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For Immediate Release

June 10, 2008

**U.S. ATTORNEY ANNOUNCES FIRST SETTLEMENT INVOLVING
PERSONAL CARE HOMES**

PHILADELPHIA - United States Attorney Pat Meehan today announced a civil settlement with Ivy Ridge Personal Care Center, Inc. ("Ivy Ridge"), Brookwood Personal Care Home, Inc. ("Brookwood"), Conlyn House, Inc. ("Conlyn"), Thoroughgood, Inc. ("Thoroughgood"), Health Horizons Unlimited, Inc. ("Health Horizons"), and current owner Rosalind S. Lavin. As part of the settlement agreement, Lavin agrees never again to own or operate a patient, personal, or residential care facility and never again to run a program or facility that participates in federally funded health care.

Ivy Ridge operates a Personal Care Home at 5627 Ridge Avenue, Philadelphia, Pennsylvania, which it will cease operating. Brookwood operated a Personal Care Home at 1027 N. Ridley Creek Road, Media, Pennsylvania until the facility's September 2000 closing. Conlyn operated a Personal Care Home at 5830 N. 16th Street, Philadelphia, Pennsylvania until the facility's September 2002 closing. Thoroughgood operated a Personal Care Home at 400 S. 40th Street, Philadelphia, Pennsylvania until the facility's September 2002 closing. Health Horizons has been the management corporation for all of the facilities.

This civil settlement arose out of the United States' investigation of Ivy Ridge's conduct between September 2000 and present and of Brookwood's, Conlyn's, and Thoroughgood's conduct between September 2000 and their closing dates. Many of the residents at the four Personal Care Homes received disability benefits from the Social Security Administration that included Disability Insurance Benefits, or DIB, and/or Supplemental Security Income, or SSI. The United States alleges that during these periods the entities and their owners failed to provide what federal law requires: necessary care, maintenance, housing, management, and fiduciary assistance to and on behalf of residents for whom the entities served as representative payees of DIB and/or SSI. The United States further alleges that residents were subjected to grossly inadequate, dangerous housing and care that included: (1) structurally unsafe residences; (2) inadequate residential security; (3) insufficient food and nutrition; (4) unsanitary, sub-standard living conditions; (5) irregular and limited personal care; (6) inadequate oversight of administration of medications and failures to seek medical care when needed; (7) inadequate and unclean clothing, linens, and bedding; and (8) inadequate activities of daily living. The United States also alleges that the entities and their owners: (1) diverted DIB and SSI benefits from use for the care of such beneficiary-residents to the owners' own use and benefit, including for payment of the owners' personal expenses and salaries; (2) failed to conserve and/or invest such benefits that were not used for the current maintenance of such beneficiary-residents; and

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(3) failed to provide to the Social Security Administration a proper accounting of how the benefits were used. (The law requires that any benefits not used for the beneficiary's current maintenance must be conserved and/or invested by the payee on behalf of the beneficiary.)

“People who live in personal care homes, or any residential care facility, are among the most vulnerable members of our society because they are dependent upon someone else, a non-relative, to provide them with the help and necessities for basic everyday life,” said Meehan. “Care providers are trusted to carry out the duties that ensure a certain quality of life especially if funds, like social security, are involved. When the criteria set by the government are not met or are ignored, it is incumbent upon us to defend those who cannot defend themselves over those shortfalls.”

This settlement provides for the following:

1. Payment of \$700,000 to the United States by the owners/entities.
2. Ivy Ridge and its owners will cease operating the Ivy Ridge facility -- the only remaining facility -- as a Personal Care Home.
3. The entities and their owners will never again act as representative payees for purposes of receiving federal government benefits.
4. The entities and their owners will withdraw from, and agree never again to participate in, federally funded health care programs. Further, principal owner Rosalind S. Lavin submitted to a formal lifetime exclusion barring her from receiving payment from Medicare, Medicaid, and all other federal health care programs.
5. None of the entities/owners will ever again own, co-own, operate, consult for, manage, or otherwise serve as an officer, director, or agent for any government-funded *or private pay* facility at which care is provided.
6. This agreement is not an admission of liability or wrongdoing.

This settlement -- which follows the resolution in this District of 15 adult nursing home failure of care cases and, most recently, of one failure of care case involving a facility for medically fragile children -- is the first resolution of a failure of care case involving one or more Personal Care Homes. Personal Care Homes are adult residential facilities.

The case was investigated by the U.S. Department of Health and Human Services Office of Inspector General (“HHS-OIG”) and by the Social Security Administration Office of Inspector General (“SSA-OIG”). It was handled by Assistant United States Attorney Gerald B. Sullivan; Health Care Fraud Investigator Brian C. Gallagher of the U.S. Attorney's Office; Special Agent

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Timothy J. Handley of HHS-OIG; Special Agent Elisa Nissinoff of SSA-OIG; and, for HHS-OIG, Attorneys Lisa Re and Ellen Slavin.

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