

FILED  
U.S. DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA  
2023 JUN 15 A 11:51

CAROL L. MICHELI  
CLERK mek

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA

**FELONY**  
**23-00125**

**BILL OF INFORMATION FOR  
HEALTH CARE FRAUD**

UNITED STATES OF AMERICA

\*

CRIMINAL DOCKET NO.

v.

\*

SECTION:

CRAIG L. LOVELACE

\*

VIOLATIONS:

18 U.S.C. § 1347

\*

18 U.S.C. § 2

\* \* \*

**SECT. HMAG. 4**

The United States Attorney charges that:

**COUNT 1**

**A. AT ALL TIMES MATERIAL HEREIN:**

**The Medicare Program**

1. The Medicare program ("Medicare") was a federal health insurance program, affecting commerce, that provided benefits to persons who were 65 years of age and older or disabled. The benefits available under Medicare were governed by federal statutes and regulations.

2. The United States Department of Health and Human Services ("HHS"), through its agency, the Centers for Medicare and Medicaid Services ("CMS"), oversaw and administered Medicare. Individuals who received benefits under Medicare were commonly referred to as Medicare "beneficiaries." Each beneficiary was given a unique Medicare identification number.

Fee USA  
Process \_\_\_\_\_  
☒ Dktd \_\_\_\_\_  
CtRmDep \_\_\_\_\_  
Doc.No. \_\_\_\_\_

3. Medicare was a “health care benefit program,” as defined by Title 18, United States Code, Section 24(b).

4. Licensed medical providers (“providers”) who provided items or services to beneficiaries were able to apply for and obtain a Medicare “provider number.” Providers that received a provider number were able to file claims with Medicare to obtain reimbursement for items and services rendered to beneficiaries.

5. Medicare covered different types of benefits, which were separated into different program “parts.” Medicare “Part B” was a medical insurance program that covered, among other things, medical items and services that were medically necessary.

6. Durable medical equipment (“DME”) was reusable medical equipment. DME included physical support equipment, such as orthotic devices, walkers, canes, and hospital beds, as well as respiratory and nutritional support equipment, such as ventilators, continuous positive airway pressure (“CPAP”) machines, biphasic positive airway pressure (“BIPAP”) machines, tracheostomy equipment and supplies, and enteral nutrition formulas and supplies. DME was covered by Medicare under “Part B.”

7. Medicare would pay claims for the provision of DME only if the equipment was ordered by a licensed provider, was reasonable and medically necessary for the treatment of a diagnosed and covered condition, and was actually provided to beneficiaries as represented. In claims submitted to Medicare for the reimbursement of provided DME, providers were required to set forth, among other information, the beneficiary’s name and unique Medicare identification number, the equipment provided to the beneficiary, the date the equipment was provided, the cost of the equipment, and the name and provider number of the provider who ordered the equipment.

8. Medicare did not reimburse providers for automatically dispensing refills of DME on a pre-determined basis. Each refill of an order for previously provided DME, or recurring order for DME, had to be medically reasonable and necessary to be reimbursed by Medicare.

**The Medicaid Program**

9. The Medicaid Program (“Medicaid”) was a federal and state funded health insurance program, affecting commerce, designed to provide medical assistance to persons whose income and resources were insufficient to meet the costs of necessary care and services. Individuals who qualified for Medicaid benefits were commonly referred to as “recipients” (hereafter, “beneficiaries” and “recipients” will be collectively referred to as “beneficiaries”).

10. Medicaid was a “health care benefit program,” as defined by Title 18, United States Code, Section 24(b).

11. Medicaid reimbursed DME providers for medically reasonable and necessary items and services rendered to beneficiaries. Like Medicare, Medicaid would pay claims for the provision of DME only if the equipment was ordered by a licensed provider, was medically reasonable and necessary for the treatment of a diagnosed and covered condition, and was actually provided to beneficiaries as represented.

**The Defendant and Related Individuals and Entities**

12. **LOVELACE** was a resident of Destrehan, Louisiana, in the Eastern District of Louisiana. **LOVELACE** was the owner and President of Advanced Medical Equipment, Inc. (“AME”), a corporation doing business in Kenner, Louisiana, in the Eastern District of Louisiana. AME operated as a DME supply company, and it submitted claims to Medicare and Medicaid for DME supplied to beneficiaries.

**B. THE SCHEME AND ARTIFICE TO DEFRAUD:**

From in or around January 2016, and continuing through in or around June 2022, **LOVELACE** executed a scheme and artifice to defraud in which he submitted, and caused to be submitted, through AME, false and fraudulent claims to Medicare and Medicaid for certain health care items, namely respiratory and nutritional support DME (hereinafter, "DME"), that was medically unnecessary, ineligible for Medicare reimbursement, or not provided as represented, including for DME purportedly supplied to beneficiaries located in the Eastern District of Louisiana and elsewhere, and used the fraudulent proceeds for the benefit of himself and others.

The purpose of the scheme and artifice was for **LOVELACE** to unlawfully enrich himself, through AME, by submitting and causing the submission of false and fraudulent claims to Medicare and Medicaid; receiving and obtaining the reimbursements paid by Medicare and Medicaid based on the false and fraudulent claims submitted; and diverting proceeds of the fraud for the personal use and benefit of himself and others.

**C. MANNER AND MEANS:**

The manner and means by which **LOVELACE** sought to accomplish the objects and purpose of the scheme and artifice included, among others:

1. **LOVELACE**, on behalf of AME, submitted and caused the submission of false and fraudulent signed Medicare Enrollment Applications. In doing so, **LOVELACE** falsely and fraudulently certified to Medicare that AME would comply with all Medicare rules and regulations and federal laws, including prohibitions on presenting or causing to be presented any false or fraudulent claim for payment. **LOVELACE**, on behalf of AME, signed corresponding false and fraudulent enrollment documents and certifications with Medicaid.

2. In furtherance of the scheme and artifice, **LOVELACE** received orders for DME and then unlawfully used information from that order, without the knowledge or consent of the provider, to falsely and fraudulently bill Medicare and Medicaid for additional DME that was medically unnecessary, never ordered, and not provided as represented. In some instances, **LOVELACE** falsely and fraudulently billed beneficiaries for DME for months or years thereafter, including in instances when the DME was not medically reasonable or necessary, or after a patient died.

3. For example, **LOVELACE**, through AME, would falsely and fraudulently submit or cause the submission of claims to Medicare and Medicaid for two ventilators for beneficiaries, even though beneficiaries typically received either one ventilator, or, in some cases, no ventilators, from AME. **LOVELACE**, through AME, would also falsely and fraudulently submit or cause the submission of claims to Medicare and Medicaid for enteral nutrition for months, or even years, after a beneficiary's feeding tube was physically removed, and the DME was no longer medically reasonable or necessary.

4. In order to conceal and disguise the scheme, **LOVELACE** directed the falsification of documents, including medical records, order forms, and supporting documentation, on behalf of AME, that were submitted to Medicare in response to Medicare audits and records requests. These falsifications include, among others, forging dates, beneficiary signatures, provider signatures, and physician notes; and using tape, white-out, and scissors; in order to make it falsely appear that the audited DME was ordered and delivered.

5. From in or around January 2016, and continuing through in or around June 2022, in the Eastern District of Louisiana and elsewhere, **LOVELACE** submitted or caused the submission by AME of approximately \$11,421,826.22 in claims to Medicare and Medicaid for

DME that was medically unreasonable or unnecessary, ineligible for reimbursement, or not provided as represented, and received approximately \$7,959,869.82 in reimbursement from Medicare and Medicaid based on those false and fraudulent claims.

**C. THE OFFENSE:**

Beginning in or around January 2016, and continuing through in or around June 2022, in the Eastern District of Louisiana, and elsewhere, **CRAIG L. LOVELACE**, aiding and abetting, and aided and abetted by, others known and unknown to the United States Attorney, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully 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), that is, Medicare and Medicaid, and to obtain, by means of material false and fraudulent pretenses, representations, and promises, money owned by, and under the custody and control of, Medicare and Medicaid, in connection with the delivery of and payment for health care benefits, items, and services.

On or about the date and in the approximate amount set forth below, within the Eastern District of Louisiana, **LOVELACE**, for the purpose of executing and attempting to execute the fraudulent scheme described above, knowingly and willfully submitted, and caused to be submitted, by AME, to Medicare, the following false and fraudulent claim for payment:

<b>Beneficiary</b>	<b>Code Billed</b>	<b>Claim Number</b>	<b>Date Submitted</b>	<b>Date Services Purportedly Rendered</b>	<b>Amount Billed</b>	<b>Amount Paid</b>
M.T.	E0466	118264765678000	9/21/2018	8/24/2018	\$975.00	\$738.64

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

**NOTICE OF FORFEITURE**

1. The allegations of Count 1 of this Bill of Information are incorporated by reference as though set forth fully herein for the purpose of alleging forfeiture to the United States.

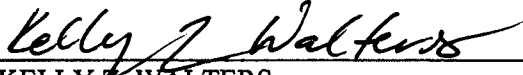
2. As a result of the offense alleged in Count 1, the defendant, **CRAIG L. LOVELACE**, shall forfeit to the United States pursuant to Title 18, United States Code, Section 982(a)(7), any property, real or personal, involved in said offense, and any property traceable to such property.

3. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendant:

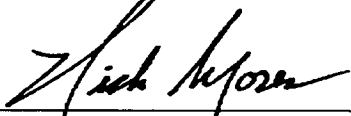
- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be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

the United States shall seek a money judgment and, pursuant to Title 21, United States Code, Section 853(p), forfeiture of any other property of the defendant up to the value of said property.

GLENN S. LEON  
CHIEF, FRAUD SECTION  
UNITED STATES DEPARTMENT OF JUSTICE

  
KELLY Z. WALTERS  
Trial Attorney  
Criminal Division, Fraud Section  
United States Department of Justice

DUANE A. EVANS  
UNITED STATES ATTORNEY

A handwritten signature in black ink, appearing to read "Nick Moses", is written over a horizontal line.

NICHOLAS MOSES  
Assistant United States Attorney  
Eastern District of Louisiana

New Orleans, Louisiana  
June 15, 2023



No. \_\_\_\_\_

**United States District Court**

FOR THE

EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA

vs.

CRAIG L. LOVELACE

BILL OF INFORMATION FOR  
HEALTH CARE FRAUD

Violation(s):

18 U.S.C. § 1347  
18 U.S.C. § 2

Filed \_\_\_\_\_, 2023

\_\_\_\_\_, Clerk.

By \_\_\_\_\_, Deputy

*Kelly Z. Walters*  
United States Department of Justice Trial Attorney  
KELLY ZACK WALTERS

## DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: ☒ INFORMATION ☐ INDICTMENTMatter Sealed: ☐ Juvenile ☐ Other than Juvenile
☐ Pre-Indictment Plea ☐ Superseding ☐ Defendant Added  
☐ Indictment ☐ Charges/Counts Added  
☐ Information

Name of District Court, and/or Judge/Magistrate Location (City)

 UNITED STATES DISTRICT COURT EASTERN  
 DISTRICT OF LOUISIANA Divisional Office

 Name and Office of Person  
 Furnishing Information on  
 THIS FORM ☐ U.S. Atty ☒ Other U.S. Agency  
 Phone No. (202) 941-4535

 Name of Asst.  
 U.S. Attorney Nicholas Moses  
 (if assigned)

## PROCEEDING

Name of Complainant Agency, or Person (&amp; Title, if any)

U.S. Department of Health and Human Services, Office of Inspector General, Special Agent Conor Sullivan

☐ person is awaiting trial in another Federal or State Court  
 (give name of court)

☐ this person/proceeding transferred from another district  
 per (circle one) FRCrP 20, 21 or 40. Show District

☐ this is a reprosecution of charges  
 previously dismissed which were  
 dismissed on motion of:

☐ U.S. Atty ☐ Defense

☐ this prosecution relates to a  
 pending case involving this same  
 defendant. (Notice of Related  
 Case must still be filed with the  
 Clerk.)

☐ prior proceedings or appearance(s)  
 before U.S. Magistrate Judge  
 regarding this defendant were  
 recorded under
SHOW  
DOCKET NO.MAG. JUDGE  
CASE NO.
 Place of  
 offense Jefferson Parish County

CASE NO.

USA vs.

Defendant: CRAIG L. LOVELACE

Address: Destrehan, Louisiana 70047

☐ Interpreter Required Dialect:

 Birth Date 1970 ☒ Male ☐ Alien  
☐ Female (if applicable)

Social Security Number XXX-XX-5643

## DEFENDANT

Issue: ☐ Warrant ☒ Summons

Location Status:

Arrest Date or Date Transferred to Federal Custody

☐ Currently in Federal Custody☐ Currently in State Custody☐ Writ Required☐ Currently on bond☐ Fugitive

Defense Counsel (if any): Ian Atkinson

☐ FPD ☐ CJA ☒ RET'D
☐ Appointed on Target Letter☐ This report amends AO 257 previously submitted

## OFFENSE CHARGED - U.S.C. CITATION - STATUTORY MAXIMUM PENALTIES - ADDITIONAL INFORMATION OR COMMENTS

Total # of Counts 1 (for this defendant only)

Offense Level (1, 3, 4)	Title & Section/Offense Level (Petty = 1 / Misdemeanor = 3 / Felony = 4)	Description of Offense Charged	Count(s)
4	Title 18, U.S.C., Section 1347	Health Care Fraud	1

***MAGISTRATE CASE NUMBER***

***OR***

  X   ***NO MAGISTRATE PAPERS WERE FOUND***

***FOR***

**NAME: CRAIG L. LOVELACE**

**Initials: PLH**