

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.: 034113/2025

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 March 9, 2018, and January 30, 2023 (“Relevant Period”), Westchester County Black Car Service, Inc. (“Westchester Black Car”) and its owner and operator Yasmeen 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 Westchester 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 Yasmeen 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 Westchester Black Car.

5. Defendant Westchester Black Car is a domestic business corporation in Dutchess County, New York, with its principal business address at 3 Kasch Court, Monroe, NY 10950.

6. Venue is proper in this county pursuant to CPLR 503(a) because Yasmeen 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. Westchester Black Car has been an enrolled Medicaid provider under Provider ID # 04941571 and Tax ID # XX-XXX7575¹ from August 21, 2017, through the end of the Relevant Period. Westchester Black Car submitted certifications every year from 2017 to 2024, making the representations of compliance with the laws and rules of the Medicaid Program as set forth above in Par. nine.²

17. Defendant Yasmeen Khan is the sole owner and a high managerial agent of Westchester Black Car. Westchester Black Car operates in Orange, Putnam, Westchester, Rockland, and Dutchess counties in New York. During the Relevant Period, Medicaid paid Westchester Black Car \$1,157,127.86 for fraudulent claims.³ Westchester 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 Westchester Black Car to Medicaid for transportation services Westchester Black Car did not provide and for tolls Westchester Black Car did not incur.⁴

Defendants Claimed Payment of Fictitious or Impossible Trips.

18. During the Relevant Period, Defendants submitted – and Medicaid paid for – 10,760 trips Defendants did not conduct. These trips, and therefore claims, could not be valid

¹ Westchester Black Car's full Tax ID number has been redacted to protect Personal Identifying Information ("PII").

² See Exhibits 1a–1j for Westchester Black Car's Certifications from 2017 – 2024.

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

⁴ On September 27, 2023, Yasmeen Khan appeared, with counsel, at MFCU's office, where she was examined under oath pursuant to Executive Law § 63(12). During her examination, she repeatedly asserted her personal rights under the Fifth Amendment against self-incrimination, refusing to answer substantive questions. A corporation has no right against self-incrimination, and thus, Westchester Black Car has also remained silent when given the opportunity to explain its billings.

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, which is a requirement for receiving transportation services; the recipient was receiving inpatient treatment at a hospital or clinic at the time of the purported ride and therefore was not physically available to be transported; or the recipient was incarcerated at the time of the purported ride and was 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 for – 9,703 claims where the healthcare facility to and from which Westchester 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 false claims, Defendants received \$484,422.99 from Medicaid to which they were not entitled. For example:

- a. Defendants submitted claims, and Medicaid paid, for allegedly transporting Recipient W.G.⁵ to and from Lexington Center for Recovery (“Lexington”), which has locations in Peekskill, Valley Cottage, and Poughkeepsie, New York. Lexington’s records show that Recipient W.G. was not present for treatment on 14 of the dates Westchester Black Car purportedly transported Recipient W.G.

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.

Moreover, Lexington did not submit Medicaid claims seeking payment for having treated Recipient W.G. on the corresponding dates. Plainly, Recipient W.G. was not treated at Lexington on those 14 instances and therefore did not actually receive a billable ride from Westchester Black Car. Thus, Defendants were not entitled to the \$3,513.20 they received from Medicaid for those false claims.

- b. Defendants submitted claims, and Medicaid paid, for allegedly transporting Recipient G.S. to and from Lexington. Lexington's records show that Recipient G.S. was not present for treatment on 34 of the dates Westchester Black Car purportedly transported Recipient G.S. Moreover, Lexington did not submit Medicaid claims seeking payment for having treated Recipient G.S. on the corresponding dates. Plainly, Recipient G.S. was not treated at Lexington on those 34 instances and therefore did not actually receive a billable ride from Westchester Black Car. Thus, Defendants were not entitled to the \$8,166.80 they received from Medicaid for those false claims.
- c. Defendants submitted claims, and Medicaid paid, for allegedly transporting Recipient B.S. to and from Lexington. Lexington's records show that Recipient B.S. was not present for treatment on 15 of the dates Westchester Black Car purportedly transported Recipient B.S. Moreover, Lexington did not submit Medicaid claims seeking payment for having treated Recipient B.S. on the corresponding dates. Plainly, Recipient B.S. was not treated at Lexington on those 15 instances and therefore did not actually receive a billable ride from Westchester

Black Car. Thus, Defendants were not entitled to the \$1,356.70 they received for those false claims.

20. When asked under oath whether Westchester Black Car billed for non-emergency transportation in accordance with all rules and regulations, Defendant Yasmeen Khan, owner of Defendant Westchester Black Car, invoked her 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 – 636 claims where the Medicaid recipient who Westchester 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 \$35,771.86 from Medicaid to which they were not entitled. For example:

- a. Recipient J.P. was admitted to Arms Acres on August 23, 2018, and discharged September 11, 2018 – a total of 18 full days inpatient. Yet, between August 24, 2018, and September 10, 2018, Westchester Black Car purportedly transported Recipient J.P. and submitted 32 corresponding false claims. Plainly, Recipient J.P. was not transported to or from the hospital on those 32 instances and therefore did not receive a billable ride from Westchester Black Car. Thus, Defendants were not entitled to the \$2,086.92 they received from Medicaid for those false claims.

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 Westchester Black Car gave a different destination.

- b. Recipient S.C. was admitted to Putnam Hospital on February 19, 2020, and discharged February 23, 2020 – a total of 3 full days inpatient. Yet, between February 20, 2020, and February 22, 2020, Westchester Black Car purportedly transported Recipient S.C. and submitted nine corresponding false claims. Plainly, Recipient S.C. was not transported to or from the hospital on those nine instances and therefore did not receive a billable ride from Westchester Black Car. Thus, Defendants were not entitled to the \$517.37 they received from Medicaid for those false claims.
- c. Recipient P.G. was admitted to Vassar Brothers Medical Center on February 8, 2020, and discharged February 19, 2020 – a total of 10 full days inpatient. Yet, between February 9, 2020, and February 18, 2020, Westchester Black Car purportedly transported Recipient P.G. and submitted 24 corresponding false claims. Plainly, P.G. was not transported to or from the hospital on those 24 instances and therefore did not receive a billable ride from Westchester Black Car. Thus, Defendants were not entitled to the \$824.47 they received from Medicaid for those false claims.

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

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

23. During the Relevant Period, Defendants also submitted – and Medicaid paid for – 678 false claims where the Medicaid recipient whom Westchester Black Car allegedly transported was incarcerated at the time of the alleged trip.⁷ As a result of such false claims, Defendants received \$37,491.48 from Medicaid to which they were not entitled. For example:

- a. Recipient J.I. was admitted into Westchester County Jail on November 16, 2018, and released on February 14, 2019. Yet, between November 17, 2018, and February 13, 2019, Westchester Black Car purportedly transported Recipient J.I. and submitted 41 corresponding false claims. Plainly, Recipient J.I. was not transported to or from jail on those 41 instances and therefore did not actually receive a billable ride from Westchester Black Car. Thus, Defendants were not entitled to the \$3,750.00 they received from Medicaid for those false claims.
- b. Recipient D.C. was admitted into Dutchess County Jail on July 7, 2018, and discharged on October 4, 2018. Yet, between July 8, 2018, and October 3, 2018, Westchester Black Car purportedly transported Recipient D.C. and submitted 108 corresponding false claims. Plainly, Recipient D.C. was not transported to or from jail on those 41 instances and therefore did not actually receive a billable ride from

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 hospital trip and Westchester Black Car gave a different destination.

Westchester Black Car. Thus, Defendants were not entitled to the \$2,654.37 they received from Medicaid for those false claims.

- c. Recipient K.C. was admitted into Dutchess County Jail on June 6, 2019, and discharged on November 18, 2019. Yet, between June 7, 2019, and November 17, 2019, Westchester Black Car purportedly transported Recipient K.C. and submitted 72 corresponding false claims. Plainly, Recipient K.C. was not transported to or from jail on those 72 instances and therefore did not actually receive a billable ride from Westchester Black Car. Thus, Defendants were not entitled to the \$4,015.20 they received from Medicaid for those false claims.

24. When asked under oath whether Westchester Black Car submitted claims for non-emergency transportation in accordance with all rules and regulations, Defendant Yasmeen Khan, owner of Defendant Westchester Black Car, invoked her rights against self-incrimination.

False Claims for Tolls Defendants did not Incur.

25. During the Relevant Period, Defendants submitted – and Medicaid paid for – 12,995 claims for \$50.00 tolls that Westchester Black Car did not incur. In fact, along the routes that Westchester Black Car would have transported Medicaid recipients, there are no tolls higher than \$20.00, and most are much less.

26. 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

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

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>.

27. Based on a review of Westchester Black Car's trip detail during the Relevant Period, Westchester Black Car did not regularly, if ever, provide trips that required vehicles to cross the George Washington Bridge. Thus, Defendants could not have incurred tolls of \$20.00 or greater in these service areas, let alone 12,995 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 \$644,196.18 from Medicaid to which it was not entitled. For example:

- a. On November 26, 2019, Westchester Black Car submitted a claim that Medicaid paid for a \$50.00 toll allegedly incurred between 83 Dubois Street, 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 468 other times. Plainly Westchester Black Car did not incur the tolls for which they billed. Thus, Defendants were not entitled to the \$23,092.00 they received from Medicaid for those false claims.
- b. On May 10, 2021, Westchester Black Car submitted a claim that Medicaid paid for a \$50.00 toll between 44 Woodside Street, Pine Plains, NY and 41 Page Park Drive, Arlington, NY, a non-toll route where the total amount of possible tolls that could be incurred is \$0.00. This claim was submitted and paid for by Medicaid 188 other times. Plainly Westchester Black Car did not incur the tolls for which they billed.

Thus, Defendants were not entitled to the \$9,259.00 they received from Medicaid for those false claims.

- c. On August 16, 2021, Westchester Black Car submitted a claim that Medicaid paid for a \$50.00 toll between 8 Church Street, Millerton, NY, and 41 Page Park Drive, Arlington, NY, where the total amount of possible tolls that could be incurred is \$0.00. This claim was submitted and paid for by Medicaid 73 other times. Plainly Westchester Black Car did not incur the tolls for which they billed. Thus, defendants were not entitled to the \$3,644.50 they received from Medicaid for those false claims.

28. When asked under oath whether Westchester Black Car submitted claims for tolls in accordance with all rules and regulations, Defendant Yasmeen Khan, owner of Defendant Westchester Black Car, invoked her rights 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.

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).

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 make or used, a false record or statement material to a false or fraudulent claims; and (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.

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 \$1,157,127.86 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 \$1,157,127.86 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 \$1,157,127.86 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 \$1,157,127.86 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 \$1,157,127.86 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 \$1,157,127.86 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 \$1,157,127.86 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 \$1,157,127.86 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 Westchester 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 \$1,157,127.86 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 \$3,471,383.58, 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

9. Granting the State such other and further relief as this Court deems just and proper.

Dated: New York, New York

June 26, 2025

LETITIA JAMES

Attorney General of the State of New York

BY:



Samantha McCullagh
Special Assistant Attorney General
Medicaid Fraud Control Unit
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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:



Samantha McCullagh
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