

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
970 Broad Street, Seventh Floor
Newark, New Jersey 07102



Christopher J. Christie, U.S. Attorney

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Assistant U.S. Attorneys:
MAUREEN NAKLY
and CAMELIA M. VALDES
973-645-2723 and 2730, respectively

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FOR IMMEDIATE RELEASE
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Adult Day Care Facilities Owner
Admits Defrauding Medicaid of \$5.5 Million

(More)

Public Affairs Office
Michael Drewniak, PAO

973-645-2888

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TRENTON – The owner/operator of two adult day care centers pleaded guilty today to 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 today.

George Galletta, 55, of Vineland, owner and operator of Horizon National Healthcare, LLC (Horizon), a Vineland company that operated adult medical day care centers in Prospect Park and West Trenton, pleaded guilty today before U.S. District Judge Freda L. Wolfson.

Galletta's brother, Ernest, 58, of Buena Vista Township, who worked at the Horizon facilities, pleaded guilty to the same charges on Oct. 4 before Judge Wolfson. Both are scheduled to be sentenced on Feb. 8.

The defendants each pleaded guilty to single-count Informations, charging them with conspiracy to commit healthcare fraud, which carries a maximum statutory penalty of five years in federal prison and a \$250,000 fine.

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.

During the 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.

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

“Adult Medical Daycare Centers provide an important service to elderly Medicaid beneficiaries,” said Gary Heuer, Special Agent in Charge of the New York Regional

Office of HHS-OIG-OI. “By billing for beneficiaries who never attended the day care centers, the Galletta brothers defrauded Medicaid out of millions of dollars and took advantage of the beneficiaries.”

The Gallettas each face statutory maximum penalties of five years in prison and a \$250,000 fine. In determining an actual sentence, Judge Wolfson will consult the advisory U. S. Sentencing Guidelines, which take into account the severity and characteristics of the offenses and the defendants’ criminal histories, if any. However, the Sentencing Guidelines are only advisory, and Judge Wolfson has wide discretion in imposing sentence.

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 Federal Bureau of Investigation, 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 is 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: Robert A. Weir, Jr.

Defense counsel for Ernest Galletta: Michael Gilberti.