

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA * CRIMINAL NO. 12-191
VERSUS * SECTION: "J"
ANGELINA GAITAN LEAHY *
 * * *

FACTUAL BASIS

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

Dr. A would testify that he and his wife, Dr. B, along with others, owned a sleep clinic, Somno Diagnostics, L.L.C. ("Somno") and that Somno was considered an "in network provider" for some health insurance companies. Dr. A would testify that as a network provider, Somno was paid a negotiated contract price for health care services it rendered to eligible beneficiaries.

Dr. A would testify that he authorized the hiring of **ANGELINA GAITAN LEAHY** ("**LEAHY**"), to be Somno's part-time billing clerk in May 2008 and that **LEAHY** was so employed in that capacity until **LEAHY'S** termination in September 2011.

Dr. A would also testify that Somno's patients were beneficiaries of health care benefit plans of various health insurers, and that Somno and its bank accounts were a health care benefit

program as defined by Title 18, United States Code, Section 24(b).

Self-authenticating corporate records from the Louisiana Secretary of State would be introduced to show that Sleep Corp, LLC (Sleep Corp) was incorporated in February 2011. The documents would show that **BOYD LEAHY** was designated as the manager, and the **LEAHY'S** daughter, herein identified as "AL," was the registered agent. The documents would show that the physical address listed for Sleep Corp was the personal residence of **LEAHY**.

First Bank and Trust employee Ron Hardee would testify that **LEAHY'S** husband **BOYD LEAHY** maintained checking account number XXXXXXXX93 on behalf of Sleep Corp. at First Bank in Covington.

United States Department of Health and Human Services, Office of the Inspector General Special Agent (SA) Reel, would testify that Sleep Corp was not a network provider for any health insurance provider.

SA Reel would testify that on February 24, 2012, and then again on February 29, 2012, agents executed a search warrant of the computer used by **LEAHY** during her employment at Somno. SA Reel would testify that a forensic review of **LEAHY'S** computer, coupled with a review of Somno patient billing histories through Somno's third party billing company, Duxware, would show that **LEAHY** began siphoning off legitimate Somno services to be billed as though Sleep Corp actually performed the service. SA Reel would testify that a review of the Duxware billings showed **LEAHY** billed health insurance companies on behalf of Sleep Corp for services which were actually rendered by Somno.

SA Reel would explain the payment structures of "in network" and "out of network" and explain how medical providers who were considered "in network" by insurance companies

accepted a reduced rate for their fees. SA Reel would explain that medical providers who were “out of network” did not accept a reduced rate for their fees and that these “out of network” providers received all or most of the fees they billed for procedures. SA Reel would testify that a review of Somno’s Duxware billing to insurers showed that Somno was considered an “in network” provider for most insurance companies and thus accepted the reduced reimbursement. Representatives from various insurance companies would testify that, because Sleep Corp was considered an “out of network provider,” the reimbursement was far greater than the contract price Somno had negotiated with the insurance companies to be an “in network” provider. SA Reel would introduce documentation showing that when the payment was received by Sleep Corp, **LEAHY** made fraudulent entries in Somno’s computerized billing software indicating the negotiated “in network” price was reimbursed to Somno. SA Reel would also introduce documentation from First Bank and Trust that showed that, instead of depositing any funds into the accounts of Somno, the money was deposited into the accounts of Sleep Corp at First Bank.

SA Reel would introduce documentation that showed that, when Sleep Corp fraudulently received the insurance proceeds, **LEAHY** “zeroed out” the balances of Somno patient accounts for those patients for whom services were billed. Somno’s office manager would testify that by “zeroing out” the balances of Somno patients in this way, **LEAHY** ensured that patients would not be billed for services by Somno when Sleep Corp had already received reimbursements. SA Reel would testify that, after review of the medical records and Somno’s Duxware billings, he identified \$52,200 in fraudulent billings **LEAHY** caused by billing legitimate Somno services as though Sleep Corp had rendered those services.

A representative from Benefit Management Services would testify that on about May 17, 2011, a billing was received from Sleep Corp in the amount of \$5800 for services provided to patient "PA." SA Reel would testify that, after a review of Somno's patient records, and the Somno billing service Duxware, he determined that the May 17, 2011 billing to Benefit Management Services was done by **LEAHY** when **LEAHY** well knew that the services were performed by Somno.

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