

IN THE DISTRICT COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT ANCHORAGE

STATE OF ALASKA,

Plaintiff,

vs.

HERITAGE ASSISTED LIVING HOME LLC

APSIN ID: [REDACTED]

ATN: [REDACTED]

KYLE SUJOY BATES

DOB: [REDACTED]

APSIN ID: [REDACTED]

DMV NO.: [REDACTED]

ATN: [REDACTED]

MOLLY JOANNA BATES

DOB: [REDACTED]

APSIN ID: [REDACTED]

DMV NO.: [REDACTED]

ATN: [REDACTED]

PEYTON WARD LOVE

DOB: [REDACTED]

APSIN ID: [REDACTED]

DMV NO.: [REDACTED]

ATN: [REDACTED]

HERITAGE HOME LLC

APSIN ID: [REDACTED]

ATN: [REDACTED]

ALASKA LIFE GROUP HOMES LLC

APSIN ID: [REDACTED]

ATN: [REDACTED]

Defendants.

No. 3AN-26-03919 CR (Heritage Assisted Living Home LLC)

No. 3AN-26-03924 CR (Kyle Sujoy Bates)

No. 3AN-26-03916 CR (Molly Joanna Bates)
No. 3AN-26-03920 CR (Peyton Ward Love)
No. 3AN-26-03921 CR (Heritage Home LLC)
No. 3AN-26-03922 CR (Alaska Life Group Homes LLC)

INFORMATION

I certify this document and its attachments do not contain the (1) name of a victim of a sexual offense listed in AS 12.61.140 or (2) residence or business address or telephone number of a victim of or witness to any offense unless it is an address identifying the place of a crime or an address or telephone number in a transcript of a court proceeding and disclosure of the information was ordered by the court.
The following counts charge a crime involving DOMESTIC VIOLENCE as defined in AS 18.66.990: NONE

Count I - AS 11.46.600(a)(2) Scheme To Defraud

Heritage Assisted Living Home LLC - 001, Kyle Sujoy Bates - 001,
Molly Joanna Bates - 001, Peyton Ward Love - 001, Heritage Home LLC - 001,
Alaska Life Group Homes LLC - 001

Count II - AS 11.46.120 Theft In The First Degree

Heritage Assisted Living Home LLC - 002, Kyle Sujoy Bates - 002,
Molly Joanna Bates - 002, Peyton Ward Love - 002, Heritage Home LLC - 002

Count III - AS 11.46.120 Theft In The First Degree

Heritage Assisted Living Home LLC - 003, Kyle Sujoy Bates - 003,
Molly Joanna Bates - 003, Peyton Ward Love - 003, Heritage Home LLC - 003,
Alaska Life Group Homes LLC - 002

Count IV - AS 47.05.210(a)(1)Fel B Medical Assistance Fraud

Heritage Assisted Living Home LLC - 004, Kyle Sujoy Bates - 004,
Molly Joanna Bates - 004, Peyton Ward Love - 004, Heritage Home LLC - 004

Count V - AS 47.05.210(a)(1)Fel B Medical Assistance Fraud

Heritage Assisted Living Home LLC - 005, Kyle Sujoy Bates - 005,
Molly Joanna Bates - 005, Peyton Ward Love - 005, Heritage Home LLC - 005

Count VI - AS 47.05.210(a)(1)Fel B
Medical Assistance Fraud

Heritage Assisted Living Home LLC - 006, Kyle Sujoy Bates - 006,
Molly Joanna Bates - 006, Peyton Ward Love - 006, Heritage Home LLC - 006

Count VII - AS 47.05.210(a)(1)Fel B
Medical Assistance Fraud

Heritage Assisted Living Home LLC - 007, Kyle Sujoy Bates - 007,
Molly Joanna Bates - 007, Peyton Ward Love - 007, Heritage Home LLC - 007

Count VIII - AS 47.05.210(a)(1)Fel B
Medical Assistance Fraud

Heritage Assisted Living Home LLC - 008, Kyle Sujoy Bates - 008,
Molly Joanna Bates - 008, Peyton Ward Love - 008, Heritage Home LLC - 008

Count IX - AS 47.05.210(a)(1)Fel B
Medical Assistance Fraud

Heritage Assisted Living Home LLC - 009, Kyle Sujoy Bates - 009,
Molly Joanna Bates - 009, Peyton Ward Love - 009, Heritage Home LLC - 009

Count X - AS 47.05.210(a)(1)Fel B
Medical Assistance Fraud

Heritage Assisted Living Home LLC - 010, Kyle Sujoy Bates - 010, Molly Joanna Bates
- 010, Peyton Ward Love - 010, Heritage Home LLC - 010,
Alaska Life Group Homes LLC - 003

THE OFFICE OF SPECIAL PROSECUTIONS CHARGES:

COUNT I

That in the Third Judicial District, State of Alaska, on or about April 5, 2019
through August 30, 2024, at or near Anchorage and Chugiak, HERITAGE ASSISTED
LIVING HOME LLC, KYLE SUJOY BATES, MOLLY JOANNA BATES, PEYTON
WARD LOVE, HERITAGE HOME LLC and ALASKA LIFE GROUP HOMES LLC, as
principal and/or accomplice, engaged in conduct constituting a scheme to defraud one or
more persons of \$10,000 or to obtain \$10,000 or more from one or more persons by false

1 or fraudulent pretense, representation, or promise and obtained property or services in
2 accordance with the scheme: to wit; \$590,337.66 from the Alaska Medicaid Program.

3 All of which is a class B Felony offense being contrary to and in violation of AS
4 11.46.600(a)(2) and against the peace and dignity of the State of Alaska.

5
6 COUNT II

7 That in the Third Judicial District, State of Alaska, on or about June 8,
8 2021 through August 30, 2024, at or near Anchorage, HERITAGE ASSISTED LIVING
9 HOME LLC, KYLE SUJOY BATES, MOLLY JOANNA BATES, PEYTON WARD
10 LOVE, and HERITAGE HOME LLC, as principal and/or accomplice, committed the
11 crime of theft and the value of the property or services was \$25,000 or more: to wit;
12 \$326,597.07 in Medicaid claims for day habilitation services [T2021] with incomplete or
13 missing records.

14 All of which is a class B Felony offense being contrary to and in violation of AS
15 11.46.120 and against the peace and dignity of the State of Alaska.

16
17 COUNT III

18 That in the Third Judicial District, State of Alaska, on or about February 14, 2024
19 through August 18, 2024, at or near Chugiak, HERITAGE ASSISTED LIVING HOME
20 LLC, KYLE SUJOY BATES, MOLLY JOANNA BATES, PEYTON WARD LOVE,
21 HERITAGE HOME LLC and ALASKA LIFE GROUP HOMES LLC, as principal and/or
22 accomplice, committed the crime of theft and the value of the property or services was
23 \$25,000 or more; to wit: \$218,213.76 in Medicaid claims for supported living services
24 [T2017] which were either not provided, or were inadequately staffed.

25 All of which is a class B Felony offense being contrary to and in violation of AS
26 11.46.120 and against the peace and dignity of the State of Alaska.

COUNT IV

That in the Third Judicial District, State of Alaska, on or about January 1, 2024 through August 30, 2024, at or near Anchorage, HERITAGE ASSISTED LIVING HOME LLC, KYLE SUJOY BATES, MOLLY JOANNA BATES, PEYTON WARD LOVE and HERITAGE HOME LLC, as principal and/or accomplice, knowingly submitted or authorized the submission of a claim to a medical assistance agency for property, services, or a benefit with reckless disregard that the claimant is not entitled to the property, services, or benefit: to wit; \$38,109.20 in Medicaid claims for day habilitation services [T2021] with incomplete or missing records.

All of which is a class B Felony offense being contrary to and in violation of AS 47.05.210(a)(1) Fel B and against the peace and dignity of the State of Alaska.

COUNT V

That in the Third Judicial District, State of Alaska, on or about January 1, 2023 through December 31, 2023, at or near Anchorage, HERITAGE ASSISTED LIVING HOME LLC, KYLE SUJOY BATES, MOLLY JOANNA BATES, PEYTON WARD LOVE and HERITAGE HOME LLC, as principal and/or accomplice, knowingly submitted or authorized the submission of a claim to a medical assistance agency for property, services, or a benefit with reckless disregard that the claimant is not entitled to the property, services, or benefit: to wit; \$170,805.71 in Medicaid claims for day habilitation services [T2021] with incomplete or missing records.

All of which is a class B Felony offense being contrary to and in violation of AS 47.05.210(a)(1) Fel B and against the peace and dignity of the State of Alaska.

COUNT VI

That in the Third Judicial District, State of Alaska, on or about January 1, 2022 through December 30, 2022, at or near Anchorage, HERITAGE ASSISTED LIVING

HOME LLC, KYLE SUJOY BATES, MOLLY JOANNA BATES, PEYTON WARD LOVE and HERITAGE HOME LLC, as principal and/or accomplice, knowingly submitted or authorized the submission of a claim to a medical assistance agency for property, services, or a benefit with reckless disregard that the claimant is not entitled to the property, services, or benefit: to wit; \$79,812.20 in Medicaid claims for day habilitation services [T2021] with incomplete or missing records.

All of which is a class B Felony offense being contrary to and in violation of AS 47.05.210(a)(1) Fel B and against the peace and dignity of the State of Alaska.

COUNT VII

That in the Third Judicial District, State of Alaska, on or about January 1, 2021 through December 30, 2021, at or near Anchorage, HERITAGE ASSISTED LIVING HOME LLC, KYLE SUJOY BATES, MOLLY JOANNA BATES, PEYTON WARD LOVE and HERITAGE HOME LLC, as principal and/or accomplice, knowingly submitted or authorized the submission of a claim to a medical assistance agency for property, services, or a benefit with reckless disregard that the claimant is not entitled to the property, services, or benefit: to wit; \$47,075.16 in Medicaid claims for day habilitation services [T2021] with incomplete or missing records.

All of which is a class B Felony offense being contrary to and in violation of AS 47.05.210(a)(1) Fel B and against the peace and dignity of the State of Alaska.

COUNT VIII

That in the Third Judicial District, State of Alaska, on or about January 1, 2020 through December 30, 2020, at or near Anchorage, HERITAGE ASSISTED LIVING HOME LLC, KYLE SUJOY BATES, MOLLY JOANNA BATES, PEYTON WARD LOVE and HERITAGE HOME LLC, as principal and/or accomplice, knowingly submitted or authorized the submission of a claim to a medical assistance agency for

property, services, or a benefit with reckless disregard that the claimant is not entitled to the property, services, or benefit: to wit; \$27,801.57 in Medicaid claims for day habilitation services [T2021] with incomplete or missing records.

All of which is a class B Felony offense being contrary to and in violation of AS 47.05.210(a)(1) Fel B and against the peace and dignity of the State of Alaska.

COUNT IX

That in the Third Judicial District, State of Alaska, on or about April 5, 2019 through December 30, 2019, at or near Anchorage, HERITAGE ASSISTED LIVING HOME LLC, KYLE SUJOY BATES, MOLLY JOANNA BATES, PEYTON WARD LOVE and HERITAGE HOME LLC, as principal and/or accomplice, knowingly submitted or authorized the submission of a claim to a medical assistance agency for property, services, or a benefit with reckless disregard that the claimant is not entitled to the property, services, or benefit: to wit; \$8,520.06 in Medicaid claims for day habilitation services [T2021] with incomplete or missing records.

All of which is a class C Felony offense being contrary to and in violation of AS 47.05.210(a)(1) Fel C and against the peace and dignity of the State of Alaska.

COUNT X

That in the Third Judicial District, State of Alaska, on or about February 14, 2024 through August 18, 2024, at or near, HERITAGE ASSISTED LIVING HOME LLC, KYLE SUJOY BATES, MOLLY JOANNA BATES, PEYTON WARD LOVE, HERITAGE HOME LLC and ALASKA LIFE GROUP HOMES LLC, as principal and/or accomplice, knowingly submitted or authorized the submission of a claim to a medical assistance agency for property, services, or a benefit with reckless disregard that the claimant is not entitled to the property, services, or benefit; to wit: \$218,213.76 in Medicaid

1 claims for supported living services [T2017] which were either not provided, or were
2 inadequately staffed.

3 All of which is a class B Felony offense being contrary to and in violation of AS
4 47.05.210(a)(1) Fel B and against the peace and dignity of the State of Alaska.

5 The undersigned swears under oath this Information is based on a review of
6 Medicaid Fraud Control Unit (MFCU) Report # 0993920 submitted to date, as well as
7 from discussions with MFCU Investigator Randy Mayer and FBI Special Agent Philip
8 Rogers.

9 The Alaska Medicaid Fraud Control Unit (MFCU) is a criminal prosecution
10 component within the Attorney General's Office in the Criminal Division of the Alaska
11 Department of Law. The MFCU investigates various types of fraud committed under the
12 Alaska Medicaid Program which is administered by the Alaska Department of Health and
13 Social Services (DOH). This case involves fraudulent billing to the Alaska Medicaid
14 Program. This charging document will illustrate some of the illicit methods that MOLLY
15 BATES, KYLE BATES, PEYTON LOVE (LOVE), HERITAGE ASSISTED LIVING
16 HOME LLC (ASSISTED LIVING), HERITAGE HOME LLC (HERITAGE), and
17 ALASKA LIFE GROUP HOMES LLC (ALASKA LIFE) used to defraud the Alaska
18 Medicaid Program.

19 Background

20 MOLLY BATES and KYLE BATES are a married couple. Between them, they
21 owned either individually or jointly, all three entities in this case: ASSISTED LIVING,
22 HERITAGE, and ALASKA LIFE. During the events of this case, MOLLY BATES was
23 the 100% owner of ASSISTED LIVING located at 6754 O'Brien St, in Anchorage. KYLE
24 BATES was the 100% owner of HERITAGE located at 6730 O'Brian in Anchorage.
25 ASSISTED LIVING and HERITAGE are facilities located in adjacent buildings. MOLLY
26 BATES and KYLE BATES were each 50% owners of ALASKA LIFE, a facility located

1 in Chugiak. MOLLY BATES and KYLE BATES owned the building in Chugiak, that the
2 residents lived in.

3 MOLLY BATES submitted all the Medicaid billing for all three facilities,
4 ASSISTED LIVING, HERITAGE, and ALASKA LIFE. Two codes were billed for
5 services at ALASKA LIFE, one was billed through HERITAGE and the other through
6 ASSISTED LIVING. LOVE and [REDACTED] were both listed as administrator
7 designees of ASSISTED LIVING and HERITAGE. All employees who provided services
8 at ALASKA LIFE were listed on Department of Health records as working at either
9 HERITAGE or ASSISTED LIVING.

10 Two codes billed to the Alaska Medicaid Program were examined in this case,
11 T2017 and T2021. T2017 is the code used to bill for residential habilitation services, also
12 known as supported living. T2017 requires one-on-one service, meaning that one provider
13 must be directly providing the service to one. T2017 cannot be provided in groups. T2021
14 is the code used to bill for day habilitation services. T2021 can be billed either for
15 individual or group services when billed with the correct modifier. Both T2017 and T2021
16 are 15-minute codes, which require that the provider be present and actively providing
17 either residential habilitation (supported living) services or day habilitation services for
18 each 15-minute period in which it is billed to Medicaid.

19 Investigation

20 On August 24, 2021, the MFCU was contacted and informed by the IRS that they
21 believed that MOLLY BATES, ASSISTED LIVING, and HERITAGE were engaging in
22 Medicaid Fraud although they were not free to share by what method that may be occurring.
23 After the contact, MFCU Forensic Accountant Margaret Summers pulled and reviewed
24 Medicaid claims data and Alaska Department of Labor documentation related to MOLLY
25 BATES, ASSISTED LIVING, and HERITAGE. In her review, FA Summers noticed that
26 ASSISTED LIVING, and HERITAGE did not have enough employees for the Medicaid

1 services they were billing. Based on FA Summers' findings, the MFCU began an
2 investigation.

3 After some further investigation and consultation with federal authorities, on
4 September 13, 2023, the FBI and US Attorney's office informed the MFCU that they were
5 interested in investigating and prosecuting at the federal level. The case was referred to the
6 FBI and Inv. Mayer was assigned as a liaison to assist them in the ongoing investigation.
7 FBI Special Agent Philip Rogers was assigned as the lead investigator.

8 On August 20, 2024, Inv. Mayer asked FA Summers to pull and review recent
9 Medicaid claims from ASSISTED LIVING and HERITAGE. FA Summers discovered that
10 on February 14, 2024, HERITAGE began billing a new code to the Alaska Medicaid
11 Program, T2017. T2017 is a residential habilitation (supported living) code, billed in 15-
12 minute increments, which requires that the provider be present and actively providing
13 residential habilitation services for each 15-minute period in which it is billed. FA
14 Summers discovered that HERITAGE was billing T2017 for recipients at a different
15 location. After further investigation, she was able to determine that recipients were living
16 in Chugiak, AK at ALASKA LIFE, an entity which was not licensed as a group home. FA
17 Summers also determined, after reviewing Department of Labor records, that there were
18 not enough employees to provide the services billed.

19 Inv. Mayer drafted a records request for ALASKA LIFE, and on August 28, 2024,
20 Inv. Mayer and FBI Special Agent Philip Rogers travelled to Chugiak, AK to deliver the
21 records request. After arriving at ALASKA LIFE, the investigators were met at the door
22 by an employee, [REDACTED] who informed the investigators that she was contacting
23 someone to speak with them. [REDACTED] called LOVE on her cell phone and LOVE spoke
24 with the investigators and told them that most of the records they were looking for were
25 not at that location but instead were kept at a separate office. She stated that she could
26 email them the records if they told her what they were looking for. LOVE identified herself

1 as a "case manager" located in Anchorage and asked the investigators to wait for her to
2 arrive at their location.

3 After a short wait LOVE arrived with another individual on the phone who she
4 shared was another "case manager," [REDACTED] When asked about the records, she
5 stated they were at her other office and said she could email it to them "today or tomorrow."
6 When asked about the facility, LOVE told investigators that the residence was supported
7 living and each recipients own home, she just had staff here "to monitor... when they're
8 working with a client." LOVE told the investigators that they billed supported living and
9 day habilitation at that location because supported living doesn't require a license, and they
10 were still working on getting their license. She stated that the recipients rented the home,
11 but when asked who they rented from, she said she did not know but that the information
12 was probably in the records the investigators were requesting. LOVE informed
13 investigators that MOLLY BATES is the one who has "all the stuff" but LOVE is her
14 "designee." She continued "but I am pretty knowledgeable about things like that."

15 When asked how many employees worked there at ALASKA LIFE, LOVE told
16 the investigators that "at any one time they just have one person, because supported living
17 is one-on-one, but day hab does come in to take them out and stuff like that. . . . but
18 sometimes during medication and mealtimes they have multiple staff." When asked who
19 the employees actually worked for or if they were contractors, LOVE stated, "oh, they're
20 Heritage employees. Because this house is not licensed yet it's just a house . . . I think we
21 probably have, like four staff, right? Anywhere from one to four because we're just doing
22 supported living. No wires crossed or anything like that."

23 Inv. Mayer asked if they filled out paperwork every day. LOVE replied,
24 "Paperwork is important, they do it per shift." Special Agent Rogers then asked what form
25 the records were in, and LOVE responded, "some in paper and some in Therap." Special
26 Agent Rogers turned to [REDACTED] who was still present and asked what she used that day.

1 [REDACTED] responded "paper." LOVE jumped in, "we're being trained on Therap, it's
2 something that will happen very shortly. Hopefully Friday."

3 Inv. Mayer asked if they had a blank form at that location they could look at since
4 [REDACTED] said she wrote the notes at the end of her shift. LOVE said she could get it to them
5 in 12-48 hours. [REDACTED] present on the phone, interjected and informed the investigators
6 that "[REDACTED] fills it out at the office building." LOVE explained that he couldn't see a
7 form because "[REDACTED] brings it out to the office building out in- and things like that so."
8 LOVE then stated, "She does it at the end of her shift, we usually have a phone call where
9 we go over what happened during the shift, any important things like that." LOVE then
10 told investigators that the employees don't take notes at that location on paper during their
11 shift.

12 [REDACTED] present on the phone, interjected and informed the investigators that at
13 the end of each day they turned the notes in to him, and he would enter them in Therap.
14 LOVE stated that she and [REDACTED] work together at the office in Anchorage at 6754 O'Brien
15 St, the location registered to ASSISTED LIVING. When asked if the investigators could
16 look at or get any documentation that day, LOVE responded, "I can't. Yeah, yeah. Like I
17 said, I just have all my ducks in a row, like if we have, if we get another investigation later
18 in the day."

19 When asked if any employee sleeps at ALASKA LIFE, LOVE stated that "We
20 have in the past, but we don't . . . typically it's just the clients. We don't live on site." She
21 also told the investigators all of the employees at the site do both the supported living and
22 day habilitation, "it just depends on who feels like it that day."

23 Three days later, after receiving no response to their records request, Inv. Mayer
24 and Special Agent Rogers visited HERITAGE, located next door to ASSISTED LIVING,
25 at 6730 O'Brien in Anchorage. Inv. Mayer and Special Agent Rogers spoke to KYLE
26 BATES who informed them that he would send the requested records regarding the four
27 recipients at ALASKA LIFE to them by 4 pm that day. Instead, Inv. Mayer was contacted

1 by an attorney who identified her clients as MOLLY BATES and KYLE BATES. The
2 attorney informed him the records would be ready to pick up at her office on September 3,
3 2024.

4 After picking up the records on September 3, 2024, Inv. Mayer and Special Agent
5 Rogers reviewed the documents. All records were handwritten on forms, and no records
6 were printed from Therap. Records present in the return primarily related to the billing of
7 T2017. There were also some records related to billing of the day habilitation code, T2021.
8 The service notes were written on ALASKA LIFE letterhead with multiple types of
9 handwriting present on each note. Each of the T2017 service notes were documented in
10 24-hour increments with one employee providing services to all four recipients,
11 simultaneously, for a 24-hour period. With the T2017 code, each recipient was supposed
12 to receive 8 hours of active one-on-one service each day, which cannot be accomplished
13 with one employee when there are three other recipients in the home not being monitored
14 or cared for. Additionally, T2017 is timed in 15-minute intervals, and the records had start
15 and stop times in 24-hour periods, rather than 8 hours (far beyond what was authorized).
16 The documentation as presented claims that all four recipients were actively receiving day
17 habilitation every 15 minutes for 24 hours, daily.

18 While reviewing the records, Special Agent Rogers found that there was another
19 issue. The amount of documentation provided was not sufficient to support what was billed.
20 Between February 14, 2024, and August 18, 2024, HERITAGE billed for 15,840 units of
21 T2017. Only 456 notes were provided and within those notes, only 10 of these included
22 annotated service notes that documented what took place during the service as required by
23 Medicaid. When looking at the content of these notes, the investigators determined that
24 none of the notes given to the MFCU satisfied the Alaska Medicaid Program's
25 requirements to bill for services. No further billing was submitted to the Alaska Medicaid
26 Program for the ALASKA LIFE location after August 18, 2024.

On September 10, 2024, the FBI served a federal grand jury subpoena on the BATES' attorney asking for all records associated with the ALASKA LIFE recipients the MFCU previously requested, in addition to 19 additional recipients located at ASSISTED LIVING and HERITAGE. The FBI received the records on September 30, 2024. The records received by the FBI did not include any ALASKA LIFE records given to the MFCU for T2017 but did include additional service notes related to T2021 billing for the ALASKA LIFE recipients. These T2021 service notes were not in the records given to the MFCU and filled in service notes gaps that were identified in the documentation provided to MFCU for the billing of T2021. All of the T2021 notes the MFCU received listed [REDACTED] as the direct service provider. Special Agent Rogers noticed that all of the new, previously missing, T2021 records were signed by MOLLY BATES and KYLE BATES as the direct service provider in alternating chronological order.

After receiving the subpoena return, Special Agent Rogers began an in-depth analysis of the records from ASSISTED LIVING and HERITAGE. A review of Medicaid claims for ASSISTED LIVING and HERITAGE showed that T2021 was one of the primary codes billed. T2021 is a day habilitation code, billed in 15-minute increments, which requires the provider be present and actively providing day habilitation services for each 15-minute period in which it is billed. The FBI evaluated all the records provided to determine if they met the minimum requirements required by law to bill Medicaid. 7 AAC 105.230(b) requires that every service note include "(1) name of the recipient receiving treatment; (2) specific services provided; (3) extent of each service provided; (4) date on which each service was provided; and (5) individual who provided each service."

Special Agent Rogers learned through his review that in practice, HERITAGE and ALASKA LIFE were run as if they were one entity. All records related to billing and employees were intermixed between the two locations. Billing was regularly done for recipients who lived at one facility from the other location. Employees who were reported to the Department of Health as working at HERITAGE regularly signed notes that they

1 were direct service providers to recipients at ASSISTED LIVING and vice versa. In
2 addition to the chaotic record keeping, Special Agent Rogers found that there was a
3 substantial amount of documentation either missing or insufficient to support the billing of
4 T2021.

5 During the investigation, Inv. Mayer also found that there were a large number of
6 checks written to LOVE by MOLLY BATES and KYLE BATES. LOVE's reported
7 income to the Alaska Department of Labor in 2021 and 2022 was \$59,119.92. In 2023, the
8 amount reported to the Alaska Department of Labor was \$91,389.99. Inv. Mayer
9 discovered that LOVE was receiving far more money than reported. MOLLY BATES and
10 KYLE BATES wrote numerous personal checks to LOVE for items such as "BMW,"
11 clothes, shopping, food, "x-mas", and groceries. There were also a large number of
12 personal checks with no description. The largest amount found transferred to LOVE from
13 a personal account was \$50,000 written by Kyle Bates on November 18, 2022. Between
14 September 5, 2019 and December 24, 2023, MOLLY BATES and KYLE BATES paid a
15 total of \$666,940.78 from their personal accounts to LOVE.

16 MOLLY BATES and KYLE BATES also wrote LOVE checks from their business
17 accounts. Between September 5, 2019 and December 24, 2023, LOVE received a total of
18 \$1,053,573.57 which was sent to her by checks written by MOLLY BATES and KYLE
19 BATES from HERITAGE and ASSISTED LIVING's bank accounts. In total, between
20 September 5, 2019 and December 24, 2023, LOVE received \$1,721,114.35 by check from
21 MOLLY BATES and KYLE BATES.

22 In the time period examined in this case, from January 1, 2019 through August 30,
23 2024, HERITAGE, ASSISTED LIVING, and ALASKA LIFE billed a total of
24 \$12,096,738.98 to the Alaska Medicaid Program. Of that total, \$11,362,123.37 was paid.
25 For the two codes examined, T2021 and T2017, \$782,910.78 was billed and \$736,561.21
26 was paid during this period. In their investigation FBI and the MFCU reviewed the records

of 23 Medicaid recipients, only a portion of the recipients receiving services from HERITAGE and ASSISTED LIVING.

Conclusion

The investigation conducted by the MFCU and FBI revealed the following:

From January 1, 2019 through August 30, 2024, MOLLY BATES, KYLE BATES, LOVE, HERITAGE, and ASSISTED LIVING fraudulently submitted \$384,243.91 in billing to the Alaska Medicaid Program for T2021 day habilitation services, for which there is no record or insufficient record to support the service. Of that amount, \$372,123.90 was paid by the Alaska Medicaid Program.

From February 14, 2024 through August 30, 2024, MOLLY BATES, KYLE BATES, LOVE, HERITAGE, ASSISTED LIVING, and ALASKA LIFE fraudulently submitted \$234,718.08 in billing to the Alaska Medicaid Program for T2017 residential habilitation (supported living) services which were either not provided or were inadequately staffed. Of that amount, \$218,213.76 was paid by the Alaska Medicaid Program.

In total, the MFCU and FBI found MOLLY BATES, KYLE BATES, LOVE, HERITAGE, ASSISTED LIVING, and ALASKA LIFE, as principal and/or accomplice, fraudulently submitted \$618,961.99 in fraudulent billing for codes T2017 and T2021. The Alaska Medicaid Program paid \$590,337.66 of that amount.

BAIL INFORMATION

Information
State v. Heritage Assisted Living Home LLC,
Kyle Sujoy Bates,
Molly Joanna Bates,
Peyton Ward Love,
Heritage Home LLC,
Alaska Life Group Homes LLC,
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Information

State v. Heritage Assisted Living Home LLC,

Kyle Sujoy Bates,

Molly Joanna Bates,

Peyton Ward Love,

Heritage Home LLC,

Alaska Life Group Homes LLC,

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Dated at Anchorage, Alaska, this 16th day of June, 2026.

CORI M. MILLS
ACTING ATTORNEY GENERAL

By:



Heather V. Dyreng
Assistant Attorney General
Alaska Bar No. 2511103