



MEDICAID FRAUD REPORT

**National Association
of Medicaid Fraud Control Units**

March/April 2010

INSIDE

Previously Excluded Massachusetts

| | |
|------------------------------|-----------|
| Dentist Indicted..... | 1 |
| Cases | 2 |
| Case Updates..... | 18 |

Excluded Massachusetts Dentist Indicted

Attorney General Martha Coakley announced on March 16 that a grand jury indicted a dentist, who had previously been excluded as a provider from the Medicaid program, for allegedly inserting pieces of paper clips into patients' mouths as a post in root canals instead of utilizing standard posts made of stainless steel, then billed the Medicaid program for the costs of the post using other dentists' provider numbers. Michael Clair was also indicted for submitting additional false claims to the Medicaid program using other dentists' provider numbers and for illegally prescribing prescription drugs (Hydrocodone, Combunox and Percocet). Clair was indicted on charges of Assault and Battery, Larceny over \$250, and Medicaid False Claims and illegally prescribing a Class B Substance and a Class C Substance.

The Attorney General's Medicaid Fraud Division began investigating in 2005 after the matter was referred to the office from MassHealth. Authorities allege that Clair was suspended from the Medicaid program in 2002 and did not have the authority to submit claims to the Medicaid Program. Authorities further allege that Clair hired several dentists at Harbour Dental that were eligible MassHealth providers and would file claims with MassHealth using their provider numbers for dental services he performed. Authorities allege Clair fraudulently billed approximately \$130,000 to the Medicaid Program for those services for a period between August 2003 and June 2005.

Through the course of the investigation, investigators also learned that Clair placed pieces of paperclips as posts for root canals inside the mouths of his patients instead of using the standard stainless steel posts. In certain instances, paperclips can be used temporarily, but authorities allege Clair intended for the paperclips, which can cause infection, discomfort and pain, to be a permanent fix for his patients. The practice, authorities allege, was intended by Clair to reduce costs.

An investigation by authorities also found that Clair unlawfully prescribed Hydrocodone, Combunox and Percocet to staff members, who then gave all or a portion of the prescribed medication back to Clair.

For further information contact Assistant Attorneys General Toby Unger and George Zachos or Investigator Lisa Bailey (617) 727-2200.

CASES

Chiropractors: Ohio

Attorney General Richard Cordray announced on April 30 that Mark Schrader was sentenced to 100 hours of community service, 24 months of probation, and was ordered to pay a fine in the amount of \$5,000, a special assessment of \$100, and restitution in the amount \$28,469.31.

On December 16, 2009, an indictment was filed in federal court charging Schrader with one count of Health Care Fraud. On January 22, Schrader pleaded guilty to one count of Health Care Fraud, a federal charge.

Schrader, a chiropractor physician billed for treatment services for patients who failed to show signs or symptoms to warrant treatment.

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

Clinical Laboratories: Massachusetts

Attorney General Coakley announced on February 11 that a settlement agreement was reached with System Coordinated Services, Inc., doing business as Life Laboratories, a clinical laboratory. The settlement resolves allegations of Medicaid fraud and is the result of an ongoing industry-wide investigation by the Attorney General's Medicaid Fraud Division into urine drug tests billed by independent clinical laboratories to the state Medicaid Program. Under the agreement, the laboratory has agreed to reimburse \$450,000 to the state Medicaid Program.

The MFCU's investigation of Life Laboratories found that between 2004 and 2009, Life Laboratories, as well as a number of other independent clinical laboratories in the state, had billed Medicaid for urine drug and alcohol tests which were not properly ordered by a doctor or authorized prescriber, and were inappropriately ordered for non-medical purposes, such as residential sobriety monitoring. In order for a provider to be reimbursed by the Massachusetts Medicaid Program for urine drug and alcohol tests, the tests must be ordered by an authorized prescriber for medically necessary purposes.

In addition, the investigation found that Life Laboratories had overcharged the state Medicaid Program for these urine drug and alcohol tests, by failing to give the Medicaid Program its "best price." These alleged violations of state law and Medicaid rules and regulations resulted in significant Medicaid overpayments to Life Laboratories.

In addition to reimbursing the state Medicaid Program in the amount of \$450,000, Life Laboratories has also agreed to comply with all state laws and Medicaid regulations in the future.

For further information contact Investigators Joseph Shea and Janine Queenin or Assistant Attorneys General Toby Unger and Michael Ahearn (617) 727-2200.

Counselors: Maryland

Attorney General Douglas F. Gansler announced on March 12 that Joanne Radulski pleaded guilty in circuit court to one count of felony Medicaid fraud for billing the Medicaid program for psychotherapy services she was not licensed to perform.

From October 2006 through July 2007, Radulski worked as a mental health therapist at the North Baltimore Center, a private not-for-profit corporation which provides mental health care to residents of Baltimore City and the surrounding area. Regulations require that psychotherapy services be provided by licensed mental health professionals. Radulski saw clients, causing her employer, the North Baltimore Center, to bill Medicaid for services provided by Radulski as a Licensed Clinical Professional Counselor (LCPC). In fact, Radulski does not hold an LCPC license.

For further information contact Assistant Attorney General Catherine S. Pascale (410) 576-6521.

Drug Diversion: Oregon

Attorney General John Kroger announced on March 23 that Kimberly Acord, a Certified Nursing Assistant and Certified Medication Aide, was convicted of two counts of Criminal Mistreatment in the first degree and sentenced to three years of supervised probation and 30 days in jail.

Acord targeted clients with PRN (as needed) prescriptions of Oxycontin and Oxycodone. The investigation revealed huge discrepancies in charting and documentation by Acord for patients prescribed these painkillers. Acord would check out narcotics, in excess of what was actually administered to the patients, and keep the remaining for her own personal use.

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

Drug Diversion: Texas

Attorney General Greg Abbott announced on March 5 that licensed vocational nurse (LVN) Susan Carpenter received a suspended seven year sentence. It was suspended to five years of community supervision. She was fined \$1,000 after pleading guilty in state court to fraudulent possession of a controlled substance. Carpenter allegedly diverted a controlled substance for her own use from a resident at the Manor Healthcare Residence.

* * * *

Attorney General Abbott announced on March 18 that licensed vocational nurse (LVN) Christopher Wayne Ferguson was given five years deferred adjudication community supervision and ordered to pay \$495 in court costs after pleading guilty in state court to obtaining a controlled substance by fraud. Ferguson was indicted in December 2009 for fraud under the health and safety code (prescription fraud). Ferguson, formerly an LVN at Reunion Plaza Senior Care Center, allegedly diverted Hydrocodone tablets from a facility resident. Ferguson is a subject in four other drug diversion investigations.

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

Durable Medical Equipment: Maryland

Attorney General Gansler announced on March 17 that Neil Wayne Goldschmitt pleaded guilty in the circuit court to one count of felony Medicaid fraud for fraudulently billing the Medicaid and Medicare programs and private insurance companies for wheelchairs that he never provided. Judge Pamela J. White sentenced Goldschmitt to two years incarceration, suspended, and five years supervised probation. As a special condition of probation, Goldschmitt will serve six months home detention, pay restitution of \$36,370, and perform 200 hours of community service. Judge White also ordered that Goldschmitt be excluded from participating as a Medicaid or Medicare provider for a period of five years.

The investigation revealed that Goldschmitt was the sole owner of Gold Medical Corporation, a durable medical equipment company that supplied wheelchairs to Medicaid and Medicare recipients and privately insured individuals. Goldschmitt received payment of \$20,072.92 for a custom designed power wheel chair for a woman who has cerebral palsy. Goldschmitt never delivered the wheelchair to the woman, despite repeated attempts by her family to obtain the equipment.

For further information contact Assistant Attorney General Catherine Schuster Pascale (410) 576-6521.

Durable Medical Equipment: Texas

Attorney General Abbott announced on March 1 that Bassey Idiong, Modupe Babanumi, and Linda Kendabie pleaded guilty in federal court, Idiong pleaded to six counts of healthcare fraud and one count of conspiracy to commit healthcare fraud. Babanumi and Kendabie pleaded to conspiracy to commit healthcare fraud. Idiong owns B.I. Medical Supply and Babanumi is allegedly a recruiter for him.

Kendabie is allegedly responsible for billing and ordering 'ortho' kits. Idiong billed for products allegedly not delivered and upcoded the billing for products he did provide.

* * * *

Attorney General Abbott announced on March 1 that Mento Nnana Kaluanya pleaded guilty in federal court to healthcare fraud and aggravated identity theft. Kaluanya owns HyCentral Medical Supply. He allegedly used Texas Medicaid recipient numbers, among others, to bill for products not delivered and obtained more than \$1.5 million from Medicare.

* * * *

Attorney General Abbott announced on March 3 that Winifred Eyo Hudson was given ten years deferred adjudication community supervision and ordered to pay \$45,000 in restitution after pleading guilty in state court to aggregate theft by a governmental contractor.

Hudson owned and operated Javic Medical Supply, a DME company, and was paid approximately \$156,000 by Medicaid for incontinent supplies allegedly not provided.

* * * *

Attorney General Abbott announced on March 19 that Roselyn Jack, owner of Silverleaf Healthcare Systems, was given ten years deferred adjudication community supervision and was ordered to pay \$50,578.64 in restitution and surrender her Medicare and Medicaid provider numbers after pleading guilty in state court to theft over \$20,000 but less than \$100,000. Jack billed Medicaid for incontinence supplies that allegedly were never delivered. The suspected Medicaid fraud is over \$70,000.

* * * *

Attorney General Abbott announced on March 22 that Ana Quinteros and Rolandae Mitchell Straughter pleaded guilty in federal court to conspiracy to commit health care fraud. The trial of four others involved in the scheme, Clifford Ubani, Princewill Njoku, Mary Ellis, and Michelle Turner is scheduled to start in July 2010.

Ubani and Njoku own Family Healthcare Services, a home health and durable medical equipment company. The two allegedly billed the accounts of Medicare beneficiaries for orthotic kits which they did not receive. Additionally, some beneficiaries received cheap substitute neoprene braces and/or received total orthotic kits which were not medically necessary. Quinteros, Straughter, Ellis, and Turner were allegedly paid kickbacks for providing beneficiary information to Family Healthcare.

* * * *

Attorney General Abbott announced on March 24 that Etta Mbora Ephraim was indicted by a state grand jury for aggregate theft by a government contractor. Ephraim is owner/operator of Good Hope Medical Supplies, Inc., a DME company. Ephraim allegedly billed Medicaid for medical products and equipment, while her Medicaid provider number was revoked.

* * * *

Attorney General Abbott announced on March 26 that Eno Bassey Okon was given to six years deferred adjudication and was ordered to pay \$19,000 in restitution, perform 100 hours of community service and not work as a provider or supplier that bills Medicaid or Medicare after pleading guilty in state court to Medicaid fraud, money laundering, theft and making false statements to obtain property or credit. Okon, owner of King's Medical Supply, was indicted for billing Medicaid/Medicare for supplies that allegedly were not delivered, supplies that were not medically necessary, and supplies that were obtained using falsified certificates of medical necessity. King's delivered scooters and billed for wheelchairs, and/or recipients received partial deliveries of adult diapers in a smaller size than were billed and paid for at a higher price. The suspected overpayment is over \$106,800: \$21,500 was paid by Medicaid and \$85,300 by Medicare.

* * * *

Attorney General Abbott announced on March 30 that Stephanie and Arthur Johnson were indicted by a state grand jury for first-degree felony theft. The Johnson's own TOPS Medical Supply, a durable medical equipment company. They were paid by Medicaid for products that were allegedly never delivered or not delivered as billed.

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

Home Health Care Aides: Ohio

Attorney General Cordray announced on March 4 that Lenora Vallejo pleaded guilty to one count of theft by deception, a misdemeanor of the first degree and was sentenced to 30 days in jail, suspended, and ordered to pay restitution in the amount of \$3,316.20.

On September 15, 2009, an indictment was filed charging Vallejo with one count of theft by deception, a felony of the fifth degree. Vallejo, an independent provider, billed for services not rendered.

* * * *

Attorney General Cordray announced on March 10 that Shawn Logston pleaded guilty to one count of theft by deception, a misdemeanor of the first degree and was sentenced to 16 days in jail, suspended, placed on non-reporting probation for 30 months and ordered to pay restitution in the amount of \$1,606.80.

On August 18, 2009, an indictment was filed charging Logston with two counts of theft by deception, both felonies of the fifth degree. Logston, an independent provider, billed for services not rendered.

For further information on both cases contact Assistant Attorney General Janelle DiNicola (614) 466-0722.

* * * *

Attorney General Cordray announced on March 23 that Sarah Aschliman pleaded guilty to theft, a misdemeanor of the first degree and was sentenced to 180 days in Jail which were suspended, one year of non-reporting probation, and ordered to pay restitution in the amount of \$1,119.25

On December 15, 2009, an indictment was filed charging Aschliman with one count of theft, a felony of the fifth degree. Aschliman, a home health worker, billed for services not rendered.

* * * *

Attorney General Cordray announced on March 25 that Tina Dyer was sentenced to five years community control, and ordered to pay restitution in the amount of \$12,485.00.

On August 19, 2009, an indictment was filed charging Dyer with two counts of theft, both felonies of the fourth degree and one count of falsification in a theft offense, a felony of the fourth degree. On January 25, Dyer pleaded guilty to falsification, a felony of the fifth degree.

Dyer, submitted false nursing notes to obtain false authority to provide home nursing paid for by Medicaid.

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

* * * *

Attorney General Cordray announced on March 31 that George Goolie pleaded guilty to theft, a felony of the fifth degree and was sentenced to one year of non-reporting community control. The court finds that Goolie is an indigent person and unable to pay any fine or court costs.

On October 27, 2009, an indictment was filed charging Goolie with one count of theft, a felony of the fourth degree. Goolie, a Medicaid recipient, solicited money from two aides, who paid him to report services that were not provided.

* * * *

Attorney General Cordray announced on March 31 that Orence Smith pleaded guilty to one count of theft, a misdemeanor of the first degree and was sentenced to six months in jail which was suspended, and ordered to pay restitution in the amount of \$2,772 which was paid in full on March 31.

On October 27, 2009, an indictment was filed charging Smith with one count of Theft, a Felony of the fifth degree. Smith, an independent provider billed for services not rendered.

For further information on both cases contact Senior Assistant Attorney General Connie Nearhood (614) 466-0722.

* * * *

Attorney General Cordray announced on April 19 that Kimberly Hall pleaded to one count of theft by deception, a misdemeanor of the first degree and was sentenced to 180 days in jail to be suspended, five years probation, and ordered to pay restitution in the amount of \$10,000.

On August 19, 2008, an indictment was filed charging Hall with one count of theft by deception, a felony of the fourth degree. Hall, a home health aide, billed for services not rendered.

For further information contact Associate Assistant Attorney General Shawn Napier (614) 466-0722.

* * * *

Attorney General Cordray announced on April 28 Betty Davenport was sentenced to 180 days in jail to be suspended, five years probation, and ordered to pay restitution in the amount of \$4,152.96.

On August 18, 2009, an indictment was filed charging Davenport with one count of theft, a felony of the fifth degree. On March 16, Davenport pleaded guilty to one count of theft, a misdemeanor of the first degree. Davenport, a home health aide, billed for services she did not render.

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

* * * *

Attorney General announced on April 28 that Bonnie Guysinger pleaded guilty to one count of theft, a misdemeanor of the first degree and was sentenced to 180 days in jail to be suspended, 12 months of community control, and was ordered to pay restitution in the amount of \$507.24.

On January 19, an indictment was filed charging Guysinger with one count of theft by deception, a felony of the fifth degree. Guysinger, an independent provider, billed for services not rendered.

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

Home Health Care Aides: Washington State

Attorney General Rob McKenna announced on October 8, 2009, that Paul Allen Jamison pleaded guilty to one count of theft in the first degree and six counts of Medicaid False Statement. He was sentenced to serve 17 months of confinement, and was ordered to pay restitution in the

amount of \$5,136 to the Medicaid program, and fees and costs of \$700.

Investigator Larry Carlier completed the investigation for the Washington State MFCU. Jamison had contracted with the Medicaid program to provide in-home personal care services for a Medicaid client. In order to receive payment under this program, Jamison was to submit the number of hours of care that he provided on a monthly basis. The investigation revealed that Jamison billed for the maximum hours of services that he had not provided.

Lynn Mounsey-Longmeier and Dannette Allen, Assistant Attorneys General in the Washington State MFCU, handled the case for the prosecution.

For further information contact Aileen Miller, Deputy Director (360) 586-8888.

Health Care Centers: Texas

Attorney General Abbott announced on March 25 that Nancy Benefield was indicted for misapplication of fiduciary responsibility and for theft - \$20,000 - \$100,000 by a state grand jury. Benefield is the former CEO of Alvin Community Healthcare Endeavors (ACHE), a non-profit organization contracted as a Federally Qualified Health Center. Benefield allegedly illegally applied program funds for personal use, awarded jobs and contracts to family members, directed employees to falsify billing, and failed to adhere to federal guidelines in the administration of the facility.

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

Medical Transportation: Ohio

Attorney General Cordray announced on April 28 that Izzeldin Abdalla was sentenced to 12 months in prison. The defendant has 143 days of jail credit and three years of post-release control, Abdalla was ordered to pay restitution in the amount of \$129,355.70 plus costs.

On October 27, 2009, an indictment was filed charging Abdalla with one count of theft, a felony of the third degree. On February 22, Abdalla pleaded guilty to one count of theft, a felony of the fourth degree. Abdalla, owner of State Veterans Medical Transportation, billed transportation services for ineligible recipients.

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

Nurses: Ohio

Attorney General Cordray announced on April 30 that Darlene Smith was sentenced to 12 months in prison to be suspended, 120 days in jail with a jail credit of 42 days, five years of community control, and ordered to pay restitution in the amount of \$28,448.55.

On January 27, an indictment was filed charging Smith with one count of theft, a felony of the fourth degree. On March 1, Smith pleaded guilty to one count of theft, a felony of the fifth degree. Smith, a registered nurse billed for home health services not rendered.

For further information contact Associate Assistant Attorney General Shawn Napier (614) 466-0722.

Patient Trust Funds: Oregon

Attorney General Kroger announced on March 11 that Desiree Brown, a program manager of a group home, was convicted of nine counts of criminal mistreatment in the first degree and nine counts of theft for stealing money from nine of her developmentally disabled clients. She was sentenced to three years of probation and 270 days in jail.

This was a joint investigation with the Medicaid Fraud Control Unit, DHS-APS and the Eugene Police Department which started as a result of Brown's disappearance with group home records (including client financial records) on the day of a pre-scheduled protective service audit. An investigation subsequently revealed that she stole over \$13,000 from her clients.

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

Patient Trust Funds: Tennessee

The Tennessee Bureau of Investigation announced on March 25 that Barbara Jeanette Burnley, a nurse aide, pleaded guilty to one count of theft of services over \$1,000 and less than \$10,000. Burnley received a suspended sentence of two years and six months and was placed on probation concurrently. Additionally, Burnley was ordered to pay restitution to the victims in the amount of \$2,592.61.

This case was opened on September 29, 2009 based upon a referral from the Maybelle Carter Retirement Life Facility. It was alleged that an employee of Maybelle Carter had placed long distance phone calls to Nigeria and the Senegal Republic from the personal phones of residents of the facility. Residents of this facility are personally responsible for all telephone expenses. After an examination of the employee timesheets, it was discovered that Burnley, a nurse aide employed by Maybelle Carter, was on duty at the times the calls were made. Burnley's personal cell phone records were examined and it was revealed that several phone numbers on Burnley's personal cell phone records were identical to the phone numbers appearing on the residents' phone records. Burnley admitted to making the phone calls to Africa on the residents' phones.

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

Personal Care Attendants: Massachusetts

Attorney General Coakley announced on February 24 that a couple was arraigned in district court for allegedly concocting a scheme to defraud the Massachusetts Medicaid program—MassHealth--of over \$130,000. Joseph Bruce Womack and his wife, Dinorah Hernandez Womack were charged with utilizing the identity of a California woman to submit \$137,000 in false claims to

the Medicaid program for personal care attendant services allegedly provided to Mr. Womack. Mr. and Mrs. Womack were each charged with Medicaid False Claims, Larceny Over \$250 by False Pretenses, and conspiracy charges. Mrs. Womack was also charged with Identity Fraud by Posing as Another.

The MFCU's investigation found that between January 18, 2004, and December 1, 2007, the Womacks used the identity of a woman in California to submit claims to the Medicaid program for personal care attendant services allegedly provided to Mr. Womack. Authorities allege that the woman from California had never provided personal care attendant services to Mr. Womack, and that the Womacks kept the money received as payment for those claims. These alleged violations of state law and Medicaid rules and regulations resulted in Medicaid overpayments to the Womacks of over \$137,000.

The MassHealth Personal Care Attendant (PCA) Program helps people with long-term disabilities live at home by providing funds to hire PCAs. PCAs can help patients with any Activities of Daily Living (ADLs). To qualify to receive PCA services, an individual must have a permanent or chronic disability that impairs his or her ability to perform ADLs and Instrumental ADLs, like shopping and meal preparation, without physical assistance, must need physical assistance with two or more ADLs, and must receive a prescription for personal care services from a physician or nurse practitioner.

For further information contact Assistant Attorney General Melissa Celli or Investigator Meaghan Fogaren (617) 727-2200.

* * * *

Attorney General Coakley announced on April 20 that two people have been charged with defrauding the Massachusetts Medicaid Program of over \$100,000 by claiming that personal care attendant services were allegedly provided by one of the individuals while he was in fact incarcerated. Susanne Jordan and Bruce Fields were indicted for allegedly making false statements to the Massachusetts Medicaid program (MassHealth), causing the program to pay for over \$100,000 in benefits to which the two individuals were not entitled.

In 2008, the MFCU began an investigation after the matter was referred by the Office of the State Auditor's Bureau of Special Investigations (BSI). Jordan was approved to receive assistance under the MassHealth Personal Care Attendant (PCA) program, which is a benefit MassHealth provides to its members with chronic or long-term disabilities. In 1999, Jordan employed Fields as her personal care attendant. Authorities allege that between December 2004 through September 2008, Jordan and Fields submitted fraudulent timesheets to the Massachusetts PCA program, certifying that Fields provided PCA services to Jordan. The two were required to sign forms which indicated that the information contained within was true and accurate to the best of their abilities. Records, however, confirmed that during this period Fields was in custody at various institutions in Massachusetts and Rhode Island, and therefore unable to have performed the alleged services. Despite Fields' incarceration, Jordan, with Fields' knowledge and consent, continued to submit timesheets on a bi-weekly basis. As a result of these fraudulent statements MassHealth made reimbursements for the claimed PCA services.

Authorities further allege that the PCA funds were deposited in a joint bank account that both Jordan and Fields shared. Jordan would allegedly take funds from her joint account and transfer them into an individual checking account. Jordan also made frequent visits to Fields while he was incarcerated and deposited money into his canteen account. Based on the false claims made by Jordan and Fields, MassHealth made payments of over \$100,000 for PCA services that Fields never provided.

For further information contact Assistant Attorney General Casey Groff or Investigator Meaghan Fogaren (617) 727-2200.

Pharmaceutical Manufacturers: Florida

Attorney General Bill McCollum announced on March 16 that Florida will receive \$6.5 million from a settlement with Dey L.P. and Dey, Inc. This settlement, which resolves a Medicaid fraud lawsuit over allegations of drug price manipulation, was negotiated by the Complex Civil Enforcement Bureau of the Attorney General's Medicaid Fraud Control Unit. Of the \$6.5 million, \$3.3 million will go to the state's General Revenue fund.

The settlement resolves the allegations that Dey set and reported inflated prices for Albuterol inhalants, solutions, and other related products dispensed by pharmacies and other providers. The inflated prices were then reimbursed by the Florida Medicaid Program, causing the Florida Medicaid program to overpay millions of dollars in pharmacy reimbursements. The Medicaid program sets the reimbursement rates it pays to Medicaid providers based upon the prices reported by drug manufacturers.

The allegations constitute violations of the Florida False Claims Act and were originally filed by whistleblower Ven-A-Care of the Florida Keys, Inc. on behalf of the State of Florida. The Attorney General's office investigated the claims and subsequently intervened in the lawsuit. In addition to the funds going into the state's General Revenue fund, an additional \$1.3 million will reimburse the Agency for Health Care Administration for overcharges it paid Dey as a result of the alleged conduct, and \$369,000 will go toward the Attorney General's Medicaid Fraud Informant Program to reward individuals who report and provide information leading to convictions for Medicaid fraud.

For further information contact David Lewis, Director (850) 414-3600.

Pharmaceutical Manufacturers: Massachusetts

Attorney General Coakley announced on February 12 that a settlement agreement was reached worth over \$2.4 million with Watson Pharmaceuticals, Inc. (Watson), a California-based pharmaceutical manufacturer, resolving a Massachusetts False Claims Act case pending in United States District Court in Boston. The lawsuit alleged that Watson and its subsidiaries, Watson Laboratories, Inc., and Watson Pharma, Inc., reported false and inflated prices to drug industry price reporting services, which caused the Massachusetts Medicaid Program to pay inflated amounts for ingredient costs on prescriptions for Medicaid recipients.

Watson is one of a group of 13 generic drug manufacturers that the Commonwealth sued in 2003 for allegedly falsely inflating the prices they reported to national pharmaceutical price reporting

services. The Commonwealth's Medicaid Program, MassHealth, uses prices reported by national price reporting services to determine what they will pay to pharmacies for ingredient costs in connection with prescription drugs. The Commonwealth alleged that by reporting the false and inflated prices, the pharmaceutical companies caused the Medicaid Program to pay inflated amounts for ingredient costs for prescriptions for Medicaid recipients.

The settlement resolves the Commonwealth's claims related to certain generic drugs that Watson manufactured and sold during the years 1995 to 2003, including carisoprodol, hydrocodone with acetaminophen, ibuprofen, labetalol, lorazepam, methylphenidate, Necon and trazodone. In agreeing to the settlement, Watson did not admit any wrongdoing and asserted that its price reporting was consistent with all legal standards. During part of the period of alleged misconduct, Watson Pharma, Inc. was an independent drug manufacturer, known as Schein Pharmaceutical, Inc (Schein), headquartered in Florham Park, NJ. Watson acquired Schein in August 2000.

For further information contact Assistant Attorneys General Peter A. Mullin, Nathaniel Yeager, Robert P. Patten, Colleen A. McCarthy, John Pina III, Gregory W. Matthews, Robyn P. Dollar and Steven T. Sharobem, with assistance from Investigators Anthony Megathlin, John J. Walsh and Steven Devlin (617) 727-2200.

Pharmacists: Tennessee

The Tennessee Bureau of Investigation announced on February 19 that Malcolm Douglas Clark, a pharmacist, pleaded guilty to one count of the Sale of a Schedule II Controlled Substance in a Drug-Free School Zone. Clark received a suspended sentence of six years and was placed on probation concurrently. Additionally, Clark lost his Tennessee pharmaceutical license and will no longer be permitted to practice as a pharmacist.

It was alleged that TennCare recipients had stolen a prescription pad and passed prescriptions at several pharmacies including Clark's Pharmacy. The owner of Clark's Pharmacy, Clark, was unwilling to turn over the forged prescriptions to investigators. The investigation revealed that Clark had assisted in the forgery of a prescription for Oxycontin and had requested that a customer make copies of the forged prescription. Upon the presentation of the forged prescription, Clark would dispense most of the Oxycontin to the customer and then retain the remaining portion for himself. Clark would then sell his portion out of his home at the street value price.

For further information contact Special Agent Billy Miller (931) 526-5041.

Physician Assistants : Texas

Attorney General Abbott announced on March 9 that physician assistant Manuel A. Puig and his wife, nurse's assistant Romelia Puig, were indicted by a federal grand jury for conspiracy to commit health care fraud and health care fraud. The Puigs allegedly billed Medicaid for services provided by a physician who was incapacitated and living in a nursing home.

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

Physicians: Texas

Attorney General Abbott announced on March 25 that Christina Clardy, MD, of Esiana & Associates, was indicted on charges of healthcare fraud and mail fraud. This fraud case involves 11 defendants indicted for their involvement in a scheme in which City Nursing billed Medicare and Medicaid for physical therapy services that allegedly were not rendered.

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

Podiatrists: Kentucky

Attorney General Jack Conway announced on April 17 that two podiatrists have agreed to pay \$86,051 in restitution for double billing the Medicaid program. Tipton & Unroe, a podiatry practice owned by Paul Tipton and Bradford Unroe, also entered into a corporate integrity agreement with the Office of the Attorney General.

The settlement and corporate integrity agreement are based on an investigation conducted by the Medicaid Fraud and Abuse Control Unit prompted by an allegation that Tipton & Unroe, P.S.C. was billing both Medicaid and Medicare for nail debridement services conducted at nursing homes. Nail debridement involves the removal of a diseased toenail bed. The corporation would file an electronic claim on Medicare crossover patients, a portion of which was paid by Medicare and a portion of which was paid by Medicaid. The corporation would also file a paper claim which resulted in a duplicate payment by Medicaid.

The agreement also provides that Tipton and Unroe, P.S.C. has complied with the Office of Attorney General's request to hire a CPA firm to reconcile its account and that it will pay the Attorney General's office \$10,000 in investigative costs. Furthermore, the portion of the business servicing nursing home patients has been sold.

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

Resident Abuse: Kentucky

Attorney General Conway announced on March 2 that charges were filed against a former nursing assistant in connection with the abuse of a patient at a nursing home. Lynwood C. Bauer was charged with one count of reckless abuse of an adult.

The complaint alleges that in September 2009, Bauer recklessly inflicted physical pain and injury upon a resident while working as a staff certified nursing assistant at the facility.

* * * *

Attorney General Conway announced on March 4 the guilty plea of Amanda Sallee, a former nurse's aide at Richmond Health and Rehabilitation Complex (Madison Manor) nursing home. Sallee pleaded guilty to wanton abuse and neglect of an adult. She was charged in connection with the abuse and neglect of a former resident of Madison Manor in August 2008.

Under the terms of the plea agreement, Sallee will serve one year in the Kentucky Department of Corrections. The sentence will be diverted for a period of five years on the condition that the defendant remain on good behavior, not work with vulnerable adults or children, not work in the health care industry or for a Medicaid or Medicare provider, perform 100 hours of community service, and cooperate fully in further investigations involving Madison Manor Nursing Home.

This is the third nurse's aide to plead guilty in connection with abuse and neglect at Madison Manor. Jaelyn VanWinkle and Valerie Lamb, other former Madison Manor nurse's aides, previously pleaded guilty and were both sentenced to 12 months in the Madison County Jail for reckless abuse and neglect of an adult.

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

Resident Abuse: Maryland

Attorney General Gansler announced on March 19 that former caregiver Dominique Ennals pleaded guilty in circuit court to misdemeanor abuse of a vulnerable adult for a series of assaults that occurred between May 2007 and August 2007. Judge Dana M. Levitz sentenced Ennals to three years incarceration, suspended, and three years of unsupervised probation. Ennals is also prohibited from employment in any position where he would be in contact with a developmentally disabled individual.

The investigation revealed that Ennals was a behavior technician at the Vocational Services Department operated by The Chimes and was assigned as a one-on-one caregiver for a developmentally disabled man. Ennals punched the victim in the ribs, smacked him on his head, and pulled a chair out from underneath the victim.

For further information contact Assistant Attorney General Catherine S. Pascale or Investigator Dean Brewer (410) 576-6521.

Resident Abuse: Tennessee

The Tennessee Bureau of Investigation announced on February 2 that Stacey Allen McKee, a home health aide, pleaded guilty to three counts of Sexual Battery by an Authority Figure and one count of Willful Abuse or Neglect. McKee served 30 days in jail prior to sentencing and received an additional suspended sentence and probation for ten years. Additionally, McKee was placed on the Tennessee Sex Offender Registry.

This case was opened on December 5, 2008 based upon a referral from the Tennessee Division of Intellectual Disabilities Services. It was alleged that McKee, a companion host employed with Adult Community Training, had sexual contact with a client residing with McKee in a supported living home. McKee admitted both verbally and through written statement to several sexual acts with the client.

For further information contact Special Agent T.J. Battle (865) 549-7852.

* * * *

The Tennessee Bureau of Investigation announced on March 4 that Tawana Harris, a nurse's aide, pleaded guilty to one count of Adult Abuse. Harris received a suspended sentence of 11 months and 29 days and placed on probation concurrently. Additionally, Harris is in the process of being referred to the abuse registry maintained by the Tennessee Department of Health.

This case was opened on June 26, 2009 based upon a referral from the Metropolitan Nashville Police Department. It was alleged that Tawana Harris, a nurse's aide employed by West Meade Place struck a patient in her care on the back with an open hand. The incident occurred after the patient struck Harris on the arm as they were preparing the patient for a shower. Harris had informed the patient prior to the incident that if she hit her, Harris would hit her back. Both the preceding dialogue and incident were witnessed by another caregiver.

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

Resident Abuse: Texas

Attorney General Abbott announced on March 25 that certified nurse's aides (CNA) Bryson Oneil Vanderbilt and Connie Mae Johnson were indicted by a state grand jury for injury to an elderly individual. Vanderbilt and Johnson, employees of Lamun-Lusk-Sanchez Texas State Veteran's Home, allegedly dumped a resident from his wheelchair during a rough transfer and Vanderbilt sat on his legs.

* * * *

Attorney General Abbott announced on March 24 that certified nurse's aide (CNA) Nicole Lashawn Bedford was indicted by a state grand jury for injury to a child, elderly individual, or disabled individual. While employed by Rockwood Manor Nursing Home, Bedford allegedly struck a resident's face and pushed the resident to the floor. The resident cut his ear and bruised his head and arm.

* * * *

Attorney General Abbott announced on March 26 that mental retardation assistant William H. Lyons was given two years deferred adjudication community supervision and was ordered to pay a \$1,000 fine and complete 40 hours of community service after pleading guilty in state court to injury to a disabled individual. Lyons, while employed with the Abilene State Supported Living Center, allegedly caused injury to a resident by pushing him down a hall and shoving him over a Dutch door.

* * * *

Attorney General Abbott announced on March 31 that Kendra P. Gipson was indicted by a state grand jury for injury to a disabled person. Gipson, a former residential support staff member for Cherry Tree Residential Services, Inc.'s Meadowmere Group Home, allegedly forced the arm of a resident behind her back while trying to remove her from an ISD school bus, resulting in a closed fracture to her right arm.

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

Respiratory Therapists: Colorado

Attorney General John Suthers announced on March 10 that Laura K. McCombs was sentenced to a two year supervised deferred judgment following a plea of guilty to Attempt to Influence a Public Servant and a two years concurrent probation following a plea of guilty to Unauthorized Practice of Respiratory Therapy. McCombs was also ordered to pay \$1,712.75 in restitution, and to perform 96 hours of public service.

McCombs had been hired by a hospital as a respiratory therapist after informing the hospital that she was licensed by the state, even though she was not. After the hospital discovered that McCombs did not have the state license, she was fired. McCombs then filed for unemployment, and at a hearing on her application for unemployment benefits, McCombs told the hearing officer that she had passed the required national certification exam when she knew this was not the truth; and submitted to the hearing examiner a document purporting to be her "score report" even though she knew that the document was not genuine and had in fact been altered by her.

The restitution amounts included the wages paid to McCombs by the hospital on those days she performed the duties of a respiratory therapist without the required state license.

For further information contact Assistant Attorney General Timothy Sokas (303) 866-5431.

Social Workers: Tennessee

The Tennessee Bureau of Investigation announced on February 10 that Janet Renee Vaughn, a licensed clinical social worker, pleaded guilty in the United States District Court of Middle Tennessee to one count of Health Care Fraud. Vaughn was sentenced to three years probation, the first six months of which are to be served in home detention. Additionally, Vaughn was ordered to pay restitution in the amount of \$41,956.74 to the Centers for Medicare and Medicaid Services and \$43,743.26 to the Bureau of TennCare.

This case was opened on April 14, 2008 based upon an inquiry from the Department of Health and Human Services, Office of Inspector General into the Medicaid claims submitted by Vaughn. It was alleged that Vaughn, a social worker employed with Paradigm Health Services, billed for psychotherapy services in nursing homes which she did not provide. An examination of patient charts compared with surveillance activities verified that Vaughn was billing for services that she could not have provided in the amount of time she was actually present at the facilities.

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

UPDATES**Adult Day Care Centers: Texas**

Attorney General Abbott announced on March 10 that Ricardo Luz Elizarde and Luz Elizarde entered into a 24-month pre-trial diversion agreement. The Elizardes were indicted in June 2009 for Medicaid fraud and injury to an elderly individual. (*See: Medicaid Fraud Report, May/June 2009, p. 2*). They owned and operated Valley View Adult Day Care Center and Valley View Primary Health Care. They allegedly inflated cost reports resulting in over \$100,000 in overpayments to Medicaid and Medicare.

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

Medical Transportation: Texas

Attorney General Abbott announced on March 24 that Shaun Jason Outen pleaded guilty to federal charges of conspiracy to commit health care fraud related to his former management of Royal Ambulance Service, Inc., and First Choice EMS, ambulance companies.

Outen, Nasir Usman, and David Ray McNac were indicted in June 2009 for health care fraud, conspiracy to commit health care fraud, aiding and abetting, and asset forfeiture. (*See: Medicaid Fraud Report, May/June 2009, p. 10*). The ambulance providers allegedly transported patients to dialysis facilities when those patients' medical conditions did not warrant such transportation. The alleged Medicaid fraud is over \$498,000, and the alleged Medicare fraud is over \$4 million.

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

Psychologists: Texas

Attorney General Abbott announced on March 25 that psychologist Matthew Hamilton Leddy, PhD, was sentenced to 30 days in jail, ten years deferred adjudication community supervision, and was ordered to pay \$10,000 in fines, \$228,747.81 in restitution, and perform 340 hours of community service after pleading guilty in state court to Medicaid fraud. Leddy was indicted on June 18, 2009, for Medicaid fraud and felony theft of less than \$200,000 and more than \$100,000. (*See: Medicaid Fraud Report, May/June 2009, p. 18*). He billed Medicaid for testing services he allegedly did not provide.

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

Inquires on editorial content should be addressed to:

Barbara L. Zelner
Executive Director
National Association of Medicaid Fraud Control Units
2030 M Street NW, 8th Floor
Washington, DC 20036
bzelner@naag.org

Jon Bruning
President
National Association
of
Attorneys General

D. Mark Collins
President
National Association
of
Medicaid Fraud Control Units

James McPherson
Executive Director
National Association
of
Attorneys General

The views and opinions of authors expressed in this newsletter do not necessarily state or reflect those of the National Association of Attorneys General (NAAG). This newsletter does not provide any legal advice and is not a substitute for the procurement of such services from a legal professional. NAAG does not endorse or recommend any commercial products, processes, or services.

Any use and/or copies of the publication in whole or part must include the customary bibliographic citation. NAAG retains copyright and all other intellectual property rights in the material presented in the publications.

Copyright 2010, National Association of Attorneys General

INDEX OF CASES

ADULT DAY CARE CENTERS..... 18

CHIROPRACTORS 2

CLINICAL LABORATORIES 2

COUNSELORS 3

DRUG DIVERSION

 Kimberly Acord 3

 Susan Carpenter 3

 Christopher Wayne Ferguson 4

DURABLE MEDICAL EQUIPMENT

 Modupe Babanumi, Bassey Idiong, Linda Kendabie 4

 Etta Mborah Ephraim..... 5

 Neil Wayne Goldschmitt..... 4

 Winifred Eyo Hudson 5

 Roselyn Jack 5

 Stephanie and Arthur Johnson 6

 Mento Nnana Kaluanya 5

 Eno Bassey Okon 6

 Ana Quinteros and Rolandae Mitchell Straughter 5

HOME HEALTH CARE AIDES

 Sarah Aschliman 7

 Betty Davenport 8

 Tina Dyer 7

 Geogie Goolie 7

 Bonnie Guysinger 8

 Paul Allen Jamison 8

 Shawn Logston..... 6

 Orence Smith 7

 Lenora Vallejo 6

HEALTH CARE CENTERS 9

MEDICAL TRANSPORTATION 18

NURSES 9

PATIENT TRUST FUNDS

 Desiree Brown 10

 Barbara Jeanette Burnley 10

INDEX OF CASES

PERSONAL CARE ATTENDANTS

Bruce Fields and Susanne Jordan 11
 Joseph Bruce Womack and Dinorah Hernandez Womack 11

PHARMACEUTICAL MANUFACTURERS

Dey L.P. and Dey, Inc..... 12
 Watson Pharmaceuticals 12

PHARMACISTS 13

PHYSICIAN ASSISTANTS..... 13

PHYSICIANS 14

PODIATRISTS 14

PSYCHOLOGISTS 18

RESIDENT ABUSE

Lynwood C. Bauer 14
 Nicole Lashawn Bedford 16
 Dominique Ennals..... 15
 Kendra P. Gipson 16
 Tawana Harris 16
 William H. Lyons..... 16
 Stacey Allen McKee 15
 Amanda Sallee 14
 Bryson Oneil Vanderbilt and Connie Mae Johnson..... 16

RESPIRATORY THERAPISTS 17

SOCIAL WORKSERS 17