UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA	Case No.	17CR 455
vs.		
FERDINAND ECHAVIA, MA LUISA ECHAVIA, and ANGELITA NEWTON.	Violations:	Title 18, United States Code, Sections 1347, 1349, 2
		UNDER SEAL

COUNT ONE
(Conspiracy to Commit Wire Fraud and Health Care Fraud)

The SPECIAL JULY 2016 GRAND JURY charges:

1. At times material to this Indictment:

The Medicare Program

a. 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, a federal agency under the United States Department of Health and Human Services. Individuals who received benefits under Medicare were often referred to as Medicare "beneficiaries."

b. Medicare was a "health care benefit program," as defined in Title 18, United States Code, Section 24(b), and a "Federal health care program," as defined in Title 42, United States Code, Section 1320a-7b.

c. The Medicare program included coverage under two primary components, hospital insurance ("Part A") and medical insurance ("Part B"). Part A of the Medicare program covered the cost of home health care services such as skilled nursing services.

d. 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 the provisions of the Social Security Act, the regulations promulgated under the Act, and applicable policies and procedures, rules, and regulations issued by CMS and its authorized agents and contractors. Health care providers were given and provided with online access to Medicare manuals and service bulletins describing proper billing procedures and billing rules and regulations.

e. Medicare Part A regulations required health care providers enrolled with Medicare to maintain complete and accurate medical records reflecting the medical assessment and diagnoses of their patients, as well as records documenting the actual treatment of the patients to whom services were provided and on whose behalf claims for payment were submitted. These records were required to be sufficient to permit Medicare, through its contractors, to review the appropriateness of payments made to the health care provider under the Part A program.

f. To receive reimbursement for a covered service from Medicare, a provider was required to submit a claim, either electronically or using a paper form, containing the required information appropriately identifying the provider, patient, and services rendered.

g. A home health agency was an entity that provided health care services to Medicare beneficiaries in their homes. Home health care services included but were not limited to skilled nursing services. Medicare covered home health care services when beneficiaries needed skilled care and were homebound.

h. Home health care services were billed to Medicare in 60-day periods known as episodes of care. Medicare reimbursed home health care companies at a higher level for the episode when more services were provided.

i. For a beneficiary to be eligible to receive home health care services covered by Medicare, a physician was required to certify that the patient needed skilled care and was homebound. In addition, the home health agency was required to provide the beneficiary with a comprehensive assessment of the beneficiary's health status, as conducted by a registered nurse. The registered nurse was required to independently assess the beneficiary's homebound status.

j. The comprehensive assessment required by Medicare was also referred to as the Outcome and Assessment Information Set, or OASIS. The health information collected during the comprehensive assessment was required to be reported to Medicare, and Medicare used the information to calculate the amount the home health agency would be paid for the episode of care. Medicare paid the home health agency more for an episode of care when the comprehensive assessment indicated the beneficiary's clinical condition was more severe.

The Defendants and Related Company

k. Care Specialists, Inc., was a home health care company, located in Chicago, Illinois, that enrolled in Medicare and purported to provide home health care services to patients in their homes.

l. Defendant FERDINAND ECHAVIA, a resident of Cook County, Illinois, and a registered nurse, operated Care Specialists. FERDINAND ECHAVIA was the owner and president of Care Specialists until in or around August 2014. On or about November 28, 2014, FERDINAND ECHAVIA was excluded from participating in any capacity in the Medicare program, Medicaid program, and all other federal health care programs. This exclusion prohibited

FERDINAND ECHAVIA from submitting and causing claims to be submitted to Medicare for items or services he provided and from being employed to provide items and services billed to Medicare, including administrative, clerical, and other activities that did not directly involve patient care.

m. Defendant MA LUISA ECHAVIA, a resident of Cook County, Illinois, operated Care Specialists. MA LUISA ECHAVIA became the owner and president of Care Specialists in or around August 2014. MA LUISA ECHAVIA was the spouse of FERDINAND ECHAVIA.

n. Defendant ANGELITA NEWTON, a resident of Cook County, Illinois, was an administrative assistant at Care Specialists.

o. Co-conspirator One ("CC-1") was a registered nurse who worked for Care Specialists.

2. From in or around March 2011 and continuing through in or around July 2017, in the Northern District of Illinois, and elsewhere,

FERDINAND ECHAVIA,
MA LUISA ECHAVIA, and
ANGELITA NEWTON,

defendants herein, did conspire with each other as well as others, known and unknown to the Grand Jury:

a. to knowingly and willfully 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 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, said health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services, in violation of Title 18, United States Code, Section 1347; and

b. to knowingly and with the intent to defraud, devise and intend to devise a scheme and artifice to defraud, and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing that the pretenses, representations and promises were false and fraudulent when made, and did knowingly transmit and cause to be transmitted, by means of wire communication in interstate commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

Purpose of the Conspiracy

3. It was the purpose of the conspiracy for FERDINAND ECHAVIA, MA LUISA ECHAVIA, ANGELITA NEWTON, CC-1, and others to unlawfully enrich themselves by, among other things: (a) submitting and causing the submission of false and fraudulent claims to Medicare for home health care services that were medically unnecessary, never provided, and procured through the payment of kickbacks and bribes; (b) concealing and causing to be concealed the submission of false and fraudulent claims to Medicare; and (c) diverting the proceeds of the fraud scheme for their personal use and benefit.

Manner and Means

4. It was part of the conspiracy that FERDINAND ECHAVIA and MA LUISA ECHAVIA enrolled Care Specialists as a participating provider in Medicare so that Care Specialists could submit claims for home health care services.

5. It was further part of the conspiracy that on or about August 26, 2011, FERDINAND ECHAVIA, as president of Care Specialists, certified to Medicare that he agreed to

abide by the Medicare laws, regulations and program instructions that applied to Care Specialists, and that he understood that payment of a claim by Medicare was conditioned upon the claim and the underlying transaction complying with such laws, regulations, and program instructions, including the Federal anti-kickback statute.

6. It was further part of the conspiracy that on or about August 18, 2014, FERDINAND ECHAVIA transferred ownership of Care Specialists to his wife, MA LUISA ECHAVIA.

7. It was further part of the conspiracy that on or about September 3, 2014, MA LUISA ECHAVIA, as president of Care Specialists, certified to Medicare that she agreed to abide by the Medicare laws, regulations and program instructions that applied to Care Specialists, and that she understood that payment of a claim by Medicare was conditioned upon the claim and the underlying transaction complying with such laws, regulations, and program instructions, including the Federal anti-kickback statute.

8. It was further part of the conspiracy that FERDINAND ECHAVIA, MA LUISA ECHAVIA, ANGELITA NEWTON, CC-1, and others submitted and caused the submission of claims for home health care services for beneficiaries who (a) did not qualify because they were not homebound and did not need skilled care and (b) did not receive the services as billed to Medicare.

9. It was further part of the conspiracy that FERDINAND ECHAVIA paid kickbacks and bribes to beneficiaries he recruited to Care Specialists in order to induce them to accept home health care services and to sign medical records as though they had received the services when, in fact, they had not.

10. It was further part of the conspiracy that, after he was excluded from participation in any capacity in the Medicare program, FERDINAND ECHAVIA continued to cause the submission of claims to Medicare for home health services, including, but not limited to, by accompanying CC-1 during nursing visits and paying kickbacks and bribes to beneficiaries in order to induce them to accept home health services.

11. It was further part of the conspiracy that FERDINAND ECHAVIA, MA LUISA ECHAVIA, ANGELITA NEWTON, CC-1, and others falsified, fabricated, and altered, and caused the falsification, fabrication, and alteration of, Care Specialists medical records, including but not limited to OASIS forms and nursing visit notes, to support claims for home health care services that were medically unnecessary, never provided, and procured through the payment of kickbacks and bribes.

12. It was further part of the conspiracy that FERDINAND ECHAVIA, MA LUISA ECHAVIA, ANGELITA NEWTON, CC-1, and others, through the use of interstate wires, submitted and caused the submission of false and fraudulent claims to Medicare by (a) billing for home health care services that were not medically necessary and not provided, (b) billing for home health care services for beneficiaries obtained through the payment of kickbacks and bribes, (c) billing for home health care services where FERDINAND ECHAVIA caused the submission of claims for such services after he was excluded from participating in the Medicare program, and (d) billing for home health care services based on medical records that were false and fraudulent.

13. It was further part of the conspiracy that FERDINAND ECHAVIA, MA LUISA ECHAVIA, ANGELITA NEWTON, CC-1, and others, caused Medicare to pay approximately $7.0 million in claims for home health care services.

14. It was further part of the conspiracy that FERDINAND ECHAVIA, MA LUISA ECHAVIA, ANGELITA NEWTON, CC-1, and others misrepresented, concealed and hid, and caused to be misrepresented, concealed and hidden, the purpose of the conspiracy and acts done in furtherance of the conspiracy.

All in violation of Title 18, United States Code, Section 1349.

COUNTS TWO THROUGH FOUR
(Health Care Fraud)

The SPECIAL JULY 2016 GRAND JURY further charges:

1. The allegations of Paragraph 1(a) to 1(o) of Count One of this Indictment are incorporated here.

2. From in or around March 2011 and continuing through in or around June 2017, in the Northern District of Illinois, and elsewhere,

FERDINAND ECHAVIA,

defendant herein, did knowingly and willfully participate in a scheme to defraud health care benefit programs, including Medicare, and to obtain, by means of materially false and fraudulent pretenses, representations and promises, money or property owned by and under the custody and control of the health care benefit programs, in connection with the delivery of and payment for health care benefits, items, and services, which scheme is further described below.

Purpose of the Scheme and Artifice

3. It was the purpose of the scheme and artifice for the defendant and his accomplices to unlawfully enrich themselves by, among other things: (a) submitting and causing the submission of false and fraudulent claims to Medicare for home health care services that were medically unnecessary, never provided, and procured through the payment of kickbacks and bribes; (b) concealing and causing to be concealed the submission of false and fraudulent claims to Medicare; and (c) diverting the proceeds of the fraud scheme for personal use and benefit.

The Scheme and Artifice

4. The allegations of Paragraphs 4 through 14 of Count One of this Indictment are realleged and incorporated by reference as though fully set forth here as a description of the scheme and artifice.

Acts in Execution of the Scheme and Artifice

5. On or about the dates set forth as to each count below, in the Northern District of Illinois, and elsewhere,

FERDINAND ECHAVIA,

defendant herein, did knowingly and willfully execute, and attempt to execute, the above described scheme, as follows:

Count	Medicare Beneficiary Name	Purported Dates of Service	Claim Submission Date	Items Billed	Amount Billed to Medicare
2	C.W.	6/23/2014 – 8/19/2014	9/13/2014	Home Health Episode of Care	$1,230.01
3	A.W.	7/5/2014 – 9/2/2014	9/17/2014	Home Health Episode of Care	$1,230.01
4	M.M.	12/28/2014 – 2/25/2015	3/9/2015	Home Health Episode of Care	$1,600.01

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

FORFEITURE ALLEGATION

The SPECIAL JULY 2016 GRAND JURY further alleges:

1. The allegations in Counts One through Four of this Indictment are realleged and incorporated here for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 982(a)(7).

2. As a result of their violations of Title 18, United States Code, Sections 1347 and 1349, as alleged in the foregoing Indictment, the defendants,

FERDINAND ECHAVIA,
MA LUISA ECHAVIA, and
ANGELITA NEWTON,

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(7), any and all right, title and interest they may have in any property, real and personal, that constitutes and is derived, directly and indirectly, from gross proceeds traceable to commission of the charged offenses.

3. If any of the forfeitable property described above, as a result of any act or omission by the defendants:

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 of America shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1).

All pursuant to Title 18, United States Code, Section 982(a)(7).

A TRUE BILL:

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FOREPERSON

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UNITED STATES DEPARTMENT OF JUSTICE
CRIMINAL DIVISION, FRAUD SECTION
ACTING CHIEF

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UNITED STATES DEPARTMENT OF JUSTICE
CRIMINAL DIVISION, FRAUD SECTION
DEPUTY CHIEF