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CLERK OF COURT

U.S. DISTRICT COURT

WESTERN DISTRICT OF MICHIGAN

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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

PAUL ERIC LYONS and
TIFFANY NICOLE CHILDS,

Defendants.

1:25-cr-93

Paul L. Maloney

United States District Judge

FELONY INFORMATION

The United States Attorney charges:

COUNT 1

(Conspiracy to Commit Health Care Fraud)

Beginning in or about August 2022, and continuing to in or about June 2023, in Ingham County, in the Western District of Michigan, and elsewhere,

**PAUL ERIC LYONS and
TIFFANY NICOLE CHILDS,**

defendants, knowingly combined, conspired, confederated and agreed with each other, and others known to the grand jury, to knowingly and willfully execute a scheme and artifice to defraud and to obtain money from a health care benefit program, by means of false and fraudulent pretenses and representations, in connection with the delivery of and payment for health care benefits and services.

Specifically, defendants submitted, or caused to be submitted, dental insurance claims to Victim Dental Insurance Company 1, for dental services that were not provided.

Object of the Conspiracy

The object of the conspiracy was to obtain money from Victim Dental Insurance Company 1 by submitting false and fraudulent dental insurance claims in the names of dentists, dental clinics and insurance subscribers who had not actually provided or received any dental

services, so that defendants, and on some occasions the subscribers, could share the proceeds of the false and fraudulent dental insurance claims.

Background

1. Victim Dental Insurance Company 1 is headquartered in the Western District of Michigan and is a member of 39 independent companies across the United States that sell both individual and group dental insurance products and services.

2. The operations of Victim Dental Insurance Company 1 affect interstate commerce.

3. Victim Dental Insurance Company 1 provides group dental insurance benefits and/or administrative services for self-insured group dental plans known as “contractors.” A contractor is an employer, organization, group or association that sponsors a group dental plan. Victim Dental Insurance Company 1 agrees to provide benefits and/or administrative services in accordance with the terms and conditions of its contract with each contractor.

4. A “subscriber” is the eligible member under the contractor’s dental plan. A subscriber and certain approved members, which may include the subscriber’s spouse and dependents as defined by the contractor’s rules of eligibility, are entitled to dental benefits per the submission of a claim seeking payment for a covered service.

5. A “provider” is a licensed dentist in the state or jurisdiction where the dental services were provided.

6. A “participating” or “in-network” provider is a provider who enters into a contract with Victim Dental Insurance Company 1 to participate in one or more of the insurance company’s networks.

7. A “non-participating” or “out-of-network” provider is a provider who is enrolled to submit claims to Victim Dental Insurance Company 1 but who does not contract with the insurance company to participate in one or more of the insurance company’s networks.

8. Participating providers that submit claims for payment to Victim Dental Insurance Company 1 receive their payment directly through a variety of methods including electronic funds transfer directly to the bank account of the dentist or dental office or by other means designated. Payments for services rendered by participating providers are not mailed to subscribers.

9. When non-participating providers render dental services to a subscriber or member, Victim Dental Insurance Company 1 pays the insurance claims directly to the subscriber, typically by mailing a check made payable to the subscriber through the United States mail from the company's headquarters in the Western District of Michigan.

Manner and Means of the Conspiracy

10. PAUL ERIC LYONS worked at dental clinics and became familiar with the process of submitting dental insurance claims for payment. In furtherance of the conspiracy, PAUL ERIC LYONS learned that Victim Dental Insurance Company 1 paid its subscribers directly when dental insurance claims were submitted for dental services provided by non-participating dentists. Conversely, he learned that Victim Dental Insurance Company 1 paid the dentist or dental clinic directly when dental insurance claims were submitted for services provided by participating dentists.

11. To further the conspiracy, PAUL ERIC LYONS initially submitted dental insurance claims to Victim Dental Insurance Company 1 in the names of his close friends and family members. PAUL ERIC LYONS registered a dentist with whom he worked ("Victim Dentist 1"), as well as the dental clinic where he worked, as non-participating providers with Victim Dental Insurance Company 1. He used the name, Michigan dental license number, and National Provider Identification (NPI) number of Victim Dentist 1, as well as the name of the dental clinic, without the knowledge or authority of either. He then submitted false and fraudulent insurance claims for dental services under the names of his friends and family members claiming that Victim Dentist 1 provided dental services to them. In truth and in fact,

none of his friends or family members actually received dental services from Victim Dentist 1 as indicated on the insurance claim forms. Victim Dental Insurance Company 1 approved and paid these false and fraudulent dental insurance claims believing that the services had actually been provided by Victim Dentist 1, who it believed was a non-participating provider. As a result, PAUL ERIC LYONS, and his friends, received insurance payments to which they were not entitled.

12. It was part of the conspiracy that after successfully obtaining payment on his initial dental insurance claims, PAUL ERIC LYONS used recruiters, including TIFFANY NICOLE CHILDS, to locate and recruit subscribers of Victim Dental Insurance Company 1 who would be willing to provide their names, dates of birth, dental insurance member number, and other identifying data, so that PAUL ERIC LYONS could submit false and fraudulent dental insurance claims in their names.

13. TIFFANY NICOLE CHILDS recruited over fifty subscribers and provided PAUL ERIC LYONS with the necessary identifying information for these subscribers so that PAUL ERIC LYONS could submit dental insurance claims to Victim Dental Insurance Company 1 in their names.

14. PAUL ERIC LYONS submitted insurance claims to Victim Dental Insurance Company 1 with the identifying information of the subscribers that TIFFANY NICOLE CHILDS, and others, recruited to the fraud scheme. PAUL ERIC LYONS used the names of the dental clinics where he worked, the name of Victim Dentist 1, and the names of other dentists employed at those clinics with whom he worked, without their knowledge or authority, to submit the false and fraudulent dental insurance claims representing that dental services had been provided to these individuals. Victim Dental Insurance Company 1 paid these claims believing that the dental services identified on the claim forms were truly performed by the non-participating dentists listed on the claim forms.

15. It was a further part of the conspiracy that PAUL ERIC LYONS and TIFFANY NICOLE CHILDS shared in the proceeds of the fraudulently obtained insurance payments. Because the false and fraudulent dental insurance claims were submitted using the names of non-participating dentists, Victim Dental Insurance Company 1 paid the subscribers directly by mailing checks from its office in the Western District of Michigan to the subscribers. After receiving the insurance check, the subscribers either cashed the check at a check-cashing location at the direction of the conspirators and handed a portion of the proceeds to TIFFANY NICOLE CHILDS, or deposited the check to his or her bank account and sent the required share to TIFFANY NICOLE CHILDS via Cash App. After receiving her portion of the insurance proceeds, TIFFANY NICOLE CHILDS paid PAUL ERIC LYONS his share through hand-delivery of cash or transfer of money to one of his alias names through Cash App.

16. As the conspiracy progressed, PAUL ERIC LYONS created his own fake dental clinics for the purpose of submitting false and fraudulent dental insurance claims. PAUL ERIC LYONS registered these fake dental clinics with Victim Dental Insurance Company 1 so that he could submit insurance claims through its online-claims portal. PAUL ERIC LYONS included on the registration forms the names, Michigan dental license numbers, and NPI numbers of dentists who would be providing services at the clinics as participating or non-participating providers. He obtained these names primarily from a list of retired dentists that he had access to while employed at a dental clinic and used the names and means of identification of these dentists without their knowledge or authority.

17. In furtherance of the conspiracy involving the fake dental clinics, PAUL ERIC LYONS obtained the names, personal identifying information, and member insurance information of subscribers for the purpose of submitting false and fraudulent insurance claims in the name of his fake dental clinics. On some occasions, TIFFANY NICOLE CHILDS, and other recruiters, found additional subscribers willing to participate and provided their information to

PAUL ERIC LYONS. In these instances, PAUL ERIC LYONS prepared false and fraudulent insurance claims making it appear that non-participating dentists provided dental services to these individuals. After Victim Dental Insurance Company 1 paid these claims directly to the recruited subscribers, TIFFANY NICOLE CHILDS shared the proceeds from the false and fraudulent insurance claims with PAUL ERIC LYONS, and other recruiters, as discussed above.

18. On other occasions, PAUL ERIC LYONS stole the names, personal identifying information, and member insurance information of actual patients at the dental clinics where he worked and used those means of identification, without the knowledge or authority of these patients, on the insurance claims submitted to Victim Dental Insurance Company 1. In these instances, PAUL ERIC LYONS submitted the claims as if the dental services were provided by participating providers, when in truth and in fact no dental services had been provided. By doing so, Victim Dental Insurance Company 1 paid the claims directly to the fake clinics created by PAUL ERIC LYONS.

19. It was a further part of the conspiracy that to conceal his involvement in the crime, PAUL ERIC LYONS used alias names and Cash App accounts to receive the direct payments from Victim Dental Insurance Company 1 for claims submitted through his fake dental clinics.

20. During the period of its operation, the conspiracy submitted false and fraudulent dental insurance claims totaling over \$1,400,000.00 to Victim Dental Insurance Company 1 for approximately 172 insurance subscribers and received payments totaling \$371,995.77.

18 U.S.C. §1349
18 U.S.C. §1347

COUNT 2
(Aggravated Identity Theft)

On or about July 19, 2022, in Ingham County in the Southern Division of the Western District of Michigan,

PAUL ERIC LYONS,

defendant, during and in relation to the felony of conspiracy to commit health care fraud charged in Count 1 of this information, which is incorporated as if alleged herein, knowingly transferred, possessed, and used, without lawful authority, the means of identification of Victim Dentist 1.

Specifically, when registering a dental clinic for the purpose of submitting false and fraudulent dental insurance claims to Victim Dental Insurance Company 1, and when submitting insurance claims under that clinic's name, PAUL ERIC LYONS used the name, Michigan dental license number, and NPI number of Victim Dentist 1, without her knowledge or authority, to make it appear to Victim Dental Insurance Company 1 that a dentist truly provided the dental services listed on the claim forms, thereby causing the insurance company to pay the claims.

18 U.S.C. § 1028A(a)(1)

18 U.S.C. § 1028A(c)(5)

18 U.S.C. § 1028A(b)

FORFEITURE ALLEGATION
(Conspiracy to Commit Health Care Fraud)

The allegations contained in Count 1, including paragraphs 1-20, are hereby re-alleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

Upon conviction of the offense in violation of Title 18, United States Code, Sections 1349 and 1347 set forth in Count 1 of this Information, the defendants,

**PAUL ERIC LYONS and
TIFFANY NICOLE CHILDS,**

shall forfeit to the United States, pursuant to Title 18, United States Code, Sections 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offense. The property to be forfeited includes, but is not limited to, the following:

1. MONEY JUDGMENT: A sum of money equal to at least \$371,995.77, which represents the amount of proceeds traceable to the conspiracy charged in Count 1 of this Information.

2. SUBSTITUTE ASSETS: If any of the property described above, 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
- e. has been commingled with other property which cannot be divided without difficulty.

the United States of America shall be entitled to forfeiture of substitute property pursuant to 21

U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c).

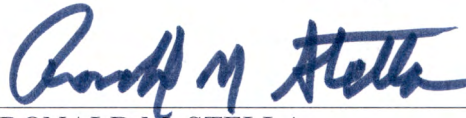
18 U.S.C. § 981(a)(1)(C)

21 U.S.C. § 853(p)

28 U.S.C. § 2461(c)

18 U.S.C. § 1347, 1349

ALEXIS M. SANFORD
Acting United States Attorney

A handwritten signature in blue ink, appearing to read "Ronald M. Stella", written over a horizontal line.

RONALD M. STELLA
Assistant United States Attorney

Date: June 25, 2025