

**IN THE SUPERIOR COURT OF THE VIRGIN ISLANDS
DIVISION OF ST. THOMAS AND ST. JOHN**

**GOVERNMENT OF THE VIRGIN
ISLANDS,**

Plaintiff,

vs.

**RTS SERVICES UNLIMITED II, LLC.,
MELINDA DENISE RICHARDS,
individually and as Owner and Operator of
RTS Services Unlimited II, LLC;
ASHLEY DOWAY, DUANE ROBINSON,
DOES 1-10,**

Defendants.

CIVIL NO. :2026-__

JURY TRIAL DEMANDED

**Violations of the Virgin Islands
False Claims Act, Virgin Islands Medicaid
Integrity Act, Unjust Enrichment,
Common Law Fraud, Civil Forfeiture,
Restitution, Disgorgement, and Injunctive
Relief**

COMPLAINT

COMES NOW, Plaintiff, Government of the Virgin Islands, by and through the Virgin Islands Department of Justice appearing through Attorney General, Gordon Rhea, files this complaint against Defendants RTS Services Unlimited II, LLC, Melinda Denise Richards, individually and owner and operator of RTS Services Unlimited II, LLC, Ashley Doway, Duane Robinson, and DOES (collectively “Defendants”) and alleges:

I. INTRODUCTION

1. This action is brought pursuant to the Virgin Islands False Claims Act (“VIFCA”), 33 V.I.C. §§ 3501 *et seq.* and the Virgin Islands Medicaid Program Integrity Act, 34

V.I.C. §§ 681 *et seq.*, to recover damages, civil penalties, restitution, disgorgement, and other relief arising from a scheme in which Defendants, acting individually and in concert with one another, knowingly submitted and caused the submission of false claims to the Virgin Islands Medicaid Program from at least July 2018 through the present. Between January 2020 and April 2026, Defendants submitted claims for payment in the amount of **THREE MILLION NINE HUNDRED TWELVE THOUSAND FIVE HUNDRED FIFTY-ONE DOLLARS and FIFTY-ONE CENTS (\$3,912,551.57)**. Defendants were paid in excess of **FOUR HUNDRED EIGHT THOUSAND FOUR HUNDRED TEN DOLLARS and NINETY CENTS (\$408,410.90)** to which Defendants were not entitled and, which, to date, Defendants have not repaid.

2. Four approximately Nine years, Defendants knowingly caused false and fraudulent claims for behavioral health services to be submitted to the Virgin Islands Medicaid Program.

3. Defendants falsely stated that Medicaid services were provided in compliance with applicable laws, regulations, provider requirements, and licensing requirements when, in fact, the services were rendered by individuals who lacked the licenses required by Virgin Islands law.

4. Defendants further concealed material information concerning the qualifications of individuals rendering services and the true nature of services for which reimbursement was sought.

5. As a result of Defendants' conduct, the Virgin Islands Medicaid Program paid claims that would not otherwise have been paid.

6. Defendants knowingly retained and benefitted from funds obtained through those false claims.

II. JURISDICTION AND VENUE

7. This Court has jurisdiction pursuant to the Virgin Islands Medicaid Integrity Act and the express statutory enforcement provisions of the Virgin Islands False Claims Act, 33 V.I.C. § 3501.

8. Venue is proper because the conduct alleged occurred within the Virgin Islands and Defendants conducted business within this jurisdiction.

III. THE PARTIES

9. The Virgin Islands Attorney General brings this action in the name of the Government of the Virgin Islands, (hereinafter GVI) on behalf of its Medicaid Fraud Control Unit ("MFCU"), which is federally mandated to "conduct[] a statewide program for the investigation and prosecution of violations of all applicable State laws regarding any and all aspects of fraud' in the Medicaid program. See 42 U.S.C. §1396b(q)(3). The Attorney General is authorized to seek remedies sought in this complaint pursuant to the Virgin Islands False Claims Act ("VIFCA"), 33 V.I.C. §§ 3501 *et seq.*, and the Virgin Islands Medicaid Program Integrity Act, ("VIMPIA") 34 V.I.C. §§ 681 *et seq.*

10. Defendant RTS Unlimited Services II, LLC ("RTS") is a private, foreign Limited Liability Georgia corporation with its principal place at [REDACTED]

Georgia, and, at all relevant times, maintains an office in the Virgin Islands at [REDACTED]
[REDACTED] V.I. [REDACTED] RTS is only licensed to provide consultation, testing and evaluation services in the Virgin Islands.

11. Defendant Melinda Denise Richards (hereinafter “Richards”) is the owner and Chief Executive Officer for RTS. RTS’s website (<https://www.renewu2.com>) shows Richards has two practices one in Georgia and one in the Virgin Islands. There is also a nonprofit 501(c)3 organization operating by the name of Passport 2 prosperity, Inc. which has an after-school program, family support, and summer program. Her profile on each site states that “Dr. Melinda D. Richards, is a Licensed and Certified, Psychotherapist---Hypnotherapist.

12. Upon selecting the RTS tab, you go to this site (<https://www.renewu2.com/home>) which lists an array of counseling services available in both Georgia and the Virgin Islands, to include but not limited to:

Behavioral Health Assessments & Individual Service Plans
Individual therapy /Behavioral Support
Family Support & Therapy
Psychiatric Services & Medication Management
Nursing & Health Services
Group Counseling / Training
Family & Parent Groups
Paraprofessional
Educational Supports:
(IEP & 504 Plan Advocacy)
Anxiety Therapy
Addictions Counseling
Family Enrichment
Community Based Support
Crisis Intervention
Psychological Testing
Psychiatric Services

Substance Abuse Assessments
Behavior Modification
Intensive Family Intervention
Depression Counseling
Trauma Counseling (PTSD)
Suicide Prevention

13. Upon selecting, the Hypnotx tab takes you to this site (<https://www.drhypnotx.com/home>) where she provides hypnotherapy services, to include but not limited to:

- Weight Loss Hypnosis
- Smoking Cessation Hypnosis
- Anxiety
- Fears & Phobias
- Confidence & Self-Esteem
- Insomnia & Sleeping Difficulties
- Depression

14. Richards holds a Licensed Professional Counselor (LPC) license in Georgia. Richards is not licensed in the Virgin Islands as an LPC. Richards is only licensed to perform testing, evaluation, and consultation in the Virgin Islands.

15. On or about July 12, 2018, Richards signed a Medicaid Provider Agreement on behalf of RTS for RTS to become an authorized Medicaid provider with Richards as a rendering provider associated with RTS. Upon information and belief, on or about July 12, 2018, Richards, as President/Owner of RTS, signed an Electronic Claims Settlement Agreement allowing for electronic reimbursement of Virgin Islands Medicaid claims. RTS was assigned Medicaid Provider Number [REDACTED]

16. The most recent fully executed Medicaid Provider Agreement package demonstrates that RTS and Richards continue to be licensed solely for testing, evaluation, and

consultation services. At no time has RTS or Richards obtained licensure authorizing the provision of psychotherapy services billed to the Virgin Islands Medicaid Program. **See Exhibit 1.**

17. Upon information and belief, Ashley Doway (“Doway”) began working with RTS on June 7, 2023, as a contract employee. Doway does not hold any professional licenses in the Virgin Islands.

18. Upon information and belief, Duane Robinson (“Robinson”) became affiliated with RTS on or about January 7, 2024, as a contract employee. Robinson does not hold any professional licenses in the Virgin Islands.

III. THE VIRGIN ISLANDS MEDICAID PROGRAM

19. The Medicaid Program, enacted under Title XIX of the Social Security Amendments of 1965, 42 U.S.C. §§ 1396 *et seq.*, provides funding for eligible children and adults from low-income households, including pregnant women, children, the elderly, and individuals with disabilities. The Medicaid program is a jointly funded federal and state program that provides health care coverage to eligible individuals. 42 U.S.C. § 1396a(a)(10)(A).

20. State participation in the Medicaid program is voluntary, though all states do participate in it. Before receiving any federal Medicaid funds, participating states must submit a “state plan for medical assistance” to the Secretary of HHS, as required by Section 1902 of Title XIX of the Social Security Act. 42 U.S.C. § 1396a. This plan describes how a state will administer its Medicaid program, including by adhering to many enumerated statutory requirements and serves to guarantee that the state will meet the applicable federal laws and regulations related to Medicaid, a requirement for federal funding.

21. The Virgin Islands Medicaid Program is administered by the Government of the Virgin Islands Department of Human Services (“GVI-DHS”) and provides payments for medical goods or services on behalf of indigent families with dependent children and on behalf of the aged, blind, or disabled individuals whose income and resources are insufficient to meet the cost of necessary medical services. 34 V.I.C. § 681 *et seq.* Pursuant to the Virgin Islands Medicaid Program Integrity Act (“VIMPIA”) the GVI-DHS is the single state agency designated by the Virgin Islands Legislature, under the provision of Title XIX of the Social Security Act, to administer the Medicaid Program on a territory-wide basis in accordance with the requirements of 42 C.F.R. § 431.50, *see also* 3 V.I.C. § 432.

22. As a condition of receiving federal money to fund the Medicaid program, each state is required by federal law to operate a Medicaid Fraud Control Unit (“MFCU”). *See* 42 U.S.C. § 1396a (61). Each MFCU must “conduct [] a statewide program for the investigation and prosecution of violations of all applicable State laws regarding any and all aspects of fraud” in the Medicaid program. 42 U.S.C. § 1396b(q)(3); *see also* 34 V.I.C. § 682.

23. Investigators with the MFCU have access to several databases relating to the Virgin Islands Medicaid program, including the Virgin Islands Medicaid Management Information System (“MMIS”) and Fraud Capture. MMIS contains all medical provider and beneficiaries’ identification information, beneficiaries’ eligibility, provider eligibility, and provides access to all Medicaid billing under provider and beneficiaries numbers for several years. Fraud Capture provides providers billing information and payments made on behalf of beneficiaries for the previous three (3) years.

A. The Virgin Islands Medicaid Provider Requirements

A. The Virgin Islands Medicaid Provider Requirements

24. Providers wishing to participate in the Virgin Islands Medicaid Program, must execute a Medicaid Provider Agreement (“Provider Agreement”) with the GVI-DHS Medicaid Program. In executing the Provider Agreement, the applicant certifies and agrees, among other things, to comply with all required state and local laws applicable for licensure of the provider’s services, the policies and procedures of the United States and the Virgin Islands Medicaid Program, and further agrees not to directly or indirectly engage in fraudulent activity with the Virgin Islands Medicaid Program (VIMAP), and that violations due to abuse or fraud shall be immediately repaid to the Medicaid Program.

25. Providers of the Virgin Islands Medicaid Program also certify and agree that the Medicaid Program is funded, in whole or in part, by federal funds, and that the provider will not make or present any claim knowing such claim to be false, fictitious, or fraudulent.

26. Virgin Islands Medicaid policies and procedures required verification of professional licensure as part of a provider’s enrollment and claim review. Desk-level program guidance identified licensure documentation as a mandatory item to be submitted and maintained, demonstrating that licensure status was material to the VIMAP’s decision to reimburse claims.

27. The VIMAP Provider Agreement and Virgin Islands laws and regulations require that professional services must be furnished by individuals holding a valid and current license issued by the Virgin Islands Department of Licensing and Consumer Affairs or a Virgin Islands Professional Board, authorizing the individual to provide psychological counseling, behavioral health counseling, or social worker services within the Territory and within the scope of the

services billed. 27 V.I.C. §§ 169 *et seq.*, 203, 206, 209-11, 219-20; 533-34, and 543; and 27 Code of Virgin Islands Rules §§ 169c, 169c-1, 169c-2, 169d-1, 169e-3, and 169f-1.

28. Where the provider is a corporation or other business entity, this requirement includes the obligation to ensure that each practitioner furnishing services on the provider's behalf holds a professional license issued by the Government of the Virgin Islands and must submit or make available documentation of such licensure as a condition of Medicaid participation and payment.

29. Individuals, organizations, and collective groups, defined as a group of individual practitioners providing healthcare services, may participate in the VIMAP. Individual providers may be physicians, dentists, psychologists, and non-medical providers. Organization providers include physician groups, hospitals, nursing homes, and a corporation formed when an individual incorporates him/herself.

30. Under the VIMAP a collective group consists of individual practitioners associated with a provider group, which is known as the rendering provider. Services provided by rendering providers are billed by the organization, not by the individual practitioner. The organization is known as the "Pay-To" within the VIMAP system.

31. Defendant RTS registered with VIMAP as a multi-specialty business organization providing evaluation, testing, and consultation and is the "Pay-To" within the VIMAP system.

32. Defendant Richards registered as a rendering provider that is associated with Defendant RTS.

B. Virgin Islands Regulations for Mental and Behavioral Health Care Services

33. VIMAP pays for mental or behavioral health services rendered to Medicaid beneficiaries by qualified clinicians and counselors who are subject to certain licensure and/or supervision requirements.

34. The practice of mental health or behavioral health counseling is regulated by a framework set forth in Virgin Islands law and regulations that require those rendering such services comply with certain core staffing and supervision requirements set out in applicable regulations and in the Virgin Islands Code at 27 V.I.C. §§ 169 – 169p and 27 Code of Virgin Islands Rules §§ 169c, 169c-1, 169c-2, 169d-1, 169e-3, and 169f-1 (psychology); §§201 – 220b (professional counseling services, and §§531-547 (social workers).

35. At all relevant times, RTS was a VIMAP provider and operated as a multi-specialty group using the NPI # [REDACTED]

36. At all relevant times, Richards was a VIMAP rendering provider that operated RTS.

37. As the Pay-To in the VIMAP system all invoices submitted to the VIMAP Medicaid Management Information System (“MMIS”) system for payment to, or on behalf of Defendant RTS were paid by the Virgin Islands Department of Finance to RTS.

38. The Virgin Islands Board of Licensed Professional Counselors and Examiners (hereinafter “Board”), regulates the practice of professional counseling services in the Virgin Islands. *See* 27 V.I.C. §203.

39. Title 27, Virgin Islands Code, Section 220 (a) (1) makes it unlawful for any person to represent himself as a counselor without being licensed under Title 27 Chapter 4A of the Virgin Islands Code.

40. Virgin Islands laws provide specific licensing requirements for marriage and family therapists, professional counselors, and substance abuse counselors, and licensure and supervision requirements for staff. 27 V.I.C. §§ 206 -215.

41. To operate as a Licensed Professional Counselor in the Virgin Islands, an individual may not practice professional counseling unless the individual has obtained a graduate degree in counseling or a related field, completed required supervised experience, passed an approved national examination, and received an active license issued by the Virgin Islands Board of Licensed Counselors and Examiners. 27 V.I.C. § 209.

42. Virgin Islands law establishes multiple categories of licensure governing the practice of social work. Pursuant to 27 V.I.C § 534, individuals may lawfully provide social work services only if properly licensed under one of the statutorily recognized license classifications and only within the scope of practice authorized by that license. The Virgin Islands Board of Social Worker's Licensure is the entity responsible for issuing licenses to Social Worker Associates, Social Workers, Certified Social and Certified Independent Social Workers. 27 V.I.C. § 534.

43. At all relevant times, Virgin Islands law and applicable VIMAP requirements permitted interns, trainees, or students to participate in the provision of counseling or social work services only when such services were rendered under the required supervision of a duly licensed professional. *See* 27 V.I.C. § 219(c), *see also* 27 V.I.C. § 533(a).

44. Interns and students enrolled in recognized programs of study leading to social work degrees may practice only under direct supervision of a certified social worker or a licensed Virgin Islands social worker, and are not authorized to independently practice, render billable services, or submit claims to Medicaid. 27 V.I.C. § 533(b).

45. Virgin Islands law and Medicaid policy requires that supervision be active, contemporaneous, and documented, and that the supervising licensed professional maintain professional responsibility for the services provided. Under Virgin Islands law, services rendered by interns or students in the absence of required supervision, or where supervision was nominal, retrospective, or undocumented, are not lawful professional services. *See* 27 V.I.C. §219(c).

C. Framework for Coding Eligible Medicaid Services

46. The U.S. Centers for Medicare and Medicaid Services (“CMS”) has adopted system of five – digit numeric codes, trademarked by the American Medical Association, known as Current Procedural Terminology (“CPT”) to uniformly document and bill for medical, surgical, and diagnostic services provided by physicians and qualified healthcare professionals. The codes are a systematic listing of procedures and services performed, for such things as psychotherapy sessions, diagnostic testing and evaluation, based on the complexity, severity, and the average time required to perform each service. Health care providers and health care benefit programs use CPT codes to describe and evaluate the services for which they claim payment, and VIMAP uses the codes, in part, to decide whether to issue or deny payment. Each health care benefit program establishes a fee reimbursement for each procedure described by a CPT code.

47. Coverage under the VIMAP program is code-specific and conditioned on both the nature of the service billed and the licensure of the individual who rendered the service. Each CPT

code submitted for reimbursement corresponds to a defined covered service under the Medicaid fee schedule and is reimbursable only when performed by a provider holding the specific license or credentials required for that service under Virgin Islands law and the VIMAP rules. Submission of a claim using a covered CPT code is material to payment, and therefore, constitutes a representation that the service was covered, properly coded, and rendered by an individual meeting the licensure requirements applicable to that code.

48. Pertinent to this action, CPT Code 90837 is one of the most frequently billed codes in mental and behavioral health, representing a 60 – minute individual psychotherapy session. It may occur face-to-face in an office, by telehealth,¹ or other outpatient setting. Eligible providers that can use this code to bill for services are licensed mental health professionals such as Psychologists (PhD/ PsyD), Licensed Clinical Social Workers, Licensed Professional Counselors, and Licensed Marriage and Family Therapists.

49. Relevant billing codes for psychotherapy according to the AMA

1. **CPT Code 90791~ Psychiatric Diagnostic Evaluation** – This code is used for an initial diagnostic interview exam that does not include any medical services. It can be billed by a variety of mental health professionals. This includes Licensed Clinical Social Workers, Licensed Mental Counselors, Licensed Professional Counselors, Licensed Marriage Family Therapists as well as clinical psychologists, and psychiatrists. It is an integrated biopsychosocial assessment, including history, mental status, and

¹ The Centers for Medicare and Medicaid Services at Medicaid.gov, explains that “[t]elehealth is the use of telecommunication and information technology to provide access to health assessment, diagnosis, intervention, consultation, supervision and information across distant.” ... Telehealth includes such technologies as telephones, electronic mail systems, and remote patient monitoring devices, which are used to collect and transmit patient data for monitoring and interpretation.” See, <https://www.medicaid.gov/medicaid/benefits/telehealth#:~:text=Telehealth%20includes%20such%20technologies%20as,data%20for%20monitoring%20and%20interpretation;last%20visited>; last visited February 12, 2026.

recommendations. This procedure code is used for diagnostic evaluation of new behavioral health concerns and or illnesses, or upon treatment of a new client.

2. **CPT Codes 90832-90838 ~ Psychotherapy.** Psychotherapy without medical evaluation and management services are reported as 90832, 90834 and 90837. Psychotherapy with medical evaluation and management services are reported with codes for E/M services plus a psychotherapy add-on code (90833; 90836; 90838). The CPT manual provides flexibility by identifying time ranges in the descriptions of the three codes, as follows:

- **CPT Code 90832** should be billed for sessions between 16-37 minutes.
- **CPT Code 90834** should be billed for sessions between 38-52 minutes.
- **CPT Code 90837** should be billed for sessions of 53 minutes or longer.
- **CPT Code 90839** is billed for the first 60 minutes (though it can be used for 30-74-minute sessions)
- **CPT Code 90840** is billed for an additional 30 minutes each.

Using both 90839 and 90840 codes together requires that the session lasts 75 minutes or longer. If psychotherapy for crisis session exceeds 74 minutes, a unit of 90840 may be added for each additional 30 minutes. The procedure code 90840 cannot be used independently and can only be billed with 90839.

3. **CPT Code 90846 ~ Family psychotherapy** - is defined as Family psychotherapy (without the patient present), 50 minutes. This is the procedure code for ongoing couples therapy or marriage and family therapy for two clients. You cannot bill both clients; this is considered one “service code” and will most often reimburse at a higher rate. The difference between procedure codes 90846 and 90847 is time length. There are technically no maximums for coding family therapy sessions with CPT codes 90846 and 90847.

4. **CPT Code 90847 ~ Family Psychotherapy** - with the patient present and is known as conjoint psychotherapy. The 90847-procedure code may be used on the same day as an individual psychotherapy service is provided if the services are separate and distinct for the patient. It is recommended for billing purposes to have no more than ten participants in a group if you are billing Medicaid or Medicare. CPT code 90847 involves family group therapy whereas 90837 is an individual session. The time frame is also different. 90837 sessions must be at least 53 minutes, and 90847 must be at least 26 minutes.

5. **CPT Code 90853 ~ Group Psychotherapy** – can be billed no more than once per day. The therapist must be trained to lead a group because psychotherapy services are being performed.

IV. FACTS

60. In or about January 2024, the Solicitor General of the Virgin Islands provided to the MFCU a letter received from the Virgin Islands Board of Psychology (“Board”) concerning RTS and Richards. In that correspondence, the Chairman of the Board advised that the Board had previously issued a cease-and desist letter to RTS and Richards after determining that RTS and Richards were billing the Virgin Islands Medicaid program for psychological and psychotherapy services that neither RTS nor Richards were licensed to perform in the Territory and that RTS hired unlicensed personnel were to provide behavioral health services. The MFCU investigated the Medicaid billing practices of RTS and Richards. The MFCU’s investigation revealed that RTS and Richards billed and were paid by the Virgin Islands Medicaid Program for services that were provided outside the scope of the Defendants’ licenses and for services provided by unlicensed personnel.

61. At all relevant times, the VIMAP reimbursed behavioral health services only when such services were lawfully rendered by, or under the valid supervision of, appropriately licensed professionals in accordance with Virgin Islands law, Medicaid policy, and applicable provider agreements. Counseling and behavioral health services billed to Medicaid were submitted through MMIS using standardized CPT codes, including but not limited to 90791, 90792, 90832, 90834, 90837, 90846, 90847, 90853, 90839, and 90840. These CPT codes represent specific categories of psychotherapy, diagnostic evaluation, and crisis intervention services that require the rendering provider to hold an active and valid professional license issued by the Virgin Islands, such as licensed professional counselor, social worker, Social Worker Associate, licensed social worker depending on the nature of the service.

62. RTS enrolled as a Medicaid provider in the Virgin Islands Medicaid program in or about July 2018 and thereafter received reimbursement from the Virgin Islands Medicaid Program for behavioral health services purportedly rendered to Medicaid beneficiaries.

63. Based on the licensure package presented to the Virgin Islands Medicaid program, the Virgin Islands Medicaid program enrolled and approved RTS to provide testing, evaluation, and consultation services. RTS was not enrolled or authorized to provide psychotherapy services for which it subsequently sought and received Medicaid reimbursement.

64. At all times relevant to this Complaint, RTS held licenses authorizing testing, evaluation, and consultation in the Virgin Islands. RTS was not licensed in the Territory to provide psychotherapy services for which it sought and received Medicaid reimbursement.

65. Notwithstanding the limitations of its enrollment and licensure, RTS began submitting claims for psychotherapy services shortly after becoming a Medicaid provider in July 2018 and continues to do so.

66. Defendant Richards owned, operated, controlled, and managed RTS and exercised authority over its billing, staffing, clinical operations, supervision, documentation, and Medicaid submissions.

67. At all relevant times to this Complaint, Richards did not possess the licensure required under Virgin Islands law to independently provide psychotherapy services in the Virgin Islands. Nevertheless, Richards caused psychotherapy services to be documented, submitted, and billed to the Virgin Islands Medicaid program under her name as the rendering provider.

68. RTS employed and utilized individuals who lacked the professional licensure required to provide psychotherapy services to Medicaid beneficiaries in the Territory.

69. Among those individuals were Ashley Doway (Doway) and Duane Robinson (Robinson). Neither Doway nor Robinson possessed the professional licensure required under Virgin Islands law to provide psychotherapy services or other behavioral health treatment services billed to Medicaid.

70. RTS nevertheless causes services performed by Richards, Doway, Robinson, and other unlicensed individuals to be billed to Medicaid as reimbursable behavioral health treatment services.

71. In or about 2019, the Virgin Islands Board of Psychology issued a cease-and-desist letter to Richards and RTS advising that neither RTS nor Richards possessed the licensure required to provide psychotherapy services and directing that such conduct cease.

72. The Board's correspondence placed Richards and RTS on actual notice that their Medicaid enrollment and licensure authorized testing, evaluation, and consultation services only and did not authorize the provision of psychotherapy services and that the use of unlicensed practitioner violated applicable professional licensing requirements.

73. Despite receiving actual notice that neither RTS nor Richards possessed the professional licensure required to provide psychotherapy services, RTS and Richards continued to advertise, offer, document, submit, and cause the submission of claims to the Virgin Islands Medicaid program for psychotherapy and other behavioral health services. RTS and Richards further continued to seek and receive Medicaid reimbursement for those services after being expressly directed to cease such conduct.

74. During the relevant period, RTS publicly advertised and operated a “Therapeutic After-School Program” at its Medical Art Complex office. The “Therapeutic After-School Program” was offered in conjunction with Richards’ non-profit, Passport 2 Prosperity.

75. Promotional materials distributed by RTS represented that the program accepted Medicaid beneficiaries and was covered by Medicaid reimbursement. The materials advertised behavioral health services including individual interventions, group interventions, and therapeutic programming for children.

76. The promotional materials identified RTS and Passport 2 Prosperity as the providers of the program and solicited enrollment of new clients while representing that services would be reimbursable through Medicaid and other insurance programs. At all relevant times, however, Passport 2 Prosperity was not enrolled as a Medicaid provider and was not licensed or authorized under Virgin Islands law to provide therapeutic or behavioral health services in the Virgin Islands.

77. Services provided through RTS’s and Passport 2 Prosperity’s Therapeutic-After-School Program formed part of the behavioral health services for which RTS sought and received Medicaid reimbursement.

78. In a written testimonial response to a Department of Justice Subpoena dated February 25, 2026, Doway acknowledged that she served as a “Supervised Therapist” at RTS.

79. Doway stated she conducted intake and diagnostic assessments, developed treatment plans, managed billing and coding, provided individual and group interventions, conducted school-based observations, supervised staff, coordinated treatment programs, and participated in the provision of hypnotherapy interventions under Richard’s supervision.

80. Doway further stated that she had been affiliated with RTS since June 2023 and coordinated RTS's Therapeutic After-School Program and Therapeutic-Summer Program.

81. Doway's own statements establish that RTS assigned clinical treatment responsibilities, diagnostic functions, billing functions, and therapeutic interventions to individuals who lacked independent licensure authorizing the provision of psychotherapy services.

82. Records maintained by RTS repeatedly identify an individual designated as "MHT" or "MHP" as the person rendering treatment services to Medicaid beneficiaries.

83. Multiple "treatment notes" for Medicaid beneficiary A.O. attribute treatment directly to "MHT/MHP" on numerous dates of service, including April 2, 2024; April 3, 2024; April 4, 2024; April 9, 2024; April 17, 2024; April 18, 2024, April 23, 2024; April 24, 2024; April 25, 2024; May 1, 2024; May 7, 2024; May 14, 2024; and May 16, 2024.

84. The clinician signature appearing on those treatment notes was primarily that of Richards.

85. RTS records for Medicaid beneficiary M.H. identify "MT" as the provider of individual psychotherapy (CPT 90837), Hypnotherapy (CPT 90880), and Family Therapy (CPT 90847) on multiple occasions during June 2025 while Richards signed the corresponding records.

86. The records demonstrate that services were performed by another individual while being documented, authenticated, approved, or submitted under Richards' name and credentials.

87. At the time the services were rendered, Richards was not physically present during the sessions reflected in the records, did not have the requisite licensure to provide psychotherapy in the Virgin Islands, and did not personally render those services.

88. RTS submitted or caused claims to be submitted to Medicaid for services rendered by Doway and other unlicensed individuals while representing, expressly or impliedly, that the services were rendered, supervised, or approved by a qualified provider.

89. Claims data obtained during the investigation revealed a pattern of billing concentrated in higher reimbursement psychotherapy and specialty behavioral health procedure codes.

90. From January 2020 to April of 2026, RTS and Richards received approximately **FOUR HUNDRED EIGHT THOUSAND FOUR HUNDRED TEN DOLLARS and TWELVE CENTS (\$408,410.90)** in Medicaid reimbursements from the Virgin Islands Medicaid program.

91. RTS relied heavily on **CPT CODE 90837**, a sixty-minute psychotherapy code associated with one of the highest reimbursement levels among psychotherapy services.

92. RTS extensively billed **CPT Code 90880** for hypnotherapy services.

93. RTS routinely billed combinations of psychotherapy, hypnotherapy, family therapy, and related behavioral health services on the same day for the same individual beneficiaries.

94. On multiple occasions, RTS billed as many as six separate behavioral health services for a single beneficiary on a single date of service.

95. Review of “treatment records” disclosed that interventions documented in support of **CPT Code 90837** frequently consisted of role-playing exercises, coping-skills training, breathing exercises, affirmations, and basic cognitive behavioral therapy techniques.

96. The records frequently lacked individualized treatment modifications, evolving treatment strategies, diagnostic reassessments, measurable therapeutic progress, or other indicators typically associated with repeated billing for sixty-minute psychotherapy sessions.

97. The documentation reflected low-to-moderate intensity interventions while claims were submitted using billing codes associated with higher-complexity psychotherapy services.

98. Review of patient records further revealed extensive use of template documentation and repetitive language across multiple patients and dates of service.

99. Repeated phrases appearing throughout the records included statements such as “Consumer has made minimal progress,” “MHP anticipates proceeding with exercises,” and “MHP used coping skills,” with little or no substantive variation between encounters.

100. The repeated use of identical language, treatment goals, progress assessments, and future treatment plans across different beneficiaries and service dates indicated that records were generated using templates rather than individualized clinical assessments.

101. The records also reflect repeated treatment sessions occurring over short intervals despite consistent findings of minimal progress, behavioral regression, or lack of measurable improvement.

102. Despite the absence of documented progress, evolving treatment strategies, or meaningful modification of treatment plans, RTS continued billing the Virgin Islands Medicaid program for psychotherapy, hypnotherapy, family therapy with patient, family therapy without patient, and related behavioral health services.

103. The pattern of billing practices described herein—including the use of unlicensed personnel to provide psychotherapy, hypnotherapy and other behavioral health services, the

attribution of services to Richards, the repeated use of template or cloned documentation, the submission of claims for services beyond RTS' and Richards authorized Medicaid enrollment and licensure authority, and the continued submission of claims after receipt of regulatory notice and a cease-and-desist directive from the Virgin Islands Board of Psychology—demonstrates a knowing, deliberate, and ongoing scheme by Defendants RTS, Richards, Doway, Robinson, and other agents, employees, and persons acting on their behalf. Acting individually and in concert with one another, Defendants knowingly presented or caused to be presented, false or fraudulent claims for payments to be made or used false records and statements material to such claims. Through this scheme, Defendants obtained and retained Medicaid reimbursements for services that were outside the scope of authorized Medicaid services, were rendered by unlicensed individuals, were inadequately documented, improperly coded, not medically necessary, not rendered as represented, or were otherwise ineligible for reimbursement under applicable Virgin Islands laws, regulations, licensure requirements, Virgin Islands Medicaid program requirements, and provider enrollment obligations.

104. Through this scheme, which began in or about July 2018 and continues to the present, Defendants obtained and retained Medicaid reimbursements for services that exceeded their authorized scope of practice, were rendered by unlicensed individuals, were inadequately documented, improperly coded, not medically necessary, not rendered as represented, or were otherwise ineligible for reimbursement under applicable Virgin Islands laws, regulations, professional licensure requirements, Medicaid provider agreements, and Medicaid program requirements.

COUNT I

33 V.I.C. § 3503(a)(1) and 34 V.I.C. § 686(a)(1)(A)
False Claims in Violation of the V.I. False Claims Act, and the
V.I. Medicaid Program Integrity Act

105. This is an action brought by the Government of the Virgin Islands under the V.I. False Claims Act, 33 V.I.C. §3503(a)(1) and the V.I. Medicaid Program Integrity Act, 34 V.I.C. § 681(a)(1)(A).

106. The Government of the Virgin Islands incorporates by reference the allegations contained in paragraphs 1 through 104 as if fully alleged herein.

107. As set forth above, for the period July 2018 and continuing, Defendants knowingly or in deliberate ignorance or reckless disregard for the truth, presented or caused to be presented false claims to the Government of the Virgin Islands for payment from the Virgin Islands Medical Assistance Program, in violation of 33 V.I.C. § 3503(a)(1) and 34 V.I.C. § 686(a)(1)(A). The claims were false because they were for services ineligible for Medicaid reimbursement because defendants misrepresented compliance with Virgin Islands laws and regulations as set forth in the Provider Agreement which are conditions of payment. The misrepresentations were material as the term is defined in the V.I. False Claims Act and interpreted by the courts.

108. For purposes of the V.I. False Claims Act, 33 V.I.C. § 3502(4)(A) – (C). the terms “knowing” and “knowingly” means that “a person, with respect to information, ...(A) has actual knowledge of the information; (B) [a]cts in deliberate ignorance of the truth or falsity of the information; or (C) [a]cts in reckless disregard of the truth or falsity of the information.” For purposes of the V.I. Medicaid Program Integrity Act, a provider is deemed to have known that a claim, statement, or representation was false if the provider knew, or by virtue of the provider’s

position, authority or responsibility, had reason to know of the falsity of the claim, statement, or representation. 34 V.I.C. § 686(a)(2)(A).

109. These claims were false in violation of 33 V.I.C. § 3503(a)(1) and 34 V.I.C. § 686(a)(2)(A), because Virgin Islands law and regulations regarding licensure of psychologists, social workers, and supervision of unlicensed employees in these professions, the rules of the V.I. Medicaid Program Integrity Act, and the Provider Agreement all require that only licensed providers may render services that are reimbursable by the V.I. Medicaid Assistance Program.

110. As a result of Defendants' misconduct, the Government of the Virgin Islands has incurred damages through false claims paid by the Government of the Virgin Islands Department of Finance, on behalf of the V.I. Medicaid Assistance Program.

111. Defendants are joint and severally liable to the Government of the Virgin Islands under the V.I. False Claims Act for treble damages in an amount to be determined at trial, plus a civil penalty of \$5,000 to \$10,000 for each false claim they presented and caused to be presented for payment.

112. For purposes of the False Claims Act, knowing and knowingly mean that a person, with respect to information (1) has actual knowledge of the information; (2) acts in deliberate ignorance of the truth or falsity of the information; or (3) acts in reckless disregard of the truth or falsity of the information. No proof of specific intent to defraud is required.

COUNT II

False Statements Material to False Claims in Violation of the V.I. False Claims Act, 33 V.I.C. §3503(a)(1)(2) and the V.I. Medicaid Program Integrity Act, 34 V.I.C. § 686(a)(1)(D)

113. The Government of the Virgin Islands repeats and realleges each and every allegation contained in paragraphs 1 – 104 as though fully set forth herein.

114. At all relevant times, Defendants knowingly made, used, or caused to be made or used false records, statements, treatment notes, and false statements material to false or fraudulent claims for payment to the Virgin Islands Medicaid program, in violation of the V.I. False Claims Act and the Medicaid Program Integrity Act.

115. In support of their scheme to obtain Medicaid reimbursement, Defendants caused treatment records to identify services rendered by unlicensed personnel while the records were signed, authenticated, or submitted under the name and NPI number of Melinda Denise Richards.

116. Defendants utilized repetitive and templated treatment records that failed to accurately reflect individualized treatment, clinical complexity, measurable progress, or evolving treatment plans.

117. Defendants used such records and statements to conceal the true identity and qualifications of the actual service providers and to obtain Medicaid reimbursement.

118. These records and statements were material because they were used to justify payment by Medicaid and to create the appearance that claims billed under CPT codes such as 90791, 90832, 90834, 90837, and 90847 complied with licensure, supervision, and documentation requirements. Defendants knew or acted with deliberate ignorance or reckless disregard of the truth or falsity of the information contained in these records and nevertheless used them to obtain payment from Medicaid.

119. As a direct and proximate result of Defendants' conduct, the Government of the Virgin Islands Department of Finance, on behalf of the V.I. Medicaid Assistance Program, paid

claims it would not have paid had the true facts been disclosed. The Government is therefore entitled to all remedies available under the Virgin Islands False Claims Act and the Virgin Islands Medicaid Integrity Act including treble damages, civil penalties, costs, and such additional relief as the Court deems appropriate.

Count III

Unjust Enrichment

120. This is an action brought by the Government of the Virgin Islands pursuant to the common law for unjust enrichment against Defendants.

121. Paragraphs 1 through 104 are incorporated as if fully set forth herein.

122. As a result of the foregoing allegations as set forth in paragraph 90, Defendants have been unjustly enriched to the detriment of the Government of the Virgin Islands in an amount to be determined.

123. Defendants knowingly retained payments obtained through claims submitted for services outside the scope of authorized licensure, outside the scope of Medicaid enrollment, rendered by unlicensed personnel, inadequately documented, or otherwise eligible for reimbursement.

124. The Government of the Virgin Islands, unaware of the foregoing circumstances and conduct of Defendants and not knowing that Defendants were misrepresenting the claims for which they sought payment, approved and reimbursed Defendants for the false and fraudulent claims submitted during July 2018 and April 2026.

125. Equity and good conscience require Defendants to disgorge and repay all amounts improperly received.

COUNT IV
Common Law Fraud

126. This is an action brought by the Government of the Virgin Islands for common law fraud.

127. Paragraphs 1 through 104 are incorporated as if fully set forth herein.

128. The foregoing allegations as set forth in paragraphs 73 through 77 constitute knowing misrepresentations of material facts by Defendants made to induce reliance and resulting in reliance the Government of the Virgin Islands to its detriment. As a result, the Government of the Virgin Islands have been damaged in an amount to be determined.

COUNT V
Declaratory and Injunctive Relief

129. This is an action brought by the Government of the Virgin Islands for Declaratory and Injunctive Relief.

130. Paragraphs 1 through 104 are incorporated as if fully set forth herein.

131. Defendants engage in a pattern and practice of submitting claims outside the scope of authorized licensure and Medicaid enrollment.

131. Unless restrained by this Court, Defendants will continue to submit claims that violate Virgin Islands laws and federal and territorial Medicaid requirements.

132. Plaintiff is entitled to declaratory and injunctive relief prohibiting Defendants from further violations of law and requiring compliance with all Medicaid enrollment, licensure, documentation, and billing requirements.

COUNT VI
Civil Forfeiture

133. This is an action brought by the Government of the Virgin Islands for Civil Forfeiture.

134. Paragraphs 1 through 104 are incorporated as if fully set forth herein.

135. As described herein, Defendants RTS Services Unlimited II, LLC and Merlinda Richards obtained Medicaid funds through a scheme involving false claims, false records, misrepresentations regarding licensure, billing for services outside the scope of authorized enrollment, and the use of unlicensed personnel.

136. Proceeds derived directly or indirectly from the submission of false Medicaid claims constitute property traceable to unlawful activity and are subject to forfeiture pursuant to applicable Virgin Islands law.

137. Upon information presently available, assets acquired, maintained, improved, or funded with proceeds derived from the unlawful conduct described herein include, but are not limited to, real property, bank accounts, investment accounts, and other assets traceable to Medicaid reimbursements obtained through the submission of false claims.

138. Investigation has identified real property interests associated with Melinda Richards, including condominium units located at Plantation Manor and Regatta Point, for which mortgage payments, condominium fees, maintenance expenses, and other ownership costs were paid, in whole or in part, from accounts receiving Medicaid reimbursements and proceeds derived from the conduct alleged herein.

139. Plaintiff seeks forfeiture of all proceeds, substitute assets, property traceable to

unlawful proceeds, and any interest acquired or maintained through the use of such proceeds, to the fullest extent permitted by law.

140. Plaintiff further seeks the imposition of constructive trusts, equitable liens, prejudgment restraints, injunctions, account freezes, and such other relief as may be necessary to preserve forfeitable assets pending final judgment.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, the Government of the Virgin Islands, respectfully requests judgment as follows:

- a. Enter judgment in favor of Plaintiff and against Defendants jointly and severally.
- b. On Counts I-IV against Defendants, for treble the amount of Plaintiff's damages to be determined, and all allowable civil penalties, fees, and costs under the VIFCA, and the Virgin Islands Medicaid Integrity Act, as well as post-judgment interest;
- c. Enter declaratory and injunctive relief preventing further violations; an
- d. Order forfeiture, disgorgement, constructive trust, equitable lien, attachment, restraint, or other appropriate relief against all proceeds and assets traceable to the false claims scheme;
- e. Order Defendants to identify, account for, and disclose all assets, acquired with, derived from, or maintained through Medicaid reimbursements received during the relevant period;
- f. Award such additional equitable relief as necessary to preserve and recover assets traceable to the unlawful conduct alleged herein.

g. For all other relief deemed just and equitable by this Court.

Respectfully submitted,

GORDON RHEA
VIRGIN ISLANDS ATTORNEY GENERAL

Dated: June 18, 2026.

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