2008R01039/vgom & am

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Hon.
v.	:	Criminal Number: 15-
IRINA KRUTOYARSKY	:	18 U.S.C. §§ 666, 1349, 1956(h) and 2 and 26 U.S.C. § 7201

INFORMATION

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

Count One
(Conspiracy to Commit Health Care Fraud)

Introduction

1. At various times relevant to this Information:

The Defendant and Other Parties

a. HHCH Health Care, Inc., a co-conspirator not named as a defendant herein, was a company incorporated in New Jersey and located in Linden, New Jersey (hereinafter "HHCH"). HHCH was a for-profit "home health agency" engaged in the business of providing home health aides and health care services to New Jersey residents. These home health aide services were subsidized under the New Jersey Medical Assistance Program (hereinafter "Medicaid").

b. Defendant Irina Krutoyarsky, a resident of Springfield, New Jersey, was the primary owner and operator of HHCH.

c. Paul Mil, an individual not named as a defendant herein, was the registered agent of HHCH. Co-Conspirator Paul Mil also owned and operated a separate company engaged in the business of providing home health aides and health care services to New Jersey residents.

d. Co-Conspirator Two, an individual not named as a defendant herein, was the office manager for HHCH.

e. Co-Conspirator Three, an individual not named as a defendant herein, was employed by HHCH as a clerk.

Overview of Medicaid

2. Medicaid was a jointly funded, federal-state health insurance program that provided certain health benefits to individuals and families with low incomes and resources and the disabled. In New Jersey, Medicaid was administered by the New Jersey Department of Human Services. The New Jersey Department of Law and Public Safety, Division of Consumer Affairs, Board of Nursing (hereinafter the "New Jersey Board of Nursing") conducted background checks on prospective home health aides and, when appropriate, issued and renewed home health aide certifications based on documents and representations made by home health agencies, such as Company One.

The Conspiracy

3. From in or about early 2007 through in or about early February 2013, in Union County, in the District of New Jersey and elsewhere, defendant

IRINA KRUTOYARSKY

knowingly and willfully conspired and agreed with HHCH Health Care, Inc., Co-Conspirator Paul Mil, Co-Conspirator Two, Co-Conspirator Three, and others to execute a scheme and artifice to defraud the New Jersey Medical Assistance Program, a health care benefit program as defined under Title 18, United States Code, Section 24(b), and to obtain, by means of 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, contrary to Title 18, United States Code, Section 1347.

Object of the Conspiracy

4. The object of the conspiracy was to fraudulently obtain approximately $7 million from Medicaid by (a) billing Medicaid for home health aide services not rendered to patients; and (b) billing Medicaid for home health aide services rendered by unqualified and unlicensed individuals.

Manner and Means of the Conspiracy

5. It was part of the conspiracy that defendant Irina Krutoyarsky, Co-Conspirator HHCH, Co-Conspirator Paul Mil, Co-Conspirator Two, Co-Conspirator Three, and others billed Medicaid for home health aides services not rendered to patients.

6. It was further part of the conspiracy that defendant Irina Krutoyarsky, Co-Conspirator HHCH, Co-Conspirator Paul Mil, Co-Conspirator Two, Co-Conspirator Three, and others submitted false documents to the New Jersey Board of Nursing to obtain home health aide certifications on behalf of prospective home health aides. These home health aides neither completed the required training nor testing; instead, they paid cash to defendant Irina Krutoyarsky to fraudulently obtain their certifications.

7. It was further part of the conspiracy that defendant Irina Krutoyarsky, Co-Conspirator HHCH, Co-Conspirator One, Co-Conspirator Two, Co-Conspirator Three, and others billed Medicaid for home health aide services rendered by unqualified and uncertified individuals, including individuals with no lawful status in the United States. To deceive Medicaid into paying these claims on behalf of the patients, defendant Irina Krutoyarsky and her co-conspirators falsely represented that these services had been provided by duly certified home health aides.

8. It was further part of the conspiracy that defendant Irina Krutoyarsky, Co-Conspirator HHCH, Co-Conspirator Paul Mil, Co-Conspirator Two, Co-Conspirator Three, and others, including collusive patients, completed and signed documents falsely representing that treatment and services had been properly rendered to patients.

9. It was further part of the conspiracy that defendant Irina Krutoyarsky, Co-Conspirator HHCH, Co-Conspirator Paul Mil, Co-Conspirator Two, Co-Conspirator Three, and others shared in the proceeds derived from the scheme.

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

Count Two
(Bribery)

1. The allegations set forth in the Paragraphs 1a through 1c of Count One of this Information are realleged as if fully set forth herein.

2. At various times relevant to Count Two:

a. The New Jersey Department of Labor (hereinafter the "NJDOL") was a state agency that received Federal assistance in excess of $10,000 in a one year period.

b. An individual employed by the NJDOL was responsible for investigating allegations of state labor law violations and was cooperating with federal agents from the Federal Bureau of Investigation in an undercover capacity (hereinafter the "State Employee").

3. On or about June 21, 2010, defendant Irina Krutoyarsky paid approximately $10,000 in a cash bribe to the State Employee for the purpose of obstructing and unlawfully influencing a NJDOL investigation concerning her company's failure to pay overtime wages to its employees.

4. On or about May 17, 2011, defendant Irina Krutoyarsky paid approximately $15,000 in a cash bribe to the State Employee for the purpose of obstructing and unlawfully influencing a NJDOL investigation concerning Co-Conspirator Paul Mil's company's failure to pay overtime wages to its employees.

The Charge

5. From in or about June 2010 through in or about May 17, 2011, in Union County, in the District of New Jersey and elsewhere, defendant

IRINA KRUTOYARSKY

knowingly, willfully, and corruptly gave, offered, and agreed to give a thing of a value of $5,000 or more to a person, with the intent to influence and reward an agent of a state government and agency thereof, namely, the New Jersey Department of Labor, a state agency that received Federal assistance in excess of $10,000 in a one year period, in connection with any business, transaction, and series of transactions of said state government and agency, as described in Paragraphs 3 and 4 above of Count Two.

In violation of Title 18, United States Code, Section 666(a)(2) and Section 2.

Count Three
(Conspiracy to Engage in Monetary Transactions Derived Through Medicaid Fraud)

1. The allegations set forth in the Paragraphs 1, 2 and 4 through 9 of Count One of this Information are realleged as if fully set forth herein (hereinafter the "Medicaid Scheme").

The Charge

2. From in or about early 2007 through in or about early February 2013, in Union County, in the District of New Jersey and elsewhere, defendant

IRINA KRUTOYARSKY

knowingly and intentionally conspired and agreed with HHCH Health Care, Inc., Co-Conspirator Paul Mil, Co-Conspirator Two, and others to engage in monetary transactions, in and affecting interstate and foreign commerce and by, through, and to financial institutions, in criminally derived property of a value greater than $10,000, such property having been derived from a specified unlawful activity, namely, health care fraud, in violation of Title 18, United States Code, Section 1347, contrary to Title 18, United States Code, Section 1957(a).

Object of the Conspiracy

3. The object of the conspiracy was to surreptitiously divert money derived from the Medicaid Scheme to defendant Irina Krutoyarsky, Co-Conspirator Paul Mil, and others and to conceal and disguise their scheme and allow it to continue.

Manner and Means of the Conspiracy

4. It was part of the conspiracy that defendant Irina Krutoyarsky controlled and maintained several of HHCH's bank accounts, including its payroll account and operating account, among others (hereinafter collectively the "HHCH Accounts").

5. It was further part of the conspiracy that defendant Irina Krutoyarsky caused proceeds of the Medicaid Scheme to be deposited into the HHCH Accounts and other accounts that she controlled.

6. It was further part of the conspiracy that defendant Irina Krutoyarsky directed others to establish individual checking accounts. Defendant Irina Krutoyarsky then assumed control of these accounts and took possession and control of the check books associated with these accounts (hereinafter the "Nominee Accounts").

7. It was further part of the conspiracy that defendant Irina Krutoyarsky transferred funds, representing the proceeds of the Medicaid Scheme, from the HHCH Accounts into the Nominee Accounts and other accounts that she controlled.

8. It was further part of the conspiracy that defendant Irina Krutoyarsky conducted financial transactions with criminally derived property of a value greater than $10,000 to (a) purchase, maintain, pay for, and otherwise satisfy obligations related to ownership of real property in New Jersey, New York, Florida, and elsewhere; (b) purchase personal property for her own use and

benefit; and (c) pay for personal expenses for her own use and benefit and the use and benefit of her family. For example:

a. On or about July 3, 2008, defendant Irina Krutoyarsky transmitted a payment, in the approximate amount of $166,349.47 and drawn on an account she controlled, to pay the mortgage balance of a property located in Bonita Springs, Florida;

b. On or about August 17, 2012, defendant Irina Krutoyarsky deposited a check, in the approximate amount of $50,000 and drawn on an account she controlled, into a second account that she jointly controlled with her children; and

c. On or about December 1, 2012, defendant Irina Krutoyarsky issued a check, in the approximate amount of $30,000 and drawn on an account she controlled, to purchase real property.

All in violation of Title 18, United States Code, Section 1956(h).

Count Four
(Tax Evasion)

1. The allegations set forth in the Paragraphs 1, 2 and 4 through 9 of Count One and Paragraphs 3 through 8 of Count Three of this Information are realleged as if fully set forth herein.

Overview of the Tax Evasion Scheme

2. Defendant Irina Krutoyarsky and Co-Conspirator Paul Mil dispatched home health aides to patients' homes who were not eligible for Medicaid. These patients paid for these services by issuing personal checks payable to HHCH (hereinafter the "Private Pay Checks") or Co-Conspirator Paul Mil's company.

3. In an effort to conceal this income from the Internal Revenue Service, Co-Conspirator Paul Mil cashed these Private Pay Checks at check cashing businesses in northern New Jersey. Thereafter, Co-Conspirator Paul Mil equally shared the cash derived from the Private Pay Checks with defendant Irina Krutoyarsky. Defendant Irina Krutoyarsky intentionally concealed and failed to account for the Private Pay Checks on HHCH's financial records.

4. Defendant Irina Krutoyarsky also issued payroll checks, drawn on HHCH's payroll account, to various individuals who were neither employed by nor provided any services to HHCH (hereinafter the "Payroll Checks"). These individuals deposited the Payroll Checks into their bank accounts accounts and then issued personal checks back to defendant Irina Krutoyarsky.

5. Defendant Irina Krutoyarsky filed corporate income tax returns that concealed the income derived from the Private Pay Checks, and she failed to report the income that she derived from the Private Pay Checks on her individual tax returns. Furthermore, defendant Irina Krutoyarsky falsely claimed as business deductions the Payroll Checks described in Paragraph 4 above on HHCH's corporate tax returns, and she failed to report the income derived from the Payroll Checks on her individual tax returns.

6. For example, on or about October, 14, 2010, defendant Irina Krutoyarsky signed and caused to be filed with the Internal Revenue Service a Form 1040 tax return for tax year 2009 on behalf of herself. That return declared that her taxable income for calendar year 2009 was approximately $143,806 and the amount of tax due and owing was approximately $49,033. The return did not include approximately $630,982 in additional taxable income that defendant Irina Krutoyarsky had received in 2009. With this income, an additional tax of at least $214,923.00 was due and owing to the United States.

7. In total, between 2007 through 2011, defendant Irina Krutoyarsky evaded the assessment and payment of approximately $907,150 in taxes due and owing to the United States.

The Charge

8. On or about October 14, 2010, in Union County, in the District of New Jersey and elsewhere, defendant

IRINA KRUTOYARSKY

knowingly and willfully attempted to evade and defeat a substantial part of the income tax due and owing to the United States in that she signed and caused to be filed a false and fraudulent Form 1040 tax return for tax year 2009, as described in Paragraph 6 of this Count, knowing it to be false and fraudulent, as described in Paragraph 6 of this Count.

In violation of Title 26, United States Code, Section 7201 and Title 18, United States Code, Section 2.

Forfeiture Allegation

1. The allegations set forth in the preceding paragraphs of this Information are realleged as if fully set forth herein for the purpose of alleging forfeiture.

2. Under Title 18, United States Code, Sections 982(a)(1) and 982(a)(7) and based on the convictions of the federal health care fraud and money laundering offenses alleged in this Information, defendant Irina Krutoyarsky shall forfeit to the United States all property, real and personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of those offenses, including but not limited to the following:

a. A forfeiture money judgment for which Irena Krutoyarsky is jointly and severally liable for equal to $7 million in United States currency, representing the amount of proceeds obtained as a result of the offenses alleged herein, namely, the federal health care fraud and money laundering offense alleged in this Information.

b. All of defendant Irina Krutoyarsky's right, title, and interest, including all appurtenances and improvements thereon, in the following real property:

(1) 23680 Walden Center Drive, #108, Bonita Springs, Florida;

(2) 23540 Walden Center Drive,, #210, Bonita Springs, Florida;

(3) 220 South Riverwalk Drive, Palm Coast, Florida;

(4) 89 Island Estates Parkway, Palm Coast, Florida;

(5) 128 Hidden Palms Drive, 3-102, Ponte Vedra Beach, Florida;

(6) 106 Central Park South, Unit 14C, New York, New York;

(7) 10 Outlook Way, Springfield, New Jersey;

(8) 503 & 505 Richmond Avenue, Lehigh Acres, Florida;

(9) 1323 Maple Avenue North, Lehigh Acres, Florida;

(10) 1519 Thompson Avenue, Lehigh Acres, Florida;

(11) 815 Desota Avenue, Lehigh Acres, Florida;

(12) 1214 Williams Avenue, Lehigh Acres, Florida;

(13) 1112 Poinsettia Avenue, Lehigh Acres, Florida; and

(14) 430-432 Morris Avenue, Block Number 11, Lot Number 778, Elizabeth, New Jersey.

c. All of defendant Irina Krutoyarsky's right, title, and interest in the following property:

(1) $482,317.16 in United States currency previously contained in Sovereign Bank Free Business Checking Plus Account number xxxxx9245 held by: HHCH Health Care, Inc., c/o Paul Mil;

(2) $117,625.02 in United States currency previously contained in Sovereign Bank C Business Checking Plus Account number xxxxx9989 held by: HHCH Health Care, Inc.;

(3) $32,460.45 in United States currency previously contained in Sovereign Bank C Business Money Market Account number xxxxx7870 held by: HHCH Health Care, Inc.;

(4) $281,350.39 in United States currency previously contained Sovereign Bank C Free Business Checking Account number xxxxx2678 held by: c/o Paul Mil People Choice Home Care;

(5) $32,998.23 in United States currency previously contained in Sovereign Bank C Business Money Market Account number xxxxxx5838 held by: People Choice Home Care, Inc.;

(6) $23,968.37 in United States currency previously contained in Sovereign Bank C Free Business Checking Account number xxxxx3015 held by: I & P Business Management;

(7) $83,018.08 in United States currency previously contained in Sovereign Bank C The Sovereign One Account number xxxxx4079 held by: Irina Z. Krutoyarsky, Elaine Alana Krutoyarsky, Stan Krutoyarsky;

(8) $41,816.12 in United States currency previously contained in Sovereign Bank Free Business Checking Account number xxxxxx3198 held by: P & I Enterprise;

(9) $301,464.48 in United States currency previously contained in Sovereign Bank Premier Money Market Account number xxxxxx0236;

(10) $2,236.50 in United States currency;

(11) $15,879 in United States currency;

(12) 21 American Express Gift Checks, each valued at $100;

(13) 85 American Express Gift Cards, each valued at $100;

(14) $155,033.12 in United States currency previously contained in Attorney Trust Account of Belkin Burden Wenig and Goldman;

(15) $30,000 in United States currency previously contained in Attorney Trust Account of Frank Beninato;

(16) $118,565.93 in United States currency previously contained in Sovereign Bank Premier Checking Account number xxxxxx7217 held by Elaine Alana Krutoyarsky;

(17) $447,649.37 in United States currency previously contained in Sovereign Bank Money Market Account number xxxxxx0422 held by Elaine Alana Krutoyarsky;

(18) $252,192.11 in United States currency previously contained in Sovereign Bank CD Account number xxxxxx9764 held by Elaine Alana Krutoyarsky;

(19) $656.96 in United States currency previously contained in Sovereign Bank Classic Checking Account number xxxxxx3147 held by Srinivas Bikkasani;

(20) $309.75 in United States currency previously contained in Sovereign Bank Classic Checking Account number xxxxxx2889 held by Elizabeth Blackwell;

(21) $2,796.48 in United States currency previously contained in Sovereign Bank Classic Checking Account number xxxxxx6458 held by Konstanti Brodsky;

(22) $7,690.13 in United States currency previously contained in Sovereign Bank Classic Checking Account number xxxxxx9660 held by Pavel Sleptsov;

(23) $33,093.04 in United States currency previously contained in Sovereign Bank Business Checking Plus Account number xxxxxx1709 held by Edens Flow, Inc.;

(24) $5,472.01 in United States currency previously contained in Sovereign Bank Business Checking Account number xxxxxx4598 held by PIJ ONE, LLC;

(25) $22,412.48 in United States currency previously contained in Sovereign Bank Free Business Checking Account number xxxxx2297 held by Merchants & Associates; and

(26) $28,356.14 in United States currency previously contained in Sovereign Bank Business Checking Plus account number XXXX3106 held by: People Choice Home Care, Inc

3. If any of the above-described forfeitable property, as a result of any act or omission of defendant Irina Krutoyarsky:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

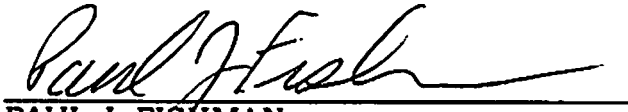
c. has been placed beyond the jurisdiction of the court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty;

then it is the intent of the United States to seek forfeiture of any other property of said defendant up to the value of the forfeitable property described above.

All pursuant to Title 18, United States Code, Sections 982(a)(1), 982(a)(7) made applicable hereto by Title 18, United States Code, Section 1347; Title 28, United States Code, Section 2461; Title 18, United States Code, Section 982(a)(1) and (b)(2) and the procedures outlined at Title 21, United States Code Section 853, and set forth in Fed. R. Crim. P. 32.2.



PAUL J. FISHMAN
United States Attorney

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v.

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INFORMATION FOR

Title 18, United States Code, Sections 666, 1349, 1956(h), and 2 and Title 26, United States Code, Section 7201

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