IN THE UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	**:**	**CRIMINAL NO.**
v.	**:**	**DATE FILED:**
IVAN TKACH **ALLA SIVCHUK** **ILYA SIVCHUK**	**:** **:**	**VIOLATIONS: 18 U.S.C. § 1347 (health care fraud - 10 counts)** **18 U.S.C. § 1035 (false statements relating to health care - 3 counts)**
	:	**18 U.S.C. § 2 (aiding and abetting)**

I N D I C T M E N T

COUNTS ONE through TEN
(Health Care Fraud)

THE GRAND JURY CHARGES THAT:

INTRODUCTION

At all times material to this indictment:

The Defendants and Their Ambulance Business

1. Advantage Ambulance Company ("Advantage") was a private ambulance company located at 4710 North 6th Street, Philadelphia, Pennsylvania, which transported patients primarily in Philadelphia County. As a private ambulance company, Advantage transported patients almost exclusively on non-emergency calls.

2. Advantage was owned by its president, defendant ALLA SIVCHUK, and its vice president, defendant ILYA SIVCHUK, wife and husband. Defendant ALLA SIVCHUK came to Advantage bi-weekly to sign and distribute payroll checks and was otherwise uninvolved in the daily operations of Advantage. Defendant ILYA SIVCHUK rarely was present at Advantage and was vice president in name only.

3. Defendant IVAN TKACH ran the daily operations of Advantage. Until in or about late April 2007, defendant IVAN TKACH was responsible for handling Medicare billing for Advantage, as described more fully below. At all times material to the indictment, defendant IVAN TKACH was responsible for personnel matters, the hiring and firing of employees, managing the automotive fleet, repairing vehicles, handling patient complaints, resolving employee disputes, addressing employee scheduling conflicts, and, at times, transporting patients by ambulance. In addition, any supervisors hired by Advantage reported to defendant IVAN TKACH.

4. As further described below, Advantage began operating in mid-2003, and continued its operations as owned and operated by the defendants, ALLA and ILYA SIVCHUK and IVAN TKACH, respectively, until on or about December 31, 2009, when the business was sold to a third party whose name is known to the grand jury.

The Federal Medicare Program as Administered by the State of Pennsylvania

5. Medicare was a federally-funded national health insurance program administered through the United States Department of Health and Human Services ("HHS"). Medicare provided benefits for the elderly, certain disabled people, and persons with permanent kidney failure. Medicare was a "health care benefit program" as defined by 18 U.S.C. § 24(b).

6. Medicare had four components, including part "B." Part "B" pertained to outpatient service and provided payment for medically necessary ambulance transportation, among other things. Part "B" funds were distributed through a Medicare Administrative Contractor ("MAC"), formerly referred to as a Medicare Carrier, a private company under contract with the federal government to process claims for services. In Pennsylvania, the MAC

was Highmark Medicare Services. In addition to making Medicare Part "B" payments, the MAC was also responsible for reviewing application packages submitted by health care providers that wished to participate in the Medicare program.

7. In early 2003, Highmark Medicare Services reviewed and approved an application submitted by Advantage in Philadelphia, Pennsylvania to participate in the Medicare Part "B" program, and assigned Advantage a Medicare provider number.

8. As a condition of participation in the Medicare Program, ambulance providers were required to comply with all state and local laws, including licensing requirements. Failure to maintain a state license violated the terms and conditions of participation in the Medicare program and could lead to suspension and termination from the program. In Pennsylvania, the licensing of ambulances was administered by the Pennsylvania Department of Health ("PA DOH"). PA DOH reviewed each license application package and ultimately issued the license to operate. The application form for licensing in Pennsylvania required the applicant to disclose all misdemeanor and felony convictions of members of its management team. This was also a requirement of Pennsylvania law.

Payment for Medicare Claims to Providers

9. Approved Medicare providers submitted electronic claims for payment to the Medicare administrative contractor. Providers were required to certify that (1) the services provided were medically necessary, (2) the services were personally provided by the person signing the form, or by one of his/her employees acting under the signer's direction, and (3) the information contained on the form was true, accurate, and complete.

10. Medicare paid for regularly scheduled, non-emergency transports to certain locations, including dialysis centers, only if either: (a) the beneficiary was bed-confined and it was documented that the beneficiary's condition was such that other methods of transportation were contraindicated; or (b) the beneficiary's medical condition, regardless of bed-confinement, was such that transportation by ambulance was medically required. For a beneficiary to be bed-confined, the following criteria were required to be met: (1) the beneficiary was unable to get up from bed without assistance; (2) the beneficiary was unable to "ambulate," and (3) the beneficiary was unable to sit in a chair or wheelchair.

THE SCHEME TO DEFRAUD

11. Beginning in or about 2003 and continuing through in or about December 2009, defendant IVAN TKACH transported by ambulance, and directed other Advantage employees to transport by ambulance, patients who could walk or be transported by paratransit van, falsely representing to Medicare that these patients medically required transportation by ambulance. Patients were directed to get onto a stretcher or were placed by Advantage employees onto a stretcher, when the patients were able to walk or to be moved by wheelchair. The majority of these patients were dialysis patients, who needed to attend dialysis treatments three times per week, thereby allowing Advantage to bill extensively for these patients.

12. Defendant IVAN TKACH, and Advantage employees at defendant IVAN TKACH's direction, falsified documentation in the form of "trip sheets," also known as "run sheets," to reflect that patients needed to be transported by stretcher, and therefore by ambulance, when they, in fact, did not.

13. Defendant IVAN TKACH, and Advantage employees at defendant IVAN TKACH's direction, submitted fraudulent claims to Medicare for medically unnecessary ambulance services.

14. As a result of this scheme, Medicare incurred a loss for these particular patients of over $1,268,000 over the course of approximately six years.

15. Between on or about March 22, 2006 and March 23, 2006, in the Eastern District of Pennsylvania, defendant

IVAN TKACH

knowingly and willfully executed, and attempted to execute, and aided and abetted the execution of, a scheme or artifice to defraud a health care benefit program, and obtained by means of false or fraudulent pretenses, representations, or promises, the money, property or services owned by, or under the custody or control of, a health care benefit program, that is, Medicare, in connection with the delivery of or payment for health care benefits, items or services:

Count	Patient Initials	Medicare Claim #	Date of Service On or About	Amount Paid by Medicare
1	H.B.	1106082916900	Mar. 22, 2006	$427.62
2	G.B.	1106082916830	Mar. 22, 2006	$359.86
3	L.B.	1106082916700	Mar. 22, 2006	$417.94
4	M.G.	1106082916870	Mar. 22, 2006	$408.26
5	H.H.	1106082916860	Mar. 22, 2006	$379.22
6	D.H.	1106083867450	Mar. 23, 2006	$388.90
7	D.J.	1106082916750	Mar. 22, 2006	$340.50
8	T.L.	1106082916850	Mar. 22, 2006	$359.86
9	J.O.	1106082916890	Mar. 22, 2006	$369.54
10	W.W.	1106082916820	Mar. 22, 2006	$340.50

In violation of Title 18, United States Code, Sections 1347 and 2.

COUNT ELEVEN
(False Statement Relating to Health Care Matters)

THE GRAND JURY FURTHER CHARGES THAT:

1. The allegations of paragraphs 1 through 14 of Counts One through Ten are incorporated here by reference.

2. Due to prior misdemeanor convictions, on September 30, 2004, the U.S. Department of Health and Human Services excluded defendant IVAN TKACH from working as a Medicare program health care services provider for a minimum of five years. Nevertheless, defendant IVAN TKACH continued working for Advantage as its operational manager during that five-year period.

3. On or about August 24, 2009, in the Eastern District of Pennsylvania, defendant

IVAN TKACH,

in a matter involving a health care benefit program, knowingly and willfully made materially false, fictitious, and fraudulent statements and representations, and made a materially false writing, knowing the same to contain a materially false, fictitious, and fraudulent statement or entry, in connection with the delivery of or payment for health care benefits, items, or services, that is, defendant IVAN TKACH submitted an application for reinstatement to the United States Department of Health and Human Services in which he falsely stated that he he was a "shop manager/mechanic" for Advantage from February 2003 to present, and that he had not submitted

claims for payment to Medicare for services furnished by him during his period of exclusion, knowing full well that both of these statements were false.

In violation of Title 18, United States Code, Section 1035(a)(2).

COUNT TWELVE
(False Statement Relating to Health Care Matters)

THE GRAND JURY FURTHER CHARGES THAT:

1. The allegations of paragraphs 1 through 14 of Counts One through Ten and paragraphs 1 and 2 of Count Eleven are incorporated here by reference.

2. Advantage president, defendant ALLA SIVCHUK, was aware that the U.S. Department of Health and Human Services excluded defendant IVAN TKACH from working as a health care services provider for a Medicare program due to defendant IVAN TKACH's prior misdemeanor convictions, yet employed him as the manager of Advantage from on or about February 1, 2003 until on or about December 31, 2009. During that time, Advantage received payments from Medicare totalling over $10,919,000.

3. On or about March 9, 2006, in the Eastern District of Pennsylvania, defendant

ALLA SIVCHUK,

in a matter involving a health care benefit program, knowingly and willfully falsified, concealed, and covered up by any trick, scheme, or device, a material fact, and made a materially false, fictitious, or fraudulent statement, and representations, and made a materially false writing, knowing the same to contain a materially false, fictitious, or fraudulent statement or entry in connection with the delivery of or payment for health care benefits, items, or services, that is, defendant ALLA SIVCHUK submitted an ambulance company license application to the Pennsylvania Department of Health for Advantage, as a condition to maintaining a Medicare provider number, in which she intentionally failed to list defendant IVAN TKACH as an

employee of Advantage, knowing full well that he was an employee and part of the management team.

In violation of Title 18, United States Code, Section 1035(a)(1), (a)(2).

COUNT THIRTEEN
(False Statement Relating to Health Care Matters)

THE GRAND JURY FURTHER CHARGES THAT:

1. The allegations of paragraphs 1 through 14 of Counts One through Ten and paragraphs 1 and 2 of Count Eleven are incorporated here by reference.

2. On or about July 7, 2010, in the Eastern District of Pennsylvania, defendant

ILYA SIVCHUK,

in any matter involving a health care benefit program, knowingly and willfully made a materially false, fictitious, and fraudulent statement and representation, in connection with the delivery of or payment for health care benefits, items, or services, that is, defendant ILYA SIVCHUK stated to federal agents that defendant IVAN TKACH worked for Advantage as merely a shop mechanic, knowing full well that defendant IVAN TKACH was the operational manager of the business for the duration of his employment there, whose duties included, among others, hiring and firing employees, handling patient complaints, resolving employee disputes, transporting patients, and billing Medicare.

In violation of Title 18, United States Code, Section 1035(a)(2).

A TRUE BILL:

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FOREPERSON

_____
ZANE DAVID MEMEGER
United States Attorney