

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA * CRIMINAL NO. 11-122

VERSUS * SECTION: "F"

TERRA WASHINGTON *

* * *

FACTUAL BASIS

If this matter were to proceed to trial, the government would prove the following facts through competent evidence:

Kimberly Sullivan would testify and provide evidence showing that Medicaid is a public insurance (assistance) program that provides primary and preventative health care coverage to low-income families and persons with medical disabilities. UNISYS Corporation is a fiscal intermediary that processes Medicaid claims and makes reimbursement to providers for rendering services to qualified Medicaid recipients. Each claim submitted by a provider discloses the recipient's identification number and the name of the recipient receiving the service, a description of the procedure using a billing code that accurately describes the service rendered, the date of service, the amount billed and the provider's unique Medicaid number.

Records from Medicaid and documents recovered in a search of A Small World in the River Region (Small World) in August of 2008 would prove that Small World was an agency with two principle locations. One location was at 732 Westbank Expressway, Gretna, Louisiana 70053 and the second was located at 13174-B Highway 90, Boutte, Louisiana 70039. These locations

were certified by Medicaid to provide services to eligible Medicaid recipients. These records would also show that Terra Washington was the owner, director and CEO of both Small World locations.

Small World transmitted its claims to UNISYS electronically. Each electronic billing included a professional services certification, signed by the provider, which stated in part: "the services rendered were necessary, medically indicated and were rendered by me or under my personal supervision. I have reviewed the claim information submitted and certify that it is true, accurate and complete . . . I understand that payment and satisfaction of these claims will be from federal and state funds, and that any false claims, statements, or documents, or concealment of material fact, may be prosecuted under applicable federal and state laws."

Louisiana Medicaid has an Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Program which covers personal care services (PCS) available to eligible recipients meeting the medical necessity criteria for the services. PCS are prescribed by physicians who also approve a plan of care (POC) which specifies the type of PCS to be provided, that is, the activities of daily living for which assistance is needed, and the minimum and maximum frequency and duration of these services.

PCS must be provided through a licensed Personal Care Attendant Medicaid Provider in a recipient's home unless it is medically necessary to do so elsewhere. Staff assigned to provide PCS were not to include a member of the recipient's immediate family. Immediate family was defined as father, mother, sister, brother, spouse, child, grandparent, in-law, or any individual acting as parent or guardian of the recipient.

The purpose of ordering PCS services was to prevent institutionalization of the recipient, and to enable the recipient to be treated on an outpatient basis rather than an inpatient basis.

EPSDT Personal Care Services include:

1. Basic personal care, toileting and grooming activities, including bathing, hair care and assistance with dressing;
2. Assistance with bladder and/or bowel requirements, including helping the client to and from the bathroom or assisting with bedpan routines;
3. Assisting with eating and food, nutrition and diet activities, including preparing meals for the recipient only;
4. Performing incidental household services only for the recipient that are essential to the recipient's health and comfort in the home, such as changing and washing the recipient's bed linens or cleaning up, or of meal preparation for the recipient only.
5. Accompanying, but not transporting, the recipient to and from the doctor;

Documentation requirements for providers EPSDT PCS Services include dates of service, services provided (a checklist is adequate), total number of hours worked, time period worked, condition of recipient and service provision difficulties.

The investigation of the billings submitted by Small World to the Louisiana Medicaid Program conducted by the Federal Bureau of Investigation, the Office of Inspector General for the U.S. Department of Health and Human Services and the Louisiana Department of Justice's Medicaid Fraud Control Unit indicated that virtually every claim submitted for reimbursement was false and fraudulent. Interviews of former employees of Small World, patients and/or the

responsible parties for patients all indicated that no legitimate PCS services were rendered by Small World. Ms. Washington accepts responsibility, but states that some legitimate services were provided.

Sonja Henderson, a former employee of Small World, would testify that Terra Washington was the owner of Small World. Henderson would testify that Washington told Henderson that whatever arrangement that Henderson worked out with parents as far as what services were or were not rendered was okay with Washington; that would be between Henderson and the parent. Washington told Henderson that the most important thing was to make sure that the time sheets, reports and paperwork matched up with Henderson's schedule and that there was no conflicts with the times recorded. Washington told Henderson that Henderson could pay the parents for the times that Henderson was not present at the client's house. Henderson would testify that Washington and Richelle Marshall, another office worker at Small World, would tell Henderson what times to write down on the time sheets in order to make it appear that Henderson was providing services to children when, in fact, Henderson was not providing services and that Washington and Marshall gave the patient schedules to Henderson, and both instructed her to make sure that the hours that she was writing down fit the schedule. Washington and Marshall also gave Henderson a sample sheet to use for checking off the services that were allegedly being rendered. Washington and Marshall knew that Henderson was not performing the PCS that were being recorded and billed.

Henderson created false time sheets for the following patients that were billed for PCS by Small World: LaLe , MeWe and JaCa . Henderson would testify that Henderson's sister is

LaLe's mother, and Washington told Henderson to give her sister half of the amount that Henderson was being paid. Although Washington knew that some services were not being rendered, Ms. Washington has stated that she did not know that all of the services were not being performed.

Washington was aware that Henderson did not provide the PCS for MeWe that were documented in the time sheets. Henderson faxed the false time sheets to the office, and then mailed the original to the Small World office in Gretna. Washington was also aware that Henderson was not providing PCS to JaCa. Washington told Henderson to fill out the time sheets and to file them with the Small World office, even though Henderson was not visiting JaCa or providing any PCS.

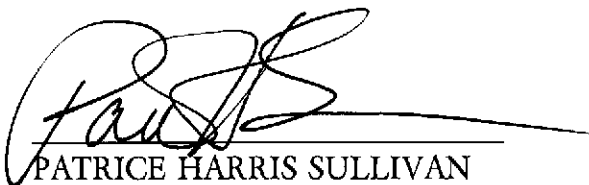
Henderson would testify that Washington also told Henderson that Krystal Lemieux, Henderson's daughter, could sign off on Medicaid patient ChPa time sheets as if PCS were being provided when no services were rendered and that Washington instructed Henderson's daughter to sign the false time sheets because Henderson was "maxed out" on time. Henderson actually filled out Krystal Lemieux's false paperwork for ChPa.

Jemilia Griffin, a former employee of Small World, will testify that Washington was the owner of Small World. Griffin will testify that Terrell Williams worked in the Small World office with Terra Washington, and that Williams was creating false time sheets indicating that she was performing PCS for Medicaid patients ToSu, AuJa, AkJa, DaJo and JoGr that were never rendered. Williams would testify that Washington knew that Williams was not providing PCS to patients. Griffin would testify that no office staff members were performing PCS everyday for clients, yet

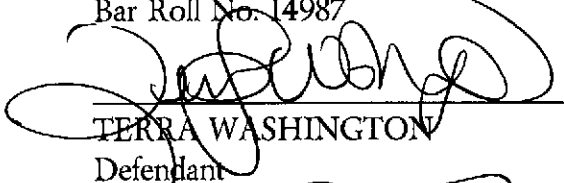
Small World billed for PCS allegedly performed by office staff that were never rendered. Griffin would testify that Washington made the statement that with her being the owner, she should not have to go out and do PCS for clients.

Barbara Davis, a former employee of Small World, would testify that Washington was the owner of Small World. Davis would testify that Washington told her that the amount of money paid by a worker to a parent was between the worker and the parent, but that no one is supposed to know the payments are being made.

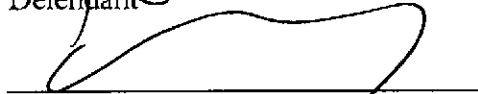
The government would introduce into evidence documentation obtained from Small World, as well as financial and billing information provided by Medicaid establishing that Small World received approximately \$2,029,949.00 for PCS based upon false claims, time sheets and PCS schedules which indicated that Small World employees provided PCS that were never rendered.



PATRICE HARRIS SULLIVAN
Assistant United States Attorney
Bar Roll No. 14987



TERRA WASHINGTON
Defendant



EDWARD CASTAING
Counsel for Defendant
Bar Roll No. 4022