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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

UNITED STATES OF AMERICA

v.

D-1 SEEMA BARNWAL and  
D-2 KRISHNA BARANWAL,  
Defendants.

Case:2:18-cr-20439  
Judge: Edmunds, Nancy G.  
MJ: Grand, David R.  
Filed: 06-21-2018 At 04:14 PM  
SEALED MATTER (EK)

VIO: 18 U.S.C. § 1349  
18 U.S.C. § 371  
42 U.S.C. § 1320a-7b  
18 U.S.C. § 982

**INDICTMENT**

THE GRAND JURY CHARGES:

**GENERAL ALLEGATIONS**

At all times relevant to this Indictment:

**The Medicare Program**

1. The Medicare Program (“Medicare”) was a federal health care program providing benefits to persons who were 65 years of age or older or disabled. Medicare was administered by the Centers for Medicare and Medicaid Services (“CMS”), a federal agency under the United States Department of Health and Human Services. Individuals who received benefits under Medicare were referred to as Medicare “beneficiaries.”

2. Medicare was a “health care benefit program,” as defined by Title 18, United States Code, Section 24(b). Medicare was also a “Federal health care program,” as defined by Title 42, United States Code, Section 1320a-7b(f).

3. Medicare “Part A” covered certain eligible home health care costs for medical services provided by a home health agency to beneficiaries who required home health services because of an illness, injury, or medical condition that caused them to be homebound. Payments for home health services under Medicare Part A were typically made directly to a home health agency or provider based on claims submitted to Medicare for qualifying services that were provided to eligible beneficiaries, rather than directly to the beneficiaries.

4. Medicare “Part B” covered certain physician services, outpatient services, and other services, that were medically necessary.

5. National Government Services, previously called United Government Services, (“NGS”) was the CMS intermediary for Medicare Part A in the state of Michigan. NGS received and processed Medicare Part A claims originating in Michigan in Indianapolis, Indiana.

6. TrustSolutions LLC was the Program Safeguard Contractor for Medicare Part A and Part B in the state of Michigan until April 24, 2012, when it was replaced by Cahaba Safeguard Administrators LLC as the Zone Program Integrity Contractor (“ZPIC”). The ZPIC is the contractor charged with

investigating fraud, waste, and abuse. Cahaba was replaced by AdvanceMed in May 2015.

### **Medicare Provider Enrollment and Reimbursement**

7. Home health agencies, physicians, and other health care providers that provided services to Medicare beneficiaries were able to apply for and obtain a “provider number.” A health care provider that was issued a Medicare provider number was able to file claims with Medicare to obtain reimbursement for services provided to beneficiaries.

8. By becoming a participating provider in Medicare, enrolled providers agreed to abide by the policies, procedures, rules, and regulations governing reimbursement. In order to receive Medicare funds, enrolled providers, together with their authorized agents, employees, and contractors, were required to abide by all the provisions of the Social Security Act (“Act”), the regulations promulgated under the Act, and applicable policies, procedures, rules, and regulations issued by CMS and its authorized agents and contractors.

9. Medicare providers were provided with online access to Medicare manuals and services bulletins describing proper billing procedures and billing rules and regulations.

10. A Medicare claim was required to set forth, among other things, the beneficiary’s name and Medicare number, the services performed, the date and

charge for the services, and the name and provider number of the physician or other health care provider who ordered the services.

11. Providers could submit claims to Medicare only for services they rendered. Providers were required to maintain patient records to verify that the services were provided as described on the claim form.

12. Medicare reimbursed claims for services only if the services were medically necessary and reasonable.

13. Medicare Part A, through a Medicare contractor, reimbursed participating home health agencies for home health services provided to a Medicare beneficiary only if the beneficiary qualified for home health benefits. A beneficiary qualified for home health benefits only if:

a. the Medicare beneficiary was under the care of a physician who specifically determined a need for home health services and established a plan of care;

b. the Medicare beneficiary was confined to the home, also referred to as "homebound", and a physician certified that the Medicare beneficiary was homebound; and

c. the Medicare beneficiary needed, and a physician certified that the beneficiary needed, skilled nursing services, physical therapy, speech therapy, or occupational therapy.

### **Federal Anti-Kickback Statute Compliance**

14. As a requirement to enroll as a Medicare provider, Medicare required providers to agree to abide by Medicare laws, regulations, and program instructions. Medicare further required providers to certify that they understood that a payment of a claim by Medicare is conditioned upon the claim and the underlying transaction complying with these laws, regulations, and program instructions, including the Federal anti-kickback statute. Accordingly, Medicare would not pay claims procured through kickbacks and bribes.

### **The Home Health Agency**

15. Magnum Home Health Care Inc. (“Magnum”) was a Michigan corporation doing business at 30700 Telegraph Road, Suite 2620, Bingham Farms, Michigan 48025, and 24123 Greenfield Road, Suite 305, Southfield, Michigan 48075. Magnum was a home health agency that purportedly provided in-home skilled nursing services, physical therapy, occupational therapy, speech therapy, and other services to patients. Magnum was a Medicare provider and submitted claims to Medicare.

### **The Defendants**

16. SEEMA BARNWAL, a resident of Oakland County, Michigan, was a licensed occupational therapist. SEEMA BARNWAL owned and operated Magnum.

17. KRISHNA BARANWAL, a resident of Oakland County, Michigan, owned and operated Magnum.

**COUNT 1**  
**Conspiracy to Commit Health Care Fraud**  
**(18 U.S.C. § 1349)**

**D-1 SEEMA BARNWAL**  
**D-2 KRISHNA BARANWAL**

18. Paragraphs 1 through 17 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

19. Beginning in or around 2012, and continuing through in or around May 2018, the exact dates being unknown to the Grand Jury, in Oakland County, in the Eastern District of Michigan, and elsewhere, the defendants, SEEMA BARNWAL and KRISHNA BARANWAL, did willfully and knowingly combine, conspire, confederate, and agree with each other and others, known and unknown to the Grand Jury, to knowingly and willfully execute a scheme and artifice to defraud a health care benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, Medicare, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, said health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services, in violation of Title 18, United States Code, Section 1347.

### **Purpose of the Conspiracy**

20. It was a purpose of the conspiracy for defendants SEEMA BARNWAL and KRISHNA BARANWAL and others to unlawfully enrich themselves by, among other things: (a) submitting and causing the submission of false and fraudulent claims to Medicare for home health services that were medically unnecessary, not eligible for Medicare reimbursement, and not provided as represented; (b) soliciting, receiving, offering, and paying kickbacks and bribes for the purpose of referring Medicare beneficiaries for services that were not eligible for Medicare reimbursement; (c) concealing the submission of false and fraudulent claims to Medicare, the receipt and transfer of the proceeds from the fraud, and the payment of kickbacks and bribes; and (d) diverting proceeds of the fraud for the personal use and benefit of the defendants and others.

### **Manner and Means of the Conspiracy**

21. The manner and means by which the defendants and their co-conspirators sought to accomplish the purpose of the conspiracy included, among other things, the following:

22. In or around December 2009 and October 2012, SEEMA BARNWAL and KRISHNA BARANWAL certified to Medicare that they would comply with all Medicare rules and regulations, including that they would not knowingly present or

cause to be presented a false or fraudulent claim for payment by Medicare and that they would refrain from violating the federal anti-kickback statute.

23. Notwithstanding these certifications, SEEMA BARNWAL and KRISHNA BARANWAL offered and paid kickbacks and bribes to others in exchange for the referral of Medicare beneficiaries for home health services billed to Medicare.

24. SEEMA BARNWAL, KRISHNA BARANWAL, and others devised and participated in a scheme to certify and cause to be certified Medicare beneficiaries for home health services without regard for medical necessity.

25. SEEMA BARNWAL and KRISHNA BARANWAL submitted and caused to be submitted, on behalf of Magnum, false and fraudulent claims to Medicare for home health services that were procured through kickbacks and bribes, medically unnecessary, not eligible for Medicare reimbursement, and not provided as represented. Medicare paid Magnum in excess of approximately \$4 million based on these claims.

All in violation of Title 18, United States Code, Section 1349.

**COUNT 2**  
**Conspiracy to Pay and Receive Health Care Kickbacks**  
**(18 U.S.C. § 371)**

**D-1 SEEMA BARNWAL**  
**D-2 KRISHNA BARANWAL**

26. Paragraphs 1 through 17 and 21 through 25 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

27. Beginning in or around 2012, and continuing through in or around May 2018, the exact dates being unknown to the Grand Jury, in Oakland County, in the Eastern District of Michigan, and elsewhere, the defendants, SEEMA BARNWAL and KRISHNA BARANWAL, did willfully and knowingly combine, conspire, confederate, and agree with each other and others to commit certain offenses against the United States, namely:

a. to knowingly and willfully solicit or receive any remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash, in check, or in kind in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part by Medicare, a Federal health care program as defined in Title 18, United States Code, Section 24(b), in violation of Title 42, United States Code, Section 1320a-7b(b)(1)(A); and

b. to knowingly and willfully offer or pay any remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or

covertly, in cash, in check, or in kind in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part by Medicare, a Federal health care program as defined in Title 18, United States Code, Section 24(b), in violation of Title 42, United States Code, Section 1320a-7b(b)(2)(A).

### **Purpose of the Conspiracy**

28. It was a purpose of the conspiracy for defendants SEEMA BARNWAL and KRISHNA BARANWAL and their co-conspirators to unlawfully enrich themselves and others by offering, paying, soliciting, and receiving kickbacks and bribes in exchange for Medicare beneficiary referrals for home health services paid for by Medicare.

### **Manner and Means of the Conspiracy**

29. The manner and means by which the defendants and their co-conspirators sought to accomplish the purpose of the conspiracy included, among other things, the following:

30. SEEMA BARNWAL, KRISHNA BARANWAL, and others paid and caused the payment of kickbacks and bribes to Person A and others in exchange for Medicare beneficiary referrals.

31. SEEMA BARNWAL, KRISHNA BARANWAL, and others disguised and concealed the kickbacks and bribes to Person A and others.

32. SEEMA BARNWAL, KRISHNA BARANWAL, and others communicated by phone and by text message, among other means, about the referral of Medicare beneficiaries.

33. SEEMA BARNWAL, KRISHNA BARANWAL, and others submitted and caused the submission of claims to Medicare through Magnum for home health services that were purportedly provided to Medicare beneficiaries who were referred through kickbacks and bribes.

34. Medicare paid Magnum based upon claims for home health services purportedly provided to Medicare beneficiaries who were referred through kickbacks and bribes.

#### **Overt Acts**

35. In furtherance of the conspiracy, and to accomplish its purposes and objects, at least one of the conspirators committed, or caused to be committed, in the Eastern District of Michigan, the following overt acts, among others:

36. On or about July 22, 2015, SEEMA BARNWAL paid and caused to be paid check number 1380, in the amount of \$4,050, from Magnum to Person A in exchange for Person A referring Medicare beneficiaries for home health services;

37. On or about June 30, 2015, KRISHNA BARANWAL paid and caused to be paid check number 1364, in the amount of \$3,200, from Magnum to Person A

in exchange for Person A referring Medicare beneficiaries for home health services; and

38. On or about February 23, 2018, SEEMA BARNWAL sent a text message to KRISHNA BARANWAL explaining that SEEMA BARNWAL “left a check” to pay an individual \$2,250 in exchange for the referral of “3 patients” for home health services, and KRISHNA BARANWAL responded “Good.”

All in violation of Title 18, United States Code, Section 371.

**COUNTS 3-4**

**Payment of Kickbacks in Connection with a Federal Health Care Program  
(42 U.S.C. § 1320a-7b(b)(2))**

**D-1 SEEMA BARNWAL  
D-2 KRISHNA BARANWAL**

39. Paragraphs 1 through 17 and 28 through 34 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

40. On or about the dates enumerated below, in Oakland County, in the Eastern District of Michigan, and elsewhere, the defendants, SEEMA BARNWAL and KRISHNA BARANWAL, did knowingly and willfully offer and pay remuneration, that is kickbacks and bribes, directly and indirectly, overtly and covertly, in the form of checks, to a person in order to induce the person to refer an individual to a person for the furnishing and arranging for the furnishing of any item or service for which payment may be made in whole or in part under a Federal health

care program as defined by Title 42, United States Code, Section 1320a-7b(f), that is, Medicare, as set forth below:

<b>Count</b>	<b>Defendant</b>	<b>Approximate Date</b>	<b>Amount</b>	<b>Description</b>
3	D-1 SEEMA BARNWAL	July 22, 2015	\$4,050	Check #1380 from Magnum Home Health Care Inc. (signed by SEEMA BARNWAL) to Person A
4	D-2 KRISHNA BARANWAL	June 30, 2015	\$3,200	Check #1364 from Magnum Home Health Care Inc. (signed by KRISHNA BARANWAL) to Person A

All in violation of Title 42, United States Code, Section 1320a-7b(b)(2).

### **FORFEITURE ALLEGATIONS**

#### **18 U.S.C. § 982(a)(7) and/or 18 U.S.C. § 981 with 28 U.S.C. § 2461**

41. The above allegations contained in this Indictment are incorporated by reference as if set forth fully herein for the purpose of alleging forfeiture pursuant to the provisions of 18 U.S.C. § 982(a)(7) and/or 18 U.S.C. § 981 with 28 U.S.C. § 2461.

42. As a result of the violations of 18 U.S.C. § 371 and/or 42 U.S.C. § 1320a-7b, as set forth in this Indictment, defendants SEEMA BARNWAL and KRISHNA BARANWAL shall forfeit to the United States any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of such violations, pursuant to 18 U.S.C. § 982(a)(7).

43. As a result of the violations of 18 U.S.C. §1349, as set forth in this Indictment, defendants SEEMA BARNWAL and KRISHNA BARANWAL shall forfeit to the United States any property, real or personal, that constitutes or is derived from proceeds traceable to the commission of such violations, pursuant to 18 U.S.C. § 981 with 28 U.S.C. § 2461.

44. Money Judgment: Such property includes, but is not limited to, forfeiture money judgments in an amount to be proved in this matter, representing the total amount of proceeds and/or gross proceeds obtained as a result of defendants' violations, as alleged in this Indictment.

45. Substitute Assets: If the property described above as being subject to forfeiture, as a result of any act or omission of the defendants:

- a. Cannot be located upon the exercise of due diligence;
- b. Has been transferred or sold to, or deposited with, a third party;
- 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 that cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p) as incorporated by 18 U.S.C. § 982(b), to seek to forfeit any other property of the defendant up to the value of the forfeitable property described above.

THIS IS A TRUE BILL.

Grand Jury Foreperson

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Date: June 21, 2018