



*United States Attorney
Southern District of New York*

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**FORMER EXECUTIVE DIRECTOR OF PEEKSKILL NON-PROFIT
PLEADS GUILTY TO EMBEZZLING MEDICAID FUNDS**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that JOSEPH AKUMU, 53, formerly the Executive Director of Guest House Community Services, Inc. ("Guest House"), a non-profit entity in Peekskill, Westchester County, New York, funded by Medicaid, pleaded guilty today before United States District Judge KENNETH M. KARAS in the White Plains federal courthouse to theft of \$300,000 in Medicaid funds.

According to the Complaint, the Indictment, and AKUMU's plea allocution:

Guest House serves children and adults with developmental disabilities by providing programs and services aimed at improving quality of life of the disabled and their families. For example, Guest House provides in-home assistance with life skills. From January 2004 through in or about December 2009, Guest House received more than \$6 million in Medicaid funds as payments for services provided to individuals with developmental disabilities. AKUMU was a founder of Guest House and its executive director until 2010, and as such was paid a regular salary.

From July 2005 through December 2009, AKUMU stole \$300,000 in Medicaid funds belonging to Guest House by misappropriating Medicaid checks payable to Guest House and by using Guest House funds for personal expenditures. AKUMU diverted Medicaid checks totaling approximately \$132,000, payable to Guest House, to himself, and concealed the diversion in Guest

House's records. In addition, AKUMU used approximately \$168,000 of Guest House funds for personal expenditures, for example, by using a Guest House debit card to withdraw cash from ATMs in Kenya.

AKUMU pleaded guilty to one count of theft from a program that receives federal funds. He faces a maximum sentence of 10 years in prison. AKUMU also admitted to a forfeiture allegation under which he will forfeit \$300,000, constituting the proceeds obtained as a result of the crime. He is scheduled to be sentenced by Judge KARAS on September 15, 2011.

Mr. BHARARA praised the exemplary investigative work by the New York State Commission on Quality of Care and Advocacy for Persons with Disabilities ("CQC"), and the cooperative efforts of CQC, the Health and Human Services Office of Inspector General ("HHS OIG"), and Immigration and Customs Enforcement ("ICE") in the Department of Homeland Security.

The prosecution is being handled by the Office's White Plains Division. Assistant United States Attorney BENJAMIN ALLEE is in charge of the prosecution.

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