

FILED
VANESSA L. ARMSTRONG, CLERK

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF KENTUCKY
AT LOUISVILLE

JUN 25 2018

U.S. DISTRICT COURT
WEST'N DIST. KENTUCKY

UNITED STATES OF AMERICA

INDICTMENT

v.

NO. 3:18-cr-85-DJH

BINGSTON CROSBY
LACY BLACK

18 U.S.C. § 2
18 U.S.C. § 982
18 U.S.C. § 1341
18 U.S.C. § 1347
18 U.S.C. § 1349
18 U.S.C. § 1956
42 U.S.C. § 1320a-7b

The Grand Jury charges:

COUNT 1

(Conspiracy to Commit Health Care Fraud)

1. Beginning no later than on or about January 1, 2015, and continuing through on or about November 1, 2017, in the Western District of Kentucky, Jefferson County, Kentucky, and elsewhere, **BINGSTON CROSBY** and **LACY BLACK**, defendants herein, did knowingly combine, conspire, confederate and agree with each other and others known and unknown to the Grand Jury, to violate Title 18, United States Code, Section 1347, that is, to knowingly execute, and attempt to 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), and to obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of a health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services.

Object of the Conspiracy and the Scheme to Defraud

2. It was the object of the conspiracy and scheme to obtain money from health care benefit programs by billing for services, which were never provided.

Manner and Means of the Conspiracy and the Scheme to Defraud

3. It was part of the conspiracy that **BINGSTON CROSBY** would pay **LACY BLACK** to recruit patients, including Kentucky Medicaid (Passport Health Plan, a Managed Care Organization) patients, to treat at Crosby Chiropractic Center, Inc., (hereinafter Crosby) which is owned by **BINGSTON CROSBY**. **LACY BLACK** recruited patients by promising to pay them to treat at Crosby. **BINGSTON CROSBY** paid **LACY BLACK** knowing that **LACY BLACK** promised to pay kickbacks to entice patients to treat at Crosby. **LACY BLACK** drove the patients to and from Crosby for treatment.

4. It was further part of the conspiracy that **BINGSTON CROSBY** would bill health care benefit programs for medical services not rendered to patients. In addition, treatment plans were not tailored to the patients' needs but rather were cookie-cutter treatment plans where most patients received the same treatment whether they needed it or not.

5. It was further part of the conspiracy that claims for payment for the fraudulent services were submitted to health care benefit programs using the patients' names, dates of birth, insurance/policy numbers, addresses, and patient IDs/Social Security Numbers, without the patients' knowledge.

In violation of Title 18, United States Code, Sections 1347 and 1349.

The Grand Jury further charges:

COUNTS 2-8
(*Health Care Fraud*)

On or about and between the dates listed below, in the Western District of Kentucky, Jefferson County, Kentucky, and elsewhere, the defendant, **BINGSTON CROSBY**, aided and abetted by others known and unknown to the Grand Jury, knowingly and willfully executed, and attempted to execute, a scheme and artifice to defraud health care benefit programs, and to obtain, by means of false and fraudulent pretenses, representations, and promises money and property owned by, and under the custody and control of, the health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services, to wit: **BINGSTON CROSBY**, billed health care benefit programs for medical services which were never administered to the following:

COUNT	PATIENT	DATE OF SERVICE
2	L.B.	May 6, 2015
3	L.B.	April 30, 2015
4	K.F.	April 20, 2016
5	R.P.	June 1, 2015
6	A.J.	April 23, 2015
7	N.G.	August 18, 2015
8	R.W.	July 20, 2015

In violation of Title 18, United States Code, Sections 1347 and 2.

The Grand Jury further charges:

COUNT 9
(Health Care Fraud)

Beginning no later than on or about June 1, 2016, and continuing through on or about September 1, 2016, in the Western District of Kentucky, Jefferson County, Kentucky, and elsewhere, the defendant, **BINGSTON CROSBY**, aided and abetted by others known and unknown to the Grand Jury, knowingly and willfully executed, and attempted to execute, a scheme and artifice to defraud health care benefit programs, and to obtain, by means of false and fraudulent pretenses, representations, and promises money and property owned by, and under the custody and control of, the health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services, to wit: **BINGSTON CROSBY**, billed a health care benefit program for medical services which were never administered to patient A.B. A.B. complained to **BINGSTON CROSBY** about the fraudulent charges and **BINGSTON CROSBY** offered to pay A.B. not to report the fraud.

In violation of Title 18, United States Code, Sections 1347 and 2.

The Grand Jury further charges:

COUNTS 10-16
(Money Laundering)

On or about and between the dates listed below, in the Western District of Kentucky, Jefferson County, Kentucky, and elsewhere, the defendant, **BINGSTON CROSBY** aided and abetted by others known and unknown to the Grand Jury, did knowingly conduct and attempt to conduct financial transactions, knowing that the property involved in the financial transactions represented proceeds of specified unlawful activity, that is health care fraud in violation of 18 U.S.C. § 1347, and did so knowing that the transactions were designed in whole and in part to

conceal and disguise the nature, location, source, ownership and control of the proceeds, to wit:

BINGSTON CROSBY received commingled illegally derived proceeds from Passport Health Plan and instead of depositing proceeds into his business checking account, **BINGSTON CROSBY** remitted the checks to Eastern Savings Bank to pay his mortgage as follows:

COUNTS	TRANSACTION DATE	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT
10	4/6/15	Passport Health Plan mailed check #0501149721 to Crosby Chiropractic Center, Inc. Crosby remitted the check to Eastern Savings Bank.	\$4,239.86
11	5/6/15	Passport Health Plan mailed check #0501170527 to Crosby Chiropractic Center, Inc. Crosby remitted the check to Eastern Savings Bank.	\$4,108.84
12	6/8/15	Passport Health Plan mailed check #0501191814 to Crosby Chiropractic Center, Inc. Crosby remitted the check to Eastern Savings Bank.	\$5,703.06
13	7/29/15	Passport Health Plan mailed check #0501224982 to Crosby Chiropractic Center, Inc. Crosby remitted the check to Eastern Savings Bank.	\$2,510.97
14	8/5/15	Passport Health Plan mailed check #0501229675 to Crosby Chiropractic Center, Inc. Crosby remitted the check to Eastern Savings Bank.	\$2,592.79
15	5/9/16	Passport Health Plan mailed check #0501420807 to Crosby Chiropractic Center, Inc. Crosby remitted the check to Eastern Savings Bank.	\$2,775.14
16	8/22/16	Passport Health Plan mailed check #0501498298 to Crosby Chiropractic Center, Inc. Crosby remitted the check to Eastern Savings Bank.	\$11,159.59

In violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

The Grand Jury further charges:

COUNTS 17-23
(Mail Fraud)

1. Beginning on or about April 6, 2015, and continuing until on or about August 22, 2016, in the Western District of Kentucky, Jefferson County, Kentucky, and elsewhere, the defendant, **BINGSTON CROSBY**, aided and abetted by others known and unknown to the Grand Jury, devised and intended to devise a scheme and artifice to defraud and to obtain money by means of false and fraudulent pretenses, representations and promises, from a health care benefit program, and did knowingly cause to be delivered by mail Passport Health Plan checks, to wit:

The Scheme

2. At times relevant, **BINGSTON CROSBY** aided and abetted by others known and unknown to the Grand Jury, paid and offered to pay Passport Health Plan patients to treat at his chiropractic clinic and billed for services never rendered, and was reimbursed by Passport Health Plan for those services.

The Mailings

3. In the course of and for the purpose of executing the scheme detailed above, **BINGSTON CROSBY**, aided and abetted by others known and unknown to the Grand Jury, caused the following mailings to occur:

COUNT	ON OR ABOUT DATE	ITEMS MAILED	CARRIER
17	4/6/15	Passport Check	United States Postal Service
18	5/6/15	Passport Check	United States Postal Service
19	6/8/15	Passport Check	United States Postal Service
20	7/29/15	Passport Check	United States Postal Service
21	8/5/15	Passport Check	United States Postal Service
22	5/9/16	Passport Check	United States Postal Service
23	8/22/16	Passport Check	United States Postal Service

In violation of Title 18, United States Code, Sections 1341 and 2.

The Grand Jury further charges:

COUNT 24
(Offering or Paying Health Care Kickbacks)

Beginning no later than on or about January 1, 2015, and continuing through on or about November 1, 2017, in the Western District of Kentucky, Jefferson County, Kentucky, and elsewhere, **BINGSTON CROSBY**, defendant herein, did knowingly and willfully pay remuneration in the form of cash payments to LACY BLACK, to induce him to refer Passport Health Plan patients to Crosby Chiropractic Center, Inc., for the furnishing of chiropractic services, an item and service for which payment may be made in whole or in part under Passport Health Plan, a Federal health care program.

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

The Grand Jury further charges:

COUNT 25
(Offering or Paying Health Care Kickbacks)

Beginning no later than on or about January 1, 2015, and continuing through on or about November 1, 2017, in the Western District of Kentucky, Jefferson County, Kentucky, and elsewhere, **LACY BLACK**, defendant herein, did knowingly and willfully offer to pay and paid remuneration in the form of cash to Passport Health Plan patients to induce the patients to purchase and order chiropractic services from Crosby Chiropractic Center, Inc. for which payment may have been made in whole or in part by a Federal health care program, to wit: BINGSTON CROSBY paid **LACY BLACK** to refer Passport Health Plan patients to Crosby Chiropractic Center, Inc. for chiropractic services. **LACY BLACK**, in turn, would promise Passport Health Plan patients cash to receive chiropractic services from Crosby Chiropractic Center, Inc. and would offer to drive the Passport Health Plan patients to Crosby Chiropractic Center, Inc. to receive chiropractic services.

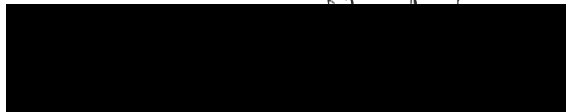
In violation of Title 42, United States Code, Section 1320a-7b(b)(2)(B).

NOTICE OF FORFEITURE


If convicted of any violation of Title 18, United States Code, Sections 1341, 1347, 1349, and 1956, and Title 42, United States Code, Section 1320a-7b, **BINGSTON CROSBY** and **LACY BLACK**, the defendants, shall forfeit to the United States any property constituting or derived from any proceeds obtained, directly or indirectly, as the result of any such violation, and any property used or intended to be used, in any manner or part, to commit or to facilitate the commission of such violation.

Pursuant to Title 18, United States Code, Sections 982(a)(1) and (7).

A TRUE BILL.

A large black rectangular redaction box covering the signature of the foreperson.

FOREPERSON


RUSSELL M. COLEMAN
UNITED STATES ATTORNEY

RCM:JRA/LJW 6/25/2018

UNITED STATES OF AMERICA v. BINGSTON CROSBY and LACY BLACK

PENALTIES

Count 1:	NM 10 yrs./\$250,000 fine/both/NM 3 yrs. Supervised Release (each count)
Counts 2-9:	NM 10 yrs./\$250,000 fine/both/NM 3 yrs. Supervised Release (each count)
Counts 10-16:	NM 20 yrs./\$500,000 fine/both/NM 3 yrs. Supervised Release (each count)
Counts 17-23:	NM 20 yrs./\$250,000 fine/both/NM 3 yrs. Supervised Release (each count)
Counts 24-25:	NM 10 yrs./\$100,000 fine/both/NM 3 yrs. Supervised Release (each count)
Forfeiture	

NOTICE

ANY PERSON CONVICTED OF AN OFFENSE AGAINST THE UNITED STATES SHALL BE SUBJECT TO SPECIAL ASSESSMENTS, FINES, RESTITUTION & COSTS.

SPECIAL ASSESSMENTS

18 U.S.C. § 3013 requires that a special assessment shall be imposed for each count of a conviction of offenses committed after November 11, 1984, as follows:

Misdemeanor:	\$ 25 per count/individual	Felony:	\$100 per count/individual
	\$125 per count/other		\$400 per count/other

FINES

In addition to any of the above assessments, you may also be sentenced to pay a fine. Such fine is due immediately unless the court issues an order requiring payment by a date certain or sets out an installment schedule. You shall provide the United States Attorney's Office with a current mailing address for the entire period that any part of the fine remains unpaid, or you may be held in contempt of court. 18 U.S.C. § 3571, 3572, 3611, 3612

Failure to pay fine as ordered may subject you to the following:

1. **INTEREST** and **PENALTIES** as applicable by law according to last date of offense.

For offenses occurring after December 12, 1987:

No **INTEREST** will accrue on fines under \$2,500.00.

INTEREST will accrue according to the Federal Civil Post-Judgment Interest Rate in effect at the time of sentencing. This rate changes monthly. Interest accrues from the first business day following the two week period after the date a fine is imposed.

PENALTIES of:

10% of fine balance if payment more than 30 days late.

15% of fine balance if payment more than 90 days late.

2. Recordation of a **LIEN** shall have the same force and effect as a tax lien.
3. Continuous **GARNISHMENT** may apply until your fine is paid.

18 U.S.C. §§ 3612, 3613

If you **WILLFULLY** refuse to pay your fine, you shall be subject to an **ADDITIONAL FINE** of not more than the greater of \$10,000 or twice the unpaid balance of the fine; or **IMPRISONMENT** for not more than 1 year or both. 18 U.S.C. § 3615

RESTITUTION

If you are convicted of an offense under Title 18, U.S.C., or under certain air piracy offenses, you may also be ordered to make restitution to any victim of the offense, in addition to, or in lieu of any other penalty authorized by law. 18 U.S.C. § 3663

APPEAL

If you appeal your conviction and the sentence to pay your fine is stayed pending appeal, the court shall require:

1. That you deposit the entire fine amount (or the amount due under an installment schedule during the time of your appeal) in an escrow account with the U.S. District Court Clerk, or
2. Give bond for payment thereof.

18 U.S.C. § 3572(g)

PAYMENTS

If you are ordered to make payments to the U.S. District Court Clerk's Office, certified checks or money orders should be made payable to the Clerk, U.S. District Court and delivered to the appropriate division office listed below:

LOUISVILLE: Clerk, U.S. District Court
106 Gene Snyder U.S. Courthouse
601 West Broadway
Louisville, KY 40202
502/625-3500

BOWLING GREEN: Clerk, U.S. District Court
120 Federal Building
241 East Main Street
Bowling Green, KY 42101
270/393-2500

OWENSBORO: Clerk, U.S. District Court
126 Federal Building
423 Frederica
Owensboro, KY 42301
270/689-4400

PADUCAH: Clerk, U.S. District Court
127 Federal Building
501 Broadway
Paducah, KY 42001
270/415-6400

If the court finds that you have the present ability to pay, an order may direct imprisonment until payment is mad

FORM DBD-34
JUN.85

No.

UNITED STATES DISTRICT COURT

Western District of Kentucky
Louisville

THE UNITED STATES OF AMERICA

vs.

**BINGSTON CROSBY
LACY BLACK**

INDICTMENT

**Count 1
Conspiracy to Commit Health Care Fraud
18 U.S.C. §§1347 and 1349**

**Counts 2-8
Health Care Fraud
18 U.S.C. §§1347 and 2**

**Count 9
Health Care Fraud
18 U.S.C. §§1347 and 2**

**Counts 10-16
Money Laundering
18 U.S.C. §§1956(a)(1)(B)(i) and 2**

**Counts 17-23
Mail Fraud
18 U.S.C. §§1341 and 2**

**Count 24
Offering or Paying Health Care Kickbacks
42 U.S.C. §1320a-7b(b)(2)(A)**

**Count 25
Offering or Paying Health Care Kickbacks
42 U.S.C. §1320a-7b(b)(2)(B)**

Forfeiture

[Redacted Signature]

Foreperson

Filed in open court this 25th day of June, 2018.

Clerk

Bail, \$
