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Dallas Doctor Arrested For Alleged Role In Nearly \$375 Million Health Care Fraud Scheme

FOR IMMEDIATE RELEASE

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Office Manager for Doctor and Five Owners of Dallas-Area Home Health Agencies Also Arrested

WASHINGTON - A physician and the office manager of his medical practice, along with five owners of home health agencies, were arrested today on charges related to their alleged participation in a nearly \$375 million health care fraud scheme involving fraudulent claims for home health services.

The arrests and charges were announced today by Deputy Attorney General James Cole and Health and Human Services (HHS) Deputy Secretary Bill Corr, along with Assistant Attorney General Lanny A. Breuer of the Justice Department's Criminal Division; U.S. Attorney Sarah R. Saldaña of the Northern District of Texas; HHS Inspector General Daniel R. Levinson; Special Agent in Charge Robert E. Casey Jr. of the FBI's Dallas Field Office; Dr. Peter Budetti, Deputy Administrator for Program Integrity for the Centers for Medicare and Medicaid Services (CMS); and the Texas Attorney General's Medicaid Fraud Control Unit (MFCU).

The indictment, filed in the Northern District of Texas and unsealed today, charges Jacques Roy, M.D., 54, of Rockwall, Texas; Cynthia Stiger, 49, of Dallas; Wilbert James Veasey Jr., 60, of Dallas; Cyprian Akamnonu, 63, of Cedar Hill, Texas; Patricia Akamnonu, RN, 48, of Cedar Hill; Teri Sivils, 44, of Midlothian, Texas; and Charity Eleda, RN, 51, of Rowlett, Texas, each with one count of conspiracy to commit health care fraud. Roy also is charged with nine counts of substantive health care fraud, and Veasey, Patricia Akamnonu and Eleda are each charged with three counts of health care fraud. Eleda also is charged with three counts of making false statements related to a Medicare claim. All the defendants are expected to make their initial appearances at 2:00 p.m. CST today in federal court in Dallas.

In addition to the indictment, CMS announced the suspension of an additional 78 home health agencies (HHA) associated with Roy based on credible allegations of fraud against them.

Today's enforcement actions are the result of the Medicare Fraud Strike Force operations, which are part of the Health Care Fraud Prevention & Enforcement Action Team (HEAT). HEAT is a joint initiative announced in May 2009 between the Department of Justice and HHS to focus their efforts to prevent and deter fraud and enforce anti-fraud laws around the country.

"The conduct charged in this indictment represents the single largest fraud amount orchestrated by one doctor in the history of HEAT and our Medicare Fraud Strike Force operations," said Deputy Attorney General Cole. "Thanks to the historic partnerships we've built to combat health care fraud, we are sending a clear message: If you victimize American taxpayers, we will track you down and prosecute you."

"Thanks to our new fraud detection tools, we have greater abilities to identify the kind of sophisticated fraud scheme that previously could have escaped scrutiny," said HHS Deputy Secretary Corr. "Our aggressive Medicare Fraud Strike Force operations have enabled us to break up a significant alleged fraud operation and the fraud-fighting authorities in the Affordable Care Act have allowed us to stop further payments to providers connected to this scheme. This case and our new detection tools are examples of our growing ability to stop Medicare fraud."

According to the indictment, Dr. Roy owned and operated Medistat Group Associates P.A. in the Dallas area. Medistat was an association of health care providers that primarily provided home health certifications and performed patient home visits. Dr. Roy allegedly certified or directed the certification of more than 11,000 individual patients from more than 500 HHAs for home health services during the past five years. Between January 2006 and November 2011, Medistat certified more Medicare beneficiaries for home health services and had more purported patients than any other medical practice in the United States. These certifications allegedly resulted in more than \$350 million being fraudulently billed to Medicare and more than \$24 million being fraudulently billed to Medicaid by Medistat and HHAs.

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"Today, the Medicare Fraud Strike Force is taking aim at the largest alleged home health fraud scheme ever committed," said Assistant Attorney General Breuer. "According to the indictment, Dr. Roy and his co-conspirators, for years, ran a well-oiled fraudulent enterprise in the Dallas area, making millions by recruiting thousands of patients for unnecessary services, and billing Medicare for those services. In Dallas, and the eight other Medicare Fraud Strike Force cities, the Criminal Division and our partners in the U.S. Attorneys' Offices will continue to crack down on Medicare fraud, and hold accountable those stealing from the public fisc."

"Fraud schemes, like the one we allege Dr. Roy executed, represent the next wave of Medicare and Medicaid crime that we face," said U.S. Attorney Saldaña. "As enforcement actions have ramped up, not only in the Dallas Metroplex, but in several other areas throughout the country, fraudsters are devising new ways to beat the system. Rest assured, however, that with the tools and resources our district's Medicare Care Fraud Strike Force provides, we will meet this challenge head-on and bring indictments against those who seek to defraud these critical programs, and you, the taxpayer."

"Using sophisticated data analysis we can now target suspicious billing spikes," said HHS Inspector General Levinson. "In this case, our analysts discovered that in 2010, while 99 percent of physicians who certified patients for home health signed off on 104 or fewer people – Dr. Roy certified more than 5,000."

"The FBI views health care fraud as a severe crime problem," said FBI Special Agent in Charge Casey. "It causes increased costs for consumers, tax payers and health insurance plans, and degrades the integrity of our health care system and legitimate patient care. Today's arrests by the Dallas Medicare Fraud Strike Force send a clear message to those persons who are not only defrauding our federal Medicare and Medicaid and private health insurance programs, but victimizing the elderly, the disadvantaged, and those who are at a vulnerable time in their lives due to legitimate health issues. The FBI will continue to dedicate a substantial amount of expert resources to investigate these crimes."

The indictment alleges that Dr. Roy used HHAs as recruiters so that Medistat could bill unnecessary home visits and medical services. Dr. Roy and other Medistat physicians certified and recertified plans of care so that HHAs also were able to bill Medicare for home health services that were not medically necessary and not provided. In addition, Dr. Roy allegedly performed unnecessary home visits and ordered unnecessary medical services.

According to the indictment, Medistat maintained a "485 Department," named for the number of the Medicare form on which the plan of care was documented. Dr. Roy allegedly instructed Medistat employees to complete the 485s by either signing his name by hand or by using his electronic signature on the document.

Three of the HHAs Dr. Roy used as part of the scheme were Apple of Your Eye Healthcare Services Inc., owned and operated by Stiger and Veasey; Ultimate Care Home Health Services Inc., owned and operated by Cyprian and Patricia Akamnonu; and Charry Home Care Services Inc., owned and operated by Eleda. According to the indictment, Veasey, Akamnonu, Eleda and others recruited beneficiaries to be placed at their HHAs so that they could bill Medicare for the unnecessary and not provided services. As part of her role in the scheme, Eleda allegedly visited The Bridge Homeless Shelter in Dallas to recruit homeless beneficiaries staying at the facility, paying recruiters \$50 per beneficiary they found at The Bridge and directed to Eleda's vehicle parked outside the shelter's gates.

Apple allegedly submitted claims to Medicare from Jan. 1, 2006, through July 31, 2011, totaling \$9,157,646 for home health services to Medicare beneficiaries that were medically unnecessary and not provided. Dr. Roy or another Medistat physician certified the services. From Jan. 1, 2006, to Aug. 31, 2011, Ultimate submitted claims for medically unnecessary home health services totaling \$43,184,628. Charry allegedly submitted fraudulent claims from Aug. 1, 2008, to June 30, 2011, totaling \$468,858 in medically unnecessary and not provided home health services.

The indictment alleges that Sivils, as Medistat's office manager, helped facilitate the fraud scheme by, among other actions, supervising the processing of thousands of plans of care that contained Dr. Roy's electronic signature and other Medistat physicians' signatures, permitting HHAs to bill Medicare for unnecessary home health services and accepting cash payments from Cyprian Akamnonu in exchange for ensuring plans of care contained Dr. Roy or another Medistat physician's signature.

As outlined in the government's request to the court to detain Dr. Roy, in June 2011, CMS suspended provider numbers for Dr. Roy and Medistat based on credible allegations of fraud, thus ensuring Dr. Roy did not receive payment from Medicare. Immediately after the suspension, nearly all of Medistat's employees started billing Medicare under the provider number for Medicare HouseCalls. The court document alleges that Dr. Roy was in fact in charge of day-to-day operations at Medicare, and that Dr. Roy continued to certify patients for home health despite the suspension.

Each charged count of conspiracy to commit health care fraud and substantive health care fraud carries a maximum penalty of 10 years in prison and a \$250,000 fine. Each false statement charge carries a maximum penalty of five years in prison and a \$250,000 fine. The indictment also seeks forfeiture of numerous items including funds in bank accounts, a sailboat, vehicles and multiple pieces of property.

An indictment is merely an allegation and defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

The case is being prosecuted by Assistant U.S. Attorneys Michael C. Elliott, Mindy Sauter and John DeLaGarza of the Northern District of Texas and Trial Attorney Ben O'Neil and Deputy Chief Sam S. Sheldon of the Criminal Division's Fraud Section. The case was investigated by the FBI, HHS-OIG and

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MFCU and was brought as part of the Medicare Fraud Strike Force, supervised by the Criminal Division's Fraud Section and the U.S. Attorney's Office for the Northern District of Texas.

Since their inception in March 2007, Medicare Fraud Strike Force operations in nine locations have charged more than 1,190 defendants who collectively have falsely billed the Medicare program for more than \$3.6 billion.

To learn more about the HEAT Strike Force, please visit: www.stopmedicarefraud.gov.

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