



# Department of Justice

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Middle District of Florida

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## **HEALTH CARE THERAPY CLINIC OPERATORS SENTENCED TO PRISON ON CHARGES OF MEDICARE AND MEDICAID FRAUD**

Tampa, Florida - U.S. Attorney Robert E. O'Neill announces that U.S. District Judge James D. Whittemore late Wednesday sentenced Lilian J. Pagkaliwangan (age 40, of Lakeland) to 46 months in federal prison for making false statements in connection with health care benefits. Judge Whittemore also sentenced Pagkaliwangan's husband, Raymundo P. Arellano (age 43, of Lakeland) to 42 months in federal prison for making false statements in connection with health care benefits and aggravated identity theft. The court also entered a forfeiture money judgment against both defendants in the amount of \$319,451.52 and ordered each defendant to pay restitution of \$278,440.00 to Medicare and \$40,975.52 to Medicaid. Pagkaliwangan and Arellano pleaded guilty on August 13, 2010.

According to court documents, Pagkaliwangan and Arellano defrauded Medicaid and Medicare, two government health care benefit programs, through various fraudulent means over a period of two years. Pagkaliwangan and Arellano submitted fraudulent claims for reimbursement for services that were not performed by qualified, enrolled Medicaid providers, and falsely represented that the services were performed by qualified, enrolled Medicaid providers. They submitted inflated claims and billed Medicaid for more services than were performed. They submitted claims for reimbursement for work they falsely claimed was performed on days when patients were not even present at their clinic and did

not receive any treatment at all. They also submitted fraudulently created treatment notes during the course of the investigation.

United States Attorney Robert E. O'Neill stated, "The Medicaid health care program provides funds for the treatment of low-income elderly and children whose conditions are medically complex. The Medicare program provides medical coverage for elderly persons and certain disabled persons. These are vulnerable patient populations. Whenever individuals or companies defraud the Medicare and Medicaid programs there is an erosion of public trust and increased anxiety experienced by Medicare beneficiaries, Medicaid recipients, and legitimate providers regarding the financial stability of the Medicare and Medicaid programs. This type of fraudulent conduct is a significant crime problem and this Office will continue to vigorously prosecute this type of fraudulent conduct."

"These sentencings demonstrate the continued success of our interagency Tampa Medicare Fraud Strike Force and are clear evidence of our resolve to investigate and stop schemes that abuse federal health care programs at the expense of taxpayers and vulnerable recipients," said Christopher B. Dennis, Special Agent in Charge of the HHS-OIG Miami Region.

This investigation is part of Tampa's Medicare Fraud Strike Force, a joint effort of the Department of Justice and the Department of Health and Human Services. The Strike Force was formed to address fraudulent billing and other crimes that adversely affect the delivery of health care through the Medicare system. Strike Force investigative agencies include, among others, the Department of Health and Human Services, Office of Investigations, and the Florida Attorney General's Medicaid Fraud Control Unit, which are the agencies responsible for investigating this case. This case was prosecuted by Assistant United States Attorney Robert Monk.