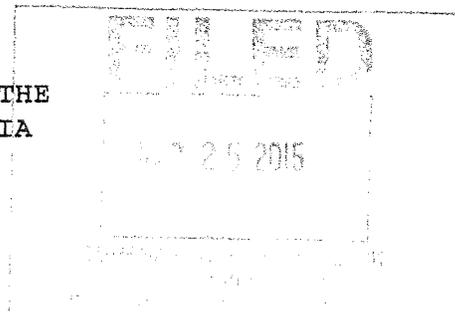


UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF WEST VIRGINIA
CHARLESTON GRAND JURY 2013-2
March 24, 2015 SESSION



UNITED STATES OF AMERICA

v.

CRIMINAL NO. 3:15-cr-00068
18 U.S.C. § 1343

PHILLIP M. HENDERSON

I N D I C T M E N T

The Grand Jury Charges:

At all times relevant to this Indictment:

Background

1. The defendant, PHILLIP M. HENDERSON ("HENDERSON"), served in the United States Army from October 18, 1983, to August 26, 1986. HENDERSON received an honorable discharge from military service on August 26, 1986, based on a physical disability.

2. The U.S. Department of Veteran's Affairs ("VA") provided benefits and services to eligible U.S. military veterans and their dependents.

3. For example, the VA had a Disability Compensation Program ("VA Program") which provided monthly monetary benefits (or, compensation) to veterans for the effects of their

disabilities, diseases or injuries incurred or aggravated during active military service. Such disabilities, diseases or injuries were considered to be service-connected. 38 C.F.R. § 3.350.

4. The determination of benefits under the VA Program depended, among other things, on the degree of the disability, disease or injury at issue and the number of eligible dependents. 38 U.S.C. § 1114.

5. The VA Program also provided access to medical benefits, items and services to veterans. For example, the VA Program provided medical examinations and rehabilitative services, among other things, at VA facilities. Medical staff and other employees of the VA Program relied on accurate and truthful reports from veterans about their health to determine Program eligibility for compensation and access to medical benefits, items and services. 38 C.F.R. § 3.350.

6. Further, the VA Program provided to certain veterans a special monthly compensation above the basic levels of compensation for various types of losses or levels of impairment solely due to service-connected disabilities, diseases or injuries, such as for blindness and for aid and attendance. A special monthly compensation was generally paid for permanent disabilities. 38 U.S.C. § 1114 and 38 C.F.R. § 3.350.

7. Just prior to his discharge, on July 14, 1986, HENDERSON submitted a VA Application for Compensation or Pension

at Separation From Service, which he signed and dated July 2, 1986. The VA granted HENDERSON's 20 percent service connection on September 27, 1989.

8. On March 17, 1995, for reasons separate from the basis of his 20 percent service connection, HENDERSON complained of vision loss and was examined by a VA optometrist. After undergoing testing, HENDERSON received a diagnosis of Retinitis Pigmentosa.

9. Retinitis Pigmentosa was a progressive eye disease based on genetic inheritance which caused severe vision impairment and often blindness.

10. After receiving his diagnosis of Retinitis Pigmentosa, HENDERSON applied for and received increased compensation and other Program benefits. For example, on or about May 11, 1995, HENDERSON submitted an application to increase the previously-granted 20 percent service-connection to 100 percent. On August 18, 1996, the VA granted HENDERSON a 60 percent service connection, and then soon increased the service connection to 70 percent.

11. On October 23, 1996, after HENDERSON appealed the above-ratings, the VA rated HENDERSON 100 percent service connected based on the Retinitis Pigmentosa diagnosis. As a result, HENDERSON received additional compensation for being unemployable, a special monthly compensation for aid and

attendance, and eligibility for an automobile grant and a home adaption grant.

12. For example, on or about August 30, 2005, HENDERSON signed and submitted a VA Application for an Automobile, and received a VA Program grant of \$11,000 towards the purchase of an automobile. In said application, HENDERSON stated that he would not operate the vehicle and did not have a valid state driver's license.

13. Also, on or about June 30, 2006, HENDERSON signed and submitted a VA Declaration of Dependents for additional Program benefits, i.e., monthly extra compensation for family members, which was duly granted.

14. Further, on or about April 27, 2007, HENDERSON signed and submitted a home adaption grant for the installation of a swimming pool at his residence. In turn, he received \$10,000 from the VA Program to install a swimming pool at his residence.

15. In sum, between March 17, 1995, through February 27, 2015, HENDERSON received VA Program compensation totaling approximately \$800,000, based upon his 100 percent service connection for Retinitis Pigmentosa.

The Scheme to Defraud

16. Beginning on or about March 17, 1995, and continuing through at least February 27, 2015, the defendant, PHILLIP M. HENDERSON, devised and intended to devise a scheme to defraud

the Veteran's Affairs Disability Compensation Program by falsely representing to VA medical staff and other VA representatives that he had significant loss of vision, and to obtain money and property by means of materially false and fraudulent pretenses, representation and promises.

Manner and Means

17. After his March 17, 1995, diagnosis for Retinitis Pigmentosa, HENDERSON continued to undergo VA eye examinations through at least June 11, 2013, during which VA medical staff continued to conduct tests to determine the extent of HENDERSON'S vision loss, in light of the degenerative nature of the disease. The results of these tests relied significantly, if not at times completely, on HENDERSON'S cooperation and accurate reporting of his vision levels.

18. To execute his scheme, during these examinations, HENDERSON falsely responded to vision testing and significantly misrepresented his vision loss repeatedly. For example, HENDERSON pretended that, even at close distances, he could barely read the letters on the eye charts, and further pretended that he could only see fingers or hand motions near his face and not any of the letters on the eye charts used during the examinations. Likewise, during the examinations, HENDERSON pretended that his peripheral vision was severely reduced.

19. HENDERSON also reported significant fluctuations in his ability to see. He would report dramatic and unexplained improvement in his vision, only later to report significantly reduced vision.

20. It was a further part of the scheme that HENDERSON reported significantly poor vision at times shortly before he applied for increased benefits. For example, soon after HENDERSON was diagnosed with Retinitis Pigmentosa on March 17, 1995, he filed an appeal to increase his previously-granted 20 percent service connection to 100 percent. In the VA eye examination (on August 12, 1996) to determine the validity of HENDERSON's appeal for increased service connection, HENDERSON claimed his vision had dramatically decreased from the date of his Retinitis Pigmentosa diagnosis on March 17, 1995.

21. It was a further part of his scheme that HENDERSON pretended to need and use aids for the blind or visually impaired, such as a walking cane, when in fact he could walk across streets, in stairwells, and on and off elevators without any assistance, and concealed from VA medical staff and other VA Program staff members that he could and did drive across distances, on highways, and in parking garages.

22. As a result of these false representations, HENDERSON received VA Program compensation - including a 100 percent service connection and a special monthly compensation -- and

other Program benefits to which he was not entitled. In all, as a result of his scheme, from March 17, 1995, through at least February 27, 2015, HENDERSON received VA Program compensation and other Program benefits such as equipment and funding for a vehicle and a swimming pool, totaling approximately \$800,000.

COUNTS ONE THROUGH NINE

23. The allegations contained in paragraphs one through twenty-two are alleged and incorporated as if fully set forth herein.

24. On the dates set forth below, in the Southern District of West Virginia and elsewhere, the defendant, PHILLIP M. HENDERSON, having devised and intending to devise a scheme and artifice to defraud, and to obtain money by means of materially false and fraudulent pretenses, representations, promises, and omissions, for the purpose of executing such scheme and artifice and attempting to do so, did knowingly cause to be transmitted in interstate commerce by a wire communication certain writings, signs, signals, and pictures, that is, payments by wire, as follows:

Count	Approx. Date of Payment	Approx. Amount of Payment
1	12/01/2011	\$3,758.00
2	7/01/2013	\$3,957.00
3	11/01/2013	\$3,957.00
4	1/31/2014	\$4,016.08
5	4/01/2014	\$4,016.08
6	5/01/2014	\$4,016.08
7	10/01/2014	\$4,016.08
8	10/31/2014	\$4,016.08
9	12/01/2014	\$4,016.08

All in violation of Title 18, United States Code, Section
1343.

R. BOOTH GOODWIN II
United States Attorney

By:



EUMI L. CHOI
Assistant United States Attorney