



# Department of Justice

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## **NEW CASTLE WOMAN DEFRAUDS SUBSTANCE ABUSE CARE PROVIDER AQUILA OF DELAWARE, INC.**

### *Sentenced to 39 Months of Imprisonment*

Charles M. Oberly, III, United States Attorney for the District of Delaware, announced today that Karen Hunt, age 49, of New Castle, Delaware, was sentenced on March 31, 2011 by United States District Court Judge Sue L. Robinson to 39 months of imprisonment and five years of supervised release. Ms. Hunt was also ordered to pay restitution in the amount of \$442,106.62 to the victim of the offense, Aquila of Delaware, Inc. ("Aquila"). The sentencing came after Ms. Hunt pled guilty in December 2010 to one count of mail fraud, in violation of Title 18, United States Code, Section 1341.

Ms. Hunt was convicted of engaging in a scheme to defraud Aquila, a drug and alcohol treatment center that provides substance abuse treatment services for children, adolescents and their families. Aquila is one of few entities in Delaware that provides these types of treatment services for children, particularly children who do not have the financial means to afford such treatment. Ms. Hunt worked at Aquila's Wilmington office from 1996 through 2010. During her employment, she was responsible for, among other things, overseeing the process of billing third parties and patients and for managing Aquila's bank deposits and collections.

From at least August 2003 until she was caught and was fired in April 2010, Ms. Hunt deposited 471 different checks that were made out to Aquila, totaling \$416,186.12, into her own personal Wilmington Trust account. These deposited checks were from third party insurance providers, which were reimbursing Aquila for services provided to Aquila's young patients.

Despite being one of Aquila's highest paid employees, Ms. Hunt used the proceeds of her fraud to unlawfully supplement her own income. She used a significant portion of the fraud proceeds to fund expenditures like private school tuition for her children, the purchase of Broadway tickets or jewelry, to fund expenses for various cruises to Europe, and to take trips to destinations such as the Dominican Republic, the Bahamas, Australia, Puerto Rico and Amsterdam.

Ms. Hunt claimed that one of the ways that she covered up her fraud was by over-billing one of the insurance providers for Aquila's patients, the State of Delaware's former Division of Child Mental Health ("DCMH," now a part of the State's Division of Prevention and Behavioral Health Services). She told investigators that she over-billed DCMH in order to generate additional income for Aquila, in order to hide the fact that, at the same time, she was stealing other Aquila monies. DCMH was one of the primary entities that provided payments to Aquila to reimburse services for children who do not have their own insurance or who need supplemental insurance coverage.

The case was investigated by the Delaware State Police's Financial Crimes Unit. It was prosecuted by Assistant United States Attorney Christopher J. Burke. United States Attorney Oberly thanked the Delaware State Police for their hard work on this investigation and prosecution.

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