

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

YVETTE HARDY,

Defendant.

Case: 2:24-cr-20321

Assigned To : Michelson, Laurie J.

Referral Judge: Stafford, Elizabeth A.

Assign. Date : 6/20/2024

VIO: 18 U.S.C. § 1347

18 U.S.C. § 2

18 U.S.C. § 982

INFORMATION

THE UNITED STATES ATTORNEY CHARGES:

General Allegations

At all times relevant to this Information:

The Medicare Program

1. The Medicare program (“Medicare”) was a federal health care program providing benefits to persons who were 65 years of age or older or disabled. Medicare was administered by the Centers for Medicare and Medicaid Services (“CMS”), a federal agency under the United States Department of Health and Human Services (“HHS”). Individuals who received benefits under Medicare were referred to as Medicare “beneficiaries.”

2. Medicare was a “health care benefit program,” as defined by Title 18, United States Code, Section 24(b), and a “Federal health care program,” as defined by Title 42, United States Code, Section 1320a-7b(f).

3. Medicare included coverage under two primary components, hospital insurance (“Part A”) and medical insurance (“Part B”). Medicare Part B covered the costs of medical insurance, including physician, nursing, and other ancillary services not covered by Part A. The services at issue in this Information were covered by Part B.

4. AdvanceMed (now known as “CoventBridge Group”) was the Zone Program Integrity Contractor (“ZPIC”), and as such, it was the Medicare contractor charged with investigating fraud, waste, and abuse, during the relevant time period.

5. Physicians, nurse practitioners, and other health care providers that provided medical services that were to be reimbursed by Medicare were referred to as Medicare “providers.” To participate in Medicare, providers were required to submit applications in which the providers agreed to comply with all Medicare-related policies and procedures, rules, and regulations issued by CMS and its agents and contractors, including those governing reimbursement, and furthermore, certified that they would not knowingly present, or cause to be presented, false and fraudulent claims.

6. If Medicare approved a provider's application, Medicare assigned the provider a Medicare "provider number," which was used for the processing and payment of claims.

7. Local Coverage Determinations ("LCDs"), as defined by the Social Security Act, were decisions made by a Medicare Administrative Contractor ("MAC") on whether a particular service or item was reasonable and necessary, and therefore covered by Medicare within the specific region that the MAC oversaw. LCDs 34616 and 30489 were titled "Psychiatry and Psychological Services" and applied to the primary geographical jurisdiction of Michigan. These LCDs specified that Medicare coverage of psychotherapy did not include teaching grooming skills, monitoring activities of daily living ("ADL"), recreational therapy (dance, art, play), or social interaction. It also did not include oversight activities such as house or financial management. LCD A54829, entitled "Clinical Social Worker Services," stated that services furnished as an "incident to" clinical social work ("CSW") personal professional services were not covered.

8. Providers were given, and provided with online access to, Medicare manuals and services bulletins describing proper billing procedures and billing rules and regulations. Providers could only submit claims to Medicare for services they rendered, and providers were required to maintain patient records to verify that the services were provided as described on the claim form. These records were required

to be sufficient to permit Medicare, through its contractors, to review the appropriateness of Medicare payments made to the health care provider.

9. To receive reimbursement for a covered service from Medicare, a provider was required to submit a claim, either electronically or using a form (e.g., a CMS-1500 form or UB-92), to the Medicare contractor or carrier containing the required information appropriately identifying the provider, beneficiary, and services rendered.

10. Medicare only covered services that were both medically necessary, eligible for reimbursement, and rendered as billed.

The Business

11. Pebble Brook Care Agency LLC (“Pebble Brook”) was a Michigan business entity, formed in or around 2016, and located in the Eastern District of Michigan. Pebble Brook was enrolled as a participating provider with Medicare.

The Defendant

12. Defendant YVETTE HARDY, a resident of Inkster, Michigan, was the registered owner for Pebble Brook and was a signatory on the bank accounts into which Medicare reimbursements to Pebble Brook were deposited.

COUNT 1
(18 U.S.C. §§ 1347 and 2 - Health Care Fraud)

13. Paragraphs 1 through 12 of this Information are re-alleged and incorporated by reference as though fully set forth herein.

14. From on or about January 2018, and continuing through in or around November 2023, the exact dates being unknown, in Wayne County, in the Eastern District of Michigan, and elsewhere, the defendant, YVETTE HARDY, in connection with the delivery of, and payment for, health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, a scheme and artifice to defraud Medicare, a Federal health care benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of Medicare, by submitting or causing the submission of false and fraudulent claims to Medicare for psychotherapy services that were not provided.

PURPOSE OF SCHEME AND ARTIFICE

15. It was a purpose of the scheme and artifice for YVETTE HARDY to unlawfully enrich herself through the submission of false and fraudulent claims to Medicare for psychotherapy services that were not provided or were otherwise not eligible for reimbursement.

THE SCHEME AND ARTIFICE

16. On or about December 3, 2017, YVETTE HARDY, on behalf of Pebble Brook, certified to Medicare that she would comply with all Medicare rules and regulations, including that she would not knowingly present or cause to be presented, a false and fraudulent claim for payment by Medicare.

17. Beginning in or around at least January 2018, YVETTE HARDY executed, and attempted to execute, a scheme to submit false and fraudulent claims to Medicare for: (a) psychotherapy services that were not provided; and/or (b) psychotherapy services that were ineligible for reimbursement from Medicare.

18. YVETTE HARDY submitted, and caused the submission of, claims to Medicare purporting that individual psychotherapy was being provided to Medicare beneficiaries for a period of approximately 60-minutes, when in fact, individual psychotherapy was not provided to these beneficiaries for that amount of time or at all.

19. YVETTE HARDY submitted, and caused the submission of, claims to Medicare purporting that individual and group psychotherapy was being provided to Medicare beneficiaries at a Pebble Brook facility by a Licensed Master Social Worker (“LMSW”) credentialed by Medicare as a provider for Pebble Brook, as required by Medicare for reimbursement of these services, when in fact, these

purported services were either not provided or provided by unqualified and/or non-credentialed individuals.

20. YVETTE HARDY submitted, and caused the submission of, claims to Medicare purporting that beneficiaries were receiving individual and group psychotherapy, when, in fact, Medicare beneficiaries attending Pebble Brook participated in arts and crafts, Bingo games, field trips, and watched television.

21. From in or around January 2018, through at least March 2024, YVETTE HARDY submitted, and caused the submission of, approximately \$3,456,235 in false or fraudulent claims to Medicare on behalf of Pebble Brook.

EXECUTION OF THE SCHEME AND ARTIFICE

22. On or about the date specified below, in the Eastern District of Michigan, and elsewhere, YVETTE HARDY, aided and abetted by others, and aiding and abetting others known and unknown to the Grand Jury, submitted and caused to be submitted false and fraudulent claims to Medicare for psychotherapy services that were not provided, in an attempt to execute, and in execution of, the scheme as described in Paragraphs 16 through 21 of this Information, and, in particular, submitted and caused the submission of the claim as set forth below:

Count	Beneficiary	Approximate Date of Service	Approximate Date of Claim	Description of Items Billed	Approximate Amount Billed
1	M.C.	08/11/2023	8/15/2021	CPT Code 90837	\$135.00

In violation of 18 U.S.C. §§ 1347 and 2.

**FORFEITURE ALLEGATIONS
(18 U.S.C. § 982(a)(7) - Criminal Forfeiture)**

23. The allegations contained in this Information above are incorporated by reference as if set forth fully herein for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 982.

24. As a result of the violation alleged in Count 1, under Title 18, United States Code, Sections 1347 and 2, defendant YVETTE HARDY shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(7), any property, real or personal, constituting, or derived from, any gross proceeds obtained, directly or indirectly, as a result of such violation.

25. Substitute Assets: If the property described above as being 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
- e. Has been commingled with other property that cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) as incorporated by Title 18, United States Code, Section 982(b), to seek to forfeit any other property of defendant YVETTE HARDY up to the value of the forfeitable property described above.

26. Money Judgment: Defendant YVETTE HARDY shall forfeit to the United States a sum of money equal to at least \$1,587,374.42 in United States currency, or such amount as is proved in this matter, representing the total amount of gross proceeds defendant obtained as a result of defendant's violation of Title 18, United States Code, Section 1347 and 2, as alleged in this Information.

DAWN N. ISON
UNITED STATES ATTORNEY

GLENN S. LEON
Chief
Criminal Division, Fraud Section
U.S. Department of Justice

MARK CHASTEEN
Chief, White Collar Crime Unit
United States Attorney's Office
Eastern District of Michigan

s/Shankar Ramamurthy
SHANKAR RAMAMURTHY
Trial Attorney
Criminal Division, Fraud Section
U.S. Department of Justice
211 W. Fort Street, Suite 2001
Detroit, MI 48226
(202) 924-5368
Shankar.Ramamurthy@usdoj.gov

Dated: June 20, 2024

United States District Court Eastern District of Michigan	Criminal Case Cover Sheet	Case Number
--	----------------------------------	--------------------

NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to complete it accurately in all respects.

Companion Case Information	Companion Case Number:
This may be a companion case based upon LCrR 57.10 (b)(4) ¹ :	Judge Assigned:
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	AUSA's Initials:

Case Title: USA v. Yvette Hardy

County where offense occurred : Wayne

Check One: **Felony** **Misdemeanor** **Petty**

Indictment/ Information --- **no** prior complaint.
 Indictment/ Information --- based upon prior complaint [Case number: _____]
 Indictment/ Information --- based upon LCrR 57.10 (d) [Complete Superseding section below].

Superseding Case Information

Superseding to Case No: _____ **Judge:** _____

- Corrects errors; no additional charges or defendants.
- Involves, for plea purposes, different charges or adds counts.
- Embraces same subject matter but adds the additional defendants or charges below:

<u>Defendant name</u>	<u>Charges</u>	<u>Prior Complaint (if applicable)</u>
------------------------------	-----------------------	---

Please take notice that the below listed Assistant United States Attorney is the attorney of record for the above captioned case.

June 20, 2024
Date

Shankar Ramamurthy
 Trial Attorney
 Assistant United States Attorney
 211 W. Fort Street, Suite 2001
 Detroit, MI 48226-3277
 Phone: 202-924-5368
 Fax:
 E-Mail address: shankar.ramamurthy@usdoj.gov
 Attorney Bar #: IL 6306790

¹ Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, or (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.