Center/Starting Point Recovery Center (TP/SP), a chemical dependency treatment center. Between March 14, 2000, and August 25, 2004, TP/SP billed Medicaid for chemical dependency treatment services allegedly not rendered. These billings resulted in Medicaid payments of \$1,322,228.14. (*See: Medicaid Fraud Report*, March/April 2009, p. 17 and March/April 2008, p. 2)

Counselor intern Robert Edward Jackson pleaded guilty on March 26 and was sentenced to 15 years incarceration and ordered to pay \$84,249.01 in restitution. Ernest Ehonwa and Robert Jackson were the owner/operators of Universal Drug and Alcohol Recovering Center (UD/ARC), a chemical dependency treatment center. From October 10, 2002, to August 17, 2004, UD/ARC billed Medicaid for chemical dependency treatment services allegedly not rendered. The suspected Medicaid overpayment is \$369,408.03.

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

Medical Transportation: Texas

Attorney General Abbott announced on May 12 that Mazen and Wesam Abdallah were each sentenced to 30 months in federal prison and ordered to pay \$550,013.19 in restitution to Medicare and \$87,412.60 to Medicaid. Both were remanded into custody after sentencing. Mazen Abdallah was found guilty in May 2008 on one count of conspiracy to commit health care fraud and his brother, Wesam Abdallah, was found guilty on 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. (*See: Medicaid Fraud Report*, May/June 2008, p. 11 and November/December 2008, p. 12)

On November 21, 2008, co-defendants Ayad Fallah and Murad Almasri were sentenced to 19 months in federal prison. Both pleaded guilty in April 2008 to one count of conspiracy to commit health care fraud. Co-defendant Raed Elmasri is out of the country and remains a fugitive.

Americare, a Houston 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 continued the same activities which brought the company under investigation. The defendants billed for non-emergency transportation for dialysis patients who did not meet the Medicaid/Medicare guidelines for such transport. The investigation was worked jointly with the FBI, HHS and IRS.

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

Nursing Homes: Texas

Attorney General Abbott announced on June 4 that Terry Dean West was sentenced in federal court to 18 months in prison, followed by three years supervised release, and ordered to pay \$42,005.76 in restitution. Elizandro Valdez Arana was also sentenced on June 4, to 12 months in prison, followed by three years supervised release, and ordered to pay \$27,104.61 in restitution. Arana was immediately remanded into custody and will be deported upon release from prison.

West pleaded guilty on March 19, to one count of false statement relating to healthcare. Arana pleaded guilty on March 16, to one count of false statement relating to healthcare. Arana was formerly employed by Sava Senior Care, Pampa Nursing Home chain corporation, and was hired by West as a contract employee. The two allegedly altered the corporation's accounts receivable records to reflect credit balances, and altered the responsible party information so that refund requests would be mailed to fictitious names and prearranged addresses. (*See: Medicaid Fraud Report, March/April 2009, p.13*)

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

Pain Management Clinics: Texas

Attorney General Abbott announced on May 20 that Vivian Habib, MD, was sentenced to two years deferred adjudication and fined \$4,000 after pleading guilty to a violation of the Medical Practices Act, Class A misdemeanor. On May 26, Marie Sarkis, MD, and Ahmed Ismail were sentenced in state court to two years deferred adjudication and fined \$4,000 after pleading guilty to a violation of the Medical Practices Act, Class A misdemeanor. Ellen Herrick, owner of Pain, Stress, and Weight Clinic (PSW), was sentenced on November 21, 2008, to two years deferred adjudication and fined \$4000 after pleading guilty to one count of delivery of a controlled substance less than 28 grams, a Class A misdemeanor. On November 21, 2008, Hala Ezzat Wassef, an employee of PSW, was sentenced to two years deferred adjudication and fined \$3000 after pleading guilty to one count of practicing medicine without a license, a second-degree felony. (*See: Medicaid Fraud Report, November/December, p. 5 - 6*)

These subjects were associated with the Pain, Stress, and Weight Clinic. It was charged that the clinic employed doctors as medical directors to oversee the operations of the clinic and then used the doctors' DEA numbers to issue prescriptions for Hydrocodone, Soma and Xanax in their maximum quantities. PSW did not accept Medicaid cards from patients as it is a cash only business. Patients would fill their prescriptions, sometimes using their Medicaid cards.

Habib and Harris were medical directors of PSW who allegedly authorized either physician assistants or foreign medical graduates (including Sarkis, Ismail, and Wassef) to give their pre-filled prescriptions to patients. This case is a joint investigation with the DEA, FBI, FDA, and investigators from the Harris County District Attorney's office.

* * * *

Attorney General Abbott announced on June 11 that Darryl Harris, MD, was sentenced to two years deferred adjudication and fined \$4,000 after pleading guilty in state court to a violation of the Medical Practices Act, a Class A misdemeanor. Marie Sarkis, MD, and Ahmed Ismail were sentenced to two years deferred adjudication and fined \$4,000 after pleading guilty to a violation of the Medical Practices Act. Vivian Habib, MD, was sentenced to two years deferred adjudication and fined \$4,000 after pleading guilty to a violation of the Medical Practices Act. Ellen Herrick, owner of Pain, Stress, and Weight Clinic (PSW), was sentenced on to two years deferred adjudication and fined \$4000 after pleading guilty to one count of delivery of a controlled substance less than 28 grams, a Class A misdemeanor. Hala Ezzat Wassef, an employee of PSW, was sentenced to two years deferred adjudication and fined \$3,000 after pleading guilty to one count of practicing medicine without a license, a second-degree felony. All six defendants were indicted on October 15, 2008, on charges of practicing medicine without a license and/or enabling the practice of medicine without a license, and engaging in organized criminal activity. (*See: Medicaid Fraud Report, September/October 2008, p. 13*)

These defendants were associated with Pain, Stress, and Weight (PSW) Clinic. The clinic employed doctors as medical directors to oversee the operations of the clinic and then allegedly used the doctors' DEA numbers to issue prescriptions for hydrocodone, soma and xanax in their maximum quantities. PSW did not accept Medicaid cards from patients as it is a cash only business. Medicaid patients would fill their prescriptions, sometimes using their Medicaid cards. Habib and Harris were medical directors of PSW who authorized either physician assistants or foreign medical graduates (including Sarkis, Ismail, and Wassef) to give their pre-filled scripts to patients. This case was a joint investigation with the DEA, FBI, FDA, and the Harris County District Attorney's Office.

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

Physicians: Texas

Attorney General Abbott announced on May 21 that Isam Anabtawi, MD, pleaded guilty in federal court to one count of health care fraud. Anabtawi will be in the pre-trial diversion program for 18 months, will perform 200 hours of community service providing indigent health care, and has surrendered his DEA license to prescribe schedule II and III drugs. Anabtawi was employed as the sole performing provider at Medic Management, a pain clinic.

This case stems from a December 3, 2008, grand jury indictment of Walkes, Anabtawi, and Rose on 149 counts of health care fraud, and one count of conspiracy to commit health care

fraud. (*See: Medicaid Fraud Report*, November/December 2008, p. 13) In addition to these counts, Walkes was indicted on one count of false statements related to health care matters and five counts of money laundering. Medic Management was suspected of billing Medicaid between September 2004 and March 2008 for services not rendered and for upcoding visits. Medic Management billed and was paid for multiple physical therapy services without having a facility license or licensed physical therapist. These services were billed under Anabtawis' TPI although he was not performing the services nor directly supervising them. Medic Management was also suspected of upcoding physician visits by billing for more complex services than those performed.

* * * *

Attorney General Abbott announced on June 3 that alleged physician imposter Hakeem Abdullah was placed on pre-trial diversion. Abdullah and Arthur Daniel Hayes were indicted on December 13, 2006, by a state grand jury for Medicaid fraud, theft, sexual assault on a child and practicing medicine with a license. Hayes pleaded guilty on September 27, 2007, to one count of practicing medicine without a license and received two years probation. Hayes and Abdullah worked for Medicaid provider David E. Rutledge, MD. After Dr. Rutledge retired, Hayes and Abdulla allegedly, started practicing medicine although they were not licensed to do so. Between 2002 to 2004, they allegedly defrauded \$39,164.27 from Medicaid by billing for unqualified services. (*See: Medicaid Fraud Report*, December 2006, p.14)

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

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