

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)	
)	
v.)	No.
)	
)	Violations: Title 18, United States
BRANDY HOWARD)	Code, Sections 1341, 1347 and
)	1035(a)(2)
)	
)	

COUNT ONE

The SPECIAL AUGUST 2009-1 GRAND JURY charges:

1. At times material to this indictment:

a. Defendant Brandy Howard worked as a licensed chiropractor at Howard Family Chiropractic, Inc. Howard Family Chiropractic, Inc.’s sole office was located in North Riverside, Illinois.

b. Blue Cross Blue Shield of Illinois (“Blue Cross”), located in Chicago, Illinois, was a Division of Health Care Service Corporation. Blue Cross was a health insurance carrier which provides health insurance plans to groups of individuals through their employer-sponsored health insurance plans. Among those plans provided by Blue Cross was the Participating Provider Option (“PPO”) plan. The PPO plan sought to supply services at a discounted cost by providing incentives for members to use designated healthcare providers who contracted with Blue Cross to provide services at a discount. Blue Cross and the Blue Cross PPO plan were health care benefit programs as defined in 18 U.S.C. § 24(b).

c. Howard was an enrolled provider of services to Blue Cross, specifically a PPO provider, and was eligible for reimbursement for covered services that were provided.

d. Blue Cross provided reimbursement to enrolled providers for providing orthotics under certain circumstances. Orthotics were specialized shoe inserts proscribed for patients with certain types of symptoms. Blue Cross only reimbursed its providers for orthotics and other medical products and services that were both medically necessary and actually provided.

e. As an enrolled provider to Blue Cross subscribers, Howard was required to submit certain information to Blue Cross for each reimbursement claim.

2. Beginning in or about February 2008, and continuing until in or about December 2008, in the Northern District of Illinois, Eastern Division, and elsewhere,

BRANDY HOWARD,

defendant herein, devised, intended to devise, and participated in a scheme to defraud Blue Cross, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, which scheme is further described below.

3. It was part of this scheme that the defendant submitted reimbursement claims to Blue Cross for orthotics provided to certain Blue Cross subscribers, knowing that the claims contained material false misrepresentations and not having determined whether the orthotics were medically necessary.

4. It was further part of this scheme that defendant attended health fairs at school districts and a police department. At these events, she advertised that she could provide free

shoes to those covered by the Blue Cross PPO plan. Defendant directed, or caused to be directed, Blue Cross subscribers to fill out a short questionnaire, to walk across a “computer gait analysis device,” and then to pick out shoes from a catalogue.

5. It was further part of the scheme that defendant provided the Blue Cross subscribers she met at the health fairs with “free” shoes and orthotics, despite not having performed a physical examination of the subscribers.

6. It was further part of the scheme that defendant submitted to Blue Cross reimbursement claims in amounts as much as \$1276 for the orthotics that she provided to the Blue Cross subscribers she met at these health fairs, knowing that the reimbursement claims contained materially false information and not having determined whether the orthotics were in fact medically necessary.

7. It was further part of the scheme that defendant wrote, signed, and submitted letters to Blue Cross with the reimbursement claims, falsely stating that the Blue Cross subscribers had reported chronic pain that prevented them from walking, standing, or sitting for long periods, when, in fact and as defendant knew, the individuals had told her no such thing. Defendant submitted these letters to Blue Cross knowing that they contained material false representations.

8. It was further part of the scheme that defendant caused at least 16 claims for orthotics to be submitted to Blue Cross, falsely representing that the Blue Cross subscribers suffered from chronic pain. In total, defendant billed Blue Cross for more than \$20,000

based on these claims. As a result of this scheme, defendant fraudulently obtained and converted to her own use in excess of \$12,000 in payments from Blue Cross.

9. It was further part of this scheme that in or about February 2008, Individual A attended a presentation that defendant gave at the Maywood Police Department. Defendant instructed the Police Department employees to make a follow up appointment with her if they wanted to get free shoes. Individual A made such a follow up appointment with defendant, and met her at the Maywood Police Department, on or about February 28, 2008. At no point did Individual A tell the defendant that he was experiencing any sort of pain, much less that pain prevented him from sitting for long periods of time. On or about March 7, 2008, defendant submitted a claim for reimbursement to Blue Cross for orthotics provided to Individual A. Defendant included with her claim a letter “provid[ing] the clinical justification required to support my decision to fit [Individual A] with custom fitted orthotics.” The letter stated that Individual A “presented with lower back pain” and “indicated pain that interferes with him sitting for long periods.” At the time defendant submitted this letter she knew that these statements were false.

10. It was further part of this scheme that defendant did misrepresent, conceal, hide and cause to be misrepresented, concealed, and hidden, the purposes of and acts done in furtherance of this scheme.

11. On or about March 31, 2008, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

BRANDY HOWARD

defendant herein, for the purpose of executing the aforesaid scheme and attempting to do so, knowingly did cause to be delivered by United States mail, a reimbursement check concerning services provided to Individual A, from Blue Cross in Chicago, to Howard Family Chiropractic, Inc., in North Riverside, Illinois;

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT TWO

The SPECIAL AUGUST 2009-1 GRAND JURY further charges:

1. Paragraphs 1 through 10 of Count One are realleged and incorporated as though fully set forth here.

2. On or about March 31, 2008, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

BRANDY HOWARD,

defendant herein, for the purpose of executing the aforesaid scheme and attempting to do so, knowingly did cause to be delivered by United States mail, a reimbursement check concerning services provided to Individual B, from Blue Cross in Chicago, to Howard Family Chiropractic, Inc., in North Riverside, Illinois;

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT THREE

The SPECIAL AUGUST 2009-1 GRAND JURY further charges:

1. Paragraphs 1 through 10 of Count One are realleged and incorporated as though fully set forth here.
2. On or about October 6, 2008, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

BRANDY HOWARD,

defendant herein, for the purpose of executing the aforesaid scheme and attempting to do so, knowingly did cause to be delivered by United States mail, a reimbursement check concerning services provided to Individual C, from Blue Cross in Chicago, to Howard Family Chiropractic, Inc., in North Riverside, Illinois;

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT FOUR

The SPECIAL AUGUST 2009-1 GRAND JURY further charges:

1. Paragraph 1 of Count One is realleged and incorporated as though fully set forth here.

2. Beginning in or about February 2008, and continuing until in or about December 2008, in the Northern District of Illinois, Eastern Division, and elsewhere,

BRANDY HOWARD,

defendant herein, knowingly and willfully executed and attempted to execute a scheme to defraud a health care benefit program, namely Blue Cross, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, such health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services, which scheme is further described in the following paragraphs.

3. Paragraphs 3 through 10 of Count One are realleged and incorporated as though fully set forth here.

4. On or about August 27, 2008, at North Riverside, in the Northern District of Illinois, Eastern Division, and elsewhere,

BRANDY HOWARD,

defendant herein, did knowingly and willfully execute and attempt to execute the above-described scheme by submitting and causing to be submitted a claim to Blue Cross for orthotics for Individual D;

In violation of Title 18, United States Code, Sections 1347 and 2.

COUNT FIVE

The SPECIAL AUGUST 2009-1 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count Four are realleged and incorporated as though fully set forth here.

2. On or about November 12, 2008, at North Riverside, in the Northern District of Illinois, Eastern Division, and elsewhere,

BRANDY HOWARD,

defendant herein, did knowingly and willfully execute and attempt to execute the above-described scheme by submitting and causing to be submitted a claim to Blue Cross for orthotics for Individual E;

In violation of Title 18, United States Code, Sections 1347 and 2.

COUNT SIX

The SPECIAL AUGUST 2009-1 GRAND JURY charges:

1. Paragraph 1 of Count One of this Indictment is realleged and incorporated as though fully set forth herein.

2. On or about August 27, 2008, at North Riverside, Illinois, in the Northern District of Illinois, Eastern Division, and elsewhere,

BRANDY HOWARD,

defendant herein, in a matter involving a health care benefit program, did knowingly and willfully make a materially false, fictitious and fraudulent statement in connection with the delivery of and payment for health care benefits, items and services, in that defendant wrote in a letter submitted to Blue Cross concerning Individual D, that Individual D had “presented with mid back and knee pain” and had indicated that “the pain can prevent him from walking for long periods,” when, in fact and as defendant well knew, Individual D did not complain of such pain;

In violation of Title 18, United States Code, Section 1035(a)(2).

COUNT SEVEN

The SPECIAL AUGUST 2009-1 GRAND JURY charges:

1. Paragraph 1 of Count One of this Indictment is realleged and incorporated as though fully set forth herein.

2. On or about September 8, 2008, at North Riverside, Illinois, in the Northern District of Illinois, Eastern Division, and elsewhere,

BRANDY HOWARD,

defendant herein, in a matter involving a health care benefit program, did knowingly and willfully make a materially false, fictitious and fraudulent statement in connection with the delivery of and payment for health care benefits, items and services, in that defendant wrote in a letter submitted to Blue Cross concerning Individual C, that Individual C had “presented with lower back pain” and had indicated that “the pain can prevent her from walking and sitting for long periods,” when, in fact and as defendant well knew, Individual C did not complain of such pain;

In violation of Title 18, United States Code, Section 1035(a)(2).

FORFEITURE ALLEGATION

The SPECIAL AUGUST 2009-1 GRAND JURY further charges:

1. The allegations of Counts Four and Five of the foregoing indictment are realleged and fully incorporated herein for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 982.

2. As a result of the violations of Title 18, United States Code, Section 1347, which relate to a health care benefit program, as alleged in the foregoing Indictment,

BRANDY HOWARD,

defendant herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(7), any and all right, title, and interest she may have in any property, real and personal, constituting and derived, directly and indirectly, from gross proceeds traceable to the commission of the offenses.

3. The interests of defendant BRANDY HOWARD subject to forfeiture pursuant to Title 18, United States Code, Section 982, include but are not limited to funds in the amount of \$20,000.

4. If any of the forfeitable property described above, as a result of any act or omission by the defendant BRANDY HOWARD:

- a. Cannot be located upon the exercise of due diligence;
- b. Has been transferred or sold to, or deposited with, a third party;
- c. Has been placed beyond the jurisdiction of the Court;
- d. Has been substantially diminished in value; or

e. Has been commingled with other property which cannot be divided without difficulty, the United States of America shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1).

All pursuant to Title 18, United States Code, Section 982.

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY