



d. Medicare required that health care providers obtain a distinct provider identification by submitting an application with their professional credentials and qualifications.

e. To be paid for services rendered, a Medicare provider was required to submit a claim for payment containing certain required information pertaining to the Medicare beneficiary, including the type of services provided, the procedure code, the date and charge of such services, and a certification that such services were personally rendered by the provider or rendered incident to the provider's professional service.

### **The Defendant**

f. Defendant SHARON A. RINALDI was licensed to practice psychology in Illinois and claimed to provide psychotherapy services to Medicare beneficiaries residing in skilled nursing facilities in the Northern District of Illinois and elsewhere.

g. Defendant SHARON A. RINALDI maintained a personal bank account (account no. xxx4392) at American Chartered Bank, in Schaumburg, Illinois.

### **Billing Codes**

h. Health care providers used a uniform system of coding to report professional services, procedures, supplies, and diagnoses. The American Medical Association ("AMA") published the Physicians' Current Procedural Terminology Manual (the "CPT Manual") which set forth numerical codes ("CPT codes") for medical procedures. Each claim form had to contain the five-digit CPT code identifying the

service provided to a beneficiary on a particular date. The CPT Manual defined the procedural and medical requirements that needed to be met in order to bill for a particular service, including, in some instances, the amount of time associated with each unit of a particular service.

i. According to the CPT Manual, psychotherapy was a treatment for mental illness and behavioral disturbances in which the clinician established a professional contract with the patient and, through definitive therapeutic communication, attempted to alleviate the emotional disturbances, reverse or change maladaptive patterns of behavior, and encouraged personality growth and development.

j. The relevant CPT codes relating to psychotherapy included the following:

i. *CPT Code 90801*: Psychiatric diagnostic interview examination, the services of which include eliciting a medical and psychiatric history, a mental status examination, establishment of an initial diagnosis, and evaluation of the patient's ability to respond to treatment;

ii. *CPT Code 90816*: Individual psychotherapy, insight oriented, behavior modifying and/or supportive, in an inpatient hospital, partial hospital or residential care setting, approximately 20 to 30 minutes face-to-face with the patient;

iii. *CPT Code 90818*: Individual psychotherapy, insight oriented, behavior modifying and/or supportive, in an inpatient hospital, partial hospital or residential care setting, approximately 45 to 50 minutes face-to-face with the patient;

iv. *CPT Code 90853*: Group psychotherapy (other than a multiple-family group);

v. *CPT Code 96101*: Psychological testing, per hour of the psychologist's or physicians's time, both face-to-face time administering tests to the patient and time interpreting these test results and preparing the report; and

vi. *CPT Code 96118*: Neuropsychological testing, per hour of the psychologist's or physician's time, both face-to-face time administering tests to the patient and time interpreting these test results and preparing the report.

The descriptions for these codes remained unchanged between 2008 and 2012.

#### **Claims Submission to Medicare**

k. Claims to Medicare for services could be submitted via either hard copy or Electronic Data Interchange (“EDI”) claims processing.

l. Submission of claims via EDI required completion of an EDI Enrollment Form, which was signed by the provider.

m. The EDI Enrollment Form stated that the provider would ensure that every electronic entry could be readily associated and identified with an original source document, that original source documents and related medical records would be retained for a period of at least 6 years, 3 months after the claim was paid, and that each source document would reflect the following information:

- i. Beneficiary's name;
- ii. Beneficiary's health insurance claim number;
- iii. Date or dates of service;

- iv. Diagnosis or nature of illness; and
- v. Procedure or service performed.

n. The EDI Enrollment Form further stated that the CMS-assigned unique identifier number constituted the provider's legal electronic signature and constituted an assurance by the provider that services were performed as billed.

o. Medicare could make payment to providers via either paper check or electronic funds transfer ("EFT").

2. Beginning no later than in or around December 2008, and continuing through on or about August 12, 2012, in the Northern District of Illinois, Eastern Division, and elsewhere,

SHARON A. RINALDI,

defendant herein, devised and participated in a scheme to defraud a health care benefit program that affected interstate commerce, 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 a health care benefit program, specifically, the Medicare program of the United States of America, in connection with the delivery of and payment for health care benefits and services.

3. It was part of the scheme that defendant RINALDI obtained authorization from skilled nursing facilities in the Northern District of Illinois, and elsewhere, to provide psychotherapy services to Medicare beneficiaries residing in those facilities.

4. It was further part of the scheme that defendant RINALDI knowingly submitted and caused to be submitted thousands of false and fraudulent claims to

Medicare requesting payment for certain psychotherapy services that she purportedly had provided to Medicare beneficiaries, when, in fact, defendant RINALDI had not provided the services.

5. It was further part of the scheme that defendant RINALDI falsely and fraudulently represented to Medicare that she had provided psychotherapy services to Medicare beneficiaries who were in fact deceased at the time those services were purportedly provided by RINALDI.

6. It was further part of the scheme that defendant RINALDI falsely and fraudulently represented to Medicare that she had provided psychotherapy services in Illinois on certain dates to Medicare beneficiaries, when defendant RINALDI was on those dates in other locations, such as Las Vegas, Nevada; and San Diego, California.

7. It was further part of the scheme that defendant RINALDI knowingly submitted claims to Medicare which falsely and fraudulently inflated the number of hours that she had spent on particular dates providing psychotherapy services to Medicare beneficiaries, in many instances exceeding 24 hours in a single day.

8. It was further part of the scheme that defendant RINALDI knowingly caused Medicare to electronically transfer payments associated with her fraudulent claims to her own checking account at American Chartered Bank.

9. It was further part of the scheme that defendant RINALDI converted the proceeds of the fraudulently-obtained Medicare payments to her own use and benefit.

10. It was further part of the scheme that defendant RINALDI misrepresented, concealed and hid, and caused to be misrepresented, concealed, and hidden, acts done in furtherance of the scheme and the purposes of those acts.

11. On or about January 12, 2011, at Inverness, in the Northern District of Illinois, Eastern Division, and elsewhere,

SHARON A. RINALDI,

defendant herein, did knowingly and willfully execute and attempt to execute the above-described scheme by submitting and causing to be submitted to a health care benefit program, namely, Medicare, claims representing that defendant RINALDI had provided approximately 49 individual psychotherapy sessions in one or more residential care settings, face-to-face with patients, on December 30, 2010, which in total lasted more than 24 hours;

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

**COUNT TWO**

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. Paragraphs 1 through 10 of Count One are incorporated here.
2. On or about May 26, 2010, at Inverness, in the Northern District of

Illinois, Eastern Division, and elsewhere,

SHARON A. RINALDI,

defendant herein, did knowingly and willfully execute and attempt to execute the above-described scheme by submitting and causing to be submitted to a health care benefit program, namely, Medicare, claims representing that defendant RINALDI had provided approximately 22 individual psychotherapy sessions in one or more residential care settings, face-to-face with patients, for approximately 45 to 50 minutes each, on or about May 14, 2010;

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



**COUNT THREE**

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. Paragraphs 1 through 10 of Count One are incorporated here.
2. On or about October 14, 2011, at Inverness, in the Northern District of Illinois, Eastern Division, and elsewhere,

SHARON A. RINALDI,

defendant herein, did knowingly and willfully execute and attempt to execute the above-described scheme by submitting and causing to be submitted to a health care benefit program, namely, Medicare, claims representing that defendant RINALDI had provided approximately 14 individual psychotherapy sessions in one or more residential care settings, face-to-face with patients, for approximately 45 to 50 minutes each, on or about September 18, 2011;

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

## **COUNT FOUR**

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. Paragraphs 1 through 10 of Count One are incorporated here.
2. On or about April 8, 2010, at Inverness, in the Northern District of Illinois, Eastern Division, and elsewhere,

SHARON A. RINALDI,

defendant herein, did knowingly and willfully execute and attempt to execute the above-described scheme by submitting and causing to be submitted to a health care benefit program, namely, Medicare, a claim representing that defendant RINALDI had provided individual psychotherapy in a residential care setting, for approximately 45 to 50 minutes, face-to-face, to Patient A on or about April 2, 2010;

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

**COUNT FIVE**

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. Paragraphs 1 through 10 of Count One are incorporated here.
2. On or about October 14, 2011, at Inverness, in the Northern District of Illinois, Eastern Division, and elsewhere,

SHARON A. RINALDI,

defendant herein, did knowingly and willfully execute and attempt to execute the above-described scheme by submitting and causing to be submitted to a health care benefit program, namely, Medicare, a claim representing that defendant RINALDI had provided individual psychotherapy in a residential care setting, for approximately 45 to 50 minutes, face-to-face, to Patient B on or about October 3, 2011;

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

## FORFEITURE ALLEGATION

The SPECIAL AUGUST 2012 GRAND JURY further alleges:

1. The allegations contained in this Indictment are incorporated here for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 982(a)(7).

2. As a result of her violations of Title 18, United States Code, Section 1347, as alleged in this Indictment,

SHARON A. RINALDI,

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 that she may have in any property, real and personal, that constitutes and is derived, directly and indirectly, from gross proceeds traceable to the commission of the offense.

3. The interests of defendant subject to forfeiture pursuant to Title 18, United States Code, Section 982(a)(7), that represent property constituting gross proceeds derived as a result of these violations include, but are not limited to:

- a. Funds in the amount of approximately \$93,016 seized from defendant's home on or about September 24, 2012; and
- b. Funds in the amount of approximately \$8,421 seized from defendant's personal bank account (account no. xxx4392) at American Chartered Bank.

4. If any of the funds subject to forfeiture and described above, as a result of any act or omission of defendant:

- a. cannot be located upon the exercise of due diligence;

- b. have been transferred to, or deposited with, a third party;
- c. have been placed beyond the jurisdiction of the Court; or
- d. have 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), including but not limited to the real property commonly known as 3531 Ocean Front Walk in San Diego, California.

A TRUE BILL:

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FOREPERSON

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ACTING UNITED STATES ATTORNEY