

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
FLORENCE DIVISION

UNITED STATES OF AMERICA

v.

TINA ARMSTRONG
SAFE AT HOME MEDICAL EQUIPMENT AND SUPPLIES

) CRIM.NO. 4:25-cr-260-JD
) 18 U.S.C. § 1347
) 18 U.S.C. § 1028A
) 18 U.S.C. § 982(a)(7)
) 28 U.S.C. § 2461(c)
)
) **SUPERSEDING**
) **INDICTMENT**

THE GRAND JURY CHARGES:

At all times relevant to this Indictment:

1. TINA ARMSTRONG owned and operated SAFE AT HOME MEDICAL EQUIPMENT AND SUPPLIES, LLC (SHME), a designated Provider of Medicare and Medicaid in South Carolina. The primary business location of SHME was in Dillon County, South Carolina.

THE MEDICARE PROGRAM

2. The Medicare Program was a federally funded program that provided health care benefits to certain individuals, primarily the elderly, blind, and disabled. The benefits available under Medicare were governed by federal statutes and regulations. The United States Department of Health and Human Services (HHS), through its agency, the Centers for Medicare and Medicaid Services (CMS), oversaw and administered Medicare. Individuals who received benefits under Medicare were commonly referred to as Medicare “beneficiaries.”

3. Medicare programs covering different types of benefits were separated into different program “parts.” Part B of the Medicare Program covered, among other things, medically necessary and reasonable Durable Medical Equipment (DME), such as Oxygen Equipment, Wheelchairs, and Hospital Beds. These items were provided to beneficiaries. Medicare required a

face-to-face encounter and a Written Order from a physician certifying the beneficiaries met the coverage criteria prior to the Delivery of specified medical equipment. Medicare also required recertification that the beneficiaries continued to exhibit a medical need of specified medical equipment.

4. Medicare was a “health care benefit program,” as defined by Title 18, United States Code, Section 24(b), in that it was a public plan affecting commerce under which medical benefits, items, and services were provided to individuals and under which individuals and entities who provided medical benefits, items, or services, could obtain payments. Medicare was a “Federal health care program” as defined in Title 42, United States Code, Section 1320a-7b(f).

MEDICAID

5. Medicaid provided health coverage to millions of eligible low-income adults, children, pregnant women, elderly adults, and people with disabilities.

6. The South Carolina Department of Health and Human Services (hereinafter “SCDHHS”) administered the South Carolina Medicaid program on behalf of HHS. The Medicaid program in South Carolina is jointly funded by the federal government and the State of South Carolina.

7. The South Carolina Medicaid program covered, among other things, medically necessary and reasonable DME such as Oxygen Equipment, Wheelchairs, and Hospital Beds provided to Medicaid beneficiaries. The South Carolina Medicaid program required a Medicaid Certificate of Medical Necessity (MCMN) to be filled out by the ordering physician for medical equipment. MCMNs were valid for a maximum of twelve months.

8. Medicaid is a “health care benefit program,” as defined by Title 18, United States Code, Section 24(b).

CAPPED RENTAL PAYMENTS

9. For certain DME, such as hospital beds, Continuous Positive Airway Pressure (CPAP) devices, and wheelchairs, Medicare paid the fee schedule amounts on a monthly rental basis not to exceed a period of continuous use of fifteen months. In the tenth month of rental, the beneficiary was given a purchase option, and the supplier was required to notify Medicare of the election. If the option was exercised, Medicare continued to pay for the DME for thirteen months. After the thirteen-month period, ownership was transferred to the beneficiary. When the beneficiary owned the equipment, they were charged their coinsurance by the DME company whenever the equipment was reasonably and necessarily maintained and serviced.

10. If the beneficiary elected not to purchase the equipment, Medicare would continue to pay the DME company until the fifteen-month cap was reached. After the fifteen-month period, the DME company maintained ownership of the equipment but was required to continue to provide the item/s to the beneficiary without any charge, other than the maintenance and service fee coinsurance (limited to twice per year), until the medical necessity ended. Medicare did not pay maintenance and servicing during the rental periods.

11. SCDHHS capped the rental period for certain equipment at ten months. Certain items were considered purchased by Medicaid after ten months of rental payments.

OXYGEN EQUIPMENT

12. The reasonable useful lifetime for certain oxygen equipment was five years. Reimbursement for oxygen equipment was limited to thirty-six monthly rental payments. Payment for accessories, delivery, back-up equipment, maintenance, and repairs was included in the rental payment. There was no further payment for oxygen equipment rental during the five-year reasonable useful lifetime after the thirty-sixth month. The supplier who provided the equipment

during the thirty-sixth rental month was required to continue to provide the accessories, contents, maintenance, and repair during the five-year lifetime of the equipment. There were exceptions if the equipment was lost, stolen, or damaged beyond repair.

PARTICIPATING DME SUPPLIER AGREEMENT

13. DME suppliers participating in Medicare also agree to accept assignment of the Medicare Part B payment. By accepting assignment, suppliers agree to accept the Medicare-approved amount as full payment for covered services. This means the supplier can only charge the patient the coinsurance and the Part B deductible, if applicable. The supplier cannot charge the patient for any additional amounts.

THE SCHEME AND ARTIFICE

14. Beginning in or around January 2021, until in or around January 2024, in the District of South Carolina and elsewhere, TINA ARMSTRONG, through SHME, fraudulently submitted and caused to be submitted claims to Medicare Part B and South Carolina Medicaid for DME beneficiaries did not have or continued to bill for equipment beyond the allowed period for the equipment.

15. In some instances, the beneficiaries' DME was returned to SHME, and claims were submitted for periods the beneficiaries did not have the equipment.

16. In some instances, the ordering physicians listed on SHME claims for DME had not ordered the DME for the beneficiaries.

17. In some instances, after the thirty-six-month rental period ended for oxygen equipment with a five-year useful lifetime, TINA ARMSTRONG, through SHME, submitted claims for the period immediately following the thirty-sixth month. Several were denied payment. After a break of several months, TINA ARMSTRONG, through SHME, submitted claims which

were paid; however, the service dates were still within the five-year useful lifetime of the equipment.

18. In some instances, TINA ARMSTRONG, through SHME, submitted claims many months after the dates of service indicated on the claims and SHME was unable to provide supporting records that the beneficiaries had the DME.

19. In some instances, TINA ARMSTRONG, through SHME, submitted claims after beneficiaries had died for periods the beneficiary did not have the equipment or for periods in which SHME had already been paid.

PURPOSE OF THE SCHEME AND ARTIFICE

20. It was the purpose of the scheme and artifice for TINA ARMSTRONG to unlawfully enrich herself by, among other things: (a) submitting and causing the submission of false and fraudulent claims to health care benefit programs; (b) concealing the submission of false and fraudulent claims to health care benefit programs; and (c) diverting the proceeds of the false claims to her personal use and benefit.

21. As a result of the submission of such false and fraudulent claims, TINA ARMSTRONG caused health care benefit programs to make payments to SHME.

22. TINA ARMSTRONG then transferred and disbursed or caused the transfer and disbursement of fraudulent proceeds to herself and others.

23. As a result of the submission of false and fraudulent claims, TINA ARMSTRONG billed health care benefit programs approximately \$198,981.55 and caused them to make fraudulent disbursements to SHME in the amount of approximately \$104,577.74.

COUNT 1**THE GRAND JURY FURTHER CHARGES:**

24. Paragraphs 1 through 23 are incorporated herein by reference as describing a scheme and artifice to defraud.

25. On or about November 15, 2021, in the District of South Carolina and elsewhere, TINA ARMSTRONG, through SHME, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, the above-described scheme and artifice to defraud health care benefit programs affecting commerce, as defined by Title 18, United States Code, Section 24(b), that is, Medicare and Medicaid, 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 said benefit programs, in that TINA ARMSTRONG submitted and caused the submission of false and fraudulent claim number 121319801597000, through SHME, for a hospital bed (E0260), in the amount of approximately \$483.80, when beneficiary P.W. had returned the bed on or about June 28, 2021, and no longer possessed it;

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

COUNT 2**THE GRAND JURY FURTHER CHARGES:**

26. Paragraphs 1 through 23 are incorporated herein by reference as describing a scheme and artifice to defraud.

27. On or about August 9, 2023, in the District of South Carolina and elsewhere, TINA ARMSTRONG, through SHME, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, the above-described scheme and artifice to defraud health care benefit programs affecting commerce, as defined by Title 18, United States Code, Section 24(b), that is, Medicare and Medicaid, 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 said benefit programs, in that TINA ARMSTRONG submitted and caused the submission of false and fraudulent claim number 123221757979000, through SHME, for a hospital bed (E0260), in the amount of \$523.80, when beneficiary P.W. (who died May 30, 2023) had returned the bed on or about June 28, 2021, and no longer possessed it;

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

COUNT 3**THE GRAND JURY FURTHER CHARGES:**

28. Paragraphs 1 through 23 are incorporated herein by reference as describing a scheme and artifice to defraud.

29. On or about June 27, 2022, in the District of South Carolina and elsewhere, TINA ARMSTRONG, through SHME, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, the above-described scheme and artifice to defraud health care benefit programs affecting commerce, as defined by Title 18, United States Code, Section 24(b), that is, Medicare and Medicaid, 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 said benefit programs, in that TINA ARMSTRONG submitted and caused the submission of false and fraudulent claim number 122178797143000, through SHME, for an oxygen concentrator (E1390) and portable oxygen system (E0431), in the amount of \$229.51, when beneficiary J.J. had returned the equipment on or about May 16, 2022, and no longer possessed it;

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

COUNT 4**THE GRAND JURY FURTHER CHARGES:**

30. Paragraphs 1 through 23 are incorporated herein by reference as describing a scheme and artifice to defraud.

31. On or about August 17, 2023, in the District of South Carolina and elsewhere, TINA ARMSTRONG, through SHME, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, the above-described scheme and artifice to defraud health care benefit programs affecting commerce, as defined by Title 18, United States Code, Section 24(b), that is, Medicare and Medicaid, 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 said benefit programs, in that TINA ARMSTRONG submitted and caused the submission of false and fraudulent claim number 123229745206000, through SHME, for an oxygen concentrator (E1390) and portable oxygen system (E0431), in the amount of \$688.53, when beneficiary J.J. had returned the equipment on or about May 16, 2022, and no longer possessed it;

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

COUNT 5**THE GRAND JURY FURTHER CHARGES:**

32. Paragraphs 1 through 23 are incorporated herein by reference as describing a scheme and artifice to defraud.

33. On or about September 1, 2023, in the District of South Carolina and elsewhere, TINA ARMSTRONG, through SHME, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, the above-described scheme and artifice to defraud health care benefit programs affecting commerce, as defined by Title 18, United States Code, Section 24(b), that is, Medicare and Medicaid, 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 said benefit programs, in that TINA ARMSTRONG submitted and caused the submission of false and fraudulent claim number 123244730617001, through SHME, for a home ventilator (E0466), in the amount of \$5,200.00, when beneficiary A.M. had never had the equipment;

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

COUNT 6**THE GRAND JURY FURTHER CHARGES:**

34. Paragraphs 1 through 23 are incorporated herein by reference as describing a scheme and artifice to defraud.

35. On or about October 1, 2023, in the District of South Carolina and elsewhere, TINA ARMSTRONG, through SHME, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, the above-described scheme and artifice to defraud health care benefit programs affecting commerce, as defined by Title 18, United States Code, Section 24(b), that is, Medicare and Medicaid, 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 said benefit programs, in that TINA ARMSTRONG submitted and caused the submission of false and fraudulent claim number 2327300249813000A, through SHME, for a home ventilator (E0466), in the amount of \$4,847.24, when beneficiary A.M. had never had the equipment;

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

COUNT 7**THE GRAND JURY FURTHER CHARGES:**

36. Paragraphs 1 through 23 are incorporated herein by reference as describing a scheme and artifice to defraud.

37. On or about September 7, 2021, in the District of South Carolina and elsewhere, TINA ARMSTRONG, through SHME, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, the above-described scheme and artifice to defraud health care benefit programs affecting commerce, as defined by Title 18, United States Code, Section 24(b), that is, Medicare and Medicaid, 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 said benefit programs, in that TINA ARMSTRONG submitted and caused the submission of false and fraudulent claim number 121250820851000, through SHME, for an oxygen concentrator (E1390) and portable oxygen system (E0431), in the amount of \$688.53, when beneficiary R.M. had returned the equipment on or about October 22, 2020, and no longer possessed it;

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

COUNT 8**THE GRAND JURY FURTHER CHARGES:**

38. Paragraphs 1 through 23 are incorporated herein by reference as describing a scheme and artifice to defraud.

39. On or about August 9, 2023, in the District of South Carolina and elsewhere, TINA ARMSTRONG, through SHME, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, the above-described scheme and artifice to defraud health care benefit programs affecting commerce, as defined by Title 18, United States Code, Section 24(b), that is, Medicare and Medicaid, 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 said benefit programs, in that TINA ARMSTRONG submitted and caused the submission of false and fraudulent claim number 123221753673000, through SHME, for an oxygen concentrator (E1390) and portable oxygen system (E0431), in the amount of \$688.53, when beneficiary R.M. had returned the equipment on or about October 22, 2020, and no longer possessed it;

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

COUNT 9**THE GRAND JURY FURTHER CHARGES:**

40. Paragraphs 1 through 23 are incorporated herein by reference as describing a scheme and artifice to defraud.

41. On or about September 21, 2023, in the District of South Carolina and elsewhere, TINA ARMSTRONG, through SHME, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, the above-described scheme and artifice to defraud health care benefit programs affecting commerce, as defined by Title 18, United States Code, Section 24(b), that is, Medicare and Medicaid, 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 said benefit programs, in that TINA ARMSTRONG submitted and caused the submission of false and fraudulent claim number 123264736647000, through SHME, for a Continuous Positive Airway Pressure Device (E0601), in the amount of \$270.00, when beneficiary P.S. had already returned the device prior to moving in or about November 2021, and was no longer under the care of the authorizing physician, R.S., listed on the claim;

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

COUNT 10**THE GRAND JURY FURTHER CHARGES:**

42. Paragraphs 1 through 23 are incorporated herein by reference as describing a scheme and artifice to defraud.

43. On or about September 22, 2023, in the District of South Carolina and elsewhere, TINA ARMSTRONG, through SHME, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, the above-described scheme and artifice to defraud health care benefit programs affecting commerce, as defined by Title 18, United States Code, Section 24(b), that is, Medicare and Medicaid, 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 said benefit programs, in that TINA ARMSTRONG submitted and caused the submission of false and fraudulent claim number 123265749903000, through SHME, for a Respiratory Assist Device, Bi-Level Pressure (E0470), in the amount of \$860.00, when beneficiary J.H. had received this device from SHME during 2014 and still used it, had transferred to another provider for supplies during 2019, and the authorizing physician on the claim, J.W., had not authorized another one;

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

COUNT 11**THE GRAND JURY FURTHER CHARGES:**

44. Paragraphs 1 through 23 are incorporated herein by reference as describing a scheme and artifice to defraud.

45. On or about June 26, 2023, in the District of South Carolina and elsewhere, TINA ARMSTRONG, through SHME, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, the above-described scheme and artifice to defraud health care benefit programs affecting commerce, as defined by Title 18, United States Code, Section 24(b), that is, Medicare and Medicaid, 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 said benefit programs, in that TINA ARMSTRONG submitted and caused the submission of false and fraudulent claim number 123177780845000, through SHME, for a hospital bed (E0260), in the amount of \$270.00, when beneficiary F.C. (who died June 14, 2023) did not have the bed, and the authorizing physician on the claim, J.K., had not authorized the bed;

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

COUNT 12**THE GRAND JURY FURTHER CHARGES:**

On or about September 21, 2023, in the District of South Carolina, the Defendant, TINA ARMSTRONG, during and in relation to a felony violation as enumerated in Title 18, United States Code, Section 1347, as specified in Count 9 above, which is incorporated herein by reference, did knowingly transfer, possess, and use, without lawful authority, a means of identification of another person;

In violation of Title 18, United States Code, Section 1028A(a)(1).

COUNT 13**THE GRAND JURY FURTHER CHARGES:**

On or about September 22, 2023, in the District of South Carolina, the Defendant, TINA ARMSTRONG, during and in relation to a felony violation as enumerated in Title 18, United States Code, Section 1347, as specified in Count 10 above, which is incorporated herein by reference, did knowingly transfer, possess, and use, without lawful authority, a means of identification of another person;

In violation of Title 18, United States Code, Section 1028A(a)(1).

COUNT 14**THE GRAND JURY FURTHER CHARGES:**

On or about June 26, 2023, in the District of South Carolina, the Defendant, TINA ARMSTRONG, during and in relation to a felony violation as enumerated in Title 18, United States Code, Section 1347, as specified in Count 11 above, which is incorporated herein by reference, did knowingly transfer, possess, and use, without lawful authority, a means of identification of another person;

In violation of Title 18, United States Code, Section 1028A(a)(1).

FORFEITURE

FEDERAL HEALTH CARE FRAUD:

Upon conviction for felony violation of Title 18, United States Code, Section 1347, as charged in this Superseding Indictment, the Defendants, TINA ARMSTRONG and SAFE AT HOME MEDICAL EQUIPMENT AND SUPPLIES, LLC (SHME), shall forfeit to the United States all of the Defendants' rights, title, and interest in and to any property, real and personal, which constitutes, is traceable, or is derived from any proceeds the Defendants obtained, directly or indirectly, as a result of such violations.

PROPERTY:

Pursuant to Title 18, United States Code, Section 982(a)(7) and Title 28, United States Code, Section 2461(c), the property which is subject to forfeiture upon conviction of the Defendants for the offenses charged in this Superseding Indictment includes, but is not limited to, the following:

Proceeds/Forfeiture Judgment:

A sum of money equal to all proceeds the Defendants obtained, directly or indirectly, from the offenses charged in this Superseding Indictment, that is, a minimum of \$104,577.74 in United States currency and all interest and proceeds traceable thereto, and/or such sum that equals all property derived from or traceable to their violation of 18 U.S.C. § 1347.

SUBSTITUTION OF ASSETS:

If any of the property described above as being subject to forfeiture, as a result of any act or omission of a Defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third person;

- (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 subdivided without difficulty;

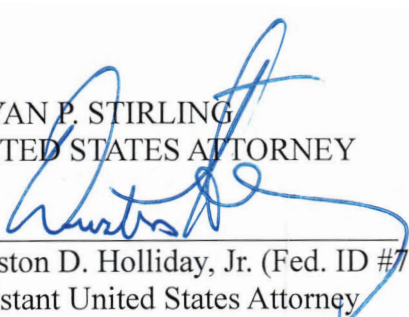
it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) to seek forfeiture of any other property of the Defendant up to an amount equivalent to the value of the above-described forfeitable property;

Pursuant to Title 18, United States Code, Section 982(a)(7) and Title 28, United States Code, Section 2461(c).

A True BILL

FOREPERSON

BRYAN P. STIRLING
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