

FILED

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
AT KNOXVILLE

2024 JUN -5 PM 4:31

US DISTRICT COURT
EASTERN DIST. TENN.

UNITED STATES OF AMERICA

v.

LOIS HAMBY

Case No. 3:24cr50

Judge: Crytzer / Poplin

INDICTMENT

The Grand Jury charges:

Relevant Parties and Background

At all times material:

1. The defendant, LOIS HAMBY, resided in the Eastern District of Tennessee and was a licensed practical nurse (LPN) in the State of Tennessee.

2. R.D. resided in the Eastern District of Tennessee and was a covered beneficiary under the Energy Employees Occupational Illness Compensation Program Act ("EEOICPA").

Energy Employees Occupational Illness Compensation Program Act

3. Congress passed the EEOICPA in October 2000. 42 U.S.C. § 7384 *et seq.*

4. The EEOICPA compensated current or former Department of Energy ("DOE") employees, or their survivors, and certain employees of DOE vendors, contractors, and subcontractors who were diagnosed with various illnesses causally linked to toxic exposures in their work environment.

5. The U.S. Department of Labor ("DOL"), Office of Workers' Compensation Programs ("OWCP"), Division of Energy Employees Occupational Illness Compensation ("DEEOIC") (collectively referred to as "DOL"), administered the EEOICPA and used federal funds to pay doctors, nurses, physical therapists, and other enrolled providers for treating

EEOICPA beneficiaries. *See* 20 C.F.R. §§ 30.1, 30.400(c). Benefits were often paid directly to health care providers that provided treatment to EEOICPA beneficiaries.

6. EEOICPA beneficiaries approved to receive Parts B or E benefits received a Medical Benefits Identification Card imprinted with the beneficiary's name, case identification number, benefits identification number, DOL group number, and DOL logo. These cards were often referred to by beneficiaries, physicians, health care providers, and home health care agencies as "white cards." White cards were like traditional insurance cards.

7. To become eligible to bill the DOL for treating federal workers, a healthcare provider, including a home health agency or an individual nurse, was required to enroll with DOL. That required the provider to complete and submit a form to DOL's claim processing contractor. *See* 20 C.F.R. § 30.700(a). Once DOL verified the form and accepted it, the applicant received a provider number and could begin billing DOL for the services it rendered.

8. If DOL determined that a beneficiary was entitled to EEOICPA benefits, DOL covered all medical costs that a qualified physician prescribed or recommended as relating to the accepted condition, including skilled nursing.

9. Billing statements were submitted to DOL electronically or by mail through a billing system maintained by a federal contractor.

10. Claims were required to be submitted on a Form OWCP-1500, which required providers to state the patient's diagnosis and the services and supplies provided to the patient. 20 C.F.R. § 30.701. Form OWCP-1500 required the provider, in Box 24B, to indicate the place where the service was provided.

11. DOL required that all providers billing for services rendered include evidence supporting the services. DOL required that the supporting documentation be dated and signed by the medical professional who performed the services.

12. The services and supplies billed on the Form OWCP-1500 were required to be (i) prescribed by a qualified physician, (ii) medically indicated, (iii) properly documented, (iv) necessary for the health of the patient, and (v) actually provided.

13. DOL relied on the accuracy of the Form OWCP-1500 to determine whether the services were reimbursable and the reimbursable amount.

14. Compliance with DOL's rules was a condition of payment.

15. The OWCP-1500 required the health care provider to sign the billing form. By signing the OWCP-1500, the provider "indicates that the services shown on this form were medically indicated and necessary for the health of the patient and were personally furnished by you or were furnished incident to your professional services by your employee under your immediate supervision, except as otherwise expressly permitted by FECA . . . or EEOICPA regulations." Furthermore, the OWCP-1500 included a paragraph warning providers that their "signature indicates that you understand that any false claims, statement or documents, or concealment of a material fact, may be prosecuted under applicable Federal or State laws."

16. EEOICPA beneficiaries could elect to receive authorized home health care services from any DOL-enrolled provider.

17. DOL paid enrolled providers, including nurses, directly for services they claimed to provide to covered beneficiaries.

The Scheme and Artifice to Defraud

18. Defendant applied for and received a DOL provider number, which allowed her to submit payment claims directly to DOL. Defendant's DOL provider number was 623219200.

19. R.D. was approved to receive nursing as an EEOICPA beneficiary.

20. Defendant prepared nursing assessments falsely documenting that she provided nursing services to R.D. in his home; she then used those nursing assessments to support false and fraudulent payment claims, which she submitted or caused to be submitted to DOL.

21. DOL paid defendant directly for those claims.

22. At times, defendant prepared false nursing assessments claiming to provide nursing services to R.D. in his home when she was on vacation or otherwise not at R.D.'s home.

23. For example, in or around June 2018, defendant traveled to Florida for approximately eight days. Defendant prepared false nursing assessments documenting that she was at R.D.'s home providing nursing services on seven days when, in fact, she was in Florida.

24. The false statements and misrepresentations in defendant's nursing assessments and payment claims were material to DOL.

25. The purpose of the scheme was for defendant to unlawfully enrich herself and others by submitting or causing the submission of false and fraudulent claims to DOL.

COUNT ONE
Health Care Fraud
18 U.S.C. § 1347

26. Paragraphs 18 through 25 are realleged and incorporated by reference as if fully set forth herein.

27. That on or about September 23, 2016, and continuing through the date of the last payment of claims submitted for the date of service on September 16, 2021, in the Eastern District of Tennessee, the defendant, LOIS HAMBY, aided and abetted by others known to the grand jury but not named herein, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute and attempt to execute the scheme and artifice described above in paragraphs 18 through 25 to defraud a health care benefit program affecting commerce, as defined in 18 U.S.C. § 24(b), that is, DOL, 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 DOL, that is, the defendant submitted or caused to be submitted false and fraudulent claims to DOL, seeking payment for licensed practical nursing services to R.D. that she did not, in fact, provide.

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

FORFEITURE
(18 U.S.C. § 982(a)(7) and 28 U.S.C. § 2461)

28. The allegations contained in this Indictment are re-alleged and incorporated by reference as though fully set forth herein for the purpose of alleging forfeiture to the United States under Title 18, United States Code, Sections 982(a)(7), as incorporated by Title 28, United States Code, Section 2461(c).

29. Upon conviction of the offense in violation of 18 United States Code, Section 1347, as charged in Count One, the defendant, LOIS HAMBY, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 982(a)(7), any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense.

If any of the property described above, 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 co-mingled with other property which cannot be divided without difficulty,

the United States shall be entitled to forfeiture of substitute property, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and Title 28 United States Code, Section 2461(c).

A TRUE BILL:

SIGNATURE REDACTED

GRAND JURY FOREPERSON

Francis M. Hamilton III
United States Attorney

By:



William A. Roach, Jr.
Assistant United States Attorney



Jeremy S. Dykes
Assistant United States Attorney

CRIMINAL CASE COVER SHEET

By: ☒ INDICTMENT ☐ SUPERSEDING Case Number:
☐ INFORMATION (*Requires AO 455 Waiver of Indictment for Felony Cases*)
☐ RULE 20

USA v. Lois Hamby

☒ Felony ☐ Class A Misdemeanor (*AO 86A Consent form required at Initial Appearance*)

☐ Misdemeanor (Not Class A) ☐ Petty Offense

☐ Defendant is being added to existing criminal case

Immigration Cases
☐ Zone A ☐ Zone B

☐ Charges/Counts Added

Name of Assigned AUSA: William A. Roach and Jeremy S. Dykes

Matter Sealed: ☒ YES ☐ NO

Place of Offense: Anderson County

☐ Interpreter Required Language:

Issued: ☒ WARRANT ☐ SUMMONS ☐ WRIT (*Motion to be filed*)

Arresting Agency: ☐ DEA ☐ ATF ☐ USMS ☒ FBI Other:

Current Trial Date (*if any*):

before Judge

☐ Criminal Complaint Filed

Case Number:

☐ Defendant on Supervised Release

Case Number:

Related Case/Attorney:

Case Number: See attachment

Attorney: See attachment

Reason for Related Case Determination: See attachment

Defense Counsel (*if any*): David M. Eldridge

☐ Federal Defender ☐ CJA ☒ Retained

Appointed by Target Letter

Case Number:

Appointed in Pending Indictment

Case Number:

CHARGES: Total number of Counts for this Defendant: 1

Attorney Signature: _____

William A. Roach

**CRIMINAL CASE COVER SHEET ATTACHMENT
for Indictment of Lois Hamby**

Related Cases/Attorneys:

Case Number: 3:24-CR-00048	Attorney for Megan Mullins:	Robert R. Kurtz
Case Number: 3:24-CR-00048	Attorney for Caleb Mullins:	Jonathan D. Cooper
Case Number: 3:24-CR-00008	Attorneys for Cheryl Jeffers:	Gregory P. Isaacs and Ashlee B. Mathis
Case Number: 3:24-CR-00030	Attorney for Donita Beard:	Jeffrey Z. Daniel

Reason for Related Case Determination: Same factual nexus

CRIMINAL CASE COVER SHEET

Case Number:

USA v. Lois Hamby

Title & Section	Description of Offense	New Count? Y or N	New Count#	Old Count#
18 U.S.C. § 1347	Health Care Fraud	Y	1	