

NEWS

United States Department of Justice
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Christopher J. Christie, U.S. Attorney

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FOR IMMEDIATE RELEASE
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Adult Day Care Facilities V.P. Gets 55 Months in Prison for Defrauding Medicaid of \$5.5 Million

(More)

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TRENTON – A vice president of adult day care centers was sentenced today to 55 months in federal prison for conspiring to defraud Medicaid of approximately \$5.5 million by submitting false claims for medical services that were never rendered, U.S. Attorney Christopher J. Christie announced.

Ernest Galletta, 58, of Buena Vista Township, vice president of Horizon National Healthcare, LLC (Horizon), a Vineland company that ran adult medical day care centers in Prospect Park and West Trenton, was sentenced today by U.S. District Judge Freda L. Wolfson to 55 months in prison. Galletta pleaded guilty before Judge Wolfson on Oct. 4.

George Galletta, 55, of Vineland, who owned and operated Horizon, pleaded guilty on Nov. 2 before Judge Wolfson. George Galletta was sentenced today to six months in prison to be followed by six months of home confinement..

The defendants each pleaded guilty to single-count Informations, charging them with conspiracy to commit healthcare fraud. In noting the wide difference in sentences imposed against the Gallettas, Judge Wolfson took note that Ernest Galletta had concealed the fraud from his brother for almost two years, and that George Galletta continued the fraud for approximately four months.

According to the Informations to which they pleaded guilty, the brothers conspired to submit inflated claims for payment to Medicaid for services rendered to certain Medicaid patients at their adult medical day care centers. Those patients did not receive the claimed services and, as a result of the false claims filed by the Gallettas, Medicaid overpaid Horizon a total of approximately \$5.5 million.

A civil settlement agreement was previously reached with Horizon and its associated entities on Feb. 1, 2007. Horizon entered into an agreement and is repaying the government \$5.5 million for its false billings to the Medicaid program.

During their plea hearings, both George and Ernest Galletta admitted that they participated in a scheme to defraud Medicaid by inflating the number of patients that attended day care services at the Horizon facilities. Both George and Ernest Galletta also admitted that they knowingly submitted false claims to Medicaid for payments in amounts greater than that to which they were entitled.

For example, both defendants admitted that on Dec. 3, 2003, they submitted a request for payment for adult day care services provided on Nov. 26, 2003 to approximately 156 Medicaid beneficiaries at the West Trenton center. In fact, they admitted, only about 101 Medicaid beneficiaries attended the day care services on that day.

Christie credited Special Agents of the U.S. Department of Health and Human Services

Office of Inspector General, under the direction of Special Agent in Charge Gary Heuer; Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun, and Special Agents of the U.S. Postal Inspection Service, under the direction of Postal Inspector in Charge David L. Collins, with developing the case.

The government was represented by Assistant U.S. Attorneys Maureen Nakly and Camelia M. Valdes of the U.S. Attorney's Office in Newark.

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Defense counsel for George Galletta: Louis G. Hasner.

Defense counsel for Ernest Galletta: Michael Gilberti.