

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA	:	CRIMINAL NO. 11-_____
	:	
v.	:	DATE FILED: _____
	:	
JOHN EDWARD McKOY,	:	VIOLATIONS:
a/k/a “Edward John McKoy,”	:	18 U.S.C. § 1347 (health care fraud -
a/k/a “Alfred McCoy,”	:	22 counts)
a/k/a “Alfred McKoy”	:	18 U.S.C. § 1341 (mail fraud - 10 counts)
	:	18 U.S.C. § 1028A (aggravated identity
	:	theft - 11 counts)
	:	18 U.S.C. § 2 (aiding and abetting)
	:	Notice of forfeiture

INDICTMENT

COUNTS ONE THROUGH TWENTY-TWO

(Health Care Fraud)

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

1. Defendant JOHN EDWARD McKOY was the owner and operator of Mt. Pleasant Medical Management, Inc. (“Mt. Pleasant”), located at 6121 North Mascher Street, Philadelphia, Pennsylvania.
2. Defendant JOHN EDWARD McKOY was the owner and operator of Harris Medical Management, Inc. (“Harris Medical”), located at 2615 West Somerset Street, Philadelphia, Pennsylvania.
3. United Health Care Corporation (“UHCC”) was a medical management service that processed and paid medical claims for the National Railroad Passenger Corporation (commonly known as AMTRAK), using AMTRAK funds, to medical providers on behalf of

AMTRAK employees and their dependents for medical services and physical therapy treatment.

“AmPlan” is the name of the benefits plan for AMTRAK employees administered by UHCC.

4. AmPlan was a “health care benefits program” as defined by Title 18, United States Code, Section 24(b).

5. Mt. Pleasant and Harris Medical purportedly provided medical services and physical therapy to AMTRAK employees and their dependents who were enrolled in a health care plan with UHCC.

6. Defendant JOHN EDWARD McKOY, as the owner and operator of Mt. Pleasant and Harris Medical, employed unlicensed personnel, including an osteopathic physician and a physical therapist, who were not legally authorized to treat patients or administer therapy at Mt. Pleasant or Harris Medical. He also employed administrative staff to fulfill the roles of receptionist, filing clerk and biller.

7. The unlicensed osteopathic physician, hereinafter referred to as “Dr. No. 1,” had a Pennsylvania Graduate Training Temporary License between June 18, 2001, and August 31, 2005, which, under Chapter 49 of the Pennsylvania Code, Section 25.245(c) allows the licensee to “train only within the complex of the hospital and its affiliates or community hospitals where the physician is engaged in the training.” Dr. No. 1 was not licensed as an osteopathic physician in Pennsylvania at any time before, during or after 2006.

8. Mt. Pleasant and Harris Medical were not affiliated with any hospitals.

9. Prior to Mt. Pleasant and Harris Medical, defendant JOHN EDWARD McKOY was the owner and operator of another health care facility known as Lancaster Medical Management, Inc. (“Lancaster”), located at 123 West Sparks Street, Philadelphia, Pennsylvania.

10. A licensed physician, board certified in family practice, hereinafter referred to as (“Dr. No. 2”), was formerly a part-time employee at Lancaster.

11. Dr. No. 2. ended his employment with Lancaster in February 2002 and never worked at Mt. Pleasant or Harris Medical.

12. Mt. Pleasant and Harris Medical used internal, pre-printed forms identified as Therapy Notes and Physical Therapy Evaluation forms, to reflect the medical procedures that had purportedly been provided to the patients. The Therapy Notes and Physical Therapy Evaluation forms contained a listing of procedure codes commonly used by Mt. Pleasant and Harris Medical. Each procedure code corresponded to a specific medical procedure and the codes were consistent with those defined in the American Medical Association Physician’s Current Procedure Terminology (“CPT”) Guidebook. These forms were submitted to UHCC as part of the billing process at Mt. Pleasant and Harris Medical.

13. Progress Notes, purportedly prepared by Dr. No. 2, were also submitted to UHCC as part of the billing process at Mt. Pleasant and Harris Medical.

14. At the direction of defendant JOHN EDWARD McKOY, one of the staff members of Mt. Pleasant and Harris Medical input the information from the Therapy Notes and Physical Therapy Evaluation forms into a billing software package (“Medisoft”), which in turn generated an insurance claim form, known in the industry as a HCFA 1500 claim form. The claim form included several items of information, including the provider or supplier’s Tax Identification Number (“TIN”), the beneficiary’s name, the dates of service, and the procedure code for the type of service rendered. The claim form required the provider or supplier to certify that all of the information on the claim form was accurate.

15. Mt. Pleasant and Harris Medical then submitted the HCFA 1500 claim forms, Therapy Notes, Physical Therapy Evaluation forms and Progress Notes by mail or electronically to UHCC for reimbursement.

16. If UHCC approved the claim, the amount of reimbursement to the provider or supplier was determined based on the procedure codes.

17. Among the procedure codes submitted by Mt. Pleasant and Harris Medical to UHCC for reimbursement were the following:

- a) 97010 - Application of a modality to one or more areas with hot or cold packs;
- b) 97026 - Infrared Light Treatment;
- c) 97530 - Therapeutic activities to improve functional performance;
- d) 64550 - Transcutaneous Electrical Nerve Stimulator (TENS);
- e) 97035 - Ultrasound; and
- f) 97110 - Therapeutic Exercises

THE SCHEME TO DEFRAUD

MANNER AND MEANS

It was part of the scheme that:

18. Defendant JOHN EDWARD McKOY directed staff employees, including H.W., an individual known to the grand jury who was an unlicensed physical therapist, to prepare false and fraudulent Physical Therapy Evaluation forms reflecting procedures that patients did not receive and dates that patients were not at Mt. Pleasant or Harris Medical.

19. Defendant JOHN EDWARD McKOY caused false and fraudulent Progress Notes under the name of Dr. No. 2 to be submitted to UHCC for services purportedly rendered to patients when, as the defendant well knew, Dr. No. 2 was not employed at Mt. Pleasant or Harris Medical.

20. From in or about November 2004 to on or about October 8, 2007, defendant JOHN EDWARD McKOY caused hundreds of false claims to be submitted to UHCC with false and fraudulent charges totaling more than \$321,000 for services purportedly rendered to patients who were never seen or treated by a fully licensed medical physician.

21. Based on the hundreds of false claims submitted to UHCC, defendant JOHN EDWARD McKOY received approximately \$291,255.13 in payments made to Mt. Pleasant and Harris Medical.

22. On or about the dates specified below, in the Eastern District of Pennsylvania and elsewhere, defendant

**JOHN EDWARD McKOY,
a/k/a "Edward John McKoy,"
a/k/a "Alfred McCoy,"
a/k/a "Alfred McKoy"**

knowingly and willfully executed, and attempted to execute, a scheme to defraud a health care benefit program managed by United Health Care Corporation, that is, AmPlan, and to obtain money and property owned by and under the custody and control of that health care benefit program by means of false and fraudulent pretenses, representations, and promises, in connection with the delivery of and payment for health care benefits, items and services, by submitting and causing to be submitted fraudulent health care insurance claims for services purportedly provided

to each of the individuals listed below in the approximate amounts listed below (each claim constituting a separate count of this indictment) when the defendant knew that no such services were provided and no licensed medical professional provided the services:

Count	Date of Claim	Patient	Purported Dates of Service	Amount Billed
1	3/29/06	M.P.	2/16/06-3/16/06	\$1,705.00
2	3/29/06	M.P.	2/21/06-3/9/06	\$1,805.00
3	5/1/06	V.M.	4/7/06	\$ 85.00
4	5/1/06	M.P.	4/6/06	\$ 185.00
5	5/5/06	A.B.	12/14/05-2/22/06	\$1,000.00
6	5/8/06	A.H.	3/28/06	\$ 45.00
7	5/1/06	V.M.	3/23/06-4/7/06	\$1,515.00
8	5/1/06	V.M.	3/12/06-4/6/06	\$ 680.00
9	5/5/06	A.B.	1/18/06-2/15/06	\$1,680.00
10	5/5/06	A.B.	1/25/06-2/15/06	\$ 695.00
11	5/5/06	A.B.	2/15/06	\$ 85.00
12	5/5/06	A.B.	1/13/06	\$ 205.00
13	5/1/06	V.M.	3/21/06 & 4/7/06	\$ 430.00
14	5/8/06	A.H.	3/28/06-3/31/06	\$ 605.00
15	5/1/06	A.H.	4/4/06	\$ 205.00
16	5/8/06	A.H.	3/31/06-4/21/06	\$1,760.00
17	5/1/06	A.H.	4/6/06 & 4/7/06	\$ 510.00
18	5/15/06	V.M.	1/24/06-2/23/06	\$2,460.00
19	5/15/06	V.M.	2/21/06-2/23/06	\$ 315.00
20	5/17/06	M.P.	1/6/05	\$ 205.00
21	5/10/06	M.P.	4/22/06-4/27/06	\$ 665.00

Count	Date of Claim	Patient	Purported Dates of Service	Amount Billed
22	5/17/06	M.P.	1/3/06-1/10/06	\$ 870.00

In violation of Title 18, United States Code, Section 1347.

COUNTS TWENTY-THREE THROUGH THIRTY-TWO

(Mail Fraud)

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 17 of Counts 1 through 22 are incorporated here.

THE SCHEME TO DEFRAUD

2. From in or about November 2004 to on or about October 8, 2007, in the Eastern District of Pennsylvania, defendant

**JOHN EDWARD McKOY,
a/k/a "Edward John McKoy,"
a/k/a "Alfred McCoy,"
a/k/a "Alfred McKoy"**

devised and intended to devise a scheme to defraud UHCC and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

3. It was the object of the scheme described in paragraph 2 for defendant JOHN EDWARD McKOY, along with others known to the grand jury, to submit and cause to be submitted false and fraudulent health care insurance claims for services purportedly provided to patients when the defendant knew that no such services were performed and no licensed medical professional provided such services.

MANNER AND MEANS

4. It was part of the scheme to defraud that defendant JOHN EDWARD McKOY engaged in the manner and means described in paragraphs 18 through 21 of Counts 1 through 22 of this indictment.

5. On or about the dates specified below, in the Eastern District of Pennsylvania and elsewhere, defendant

**JOHN EDWARD McKOY,
a/k/a "Edward John McKoy,"
a/k/a "Alfred McCoy,"
a/k/a "Alfred McKoy"**

for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, knowingly caused to be delivered by the United States Postal Service, according to the directions thereon, the following checks (each check representing a separate count of this indictment), which were payments made by UHCC based on fraudulent claims submitted or caused to be submitted by defendant, JOHN EDWARD McKOY for purported services that were not rendered to patients:

Count	Check No.	Check Date	Payee	Amount
23	UL80228660	3/15/2006	Mt. Pleasant Medical Mgmt Co. P.O. Box 1401 Blue Bell, PA 19422	\$ 40.00
24	UL87423530	3/22/2006	Mt. Pleasant Medical Mgmt Co. P.O. Box 1401 Blue Bell, PA 19422	\$ 1,354.00
25	UL87423540	3/22/2006	Mt. Pleasant Medical Mgmt Co. P.O. Box 1401 Blue Bell, PA 19422	\$ 775.00
26	UL87423550	3/22/2006	Mt. Pleasant Medical Mgmt Co. P.O. Box 1401 Blue Bell, PA 19422	\$ 610.00

Count	Check No.	Check Date	Payee	Amount
27	UL87423560	3/22/2006	Mt. Pleasant Medical Mgmt Co. P.O. Box 1401 Blue Bell, PA 19422	\$ 518.00
28	UO66478870	6/7/2006	Mt. Pleasant Medical Mgmt Co. P.O. Box 1401 Blue Bell, PA 19422	\$ 1,528.25
29	UO66478880	6/7/ 2006	Mt. Pleasant Medical Mgmt Co. P.O. Box 1401 Blue Bell, PA 19422	\$ 294.00
30	UO73010890	6/14/2006	Mt. Pleasant Medical Mgmt Co. P.O. Box 1401 Blue Bell, PA 19422	\$ 919.00
31	UO73010880	6/14/2006	Mt. Pleasant Medical Mgmt Co. P.O. Box 1401 Blue Bell, PA 19422	\$ 1,421.00
32	UO79233230	6/21/2006	Mt. Pleasant Medical Mgmt Co. P.O. Box 1401 Blue Bell, PA 19422	\$ 911.25

All in violation of Title 18, United States Code, Section 1341.

COUNTS THIRTY-THREE THROUGH FORTY-THREE

(Aggravated Identity Theft)

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 21 of Counts 1 through 22 are incorporated here.
2. On or about the dates specified below, in the Eastern District of

Pennsylvania, and elsewhere, defendant

**JOHN EDWARD McKOY,
a/k/a "Edward John McKoy,"
a/k/a "Alfred McCoy,"
a/k/a "Alfred McKoy"**

knowingly and without lawful authority used, and aided and abetted the use of, a means of identification of another person, that is, the health insurance identification numbers assigned to each of the patients specified below, during and in relation to a health care fraud offense in violation of Title 18, United States Code, Section 1347.

Count	Date of Claim	Patient	Purported Dates of Service	Amount Billed
33	3/29/06	M.P.	2/16/06-3/16/06	\$1,705.00
34	3/29/06	M.P.	2/21/06-3/9/06	\$1,805.00
35	5/1/06	M.P.	4/6/06	\$ 185.00
36	5/8/06	A.H.	3/28/06	\$ 45.00
37	5/8/06	A.H.	3/28/06-3/31/06	\$ 605.00
38	5/1/06	A.H.	4/4/06	\$ 205.00
39	5/8/06	A.H.	3/31/06-4/21/06	\$1,760.00
40	5/1/06	A.H.	4/6/06 & 4/7/06	\$ 510.00

Count	Date of Claim	Patient	Purported Dates of Service	Amount Billed
41	5/17/06	M.P.	1/6/05	\$ 205.00
42	5/10/06	M.P.	4/22/06-4/27/06	\$ 665.00
43	5/17/06	M.P.	1/3/06-1/10/06	\$ 870.00

All in violation of Title 18, United States Code, Sections 1028A(a)(1), (c)(4)
and 2.

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Sections 1028A, 1341 and 1347, set forth in this indictment, defendant

**JOHN EDWARD McKOY,
a/k/a "Edward John McKoy,"
a/k/a "Alfred McCoy,"
a/k/a "Alfred McKoy"**

shall forfeit to the United States of America any property that constitutes or is derived from gross proceeds traceable to the commission of such offenses, including, but not limited to, the sum of \$291,255.13.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 982(a)(2), (a)(4), (a)(7).

A TRUE BILL:

FOREPERSON


ZANE DAVID MEMEGER
United States Attorney