

COPY

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

UNITED STATES OF AMERICA

NO.

v.

MELISSA SUMEROUR (1)
LATOSHA MORGAN (2)

3-18CR-582-S

INDICTMENT

The Grand Jury charges:

General Allegations

At all times material to this indictment:

The FECA Program (Generally)

1. The Federal Employees Compensation Act (FECA) provided disability compensation benefits and payment for medical and rehabilitation care for civilian employees of the federal government who sustained on the job injuries or employment-related occupational illness. FECA was a health care benefit program as defined by 18 U.S.C. § 24(b).

2. FECA was administered by the Office of Worker's Compensation Programs (OWCP). Employees were entitled to receive all medical services, appliances or supplies, which a qualified physician prescribed or recommended and which the OWCP considered necessary to treat the work-related injury. Benefits were only available while the effects of a work-related condition continued.

3. When providers submitted claims to OWCP, they certified that the service for which reimbursement was sought was performed as described, necessary, appropriate, and properly billed in accordance with accepted industry standards; similarly when providers accepted payments from OWCP, they certified that the service for which reimbursement was sought was performed as described, necessary, appropriate, and properly billed in accordance with accepted industry standards.

4. Providers submitted claims to OWCP in the Dallas Division of the Northern District of Texas.

The Defendants and Related Companies

5. Physician A, an individual known to the Grand Jury, was a licensed medical doctor in the State of Texas who owned and operated three medical clinics for injured federal workers located in the Texas cities of Temple, Waco, and Fort Worth.

6. **Melissa Sumerour** was an office administrator and biller for the Waco and Temple clinics. **Melissa Sumerour** reported directly to Physician A. As part of her duties, **Melissa Sumerour** was responsible for submitting bills to OWCP on behalf of the Temple and Waco clinics.

7. **Latosha Morgan** was an office administrator and biller for the Fort Worth Clinic. **Latosha Morgan** reported directly to Physician A. As part of her duties, **Latosha Morgan** was responsible for submitting bills to OWCP on behalf of the Fort Worth clinic.

8. From in or about January 2011 continuing to in or about March 2017, the exact dates being unknown, Physician A, **Melissa Sumerour**, and **Latosha Morgan** submitted and caused the submission of more than approximately \$5.9 million in false and fraudulent claims to FECA.

Count One
Conspiracy to Commit Health Care Fraud
(Violation of 18 U.S.C. § 1349 (18 U.S.C. § 1347))

9. The Grand Jury re-alleges and incorporates by reference as if fully alleged herein all previous paragraphs of this indictment.

The Conspiracy

10. From in or about January 2011 and continuing to in or about March 2017, the exact dates being unknown, in the Dallas Division of the Northern District of Texas and elsewhere, the defendants **Melissa Sumerour** and **Latosha Morgan**, did knowingly, and willfully combine, conspire, confederate, and agree with other persons known and unknown, including Physician A, to violate 18 U.S.C. § 1347, that is, to knowingly and willfully devise and execute, and attempt to execute, a scheme and artifice to defraud FECA, a health care benefit program as defined in 18 U.S.C. § 24(b), and to obtain money and property owned by, and under the custody and control of FECA, by means of materially false and fraudulent pretenses, representations, and promises, in connection with the delivery of, and payment for, health care benefits, items, and services, in violation of 18 U.S.C. § 1349.

Object of the Conspiracy

11. It was the object of the conspiracy for the defendants and others known and unknown to unlawfully enrich themselves, by submitting, and causing the submission of false and fraudulent claims for health care benefits. The false and fraudulent claims were

for extended office visits, drug screen (toxicology) tests, and physical therapy that was not provided as billed.

Manner and Means of the Conspiracy

12. The manner and means by which the defendant sought to accomplish the object of the conspiracy included, among other things:

The Scheme to Defraud

13. **Melissa Sumerour, Latosha Morgan,** and Physician A operated worker's compensation clinics in Waco, Temple, and Fort Worth that only treated almost exclusively OWCP patients.

14. Physician A employed **Melissa Sumerour** to submit bills to FECA for the Waco and Temple Clinics. **Melissa Sumerour** instructed other office staff on billing procedures at the clinics.

15. Physician A employed **Latosha Morgan** to submit bills to FECA for the Fort Worth clinic.

16. Physician A incentivized **Melissa Sumerour** and **Latosha Morgan** to maximize billing by offering a bonus of their respective clinics' weekly billing. The bonus was as much as 2% of the total amount billed and resulted in bonuses as large as \$6,000 per month.

17. Physician A, **Melissa Sumerour,** and **Latosha Morgan** submitted or caused to be submitted fraudulent claims to OWCP, falsely representing that:

- (a) Physician A drafted status reports regarding patients' rehabilitative care, when in actuality, clinic staff drafted the reports and not Physician A;
- (b) the clinic conducted drug screening (toxicology) testing when the clinics were only collecting specimens; and
- (c) physical therapy services were performed at the clinics, when in reality, the clinics were not licensed by the State of Texas to provide physical therapy, utilized unlicensed professionals to purportedly provide physical therapy, and used chiropractors to purportedly supervise the physical therapy contrary to OWCP rules.

18. Regarding billing for status reports, Physician A, **Melissa Sumerour**, and **Latosha Morgan** billed OWCP using a code that reimbursed twice as much as the appropriate code.

19. In or about December 2015, Physician A directed **Melissa Sumerour** and **Latosha Morgan** to falsely bill for drug screening (toxicology) testing. **Latosha Morgan** submitted these bills to OWCP for reimbursement even though she knew they were false.

20. **Melissa Sumerour** taught **Latosha Morgan** and others to change billing submitted by licensed medical professionals in order to maximize the billing for each service, and for services which did not occur.

21. **Melissa Sumerour** billed and instructed others to bill, for physical therapy services purportedly conducted at the clinics regardless of what services were actually completed. **Melissa Sumerour** instructed **Latosha Morgan** and others to inflate

physical therapy billing units and to bill five units of Therapeutic Activities, five units of Therapeutic Exercises, and four units of Manual Therapy regardless of how much physical therapy the patient actually completed. This became known as the “5-5-4” method of billing for physical therapy at the clinics. If physical therapy billing was not completed according to the 5-5-4 method, **Melissa Sumerour** would change the billing before submitting it to OWCP.

22. In furtherance of the conspiracy, and to accomplish its object and purpose, the conspirators committed and caused to be committed, the submission of the false claims reflected in the table below:

OWCP Beneficiary	Date of Service	Services Billed	Claim No.	Amount Billed	Amount Paid	Defendant	Nature of the Falsity
J.S	2/13/15	Manual Therapy	0328	\$165.00	\$156.15	Melissa Sumerour	Services not rendered
R.C	2/25/15	Therapeutic Activities	0435	\$240.00	\$226.50	Melissa Sumerour	Services not rendered
A.T	12/1/15	Therapeutic Activities	1062	\$240.00	\$227.30	Melissa Sumerour	Services not rendered
S.V.	7/7/15	Manual Therapy	0003	\$165.00	\$156.15	Melissa Sumerour	Services not rendered

S.V.	12/18/15	Toxicology Testing	0348	\$1,140.00	\$972.64	Latosha Morgan	Services not rendered
S.L.	12/8/15	Toxicology Testing	0427	\$1,140.00	\$972.64	Latosha Morgan	Services not rendered
M.M.	12/18/15	Toxicology Testing	1157	\$1,140.00	\$1055.51	Latosha Morgan	Services not rendered

All in violation of 18 U.S.C. § 1349 (18 U.S.C. § 1347).

Forfeiture Notice
(18 U.S.C. §981(a)(1) and 28 U.S.C. § 2461(c))

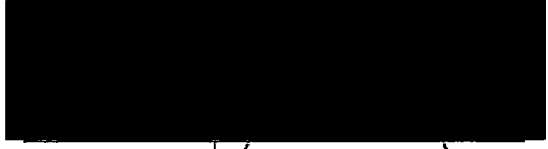
26. Pursuant to 18 U.S.C. § 981(a)(1), and 28 U.S.C. 2461(c), upon conviction of Count One, the defendants, **Melissa Sumerour** and **Latosha Morgan** shall forfeit to the United States, any property, real or personal, which constitutes or is derived from proceeds traceable to these counts.

27. The property subject to forfeiture includes, but is not limited to gross proceeds in an amount of at least \$5.1 million and the defendants are notified that upon conviction, a money judgment may be imposed equal to said amount. Pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c), 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 commingled with other property which cannot be divided without difficulty,

the United States intends to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

A TRUE BILL



FOREPERSON

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