

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Criminal No. 17-
	:	
v.	:	18 U.S.C. §§ 1349, 669
	:	
CESAR TAVERA	:	<u>INFORMATION</u>

The defendant having waived in open court prosecution by indictment, the Acting United States Attorney for the District of New Jersey charges:

COUNT ONE
(Conspiracy to Commit Health Care Fraud)

1. At all times relevant to this Information:
 - a. Defendant CESAR TAVERA was a resident of Cherry Hill, New Jersey, and the Executive Director of Nueva Vida Behavioral Health Center of New Jersey, Inc. (“Nueva Vida”); and
 - b. Nueva Vida was a New Jersey nonprofit corporation with offices in Camden, New Jersey.

2. At all relevant times, the Medicaid Program was a jointly funded, federal-state health insurance program that provided certain health benefits to the disabled, as well as to individuals and families with low income and resources. The federal government provided matching funds to Medicaid and ensured that states complied with minimum standards in the administration of the program.

3. In New Jersey, Medicaid (“NJ Medicaid”) was administered by the New Jersey Department of Human Services and predecessor agencies. NJ Medicaid was a “health care benefit program” as defined in 18 U.S.C. § 24(b).

4. Payment of a claim by NJ Medicaid was conditioned upon certification by a provider that the claims and underlying transactions billed by the provider complied with all applicable law, regulations, program instructions, and conditions of participation in NJ Medicaid.

5. Nueva Vida held itself out as a provider of outpatient mental health and psychiatric services to the Camden community. The majority of Nueva Vida's patients were Medicaid beneficiaries.

6. From 2006 forward, Nueva Vida entered into Medicaid provider agreements with the New Jersey Department of Human Services and predecessor agencies in which Nueva Vida agreed to comply with all applicable federal and state laws, regulations, and policies. Defendant CESAR TAVERA signed those Medicaid provider agreements as Executive Director of Nueva Vida.

7. Under New Jersey law and Medicaid rules, a provider such as Nueva Vida could bill NJ Medicaid for outpatient mental health services only if the person who provided the mental health services was authorized by law to provide mental health services and appropriately credentialed. For nonprofit organizations, the person providing the mental health services had to either (a) be licensed to provide mental health services, or (b) have at least a master's degree in a recognized mental health discipline. If the person had a master's degree from an institution outside the United States, those qualifications had to be verified through an accrediting organization before the person could provide services and NJ Medicaid could be billed for those services.

8. Nueva Vida regularly submitted bills to NJ Medicaid claiming that Nueva Vida provided mental health treatment to its Medicaid patients. Nueva Vida personnel prepared bills on computers using billing software and then submitted claims electronically to NJ Medicaid.

9. Defendant CESAR TAVERA supervised and directed the personnel preparing bills submitted to NJ Medicaid.

10. Defendant CESAR TAVERA supervised and directed the persons at Nueva Vida who purported to provide mental health therapy.

11. For claims with dates of service between January 1, 2010, and August 31, 2016, Nueva Vida received approximately \$11,000,000 from NJ Medicaid.

12. Defendant CESAR TAVERA and his co-conspirators obtained approximately \$2,500,000 from NJ Medicaid through billings that included false and fraudulent statements claiming that:

- a. patients received mental health therapy in sessions that did not occur;
- b. patients received mental health therapy from individuals qualified under NJ Medicaid rules, when, in fact, mental health therapy was provided by individuals, including defendant CESAR TAVERA, who were not licensed or otherwise qualified to provide mental health therapy;
- c. individual mental health therapy was provided to patients who, in fact, received group therapy; and
- d. 45 minutes or more of mental health therapy was provided to patients who, in fact, received less than 45 minutes of therapy.

13. From in or about January 2010 through in or about August 2016, in Camden County, in the District of New Jersey, and elsewhere, defendant

CESAR TAVERA

did knowingly and willfully conspire and agree with others to execute a scheme and artifice to defraud a health care benefit program, namely, NJ Medicaid, and to obtain, by means of false

and fraudulent pretenses, representations, and promises, money and property owned by, or under the custody and control of, NJ Medicaid, in connection with the delivery of and payment for health care benefits, items, and services, contrary to Title 18, United States Code, Section 1347.

Object of the Conspiracy

14. It was the object of the conspiracy that defendant CESAR TAVERA and his co-conspirators submitted and caused to be submitted bills to NJ Medicaid that falsely represented services provided to Medicaid beneficiaries in order to obtain money from NJ Medicaid.

Manner and Means of the Conspiracy

15. It was part of the conspiracy that defendant CESAR TAVERA and his co-conspirators caused Nueva Vida to submit bills to NJ Medicaid falsely claiming that:

- a. mental health services were provided to patients in sessions that, in fact, never occurred;
- b. mental health services were provided to several patients in individual sessions, each of which was billed at the higher rate for individual therapy, when, in fact, the patients received group therapy;
- c. mental health services were provided by therapists licensed or otherwise qualified under NJ Medicaid rules to provide those services, when, in fact, the persons providing the mental health services were not licensed or otherwise qualified under NJ Medicaid rules to provide mental health services; and
- d. mental health services were provided in sessions lasting at least 45 minutes, when, in fact, the patients received less than 45 minutes of therapy.

16. It was further part of the conspiracy that defendant CESAR TAVERA and his co-conspirators prepared and caused to be prepared false records purporting to document mental health services that were not provided as described in the false records.

Acts Furthering the Conspiracy

17. In furtherance of the conspiracy and to effect its objects, its members committed and caused to be committed numerous acts, including, for example, the following acts:

- a. On May 26, 2016, Nueva Vida billing personnel billed NJ Medicaid for mental health services that were not provided.
- b. On May 26, 2016, Nueva Vida billing personnel billed NJ Medicaid for a 45 minute therapy session with Patient 1 that occurred on March 4, 2016, when in fact the therapy session lasted for less than 25 minutes.
- c. On June 21, 2016, Nueva Vida billing personnel billed NJ Medicaid for a 45 minute therapy session with Patient 1 that occurred on June 16, 2016, when in fact the therapy session lasted for less than 25 minutes.
- d. On January 27, 2016, defendant CESAR TAVERA purported to provide mental health therapy to Patient 1.
- e. On May 26, 2016, Nueva Vida billing personnel billed NJ Medicaid for the mental health therapy purported provided to Patient 1 by defendant CESAR TAVERA on January 27, 2016.

In violation of Title 18, United States Code, Section 1349.

COUNT TWO
(Embezzlement from a Health Care Benefit Program)

18. Paragraphs 1 through 12 and 14 through 17 of Count 1 of this Information are hereby realleged and incorporated as though set forth in full herein.

19. Nueva Vida was a “health care benefit program” as defined in 18 U.S.C. § 24(b).

20. Defendant CESAR TAVERA regularly took money from the Nueva Vida bank account for his personal use. Defendant CESAR TAVERA used the Nueva Vida bank account to:

- (a) pay for his personal expenses and the expenses of his family members;
- (b) pay for travel and meals for himself and his family, including trips around the United States and abroad;
- (c) repay personal loans; and
- (d) take cash withdrawals at Sugar House Casino in Philadelphia, Pennsylvania, including approximately \$35,000 in 2015 alone, which he used to gamble at the casino.

21. For example, defendant CESAR TAVERA made the following withdrawals from the Nueva Vida bank account for his personal use:

- a. On or about May 29, 2015, defendant CESAR TAVERA wrote a check for \$3,900 to Bellissimo Catering for a party;
- b. On or about July 1, 2015, defendant CESAR TAVERA wrote a check for \$919 for dental expenses;
- c. On or about July 6, 2012, defendant CESAR TAVERA wrote a check for \$5,000 to Nia Films;
- d. On or about January 3, 2012, defendant CESAR TAVERA used a check card to pay \$540 to the New York Department of Motor Vehicles for a traffic violation;

- e. On or about September 25, 2015, defendant CESAR TAVERA used a debit card to pay \$2,407.12 to Cherry Hill Imports;
- f. On or about November 19, 2014, defendant CESAR TAVERA wrote a check for \$6,200 to LGT Latin Music;
- g. On January 22, 2015, defendant CESAR TAVERA withdrew \$5,000 in cash;
- h. On January 23, 2015, defendant CESAR TAVERA withdrew another \$5,000 in cash;
- i. On May 4, 2015, defendant CESAR TAVERA withdrew \$600 in cash at the Sugar House Casino; and
- j. On May 8, 2015, defendant CESAR TAVERA withdrew \$600 in cash at the Sugar House Casino.

22. The money defendant CESAR TAVERA took from the Nueva Vida bank account was not used for the benefit of Nueva Vida, was not compensation for services rendered to Nueva Vida, and was in addition to the annual salary he received from Nueva Vida as Executive Director.

23. From in or about January 2011 through in or about August 2016, in Camden County, in the District of New Jersey, and elsewhere, defendant

CESAR TAVERA

did knowingly and willfully embezzle, steal, misapply, and convert without authority to his use the moneys, funds, property and other assets of a health care benefit program, namely, the Nueva Vida Behavioral Health Center of New Jersey, Inc., in an amount in excess of \$100.

In violation of Title 18, United States Code, Section 669.

FORFEITURE ALLEGATION

1. As a result of committing the offenses alleged in this Information, defendant CESAR TAVERA shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the offenses, including but not limited to a forfeiture money judgment in the amount of \$2,500,000, representing all property constituting or derived from proceeds traceable to the commission of the offenses to which he is pleading guilty.

2. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c), to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property.



WILLIAM E. FITZPATRICK
Acting United States Attorney