FILED
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THOMAS G. BRUTON
CLERK, U.S. DISTRICT COURT

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

vs.

REGINALD ONATE.

Case No. 17CR 465

Violations: Title 18, United States Code, Section 1349

JUDGE DURKIN
MAGISTRATE JUDGE FINNEGAN

COUNT ONE
(Conspiracy to Commit Health Care Fraud)

The UNITED STATES OF AMERICA alleges:

1. At times material to this Information:

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 Defendant 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 REGINALD ONATE, a resident of Dekalb County, Illinois, was a registered nurse who worked for Care Specialists.

2. From in or around September 2014 and continuing through in or around June 2016, in the Northern District of Illinois, and elsewhere,

REGINALD ONATE,

defendant herein, did conspire with 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.

Purpose of the Conspiracy

3. It was the purpose of the conspiracy for REGINALD ONATE 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 from in and around September 2014 through in and around June 2016, REGINALD ONATE worked as a registered nurse for Care Specialists.

5. It was further part of the conspiracy that REGINALD ONATE and his co-conspirators submitted and caused the submission of claims for home health care services for beneficiaries who did not qualify because they were not homebound and did not need skilled care.

6. It was further part of the conspiracy that REGINALD ONATE and his co-conspirators 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.

7. It was further part of the conspiracy that REGINALD ONATE and his co-conspirators 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, not provided, and not eligible for reimbursement, and (b) billing for home health care services for beneficiaries obtained through the payment of kickbacks and bribes.

8. It was further part of the conspiracy that REGINALD ONATE and his co-conspirators 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.

FORFEITURE ALLEGATION

The UNITED STATES OF AMERICA further alleges:

1. The allegations in Count One of this Information 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 his violation of Title 18, United States Code, Section 1349, as alleged in the foregoing Indictment, the defendant,

REGINALD ONATE,

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(7), any and all right, title and interest he 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 offense.

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

Sandra Moser /gcc

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

Joseph Bamsterboer /gcc

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