

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Crim. No. 07-  
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 :  
 v. : 18 U.S.C. § 371  
 :  
 :  
 ERNEST GALLETTA : I N F O R M A T I O N

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey charges:

**COUNT ONE**  
(Conspiracy to Commit Healthcare Fraud)

**BACKGROUND**

**Defendant and Others**

1. At all times relevant to this Information, defendant ERNEST GALLETTA was an employee or a representative in various capacities, including Vice President, of Horizon National Healthcare, LLC ("Horizon National") located in Vineland, New Jersey.

2. At all times relevant to this Information, defendant ERNEST GALLETTA's brother, George Galletta, a coconspirator not named as a defendant herein, was the majority stockholder and president of Horizon National.

### **The Medical Centers**

3. At all times relevant to this Information:

a. Horizon National owned and operated several adult medical day care and behavioral healthcare facilities in New Jersey and Maryland, including Horizon Medical Day Care Center, Inc. in West Trenton, New Jersey ("Horizon-Trenton") and Horizon AMDC-Paterson, LLC in Prospect Park, New Jersey ("Horizon-Paterson") (collectively, the "Medical Centers").

b. The Medical Centers were freestanding, community-based adult day care centers that provided preventive, diagnostic, therapeutic and rehabilitative services on a daily basis to functionally-impaired adult patients who required daily medical treatment, but did not require 24-hour inpatient institutional care.

c. The Medical Centers each maintained a daily attendance log of the Medicaid beneficiaries attending their day care services.

### **The Medicaid Program**

4. At all times relevant to this Information:

a. Medicaid was a medical assistance program established by Congress under Title XIX of the Social Security Act of 1965 (the "Medicaid Act"). Medicaid was administered by the Department of Health and Human Services ("HHS") and provided

medical insurance to individuals whose incomes were insufficient to meet the costs of necessary medical expenses ("Medicaid beneficiaries").

b. Under the Medicaid Act, each state was required to promulgate and administer its own plan for medical assistance in accordance with federally established minimum requirements. The State of New Jersey enacted a statewide medical assistance program, which was administered by the New Jersey Department of Health and Senior Services ("NJDHSS").

c. Under the Medicaid Act, HHS shared with NJDHSS the costs of medical services provided to Medicaid beneficiaries in New Jersey. The State of New Jersey designated Unisys Corporation ("Unisys"), a data processing company, as its fiscal agent for the processing and payment of claims submitted by Medicaid providers for covered services rendered to Medicaid beneficiaries. To receive payment from Medicaid, providers in New Jersey, including Horizon National, were required to submit their claims for payment to Unisys either by mail or electronic transmission. Unisys, in turn, processed those claims and made payments to the Medicaid providers by mail or electronic transmission.

**THE HEALTHCARE FRAUD CONSPIRACY**

5. From in or about October 2001 through in or about February 2004, in the District of New Jersey, and elsewhere, defendant

ERNEST GALLETTA

did knowingly and willfully conspire and agree with coconspirator George Galletta and others to execute a scheme and artifice to defraud a health care benefit program, namely, Medicaid, and to obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, Medicaid, in connection with the delivery of and payment for health care benefits, items and services, contrary to Title 18, United States Code, Section 1347.

**Object of the Conspiracy**

6. The object of the conspiracy was for defendant ERNEST GALLETTA, coconspirator George Galletta, and others to submit inflated and false claims for payment to Medicaid on behalf of the Medical Centers in order to obtain Medicaid payments to which they were not entitled.

**Manner and Means of the Conspiracy**

7. It was part of the conspiracy that defendant ERNEST GALLETTA, coconspirator George Galletta, and others fraudulently inflated, or caused others to fraudulently inflate, the number of

Medicaid beneficiaries attending day care services at the Medical Centers.

8. It was further part of the conspiracy that defendant ERNEST GALLETTA, coconspirator George Galletta, and others fraudulently submitted, or caused others to fraudulently submit, claims for payment to Unisys based upon the inflated numbers described above in paragraph 7.

9. It was further part of the conspiracy that defendant ERNEST GALLETTA, coconspirator George Galletta, and others caused Medicaid, through Unisys, to pay the Medical Centers based upon the inflated numbers described above in paragraph 7, resulting in Medicaid paying approximately \$5.5 million for day care services at the Medical Centers that were not, in fact, rendered.

#### Overt Acts

10. In furtherance of the conspiracy and to effect its unlawful object, defendant ERNEST GALLETTA, coconspirator George Galletta and others committed and caused to be committed the following overt acts, among others, in the District of New Jersey and elsewhere:

a. On or about December 3, 2003, defendant ERNEST GALLETTA, coconspirator George Galletta, and others fraudulently submitted, or caused others to fraudulently submit, to Unisys an electronic claim for payment for adult day care services

purportedly provided on or about November 26, 2003, at Horizon-Trenton, to approximately 156 Medicaid beneficiaries when, in fact, only approximately 101 Medicare beneficiaries attended day care services at Horizon-Trenton on that day.

b. On or about December 10, 2003, defendant ERNEST GALLETTA, coconspirator George Galletta, and others accepted an electronic payment from Medicaid, which included an overpayment of approximately \$3,500 for services not actually rendered on or about November 26, 2003, to approximately 55 Medicaid beneficiaries, as described in paragraph 10(a) above.

In violation of Title 18, United States Code, Section 371.

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CHRISTOPHER J. CHRISTIE  
UNITED STATES ATTORNEY