

OWS

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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Case: 5:18-cr-20438
Judge: Levy, Judith E.
MJ: Grand, David R.
Filed: 06-21-2018 At 04:04 PM
SEALED MATTER (dat)

v.

EDWARD HUNT,

VIO: 18 U.S.C. § 371
42 U.S.C. § 1320a-
7b(b)(1)(A)
18 U.S.C. § 981
18 U.S.C. § 982
21 U.S.C. § 853

Defendant.

INDICTMENT

THE GRAND JURY CHARGES:

General Allegations

At all times relevant to this Indictment:

The Medicare Program

1. The Medicare program 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. The Medicare Program included coverage under four parts: hospital insurance (“Part A”), medical insurance (“Part B”), Medicare Advantage (“Part C”), and prescription drug benefits (“Part D”). Part A covered certain eligible home health care costs for medical services provided by a home health agency to beneficiaries who required home health treatment because of an illness, injury, or medical condition that caused them to be homebound. Part B covered certain physician services, outpatient services, and other services that were medically necessary and not covered by Part A.

4. Payments for home health services under Part A or physician services under Part B were typically made directly to the provider based on claims submitted to Medicare, rather than directly to the beneficiaries.

5. National Government Services (“NGS”) was the CMS contractor for Part A in the state of Michigan. Wisconsin Physicians Service (“WPS”) was the CMS contracted carrier for Part B in the state of Michigan. CMS contracted with NGS and WPS to receive, adjudicate, process, and pay claims.

6. Starting in approximately April 2012, Cahaba Safeguard Administrators LLC (“Cahaba”) was the Zone Program Integrity Contractor

("ZPIC") in the State of Michigan. In on or around April 2015, AdvanceMed replaced Cahaba as the ZPIC.

7. Medical providers, whether a home health agency, physician, or other health care provider, were able to apply for and obtain a Medicare Provider Identification Number ("PIN") for billing purposes. Upon certification, the medical provider was assigned a PIN. A health care provider who was assigned a Medicare PIN and provided services to beneficiaries was able to submit claims for reimbursement to Medicare. When the medical provider rendered a service, the provider submitted a claim for reimbursement to the Medicare contractor that included the PIN assigned to the medical provider.

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

9. 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.

10. Medicare providers were given and provided with online access to Medicare manuals and services bulletins describing proper billing procedures and billing rules and regulations. Pursuant to these Medicare manuals, services bulletins, and other materials containing Medicare's rules and regulations, providers were supposed to submit claims to Medicare only for services they rendered, and providers were required to maintain patient records to verify that the services were provided as described on the claim form.

11. 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.

12. 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.

13. Pursuant to Medicare rules and regulations, a beneficiary was homebound if the individual was confined to the home because of a condition, or due to illness or injury, that restricted the ability of the individual to leave his or her home except with the assistance of another individual or the aid of a supportive device (such as crutches, a cane, a wheelchair, or a walker), or if the individual had a condition such that leaving his or her home was medically contraindicated.

14. Medicare regulations under Part A and Part B required home health care providers and physicians to maintain complete and accurate patient medical records reflecting the medical assessment and diagnoses of their patients, as well as records documenting actual treatment of the patients to whom services were provided and for whom claims for payment were submitted. Medicare required complete and

accurate patient medical records so that Medicare could verify that the services were provided as described on the claim form. These records were required to be sufficient to permit Medicare to review the appropriateness of Medicare payments made to the health care provider.

15. To receive reimbursement for a covered service from Medicare, a provider had to submit a claim, either electronically or using a form (*e.g.*, a CMS-1500 form or UB-92), containing the required information appropriately identifying the provider, patient, and services rendered, among other things.

Relevant Entities and Individuals

16. Anointed Care Services LLC (“Anointed”), was a Michigan corporation doing business at 2295 Metropolitan Pkwy, Suite 100, Sterling Heights, Michigan 48310. Anointed was a home health agency that purportedly provided in-home physical therapy, skilled nursing and other services to patients. Anointed was a Medicare provider and submitted claims to Medicare.

17. Editha Manzano (“Manzano”), a resident of Macomb County, Michigan, was the co-owner, controller, and manager of Anointed.

18. Liberty Jaramillo (“Jaramillo”), a resident of Macomb County, Michigan, was the co-owner, controller, and manager of Anointed.

19. Person A, a resident of Wayne County, Michigan, was a patient recruiter for Anointed.

20. Person B, a resident of Genesee County, Michigan, was a patient recruiter for Anointed.

The Defendant

21. Defendant EDWARD HUNT, a resident of Wayne County, Michigan, recruited Medicare beneficiaries to serve as patients at Anointed.

COUNT 1
18 U.S.C. § 371
Conspiracy to Defraud the United States and
Pay and Receive Kickbacks and Bribes
in Connection with a Federal Health Care Program
D-1 EDWARD HUNT

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

23. Beginning in or around at least December of 2013 and continuing through in or around at least April of 2016, the exact dates being unknown, in Macomb and Wayne Counties, in the Eastern District of Michigan, and elsewhere, the defendant,

EDWARD HUNT,

did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate, and agree with Manzano, Jaramillo, and others known and unknown to the Grand Jury:

- a. to defraud the United States by impairing, impeding, obstructing, and defeating through deceitful and dishonest means the lawful government

functions of the Department of Health and Human Services in its administration and oversight of the Medicare program, in violation of Title 18, United States Code, Section 371, and to commit certain offenses against the United States, that is:

b. to violate Title 42, United States Code, Section 1320a-7b(b)(2)(A), by knowingly and willfully offering and paying any remuneration (including any kickback, bribe, or rebate) directly and indirectly, overtly and covertly, in cash and in kind, to any person to induce such 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 and in part under a Federal health care program, that is, Medicare; and

c. to violate Title 42, United States Code, Section 1320a-7b(b)(1)(A), by knowingly and willfully soliciting and receiving any remuneration (including any kickback, bribe, or rebate) directly and indirectly, overtly and covertly, in cash and in kind, in return for referring 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 and in part under a Federal health care program, that is, Medicare.

Purpose of the Conspiracy

24. It was a purpose of the conspiracy for EDWARD HUNT and his co-conspirators to unlawfully enrich themselves and others by, among other things, (1) offering, paying, soliciting, and receiving kickbacks and bribes in exchange for referring Medicare beneficiaries to purportedly serve as patients at Anointed; and (2) submitting and causing the submission of claims to Medicare for purported home health services that were medically unnecessary, not provided, and/or obtained through kickbacks.

Manner and Means

The manner and means by which EDWARD HUNT and his co-conspirators sought to accomplish the purpose of the conspiracy included, among others, the following:

25. Manzano and Jaramillo owned and controlled Anointed and billed Medicare for purportedly providing in-home physical therapy, occupational therapy, speech pathology, and/or skilled nursing services to patients.

26. EDWARD HUNT solicited and received kickbacks and bribes from Manzano and Jaramillo in exchange for referring Medicare beneficiaries to serve as patients at Anointed.

27. EDWARD HUNT, Manzano, Jaramillo, and others communicated by phone and by text messages, among other means, about the referral of Medicare

beneficiaries to Anointed.

28. Jaramillo and others at Anointed documented or caused to be documented the payments made to individuals who referred Medicare beneficiaries to Anointed in an Excel spreadsheet, among other ways.

29. Manzano, Jaramillo, and others submitted and caused to be submitted at least \$223,000 in claims to Medicare through Anointed for home health services that were purportedly provided to Medicare beneficiaries who were referred through kickbacks and bribes.

Overt Acts

30. In furtherance of the conspiracy, and in order to accomplish its objects and purpose, at least one of the co-conspirators committed and caused to be committed in the Eastern District of Michigan, and elsewhere, at least one of the following overt acts, among others:

31. On or about January 15, 2015, Person A sent a text message to Manzano, which stated, "Hey Edith. Ed hunts complaints is that you told him he can get 100 apples and he only got 50 for his patients. We are not going to use fanny at all. Or Kora. It's just always a problem when we try to."

32. In approximately April 2015, Jaramillo made or caused to be made an entry in the "PettyCash" spreadsheet of an Excel file titled

“AnointedTransactions(19),” that reflected a \$600 payment for “MARKETING BUDGET: EDHUNT: 5REF+1PT.”

33. On or about June 4, 2015, EDWARD HUNT left a voicemail for Manzano, stating, in substance, “Hey Edie, could you call me right away? I can’t seem to get the office. I got two of the patients with me and I want to go pick up that other guy because he is getting restless. Could you please call me as soon as you hear from the doctor or something so I don’t have people sitting around waiting? Bye.”

34. On or about August 10, 2015, Jaramillo sent a text message, which stated, “Cash needed: (8); 1 Blood; 4 pts; 3 ed hunt.”

35. In or around March 2016, Manzano or Jaramillo submitted or caused to be submitted to Medicare a claim for services that Anointed purportedly rendered to L.M., a Medicare beneficiary, from in or about September 2015 to in or about October 2015.

36. In or around March or April 2016, after a search warrant was executed at Anointed, Manzano gave to Person B to give to EDWARD HUNT, for the benefit of EDWARD HUNT and the Medicare beneficiaries EDWARD HUNT recruited to Anointed, more than approximately \$1,000 in hush money.

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

COUNT 2
42 U.S.C. § 1320a-7b(b)(1)(A)
Receipt of Kickbacks and Bribes in Connection
with a Federal Health Care Program

37. Paragraphs 1 through 21 and 25 through 29 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

38. On or about the dates set forth below, in Wayne County, in the Eastern District of Michigan and elsewhere, the defendant,

EDWARD HUNT,

did knowingly and willfully solicit and receive remuneration, that is kickbacks and bribes, directly and indirectly, overtly and covertly, in cash and in kind, as set forth below, in return for referring an individual to a person for the furnishing and arranging for the furnishing of any item and service for which payment may be made in whole and in part under a federal health care program, that is, Medicare, as set forth below:

Count	Approximate Date of Payment	Approximate Amount	Description
2	April 24, 2015	\$600	Cash; "MARKETING BUDGET: EDHUNT: 5REF+1PT"

In violation of Title 42, United States Code, Section 1320a-7b(b)(1)(A).

FORFEITURE ALLEGATIONS

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

39. The above allegations contained in this Indictment are hereby incorporated by reference as if fully set forth herein for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Sections 982(a)(7) and/or 981(a)(1)(C) with Title 28, United States Code, Section 2461.

40. As a result of the foregoing violations as charged in Counts 1 and 2 of this Indictment, the defendant, EDWARD HUNT, shall, upon conviction, forfeit to the United States (1) any property, real or personal, that constitutes or is derived, from proceeds traceable to the commission of the offense, pursuant to 18 U.S.C. § 981(a)(1)(C) with 28 U.S.C. § 2461; and/or (2) any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense, pursuant to 18 U.S.C. § 982(a)(7).

41. Money Judgment: Such property includes a money judgment in an amount as is proved in this matter, representing the total amount of proceeds and/or gross proceeds obtained as a result of the defendant's offenses as charged in Counts 1 and 2 of this Indictment.

42. Substitute Assets: If the property described above as being subject to forfeiture, 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 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) and 28 U.S.C. § 2461(c), 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

Respectfully submitted,

MATTHEW SCHNEIDER
United States Attorney

s/ Wayne F. Pratt
WAYNE F. PRATT
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s/ Joseph S. Beemsterboer
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Date: June 21, 2018