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# **News Release**

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## **Brooklyn Park man pleads guilty to defrauding Medicaid**

MINNEAPOLIS – Earlier today in federal court, the owner of a Minnesota home health care company pleaded guilty to obtaining more than \$400,000 from Medicaid through fraud. Joseph Vah Lavien, age 57, of Brooklyn Park, specifically pleaded guilty to one count of health care fraud. Lavien, who was charged on June 15, 2011, entered his plea before United States District Court Judge Ann D. Montgomery. In his plea agreement, Lavien admitted that from 2008 through June of 2009, he defrauded Medicaid, a federal health care benefit programs, by submitting false reimbursement claims for personal care services.

Since 2003, Lavien has owned and operated the Minneapolis-based home health care company Palm Healthcare Services, Inc. The business is required to submit its Medicaid claims for reimbursement of in-home personal care to the Minnesota Department of Human Services (“DHS”), which administers the Medicaid program in Minnesota.

The Medicaid program provides medical care and services to low-income people who meet certain income and eligibility requirements. The reimbursements in the case of Palm Healthcare Services resulted from submission of false records in support of reimbursement claims, including falsely reporting that services had been provided by specific personal care attendants when they had not. Personal care attendants visit Medicaid patients in their homes and assist with daily tasks. The total estimated loss to Medicaid due to these actions is \$412,227.17.

Lavien also admitted defrauding the MinnesotaCare insurance program, through which the State of Minnesota pays for insurance premiums of low-income residents. The total estimated loss to MinnesotaCare as a result of this fraud is \$83,939.

For his crime, Lavien faces a potential maximum penalty of ten years in prison. Judge Montgomery will determine his sentence at a future hearing, yet to be scheduled. This case is the result of an investigation by the Minnesota Attorney General's Office-Medicaid Fraud Control

Unit, the Federal Bureau of Investigation, and the U.S. Department of Health and Human Services-Office of Inspector General (“HHS-OIG”). It is being prosecuted by Assistant U.S. Attorney Robert M. Lewis.

The U.S. Attorney’s Office participates in a task force with the Medicaid Fraud Control Unit at the Minnesota Attorney General’s Office that focuses on home health care fraud trends. The task force includes the HHS-OIG, the FBI, the Internal Revenue Service, and other federal, state, and local law enforcement partners.

As a result of federal convictions for health care fraud, defendants are excluded from participating in federal health benefit programs, including Medicare and Medicaid. Exclusion determinations are made by the U.S. Department of Health and Human Services. Nationwide, more than 3,000 individuals were excluded from program participation in Fiscal Year 2010 based upon criminal convictions or patient abuse or neglect, license revocations, or other factors.

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