

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

UNITED STATES OF AMERICA : CRIMINAL NO: 11- 464  
v. :  
MATTHEW KOLODESH, : DATE FILED: 8/17/11  
a/k/a "Matvei Kolodech," : VIOLATIONS:  
a/k/a "Michael Kolodech" : 18 U.S.C. § 1349 (conspiracy to  
commit health care fraud - 1 count)  
18 U.S.C. § 1347 (health care fraud - 21  
counts)  
18 U.S.C. §1341 (mail fraud) - 2 counts  
18 U.S.C. §1957 (laundering monetary  
instruments over \$10,000 - 11 counts)  
18 U.S.C. § 2 (aiding and abetting)  
Notice of Forfeiture (18 USC § 982(a)(7))  
Notice of Forfeiture (18 USC § 982(a)(1))

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

INTRODUCTION

At all times material to this indictment:

The Defendant and His Hospice Business

1. Defendant MATTHEW KOLODESH, a/k/a "Matvei Kolodech" a/k/a, "Michael Kolodech" set up, controlled and operated a business called Home Care Hospice, Inc. ("HCH"), a for-profit hospice provider incorporated in 1999 under the laws of the Commonwealth of Pennsylvania. HCH was headquartered at 1810 Grant Avenue, Philadelphia, Pennsylvania until approximately April 2006, at which time HCH relocated to 2801 Grant Avenue in Philadelphia.

2. HCH was in the business of providing hospice services for patients at nursing homes, hospitals and private residences. HCH received Medicare, Medicaid and private insurance reimbursement for providing home care and in-facility care to purportedly terminally ill patients with life expectancy prognoses of six months or less. HCH was certified to participate in the Medicare program on or about June 15, 2000. From in or about January 2003 through in or about October 2008, Medicare reimbursement to HCH for claims submitted for hospice services constituted approximately 91% of HCH's total reimbursement resulting in approximately \$49 million in payments.

3. Defendant MATTHEW KOLODESH's spouse was identified as holding a 50% ownership of HCH and was named the CEO and President. In reality, defendant KOLODESH was the *defacto* owner of HCH. Defendant KOLODESH's spouse merely functioned as a nominee for KOLODESH and exercised no control over HCH and had no role in the operation of the business.

4. Defendant MATTHEW KOLODESH's business partner at HCH was a registered nurse (RN) named "A.P.," (charge elsewhere), who was recruited by defendant KOLODESH to run HCH. Defendant KOLODESH provided the seed money for the start up of HCH. A.P. held a 50% ownership in the business and was named Director of HCH.

5. HCH headquarters consisted of office space which served as the hub from which hospice care was managed and coordinated. This included, among other things, scheduling and assigning nurses and aides to care for hospice patients in the various field locations; the conducting of patient care coordination meetings; the review of patient charts; the storage and retention of patient files and records; and billing Medicare and other insurance plans for

reimbursement for hospice services. As Director, A.P. handled the daily operations of HCH, which included primarily supervision of clinical care, development and marketing activities, payroll, and claims submission. A.P. supervised field personal such as nurses and home health aides, an officer manager, bookkeeper and a management staff among others.

6. Defendant MATTHEW KOLODESH also owned and controlled another healthcare business located in Bucks County, PA called Community Home Health, a home health agency. Community Home Health routinely referred patients to HCH and also admitted patients discharged from hospice service by HCH. Defendant KOLODESH was familiar with the healthcare industry and instructed A.P. on the various aspects of operating a health care business, including billing and claims submission, marketing, building patient referrals, and financial matters. A.P. routinely consulted with defendant KOLODESH on all major matters regarding HCH operations.

7. Defendant MATTHEW KOLODESH and A.P. controlled the financial operations of HCH, including the disbursement of funds from the HCH operating account, which received funds from Medicare for claims submitted by HCH for hospice services purportedly provided to patients. Disbursements were made from the operating account to pay salaries of staff and other operating expenses of HCH, as well as the salaries and bonuses of the officers, among other things.

#### **The Medicare Program and Hospice Care**

8. The Department of Health and Human Services was a department of the United States government with responsibilities under federal law for the funding, administration and supervision of certain health care programs, including the Medicare program. Medicare was

a federal health insurance program that provided coverage for individuals 65 years or older and for certain disabled individuals. Medicare was financed by federal funds from payroll taxes and premiums paid by beneficiaries. Medicare was a "health care benefit program" as defined in 18 U.S. C. § 24(b).

9. The Medicare program consisted of several parts, one of which, relevant to this indictment, was referred to as "Part A" hospital insurance, which covered inpatient care in hospitals, nursing homes and skilled nursing facilities. If certain requirements were met, Part A also covered hospice or home health care. To qualify for hospice care, a Medicare patient must be certified by a physician as terminally ill with a life expectancy of six months or less if the terminal condition runs its normal course. At the end of a 90 day enrollment period, a physician may re-certify a patient for hospice care if the patient remained terminally ill. 42 C.F.R. § 418.21.

10. Medicare reimbursed for four levels of hospice care. 42 C.F.R. § 418.302.

The following two levels are relevant to this indictment:

(a) Routine Care - Patients received routine care in their own homes or in nursing facilities. Patients were typically cared for by RNs, licensed practical nurses (LPNs) and home health aides. Hospice providers were reimbursed by Medicare at a rate of approximately \$140 per day.

(b) Continuous Care - Patients received this level of care at the patient's home, when the patient experienced a medical crisis and required primarily nursing services to alleviate pain and control symptoms. The hospice agency was required to provide a minimum of eight hours of care within each 24 hour period. Hospice providers were reimbursed by

Medicare at a rate of approximately \$800 per 24 hour period.

11. When a Medicare patient elected hospice care, the patient was required to waive all curative medical care related to the terminal illness. 42 C.F.R. § 418.24. Thereafter, if a hospice patient entered the hospital and received treatment related to the diagnosis which made the patient eligible for hospice, the hospice agency was required to pay the patient's hospital expenses, unless the patient had revoked his hospice election. If the patient chose to revoke his hospice service, the agency discharged the patient and the hospice agency was no longer responsible for the cost of the patient's hospitalization. In that circumstance, the cost of the hospitalization was covered by Medicare and not the hospice agency.

12. HCH, as a hospice provider, submitted claims and received fixed per-diem payments from Medicare. HCH submitted claims to the federal contractor responsible for managing Medicare's claims for various hospice providers in the United States, including Pennsylvania based providers. The claims were submitted by HCH for each day that a patient was enrolled in hospice care and were paid from Medicare based on the level of hospice care claimed to have been provided. Hospice agencies were required to submit accurate and truthful information in order to be reimbursed for services provided to patients.

### **THE CONSPIRACY TO DEFRAUD MEDICARE**

13. From in or about January 2003 to in or about December 2008, in the Eastern District of Pennsylvania and elsewhere, defendant

**MATTHEW KOLODESH,**  
**a/k/a "Matvei Kolodech,"**  
**a/k/a "Michael Kolodech"**

conspired and agreed with other persons, including A.P., and others known and unknown to the

grand jury, to knowingly and willfully execute a scheme and artifice to defraud a health care benefit program, that is Medicare, and to obtain money and property owned by and under the custody and control of Medicare, 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 hospice services purportedly provided by Home Care Hospice in the approximate sum of \$14.3 million, when defendant KOLODESH knew that the patients were not eligible for hospice services or that the patients did not receive the level of hospice care claimed by Home Care Hospice to have been provided to the patients.

#### **MANNER AND MEANS**

It was part of the conspiracy that:

14. Defendant MATTHEW KOLODESH and A.P., in order to increase HCH revenues, authorized the submission of claims to Medicare, totaling approximately \$ 14.3 million, which claims defendant KOLODESH and A.P. knew were false and fraudulent in that:

- (a) Approximately 30% of the patients on HCH service were ineligible and inappropriate for hospice care, for which HCH fraudulently obtained payments from Medicare totaling approximately \$12,800,000; and
- (b) Approximately 90% of the continuous care level of hospice services, billed by HCH at the higher, more costly level of \$800 per 24 hour period were services not provided to the patients, for which HCH fraudulently obtained payments from Medicare totaling approximately

\$1,500,000.

**Ineligible Hospice Patients**

15. Defendant MATTHEW KOLODESH and A.P., in order to bolster HCH's patient census, authorized payments, in cash or by check, to certain physicians and other health care professionals, as an incentive to refer patients to HCH and to certify that patients were appropriate for hospice services, when, in reality, many of the patients were not eligible or appropriate for hospice care. In other instances, physicians and other health care professionals were paid to serve as HCH medical directors, hospice physicians and advisors, when in reality, the contracts for these positions were to mask payments for patient referrals.

16. Defendant MATTHEW KOLODESH directed and authorized A.P. to instruct HCH management, nursing staff and nursing supervisors to place and maintain ineligible patients, who were not terminally ill, on hospice care. In fact, a substantial portion of HCH patients were on hospice service for periods in excess of six months, and in some instances for more than one year.

17. Defendant MATTHEW KOLODESH authorized A.P. to direct HCH management, nursing staff and nursing supervisors to fabricate supporting documentation for patient files to substantiate approximately \$12.8 million in fraudulent claims HCH submitted to Medicare for ineligible patients. This routinely involved the alteration of patient charts and the falsification of nursing notes to create the appearance "on paper" that the patient's medical condition was worse than it actually was. This was often accomplished by changing diagnoses and showing patient decline, such as weight loss, fevers or that the patient suffered infections, among other things.

### **Fraudulent Continuous Care**

18. Defendant MATTHEW KOLODESH authorized A.P. to direct HCH supervisors and nursing staff to fabricate nursing documentation to support claims submitted by HCH to Medicare totaling approximately \$1.5 million for the continuous care level of hospice service that was not provided to patients, but was billed at the higher, more costly rate of approximately \$800 per 24 hour period.

19. A.P. created phony schedules of continuous care visits to hospice patients who did not qualify for continuous care and who were never provided this level of care. These schedules falsely reflected visits by nurses and home health aides to patients within a 24 hour period, often for two to five day periods of time. In some instances, the phony schedules were created after patients died or were hospitalized to fraudulently reflect that HCH provided continuous care service for days prior to the patient's death or hospitalization.

20. A.P. directed certain members of the HCH nursing staff, nursing supervisors and home health aides to coordinate the fabrication of the nursing notes of these patient visits to support the fraudulent claims for continuous care service. In some instances, individuals who were not trained as home health aides were authorized to document care that was falsely described as continuous care. A.P. paid the nursing staff participating in the continuous care scheme approximately \$20 - \$25 for every hour the nurse claimed to have provided the continuous care as reflected in the fabricated nursing notes. Participating home health aides were paid the sum of approximately \$11 per hour for every hour falsely claimed to reflect the provision of continuous care.



### **Obstruction of Medicare Audit**

21. On or about February 23, 2007, HCH was notified by Cahaba Government Business Administrators (Cahaba), a Medicare federal government contractor which processed claims submitted for Medicare payment, that HCH was subject to a claims review audit. This audit required HCH to produce patient records and supporting documentation for randomly selected patient charts to substantiate the claims billed.

22. From in or about March 2007 through in or about April 2007, in order to conceal from the Medicare contractor that HCH submitted false claims for hospice services, defendant MATTHEW KOLODESH authorized A.P. to direct certain members of HCH management, nursing staff, and nursing supervisors to alter patient charts, falsify nursing notes and forms, and to fabricate supporting documentation to submit to the Medicare government contractor.

### **The Medicare Cap**

23. In or about September 10, 2007, HCH was notified by Cahaba that HCH was required to reimburse Medicare in the approximate sum of \$2,625,047 for the overpayment of claims submitted to Medicare by HCH for the year ending 2005.

24. Commencing in or about October 2007, in order to avoid further Medicare scrutiny, defendant MATTHEW KOLODESH directed A.P. to review patient files and discharge hospice patients in mass, resulting in the immediate discharge of approximately 79 patients in the month of October 2007. From in or about October 2007 through January 2008, a total of approximately 128 patients were discharged from HCH, which patients defendant KOLODESH and A.P. knew were ineligible for hospice care and had been inappropriately

maintained on hospice service in excess of six months. Approximately 16 patients discharged from HCH were admitted to Community Home Health, the Bucks County home health care business owned and controlled by defendant KOLODESH. Defendant KOLODESH advised A.P. that after the Medicare cap was resolved, patients could be returned to the HCH patient census. Approximately 11 patients were subsequently discharged from Community Home Health and “returned” to HCH.

**Siphoning Funds from the HCH Operating Account**

25. Funds deposited into the HCH operating account from fraudulently obtained Medicare payments were withdrawn and utilized to pay substantial sums to the benefit and unjust enrichment of defendant MATTHEW KOLODESH and his family totaling approximately \$ 9.36 million. This included:

(a) Approximately \$5.35 million in salary and bonuses paid to defendant KOLODESH’s spouse, the nominee CEO of HCH;

(b) Approximately \$171,720 in payments, including the approximate sum of \$98,000 for extensive home renovations to defendant KOLODESH’s house, travel expenses, a luxury automobile, \$34,484.95 in college tuition for defendant KOLODESH’s son and \$5,700 in bogus salary payments to defendant KOLODESH’s son;

(c) Approximately \$3.56 million in disbursements to various business partnerships owned and controlled by defendant KOLODESH or with other individuals, including defendant KOLODESH’s spouse and A.P.;

(d) Substantial cash disbursements totaling approximately \$529,438 based upon the systematic use of phony invoicing to create the appearance that HCH was paying

for bona fide goods and services. In reality, invoices were routinely inflated or falsified to enable defendant KOLODESH and A.P. to issue checks from the HCH operating account to vendors who would kickback a cash percentage of the invoices, resulting in approximately \$216,500 in cash payments to defendant KOLODESH; and

(e) Approximately \$148,100 in checks issued from the HCH operating account to a synagogue creating the appearance of a charitable donation, when, in reality, a percentage of the “donation” was returned in cash payment to defendant KOLODESH, totaling approximately \$55,700.

All in violation of Title 18, United States Code, Section 1349.

**COUNTS TWO THROUGH TWENTY-TWO**  
**(HEALTH CARE FRAUD)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 12 and 14 through 25 of Count One are re-alleged.
2. On or about the dates set forth below, in the Eastern District of

Pennsylvania and elsewhere, defendant

**MATTHEW KOLODESH,**  
**a/k/a "Matvei Kolodech"**  
**a/k/a "Michael Kolodech"**

knowingly and willfully executed, and attempted to execute, a scheme and artifice to defraud a health care benefit program, that is Medicare, and to obtain money and property owned by and under the custody and control of Medicare, 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, and aided and abetted that conduct, by submitting and causing to be submitted fraudulent health care insurance claims for patients in the approximate amounts listed below for hospice services purportedly provided by Home Care Hospice over the dates identified below when defendant KOLODESH knew the claims were fraudulent, each patient constituting a separate count of this indictment:

COUNT	PATIENT	CLAIM DATES (First-last)	AMOUNT BILLED (Approx Total)	SERVICE DATES (Approx)	AMOUNT RECEIVED (Approx Total)
2	J.H.	1/4/07-10/17/07	\$44,456.23	12/15/06-10/10/07	\$44,454.24
3	F.D.	3/2/07 - 12/17/07	\$43,820.56	2/15/07- 11/30/07	\$43,815.05
4	R.C.	2/29/08 - 9/5/08	\$38,070.48	02/12/08 - 8/31/08	\$30,534.35

COUNT	PATIENT	CLAIM DATES (First-last)	AMOUNT BILLED (Approx Total)	SERVICE DATES (Approx)	AMOUNT RECEIVED (Approx Total)
5	T.E.	11/27/06 -11/5/07	\$55,175.74	10/17/06-10/26/07	\$55,173.43
6	F.G.	6/16/06 -8/11/08	\$77,504.89	5/26/06 -8/25/08	\$73,835.03
7	A.K.	11/3/06 -10/18/07	\$55,561.84	10/2/06-10/15/07	\$55,560.40
8	P.S.	8/6/07 - 11/8/07 4/18/08 - 5/5/08	\$24,519.90	7/3/07-10/30/07; 3/17/08 -4/24/08	\$24,513.84
9	Y.P.	7/7/06 - 11/22/06 2/23/07 - 11/8/07	\$59,272.18	6/16/06-11/03/06; 2/1/07- 10/26/07	\$59,543.34
10	V.S.	10/12/04- 1/11/06 3/13/07- 10/22/07	\$99,424.23	9/16/04-12/31/05; 2/23/07-10/20/07	\$99,423.29
11	W.W	7/6/07	\$3,354.42	6/17/07- 6/21/07	\$3,354.85
12	L.S.	5/20/08	\$2,646.72	5/12/08- 5/15/08	\$2,646.69
13	N.N.	5/20/08	\$1,470.40	5/31/08- 6/01/08	\$1,470.38
14	I.K.	8/13/08	\$2,646.72	7/21/08- 7/24/08	\$2,646.69
15	E.R.	2/23/07	\$2,563.20	1/23/07- 1/26/07	\$2,563.56
16	E.L.	4/23/07	\$3,577.80	3/31/07- 4/4/07	\$3,578.30
17	M.M	3/20/07-5/22/07	\$6,002.81	3/16/07-4/25/07	\$6,002.79
18	J.G	3/19/07-6/5/07	\$5,856.40	3/16/07-04/24/07	\$5,856.38
19	R.R.	3/19/07-5/21/07	\$5,270.76	3/16/07-4/20/07	\$5,270.74
20	B.H	3/19/07-12/26/07	\$31,701.84	3/16/07-10/16/07	\$31,554.02

<b>COUNT</b>	<b>PATIENT</b>	<b>CLAIM DATES (First-last)</b>	<b>AMOUNT BILLED (Approx Total)</b>	<b>SERVICE DATES (Approx)</b>	<b>AMOUNT RECEIVED (Approx Total)</b>
21	B.K.	1/4/07-4/19/07	\$14,348.18	12/16/06- 3/23/07	\$14,348.12
22	C.B	4/2/07-5/16/07	\$3,806.66	3/16/07-4/10/07	\$3,806.64

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

**COUNTS TWENTY-THREE THROUGH TWENTY-FOUR**  
**(MAIL FRAUD)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 7 and 23 and 24 of Count One are re-alleged.
2. Philadelphia Industrial Development Corporation (PIDC) is a private, not-for-profit corporation established under the laws of the Commonwealth of Pennsylvania to promote economic development in the City of Philadelphia, which includes offering loan opportunities with subordinated financing and below market rates to qualified business applicants to stimulate business investment, including job creation in Philadelphia.
3. Between in or about August 23, 2005 and September 20, 2005, defendant MATTHEW KOLODESH and A.P., as business applicants, applied for a \$2.5 million low interest loan in PIDC funding under the Welcome Loan Program, which loan program required the creation of 50 full time jobs for individuals within the City of Philadelphia.
4. Defendant MATTHEW KOLODESH and A.P. represented in the loan application and related correspondence submitted to PIDC that the loan money would be used to acquire and renovate property situated at 2801 Grant Avenue in Philadelphia, under the name KP Grant Enterprises LP, a business entity jointly owned by defendant KOLODESH and A.P. ("KP Grant"). It was further represented by defendant KOLODESH and A.P. that the location would have business tenants, including Home Care Hospice, Inc. (HCH), the hospice business owned by defendant KOLODESH and A.P., and MIG Enterprises, Inc, an entity owned and controlled by defendant KOLODESH, to sell furniture. It also was represented in loan submission correspondence dated September 20, 2005 that HCH employees were currently

employed in a Bucks County, Pennsylvania office location and the HCH employees would be reassigned to the new HCH headquarters at 2801 Grant Avenue in Philadelphia. In reality, HCH never had a Bucks County office location and was fully operating its hospice business from 1810 Grant Avenue in Philadelphia at the time.

5. On or about January 30, 2006, the loan application in the sum of \$2.5 million, submitted under the name KP Grant by defendant MATTHEW KOLODESH and A.P., was approved by PIDC. The loan was finalized in or about March 2007 under the following terms: payment semi-annually of a 2.5% annual interest rate and payment of the principal within five years. The terms of the loan also required written reports provided twice annually to PIDC regarding the project status and the submission of applicable employment forms related to the creation of the 50 jobs in Philadelphia at the 2801 Grant Avenue location. A check was issued to defendant MATTHEW KOLODESH and A.P. under KP Grant, LP in the amount of \$1,096,592.03. The remainder of the loan money was directed to pay off a bank loan to acquire the property, a loan for furnishing HCH office space, and related settlement costs.

6. In or about September 2007, HCH, the above identified tenant, received an overpayment notice by Medicare and demand for reimbursement of approximately \$2.6 million. As a result, defendant MATTHEW KOLODESH ordered A.P. to commence discharging over 100 HCH patients on long term hospice service to avoid further Medicare scrutiny. HCH also terminated the employment of several staff employees to lower business expenses commensurate with the patient discharges. Defendant KOLODESH believed that as a result of the HCH employee discharges the PIDC loan was in jeopardy of default because the number of created staff positions fell below the requisite 50 jobs.



7. In or about June of 2008, in order to prevent a default on the loan for failure to meet the 50 job position requirement, defendant MATTHEW KOLODESH ordered the construction of sham office space for Community Home Health (CHH), a home health agency owned and controlled by defendant KOLODESH, at the office site of HCH at 2801 Grant Avenue.

8. On or about August 20, 2008, defendant MATTHEW KOLODESH, in order to perpetrate the false appearance that CHH was a bona fide tenant fulfilling the job quota mandated under the terms of the PIDC loan, caused a semi-annual report to be submitted to PIDC by the United States mail, which report falsely represented that in addition to HCH, defendant KOLODESH'S home health agency, Community Home Health (CHH), had been a tenant of the property at 2801 Grant Avenue since July 2005. In reality, CHH was located in Feasterville, Bucks County, Pennsylvania and was never a tenant at the Grant Avenue location.

9. On or about August 20 2008, defendant MATTHEW KOLODESH also caused false federal "Employment Eligibility Verification" Forms, (Forms I-9), to be submitted with the above semi-annual report mailed to PIDC. The Forms I-9 falsely documented that approximately 73 CHH employees worked at 2801 Grant Avenue, when in reality no such employees of CHH worked at that location.

10. On or about October 7, 2008, via letter sent from PIDC to KP Grant, PIDC acknowledged that it had reviewed the employment reports submitted by the tenants, including CHH, and confirmed that 51 new job positions had been created at the site and that 17 of those jobs were attributed to CHH.

11. On or about June 25, 2009, defendant MATTHEW KOLODESH, caused the submission of a semi-annual report to PIDC by the United States mail, which report

perpetuated the false appearance that defendant KOLODESH and A.P., operating through KP Grant, were compliant with the terms of the loan agreement, and falsely represented that CHH was a continuing tenant at the 2801 Grant Avenue location and consistently hiring new staff. In reality, prior to July 2009, no CHH employee worked at the 2801 Grant Avenue location.

12. From in or about August 2005 to in or about July 2009, in the Eastern district of Pennsylvania and elsewhere, defendant

**MATTHEW KOLODESH,  
a/k/a, "Matvei Kolodech,"  
a/k/a "Michael Kolodech"**

and persons known and unknown to the grand jury, devised and attempted to devise the above scheme to defraud PIDC, and to obtain money and property from PIDC by means of false and fraudulent pretenses, representations and promises, and for the purpose of executing the scheme described above, and aiding and abetting its execution, defendant MATTHEW KOLODESH knowingly caused to be delivered by United States mail or any private or commercial interstate carrier any matter or thing: (i) according to the directions thereon, or (ii) at the place at which it was directed to be delivered by the person or entity to whom it was addressed, the following items described below, on or about the dates below, each mailing constituting a separate count:

<b>COUNT</b>	<b>DATE</b>	<b>FROM</b>	<b>TO</b>	<b>DESCRIPTION</b>
23	08/20/08	KP Grant Enterprises, LP 2801 Grant Avenue, Phila, PA	PIDC 1500 Market St, 2600 Centre Sq. West, Phila, PA 19102	false employment report with false project summary and false Employment Eligibility Verifications (I-9s)
24	06/25/09	KP Grant Enterprises, LP 2801 Grant Avenue, Phila, PA	PIDC 1500 Market St, 2600 Centre Sq. West, Phila, PA 19102	false project summary

All in violation of Title 18, United States Code, Section 1341 and Section 2.

**COUNTS TWENTY- FIVE THROUGH THIRTY-FIVE**  
**(MONEY LAUNDERING)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 12, and 14 through 25 of Count One are re-alleged.

2. On or about the dates set forth below, in the Eastern District of Pennsylvania and elsewhere, defendant,

**MATTHEW KOLODESH,**  
**a/k/a, "Matvei Kolodech"**  
**a/k/a "Michael Kolodech"**

knowingly engaged in, and attempted to engage in, and aided and abetted, and willfully caused, a monetary transaction affecting interstate commerce in criminally derived property of a value greater than \$10,000, described below, and such property was derived from specified unlawful activity, that is conspiracy to commit health care fraud in violation of Title 18, United States Code Section 1349, as charged in Count One and health care fraud, in violation of Title 18, United States Code, Section 1347, as charged in Counts Two through 22.

3. On or about the following dates, checks in the amounts exceeding \$10,000 were drawn on the HCH operating account, that is, Bank of America, account number -----4007, held in the name of Home Care Hospice, Inc:

COUNT	DATE OF TRANSACTION	CHECK NO. AMOUNT	ACCOUNT RECIPIENT	PURPOSE
25	9/11/06	#5960/ \$34,484.95	Drexel University Commerce Bank (currently TD Bank)	college tuition payment for defendant KOLODESH's son
26	9/11/06	#5986 / \$18,000	Synagogue Wachovia Bank, N.A. (currently Wells Fargo)	donation with cash kickback

COUNT	DATE OF TRANSACTION	CHECK NO. AMOUNT	ACCOUNT RECIPIENT	PURPOSE
27	9/11/06	#5984/ \$30,000	MIG Enterprise, LLC Bank of America, N.A.	sham contract for consulting and software development
28	10/04/06	#6217/ \$18,000	Synagogue Wachovia Bank, N.A. (currently Wells Fargo Bank, N.A.)	donation with cash kickback
29	10/04/06	#6222/ \$15,000	G. Software Solution/ "E.G." Commerce Bank	sham invoice for IT services
30	11/07/06	#6618/ \$15,000	G. Software Solution/ "E.G." Commerce Bank, N.A.	sham invoice for IT services w/ cash kickback
31	12/01/06	#6876/ \$22,055	MIG Enterprises, LLC Bank of America, N.A.	sham contract for consulting and professional expenses
32	12/27/06	#24839/ \$300,000	Spouse of Kolodesh/or Matthew Kolodesh Bank of America	bonus payment to CEO
33	3/28/07	#8042/ \$18,000	Synagogue Wachovia Bank, NA (Currently Wells Fargo)	donation with cash kickback
34	8/08/07	#30053/ \$113,684.14	ABBA Holdings, LLC UBS Financial Services	bonus payment to CEO
35	9/12/07	#30797/ \$113,684.14	ABBA Holdings, LLC Merrill Lynch	bonus payment to CEO

In violation of Title 18 United States Code, Section 1957 and Section 2.

**NOTICE OF FORFEITURE**  
**(Health Care Fraud - 18 U.S.C. § 1349 & 1347)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. As a result of the violations of Title 18, United States Code, Sections 1349 and 1347, set forth in this indictment, defendant

**MATTHEW KOLODESH,**  
**a/k/a, "Matvei Kolodech"**  
**a/k/a "Michael Kolodech"**

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 \$14,300,000, which includes the sums held in the following accounts:

<b>Institution</b>	<b>Account Holders</b>	<b>Account # (last 4 digits)</b>	<b>Approx Balance (effective August 2011)</b>
Bank of America	ABBA Holdings, LLC	8441 3678	\$98,101
Citizens Bank	ABBA Holdings, LLC	6757	\$89,516
Commerce Bank (currently TD Bank)	ABBA Holdings, LLC	7061	\$93,677
M&T Bank	ABBA Holdings, LLC	2525	\$101,713
Merrill Lynch	ABBA Holdings, LLC	2026	\$2,769,155
Sovereign Bank	ABBA Holdings, LLC	0949	\$101,789
UBS Financial Services	ABBA Holdings, LLC	1387	\$890,595
Bank of America	Home Care Hospice, Inc.	4007	\$214,916
Citizens Bank	Home Care Hospice, Inc	6641 6668	\$102,581
Commerce Bank (currently TD Bank)	Home Care Hospice, Inc	5547	\$99,213
Fulton Financial Corp.	Home Care Hospice, Inc	4414	\$102,554
Merrill Lynch	Home Care Hospice, Inc	4006	\$1,369,252

<b>Institution</b>	<b>Account Holders</b>	<b>Account # (last 4 digits)</b>	<b>Approx Balance (effective August 2011)</b>
Royal Bank	Home Care Hospice, Inc	1554	\$103,860
Sovereign Bank	Home Care Hospice, Inc	0833	\$101,222
Wachovia (currently Wells Fargo)	Home Care Hospice, Inc	8732	\$99,058
Willow Financial (currently First Niagra)	Home Care Hospice, Inc	6519	\$102,355
Citizens Bank	Matthew Kolodesh	3278	\$64,902
Fulton Financial Corp.	Matthew Kolodesh	8205	\$117,187
Fulton Financial Corp.	Matthew Kolodesh/ ITF "M.K."	8207	\$60,824
Commerce Bank (currently TD Bank)	Matthew Kolodesh / Spouse of Matthew Kolodesh	7687	\$210,766
Firsttrust Bank	Matthew Kolodesh / Spouse of Matthew Kolodesh	1030	\$200,936
PNC Bank	Matthew Kolodesh / Spouse of Matthew Kolodesh	2042	\$116,984
Willow Financial (currently First Niagra)	Matthew Kolodesh / Spouse of Matthew Kolodesh	4145	\$93,989
Royal Bank	Mattax Properties, LLC	8669	\$30,182
Citizens Bank	MIG Enterprise, Inc.	3759	\$58,485
Citizens Bank	Spouse of Matthew Kolodesh	1271	\$23,515
Fulton Financial Corp.	Spouse of Matthew Kolodesh	8206	\$117,193
Fulton Financial Corp.	Spouse of Matthew Kolodesh/ ITF "D. K."	8208	\$60,824

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

- (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 defendants up to the value of the property subject to forfeiture, including safe deposit boxes, numbers 401 and 404, held at First Trust Bank under names Matthew Kolodesh and Spouse of Kolodesh.

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



**NOTICE OF FORFEITURE**  
**(Money Laundering - 18 U.S.C. § 1957)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. As a result of the violations of Title 18, United States Code, Section 1957, set forth in this indictment, defendant

**MATTHEW KOLODESH,**  
**a/k/a “Matvei Kolodech”**  
**a/k/a “Michael Kolodech”**

shall forfeit to the United States of America any and all property involved in such offenses, and any property traceable to such property, including, but not limited to, the sum of \$697,908.23  
(Forfeiture Money Judgment)

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

- (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
- (e) has been commingled with other property which cannot be divided without difficulty;

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(s) up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 982(a)(1).

**A TRUE BILL:**

---

**FOREPERSON**

  
**ZANE DAVID MEMEGER**  
**United States Attorney**