

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ROCKLAND

PEOPLE OF THE STATE OF NEW YORK,
by LETITIA JAMES, Attorney General of
the State of New York,

Plaintiff,

- against -

DUTCHESS BLACK CAR SERVICE, INC., and SAID
KHAN,

Defendants.

VERIFIED COMPLAINT

Index No.: 034114/2025

The People of the State of New York (the “State”), by its attorney Letitia James, Attorney General of the State of New York, allege the following upon information and belief:

PRELIMINARY STATEMENT

1. Between July 26, 2018, and February 6, 2023 (“Relevant Period”), Dutchess Black Car Service, Inc. (“Dutchess Black Car”) and its owner and operator Said Khan (collectively, “Defendants”) submitted claims to the New York State Medical Assistance Program (the “Medicaid Program” or “Medicaid”), 42 U.S.C. §§ 1396 *et seq.*, for providing non-emergency medical transportation services to Medicaid recipients traveling to or from providers furnishing medical services paid for by Medicaid. However, Defendants repeatedly and persistently submitted and/or caused to be submitted false claims for trips that: a) never occurred; and/or b) contained misrepresentations about the amount of reimbursable tolls Dutchess Black Car’s drivers incurred during trips.

PARTIES, JURISDICTION, AND VENUE

2. Letitia James is the Attorney General of the State of New York, and as such, is authorized on behalf of Plaintiff, the State, to bring a civil action against those who violate the New York False Claims Act (“FCA”), N.Y. State Fin. Law §§ 187 – 94; to enjoin and seek restitution for repeated fraudulent or illegal acts or repeated or persistent fraudulent or illegal practices in the conduct of a business pursuant to N.Y. Exec. Law 63(12); and to recover government funds obtained without right pursuant to N.Y. Exec. Law § 63-c and other causes of action under New York State laws.

3. The Medicaid Fraud Control Unit (“MFCU”) in the Office of the Attorney General of the State of New York (“OAG”) is responsible for investigating and prosecuting, through criminal and civil proceedings, *inter alia*, healthcare providers and persons who assist and facilitate providers’ fraudulent schemes and illegal billing of the Medicaid and Medicare programs. Based upon MFCU’s investigation of Defendants’ conduct, the State filed this action pursuant to the well-established authority vested in OAG by the Executive Law, Medicaid rules and regulations, and MFCU by its federal grant of authority under the Social Security Act and its Medicaid and Medicare program regulations to investigate and prosecute provider fraud. *See* Executive Law § 63(12); 42 U.S.C. § 1396b(q); 42 C.F.R. § 1007.11(a)(2).

4. Defendant Said Khan resides in Rockland County at an address known to MFCU in Suffern, NY, and, during the Relevant Period, was an owner and operator of Dutchess Black Car.

5. Defendant Dutchess Black Car is a domestic business corporation in Dutchess County, New York, with its principal business address at 1131 Route 55, Suite 1, Lagrangeville, NY 12540.

6. Venue is proper in this county pursuant to CPLR 503(a) because Said Khan resides in Rockland County.

THE MEDICAID PROGRAM

7. Medicaid, administered by the New York State Department of Health (“DOH”), is authorized by Title XIX of the Social Security Act and Title 42 of the Code of Federal Regulations. Medicaid is a joint federal-state program that provides health care benefits for certain groups, including the poor and disabled. Medicaid is funded by both federal and state tax dollars.

8. By enrolling as a Medicaid provider, a healthcare provider must agree to abide by all rules and regulations of the Medicaid Program pursuant to Title 18 of the Official Compilation of Codes, Rules, and Regulations of New York State, Section 504.3. *See* 18 NYCRR § 504.3(i); *see also* 18 NYCRR § 515.2(a)(1). Further, 18 NYCRR § 504.6(d) requires that a provider submit Medicaid claims only for services provided in compliance with Title 18 of the Official Compilation of Codes, Rules and Regulations of New York State.

9. As part of Medicaid, providers are required to submit an annual certification affirming their compliance with all program rules and regulations. *See* 18 NYCRR §§ 504.1(b)(1), 504.9; *see generally* current and archived versions (2021-1, 2018-2, 2018-1, 2016-1) of the New York State Medicaid Program, *Information for all Providers General Billing, Archive*, at https://www.emedny.org/ProviderManuals/AllProviders/PDFS/Information_for_All_Providers-General_Billing.pdf. The certification states:

I (or the entity) have furnished or caused to be furnished the care, services, and supplies itemized and done so in accordance with applicable federal and state laws and regulations . . . In submitting claims under this agreement, I understand and agree that I (or the entity) shall be subject to and bound by all rules, regulations, policies, standards, fee codes and procedures of the New York State Department of Health and the Office of the Medicaid Inspector General as set forth in statute or Title 18 of the Official Compilation of Codes, Rules and Regulations of New York State and other publications of the Department, including eMedNY Provider Manuals and other official bulletins of the Department.

eMedNY, *Certification Statement for Provider Billing Medicaid*,
https://www.emedny.org/info/providerenrollment/ProviderMaintForms/490501_ETIN_CERT_Certification_Statement_Cert_Instructions_for_Existing_ETINs.pdf.

10. Medicaid providers are prohibited from engaging in certain “unacceptable practices.” 18 NYCRR § 515.2. As relevant here, these practices include violating DOH rules and regulations, and participating in conduct that constitutes fraud and abuse, including making or causing to be made a false claim for an improper amount or unfurnished services; ordering or furnishing improper, unnecessary, or excessive services; and making false statements or failing to disclose events that affect the right to payment. *See* 18 NYCRR § 515.2(b).

11. The Medicaid Program will not knowingly pay claims resulting from unacceptable practices. All claims for payment submitted to Medicaid resulting from unacceptable practices are in violation of a material condition of payment of the Medicaid Program and Defendants are liable for repayment of such overpayments. *See* 18 NYCRR § 518.3.

Non-Emergency Medical Transportation for Medical Care and Services.

12. To ensure access to health care for Medicaid enrollees, the Medicaid Program provides recipients with modes of transportation to necessary medical care and services covered

by the Medicaid program. The Medicaid Program covers transportation by ambulance, ambulette, taxi, livery, public transit, and personal vehicle. This action involves Defendants acting under the Medicaid Program rules for “Non-Emergency Transportation” – the lowest level of transportation service in ordinary taxi vehicles licensed under the rules of the county or city of operation.

13. To operate as a non-emergency medical transportation provider under the Medicaid Program, a company must: enroll as a provider in the Medicaid Program; provide an ownership disclosure; execute annual notarized certifications; agree to follow Medicaid rules and regulations; and, in fact, comply with those Medicaid rules and regulations, as well as with local regulations governing taxi or livery vehicles in its county of operation and the New York State Department of Motor Vehicles regulations. *See* 18 NYCRR § 510.10(e)(6)(iii).

14. Among the Medicaid rules and regulations with which a provider must comply is the requirement that a transportation provider may only bill for mileage driven and tolls incurred and must take the most direct route possible. When the transportation provider simultaneously carries more than one recipient in the same vehicle, the provider can only claim the mileage once, for the recipient who was transported the furthest distance. Medicaid will only pay a transportation provider where a recipient “is actually being transported in the vehicle.” *See generally* current and archived versions (2021-1, 2018-2, 2018-1, 2016-1) of the New York State Medicaid Program, *Information for all Providers General Billing, Archive*, at https://www.emedny.org/ProviderManuals/AllProviders/PDFS/Information_for_All_Providers-General_Billing.pdf.

15. Upon completing a trip, a transportation provider attests that the trip took place in a computerized system operated by DOH’s third-party transportation manager. The transportation

manager then issues a “prior approval”, which dictates the procedure codes (*e.g.*, mileage, tolls), modifiers, units/quantities (*e.g.*, how many legs of a trip, mileage), and monetary amounts for which the provider is authorized to bill. The provider uses the information on the prior approval to bill Medicaid directly.

FACTUAL BACKGROUND

16. Dutchess Black Car has been an enrolled Medicaid provider under Provider ID # 04998743 and Tax ID # XX-XXX6973¹ from November 6, 2017, through the end of the Relevant Period. Dutchess Black Car submitted certifications every year from 2017 to the present, making the representations of compliance with the laws and rules of the Medicaid Program as set forth above in Par. nine.²

17. Defendant Said Khan is the sole owner and a high managerial agent of Dutchess Black Car. Dutchess Black Car operates in Orange, Putnam, Westchester, Rockland, and Dutchess counties in New York. During the Relevant Period, Medicaid paid Dutchess Black Car \$2,251,178.77.³ Dutchess Black Car was not entitled to these funds. Defendants only received them after having repeatedly and persistently filed and/or presented for filing, false and fraudulent claims on behalf of Dutchess Black Car to Medicaid for transportation services Dutchess Black Car did not provide and for tolls Dutchess Black Car did not incur.⁴

¹ Dutchess Black Car’s full Tax ID number has been redacted to protect Personal Identifying Information (“PII”).

² See Exhibits 1a–1h for Westchester’s Certifications from 2017 – 2025.

³ See Exhibit 2 for a chart summarizing the claims at issue in this case.

⁴ On September 20, 2023, Said Khan appeared, with counsel, at MFCU’s office, where he was examined under oath pursuant to Executive Law § 63(12). During his examination, he repeatedly asserted his personal rights under the Fifth Amendment against self-incrimination, refusing to answer substantive questions. A corporation has no right against self-incrimination, and so Dutchess Black Car has also remained silent when given the opportunity to explain its billings.

Defendants Claimed Payment of Fictitious or Impossible Trips.

18. During the Relevant Period, Defendants submitted – and Medicaid paid for – 28,941 claims the Defendants did not conduct. These trips, and therefore claims, could not be valid because: the medical provider to which the recipient allegedly was transported to and/or from has no record of the recipient attending or receiving treatment on site that day, a requirement for receiving transportation services; the recipient was receiving inpatient treatment at a hospital or clinic at the time and therefore was not physically available to be transported; the treatment facility to which the recipient was purportedly being transported was not open on that day; or the recipient was incarcerated at the time and therefore incapable of being transported.

False Claims for Trips that did not Occur because Recipient did not have Corresponding Medical Treatment.

19. During the Relevant Period, Defendants submitted – and Medicaid paid – 26,027 claims where the healthcare facility to and from which Dutchess Black Car allegedly transported the Medicaid recipient had no record of the Medicaid recipient having received services on site on the day of the alleged transportation, nor did the healthcare facility submit a claim for such services to Medicaid. As a result of such claims, Defendants received \$1,542,594.54 from Medicaid to which they were not entitled. For example:

- a. Defendants submitted claims, and Medicaid paid, for allegedly transporting Recipient S.A.⁵ to and from Lexington Center for Recovery (“Lexington”) which

⁵ Throughout this pleading the State has anonymized the Medicaid recipients due to concerns about releasing Personal Health Information (“PHI”) and PII. Upon request, the State will provide the Court and Defendants with a legend identifying each Medicaid recipient whose claims are at issue, *in camera* and, if the Court deems appropriate, subject to a protective order.

has locations in Peekskill, Valley Cottage, and Poughkeepsie, New York. Lexington's records show that Recipient S.A. was not present for treatment on nine of the dates Dutchess Black Car purportedly transported Recipient S.A. Moreover, Lexington did not submit Medicaid claims seeking payment for having treated Recipient S.A. on the corresponding dates. Plainly, Recipient S.A. was not treated at Lexington on those nine instances and therefore did not actually receive a billable ride from Dutchess Black Car. Thus, Defendants were not entitled to the \$1,882.43 they received from Medicaid for those false claims.

- b. Defendants submitted claims, and Medicaid paid, for allegedly transporting Recipient E.B. to and from Arms Acres in Carmel, New York. Arms Acres' records show that Recipient E.B. was not present for treatment on 11 of the dates Dutchess Black Car purportedly transported Recipient E.B. Moreover, Arms Acres did not submit Medicaid claims seeking payment for having treated Recipient E.B. on the corresponding dates. Plainly, Recipient E.B. was not treated at Arms Acres on those 11 instances and did not actually receive a billable ride from Dutchess Black Car. Thus, Defendants were not entitled to the \$3,072.65 they received from Medicaid for those false claims.
- c. Defendants submitted claims, and Medicaid paid, for allegedly transporting Recipient J.R. to and from Lexington. Lexington's records show that Recipient J.R. was not present for treatment on nine of the dates which Dutchess Black Car purportedly transported Recipient J.R. Moreover, Lexington did not submit Medicaid claims seeking payment for having treated Recipient J.R. on the

corresponding dates. Plainly, Recipient J.R. was not treated at Lexington on those nine instances and therefore did not actually receive a billable ride from Dutchess Black Car. Thus, Defendants were not entitled to the \$1,239.86 they received from Medicaid for those false claims.

20. When asked under oath whether Dutchess Black Car billed for non-emergency transportation in accordance with all rules and regulations, Defendant Said Khan, owner of Defendant Dutchess Black Car, invoked his rights against self-incrimination.

False Claims for Trips that did not Occur because Recipient was Receiving Inpatient Treatment.

21. During the Relevant Period, Defendants submitted – and Medicaid paid for – 1,696 claims where the Medicaid recipient who Dutchess Black Car allegedly transported was admitted to the hospital at the time of the alleged trip, and where the pickup and drop off location was not the hospital to which the recipient was admitted.⁶ As a result of such false claims, Defendants received \$86,307.84 from Medicaid to which they were not entitled. For example:

- a. Recipient J.M. was admitted to Westchester Medical Center on August 22, 2018, and discharged September 5, 2018 – a total of 12 full days inpatient. Yet, between August 23, 2018, and September 4, 2018, Dutchess Black Car purportedly transported Recipient J.M. and submitted 52 false claims. Plainly, recipient J.M. was not transported to or from the hospital on those 32 instances and therefore did

⁶ For purposes of false billing calculations, MFCU did not include transportation claims dated on the date of admission or discharge, even though proper billing would have attributed the transportation to the hospital trip and Dutchess Black Car gave a different destination.

not receive a billable ride from Dutchess Black car. Thus, Defendants were not entitled to the \$2,267.46 they received from Medicaid for those false claims.

- b. Recipient L.M. was admitted to Nyack Hospital on January 9, 2019, and discharged January 22, 2019 – a total of 12 full days inpatient. Yet, between January 10, 2019, and January 21, 2019, Dutchess Black Car purportedly transported Recipient L.M. and submitted 24 corresponding false claims. Plainly, Recipient L.M. was not transported to or from the hospital on those 24 instances and therefore did not receive a billable ride from Dutchess Black Car. Thus, Defendants were not entitled to the \$1,433.20 they received from Medicaid for those false claims.
- c. Recipient C.K. was admitted to Vassar Brothers Medical Center on March 22, 2020, and discharged April 2, 2020 – a total of 10 full days. Yet, between March 23, 2020, and April 1, 2020, Dutchess Black Car purportedly transported Recipient C.K. and submitted 18 corresponding false claims. Plainly, Recipient C.K. was not transported to or from the hospital on those 18 instances and therefore did not receive a billable ride from Dutchess Black Car. Thus, Defendants were not entitled to the \$1,410.10 they received from Medicaid for those false claims.

22. When asked under oath whether Dutchess Black Car billed for non-emergency transportation in accordance with all rules and regulations, Defendant Said Khan, owner of Defendant Dutchess Black Car, invoked his right against self-incrimination. Defendant Said Khan did the same when asked under oath whether claiming payment from Medicaid for trips that were not provided due to the Recipient being admitted to a hospital was fraudulent.

False Claims on Dates Facility was Closed due to COVID-19 Pandemic.

23. During the Relevant Period, Defendants submitted – and Medicaid paid – 654 claims where Dutchess Black Car purportedly transported Medicaid recipients to the Regional Economic Community Action Program (“RECAP”) in Middletown, when RECAP was completely closed due to the COVID-19 Pandemic, rendering such trips impossible. As a result of such false claims, Defendants received \$30,174.13 from Medicaid to which they were not entitled. For example:

- a. On April 1, 2020, Recipient G.C. was purportedly transported to and from RECAP by Dutchess Black Car, but RECAP was closed. Plainly, recipient G.C. was not transported to or from RECAP on this or any of the other 21 instances and therefore did not actually receive a billable ride from Dutchess Black Car. Thus, Defendants were not entitled to the \$2,115.26 they received from Medicaid for those false claims.

24. When asked under oath whether Dutchess Black Car billed for non-emergency transportation in accordance with all rules and regulations, Defendant Said Khan, owner of Defendant Dutchess Black Car, invoked his right against self-incrimination. Defendant Said Khan did the same when asked whether claiming payment from Medicaid for trips to RECAP that were not provided was fraudulent.

False Claims for Trips that did not Occur because Recipient was Incarcerated.

25. During the Relevant Period, Defendants submitted – and Medicaid paid – 506 false claims where the Medicaid recipient whom Dutchess Black Car allegedly transported was

incarcerated at the time of the alleged trip.⁷ Plainly, Dutchess Black Car did not provide these transportation services. As a result of such false claims, Defendants received \$21,731.33 from Medicaid to which they were not entitled. For example:

- a. Recipient R.R. was admitted into Dutchess County Jail on April 20, 2019, and released on November 8, 2019. Yet, between April 21, 2019, and November 7, 2019, Dutchess Black Car purportedly transported Recipient R.R. and submitted 126 corresponding false claims. Plainly, Recipient R.R. was not transported to or from jail on those 126 instances and therefore did not actually receive a billable ride from Dutchess Black Car. Thus, Defendants were not entitled to the \$7,389.90 they received from Medicaid for those false claims.
- b. Recipient K.M. was admitted into Orange County Jail on October 18, 2022, and released April 18, 2023. Yet, between October 19, 2022, and April 17, 2023, Dutchess Black Car purportedly transported Recipient K.M. and submitted 25 corresponding false claims. Plainly, Recipient K.M. was not transported to or from jail on those 25 instances and therefore did not actually receive a billable ride from Dutchess Black Car. Thus, Defendants were not entitled to the \$913.14 they received from Medicaid for those false claims. for 25 false claims.
- c. Recipient G.R. was admitted into Orange County Jail on April 15, 2019, and was released November 1, 2019. Yet, between April 16, 2019, and October 31, 2019,

⁷ For purposes of false billing calculations, MFCU did not include transportation claims dated on the date of admission or discharge, even though proper billing would have attributed the transportation to the jail and Dutchess Black Car gave a different destination.

Dutchess Black Car purportedly transported Recipient G.R. and submitted 60 corresponding false claims. Plainly, Recipient G.R. was not transported to or from jail on those 60 instances and therefore did not actually receive a billable ride from Dutchess Black Car. Thus, Defendants were not entitled to the \$3,044.16 they received from Medicaid for those false claims.

26. When asked under oath whether Dutchess Black Car billed for non-emergency transportation in accordance with all rules and regulations, Defendant Said Khan, owner of Defendant Dutchess Black Car, invoked his right against self-incrimination.

False Claims for Inflated Mileage with False Addresses.

27. During the Relevant Period, Defendants submitted – and Medicaid paid for – 849 claims where Dutchess Black Car falsely stated the pick-up and/or drop-off addresses for Recipient J.B., thereby exaggerating the mileage of those trips and increasing Dutchess Black Car’s payment from Medicaid. In fact, on 141 instances between July 8, 2019, and December 3, 2019, Dutchess Black Car submitted claims to Medicaid claiming to have picked up and/or dropped off Recipient J.B. at a particular address in Dover Plains, New York. However, the owner of that property stated that J.B. had not lived at the premises since at least 2018. Dover Plains is approximately 26 miles away (one-way trip) from the substance abuse clinic to which Dutchess Black Car allegedly transported Recipient J.B., whereas Recipient J.B.’s home address in the records of the Medicaid program is only approximately two miles away. Plainly, these trips were not properly billed, if they were provided at all. Thus, Defendants were not entitled to the \$49,719.75 they received from Medicaid for these false claims.

28. When asked under oath whether Dutchess Black Car billed for mileage for non-emergency transportation in accordance with all rules and regulations, Defendant Said Khan, owner of Defendant Dutchess Black Car, invoked his right against self-incrimination. Defendant Said Khan did the same when asked whether Dutchess Black Car knew whether it was fraudulent to provide a false pick-up location.

False Claims for Tolls Defendants did not Incur.

29. During the Relevant Period, Defendants submitted – and Medicaid paid for – 16,203 claims for \$50.00 tolls that Dutchess Black Car did not incur. In fact, along the routes that Dutchess Black Car could have transported Medicaid recipients, there are no tolls higher than \$20.00, and most are much less.

30. For reference, one of the highest possible tolls for a passenger vehicle using E-ZPass⁸ on the New York State Thruway in 2024 is \$20.54 for driving over 447 miles from New York City to Grand Island; a more typical two-exit journey of 28 miles would incur an E-ZPass toll under \$2.00. The most expensive bridge toll in NYS is the George Washington Bridge which tops out at \$17.63 for tolls by mail and \$15.38 with E-ZPass during peak hours. *See generally Toll and Distance Calculator - New York State Thruway* at <http://tolcalculator.thruway.ny.gov>.

31. Based on a review of Dutchess Black Car's trip detail during the Relevant Period, Dutchess Black Car did not regularly provide trips that required vehicles to cross the George Washington Bridge. Thus, there is no circumstance in which Defendants could have incurred tolls

⁸ E-ZPass is an electronic toll collection system that enables drivers to pay tolls without stopping at toll booths.

of \$20.00 or greater in these service areas, let alone 16,203 tolls for exactly \$50.00. Accordingly, all such claims by Defendants were false and fraudulent. Defendants' false and fraudulent toll claims resulted in Defendants receiving \$802,062.00 from Medicaid to which it was not entitled.

For example:

- a. On September 22, 2018, Defendants submitted a claim for payment by Medicaid for a \$50.00 toll allegedly incurred between 430 Liberty Street, Newburgh, NY, and 21 Old Route 6, Carmel, NY, where the total amount of possible tolls that could be incurred is a mere \$2.15. This claim was submitted and paid for by Medicaid nine other times. Plainly, Dutchess Black Car did not incur these tolls. Thus, Defendants were not entitled to the \$500.00 they received from Medicaid for these false claims.
- b. On January 8, 2019, Defendants submitted a claim for payment by Medicaid for a \$50.00 toll between 121 Cooper Road, Fishkill, NY, and 3 Corporate Drive, Peekskill, NY, a journey on which there are no toll roads. This claim was submitted and paid for by Medicaid 448 other times. Plainly, Dutchess Black Car did not incur these tolls. Thus, Defendants were not entitled to the \$22,241.50 they received from Medicaid for these false claims.
- c. On September 4, 2019, Defendants submitted a claim for payment by Medicaid for a \$50.00 toll between 8 Plank Road, Newburgh, NY, and 21 Old Route 6, Carmel, NY, where the total amount of possible tolls that could be incurred is \$2.15. This claim was submitted and paid for by Medicaid 457 other times. Plainly, Dutchess

Black Car did not incur these tolls. Thus, Defendants were not entitled to the \$22,651.25 they received from Medicaid for these false claims.

32. When asked under oath whether Dutchess Black Car billed for tolls in accordance with all rules and regulations, Defendant Said Khan, owner of Defendant Dutchess Black Car, invoked his right against self-incrimination.⁹

**FIRST CAUSE OF ACTION
PURSUANT TO N.Y. STATE FIN. LAW § 189(1)(a-b)
VIOLATION OF THE FCA**

As Against All Defendants

1. The State repeats and realleges the foregoing paragraphs of this Complaint as if fully set forth herein.

2. The New York State False Claims Act, Fin. Law § 189(1) prohibits any person from knowingly: (a) presenting or causing to be presented a false or fraudulent claim for payment or approval; (b) making, using, or causing to be made or used, a false record or statement material to a false or fraudulent claim; or (c) conspiring to commit a violation of subsections (a) and (b). Defendants, acting with actual knowledge or with deliberate ignorance or reckless disregard of the truth, presented and/or caused the presentation of false claims to Medicaid, including those for inflated mileage resulting from misrepresenting the pickup and/or drop off addresses of recipients.

⁹ On January 5, 2025, Defendants were served with a cease-and-desist notice advising them in detail of the false claims and overpayments described herein. Since that date, over 60 days prior to the date of this action, Defendants have failed to return or repay the Medicaid funds obtained because of those false claims. Under both federal and New York law, a person who has received an overpayment has an obligation to report the amount of and reason for such overpayment and to return the overpayment within 60 days of identification. *See* 42 USC § 1320a-7k(d); Soc. Serv. § 363-d(6).

3. Defendants, acting with actual knowledge or with deliberate ignorance or reckless disregard of the truth, presented and/or caused the presentation of false claims to Medicaid, including those for inflated mileage resulting from misrepresenting the pickup and/or drop off addresses of recipients.

4. Defendants, acting with actual knowledge or with deliberate ignorance or reckless disregard of the truth, made or used false records or statements material to a false or fraudulent claim, including by misrepresenting the pickup and/or drop off addresses of recipients and the transportation provided.

5. Defendants acting with actual knowledge or with deliberate ignorance or reckless disregard of the truth, engaged in a conspiracy to commit acts under subsections 189(1)(a) and 189(1)(b).

6. Because of Defendants' conduct, the State has sustained damages of \$2,251,178.77 and is entitled to treble damages plus a civil penalty for each violation, pursuant to the FCA.

**SECOND CAUSE OF ACTION
PURSUANT TO N.Y. EXEC. LAW § 63(12):
VIOLATIONS OF THE FCA
REPEATED AND PERSISTENT ILLEGALITY**

As Against All Defendants

7. The State repeats and realleges the foregoing paragraphs of this Complaint as if fully set forth herein.

8. Defendants have engaged in repeated and persistent illegal acts and/or illegality in the carrying on, conducting, or transaction of business, in violation of N.Y. Exec. Law § 63(12) by:

- a. Repeatedly and persistently presenting false claims to Medicaid for payment approval including those for inflated mileage resulting from misrepresenting the pickup and/or drop off addresses of recipients, in violation of Fin. Law § 189(1)(a); and
 - b. Repeatedly and persistently making or using false records or statements material to a false or fraudulent claim, by misrepresenting the pickup and/or drop off addresses of recipients and the transportation provided, violation of Fin. Law § 189(1)(b).
9. Because of Defendants' conduct, the State has sustained damages of \$2,251,178.77 and is entitled to treble damages plus a civil penalty for each violation, pursuant to the FCA.

**THIRD CAUSE OF ACTION
PURSUANT TO N.Y. EXEC. LAW § 63-c:
OVERPAYMENT OF PUBLIC FUNDS**

As Against All Defendants

10. The State repeats and realleges the foregoing paragraphs of this Complaint as if fully set forth herein.
11. Defendants directly and/or indirectly obtained, received, converted, or disposed of Medicaid funds to which they were not entitled, as alleged in the foregoing paragraphs of this Complaint.
12. The acts and practices of Defendants complained of herein constitute a misappropriation of public property, in violation of the Tweed Law, N.Y. Exec. Law § 63-c.
13. Because of Defendants' conduct, the State has sustained damages of \$2,251,178.77 and is entitled to treble damages plus a civil penalty for each violation, pursuant to the FCA.

**FOURTH CAUSE OF ACTION
PURSUANT TO N.Y. EXEC. LAW § 63(12):
VIOLATIONS OF N.Y. EXEC. LAW § 63-c
REPEATED AND PERSISTENT ILLEGALITY**

As Against All Defendants

14. The State repeats and realleges the foregoing paragraphs of this Complaint as if fully set forth herein.

15. Defendants have also engaged in repeated and persistent illegal acts and/or illegality in the carrying on, conducting, or transaction of business, in violation of N.Y. Exec. Law § 63(12) by:

- a. Repeatedly and persistently obtaining, receiving, converting, or disposing of Medicaid funds, directly and/or indirectly, to which they were not entitled, in violation of the Tweed Law, N.Y. Exec. Law § 63-c, as alleged in the foregoing paragraphs of this Complaint.

16. Because of Defendants' conduct, the State has sustained damages of \$2,251,178.77 and is entitled to treble damages plus a civil penalty for each violation, pursuant to the FCA.

**FIFTH CAUSE OF ACTION
PURSUANT TO N.Y. EXEC. LAW § 63(12):
REPEATED AND PERSISTENT FRAUD**

As Against All Defendants

17. The State repeats and realleges the foregoing paragraphs of this Complaint as if fully set forth herein.

18. N.Y. Exec. Law § 63(12) authorizes the New York Attorney General to seek injunctive and other equitable relief whenever an individual or entity engages in repeated or persistent fraudulent conduct.

19. N.Y. Exec. Law § 63(12) defines fraud and fraudulent conduct broadly to include “any device, scheme or artifice to defraud and any deception, misrepresentation, concealment, suppression, false pretense, false promise or unconscionable contractual provisions.” Defendants, repeatedly and persistently committed fraud by, to wit:

- a. Repeatedly and persistently presenting false claims to Medicaid for payment approval including those for inflated mileage resulting from misrepresenting the pickup and/or drop off addresses of recipients; and
- b. Repeatedly and persistently making or using false records or statements material to a false or fraudulent claim, including by misrepresenting the pickup and/or drop off addresses of recipients and the transportation provided.

20. By reason of the acts and practices alleged herein, Defendants have engaged in repeated and persistent fraud in violation of N.Y. Exec. Law § 63(12).

21. Because of Defendants’ conduct, the State has sustained damages of \$2,251,178.77 and is entitled to treble damages plus a civil penalty for each violation, pursuant to the FCA.

**SIXTH CAUSE OF ACTION
PURSUANT TO SOCIAL SERVICES LAW § 145-b:
FALSE STATEMENTS**

As Against All Defendants

22. The State repeats and realleges the foregoing paragraphs of this Complaint as if fully set forth herein.

23. Defendants knowingly by means of false statements or representations, or by deliberate concealment of material facts or by other fraudulent schemes or devices, obtained

payment for themselves and others for services purportedly furnished pursuant to the laws of the State of New York, including the rules and regulations of the Medicaid Program.

24. By reason of the foregoing, Defendants are liable to the State pursuant to Social Services Law § 145-b for actual damages and three times the amounts falsely submitted, plus interest at the highest legal rate.

25. Because of Defendants' conduct, the State has sustained damages of \$2,251,178.77 and is entitled to treble damages plus a civil penalty for each violation, pursuant to the FCA.

**SEVENTH CAUSE OF ACTION
PURSUANT TO N.Y. EXEC. LAW § 63(12):
VIOLATIONS OF SOCIAL SERVICES LAW § 145-b
REPEATED AND PERSISTENT ILLEGALITY**

As Against All Defendants

26. The State repeats and realleges the foregoing paragraphs of this Complaint as if fully set forth herein.

27. Defendants have also engaged in repeated and persistent illegal acts and/or illegality in the carrying on, conducting, or transaction of business in violation of N.Y. Exec. Law § 63(12) by:

- a. Repeatedly and persistently, by means of false statements or representations, or by deliberate concealment of material facts or by other fraudulent schemes or devices, obtaining payment for themselves and others for services purportedly furnished pursuant to the laws of the State of New York, including the rules and regulations of the Medicaid Program, in violation of Social Services Law § 145-b, as alleged in the foregoing paragraphs of this Complaint.

28. Because of Defendants' conduct, the State has sustained damages of \$2,251,178.77 and is entitled to treble damages plus a civil penalty for each violation, pursuant to the FCA.

**EIGHTH CAUSE OF ACTION
UNJUST ENRICHMENT**

As Against All Defendants

29. The State repeats and realleges the foregoing paragraphs of this Complaint as if fully set forth herein.

30. Defendants have been unjustly enriched to the detriment of Medicaid by diverting Medicaid payments intended to provide Medicaid recipients transportation to essential services to themselves, and it is against equity and good conscience to permit them to retain those payments.

31. Because of Defendants' conduct, the State has sustained damages of \$2,251,178.77 and is entitled to treble damages plus a civil penalty for each violation, pursuant to the FCA.

PRAYER FOR RELIEF

WHEREFORE, as a result of the conduct described herein, the State respectfully requests that this Court grant the relief set forth below against each of the Defendants, pursuant to the FCA, N.Y. Exec. Law § 63(12), N.Y. Exec. Law § 63-c, Social Services Law § 145-b, and the theory of common law Unjust Enrichment, by issuing an order and judgment:

1. Declaring that:
 - a. Defendants have engaged in repeated and persistent fraud in the carrying on, conducting, and transaction of business, in violation of Executive Law § 63(12);
and
 - b. Defendants have repeatedly and persistently engaged in illegal acts in the carrying on, conducting, and transaction of business, in violation of Executive Law § 63(12)

by engaging in fraud in operating Dutchess Black Car by submitting claims for services not rendered; and

- c. Defendants have by means of a false statement or representation, obtained payment from Medicaid funds for services or supplies purportedly furnished; and
- d. Defendants have obtained, received, converted, and/or disposed of Medicaid funds, directly or indirectly, to which they were not entitled.

2. Permanently enjoining Defendants from:

- a. Further violating healthcare regulations and Medicaid guidelines relating to transportation services in New York State; and
- b. Further engaging in fraudulent and illegal acts and practices relating to reimbursement by the Medicaid Program;

3. Awarding, under Executive Law §§ 63(12) and 63-c, a money judgment in favor of the State against Defendants, jointly and severally, in an amount to be determined at trial but at least \$2,251,178.77, said sum being the total amount of restitution owed to the Medicaid Program known at the time of the service of the Complaint, set forth in Exhibit 3.

4. Awarding, under the False Claims Act and Social Services Law § 145-b, a money judgment in favor of the State against Defendants, jointly and severally, in an amount to be determined at trial but at least \$6,753,536.31, said sum representing treble damages, less the amount of any money judgment ordered pursuant to Paragraph 3, above.

5. Awarding interest from the date of each payment to Defendants at the maximum legal rate in effect on the date each payment was made.

6. Directing Defendants to pay civil penalties in the amount of \$12,000.00 per violation pursuant to the FCA and Social Services Law § 145-b.

7. Awarding the State reasonable attorneys' fees.

8. Awarding Plaintiff statutory costs against each Defendant in the amount of \$2,000.00 pursuant to CPLR 8303(a)(6); and Granting the State such other and further relief as this Court deems just and proper.

Dated: Pearl River, New York

June 26, 2025

LETITIA JAMES

Attorney General of the State of New York

BY: _____



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SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ROCKLAND

PEOPLE OF THE STATE OF NEW YORK,
by LETITIA JAMES, Attorney General of
the State of New York,

Plaintiff,

- against -

WESTCHESTER COUNTY BLACK CAR SERVICE,
INC., and YASMEEN KHAN,

Defendants.

VERIFIED COMPLAINT

Index No.: _____

TO THE ABOVE-NAMED DEFENDANT:

You are hereby summoned and required to serve upon plaintiff's attorney an answer to the complaint in this action within twenty days after the service of this summons, exclusive of the day of service, or within thirty days after service is complete if this summons is not personally delivered to you within the State of New York. In case of your failure to answer, judgment will be taken against you by default for the relief demanded in the complaint.

The basis of the venue designated is the county where the plaintiff has its home address.

Dated: Rockland, New York
June 26, 2025

LETITIA JAMES

Attorney General of the State of New York

BY:



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