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Approved:

MARTIN S. BELL
Assistant United States Attorney

Before: THE HONORABLE KEVIN NATHANIEL FOX
United States Magistrate Judge
Southern District of New York

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UNITED STATES OF AMERICA	:	<u>COMPLAINT</u>
	:	
- v -	:	Violations of
	:	18 U.S.C. §§ 1341,
AKIM MURRAY,	:	1347 and 1349
	:	
Defendant.	:	COUNTY OF OFFENSE:
	:	NEW YORK

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SOUTHERN DISTRICT OF NEW YORK, ss:

SHAWN MULLEN, being duly sworn, deposes and says that he is a Special Agent with the Federal Bureau of Investigation ("FBI"), and charges as follows:

COUNT ONE

(Conspiracy to Commit Mail Fraud and Health Care Fraud)

1. From in or about July 2009 through in or about September 2010, in the Southern District of New York and elsewhere, AKIM MURRAY, the defendant, and others known and unknown, willfully and knowingly did combine, conspire, confederate and agree together and with each other to violate Title 18, United States Code, Sections 1341 and 1347.

2. It was a part and object of that conspiracy that AKIM MURRAY, the defendant, and others known and unknown, willfully and knowingly would and did execute, and attempt to execute, a scheme and artifice to defraud a health care benefit program 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, a health care benefit program, in connection with the delivery and payment for health care benefits, items, and services, to wit, MURRAY and co-conspirators not named as defendants herein fraudulently

obtained reimbursements from the Medicaid program for medical treatments which they did not receive and for which they did not pay, in violation of Title 18, United States Code, Section 1347.

3. It was further a part and an object of the conspiracy that AKIM MURRAY, the defendant, and others known and unknown, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing such scheme and artifice and attempting to do so, would and did place in a post office and authorized depository for mail matter, a matter and thing to be sent and delivered by the Postal Service, and would and did deposit and cause to be deposited a matter and thing to be sent and delivered by a private and commercial interstate carrier, and would and did knowingly take and receive therefrom, a matter a thing, and would and did knowingly cause to be delivered by mail and such carrier according to the direction thereon, and at the place at which it is directed to be delivered by the person to whom it is addressed, a matter and thing, to wit, MURRAY and co-conspirators not named as defendants herein fraudulently obtained reimbursements from the Medicaid program for medical treatments which they did not receive and for which they did not pay, in violation of Title 18, United States Code, Section 1341.

Overt Acts

4. In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about July 17, 2009, AKIM MURRAY, the defendant, processed a request for Medicaid reimbursement payments for a specific individual ("CW-2") using a computer system at the Human Resource Administration in order to fraudulently cause a benefit check to be issued and mailed to CW-2.

b. On or around August 31, 2009, MURRAY processed a request for Medicaid reimbursement payments for CW-2 in order to fraudulently cause a benefit check to be issued and mailed to CW-2.

(Title 18 United States Code, Section 1349.)

COUNT TWO

(Mail Fraud)

5. From in or about July 2009 up to and including in or about August 2010, AKIM MURRAY, the defendant, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing such scheme and artifice and attempting to do so, placed in a post office and authorized depository for mail matter, a matter and thing to be sent and delivered by the Postal Service, and deposited and caused to be deposited a matter and thing to be sent and delivered by a private and commercial interstate carrier, and took and received therefrom, such matter and thing, and knowingly caused to be delivered by mail and such carrier according to the direction thereon, and at the place at which it is directed to be delivered by the person to whom it is addressed, to wit, MURRAY and co-conspirators not named as defendants herein fraudulently obtained reimbursements from the Medicaid program for medical treatments which they did not receive and for which they did not pay.

(Title 18 United States Code, Section 1341 and 2.)

COUNT THREE

(Health Care Fraud)

6. From in or about July 2009 up to and including in or about August 2010, AKIM MURRAY, the defendant, executed a scheme and artifice to defraud a health care benefit program, 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 a health care benefit program in connection with the delivery of and payment for health care benefits, items, and services, to wit, MURRAY and co-conspirators not named as defendants herein fraudulently obtained reimbursements from the Medicaid program for medical treatments which they did not receive and for which they did not pay.

(Title 18 United States Code, Section 1347 and 2.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

7. I am a Special Agent with the FBI and have been so employed by the FBI for over fifteen years. I am a member of the FBI New York Health Care Fraud Task Force, and as such, I am generally familiar with the workings of the Medicaid program and with commonly employed health care frauds. I have participated in the investigation of this matter, and I am familiar with the information contained in this affidavit based on my own personal participation in the investigation, and my review of documents and conversations that I have had with other law enforcement agents and other individuals. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all the facts that I have learned during the course of my investigation. Where the contents of documents, and the actions and statements of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

The Scheme

8. Based on the information provided herein, I respectfully submit that there is probable cause to believe that AKIM MURRAY, the defendant, has engaged in a scheme to submit fraudulent information to Medicaid in order to defraud the Medicaid Program and cause resources designed for low-income individuals to be diverted to himself and to other people who were not entitled to them. Specifically, there is probable cause to believe that MURRAY abused his access as an employee of New York's Human Resources Administration, in order to cause Medicaid checks to be issued to his associates, even though his associates were not entitled to those benefit payments. In return for those checks, MURRAY demanded and received large percentages of the benefits his associates received in cash.

Background

Medicaid

9. Based on my training and experience, my review of documents, and my conversations with others, I have learned the following:

a. Various publicly funded health insurance plans are available to low-income individuals and their children in New York State and elsewhere. These plans include, among

others, Medicaid, a health insurance program for low-income adults and children, and Family Health Plus, a health insurance program for low-income adults who are not eligible for standard Medicaid because they have higher incomes than those eligible for Medicaid, but whose incomes are still below or near the federal poverty level, and who do not have private insurance. Family Health Plus, Medicaid, and other similarly publicly-funded health insurance plans (collectively, "public health insurance") fall within what is commonly referred to as the Medicaid Program, a health care benefit program as defined in Title 18, United States Code, Section 24(b).

b. While the Medicaid Program is largely federally funded, it is administered by the states.

c. The New York State Department of Health (the "NYS DOH") administers the Medicaid Program in New York State. The United States Department of Health and Human Services provides more than \$1 billion annually to the NYS DOH to fund and/or reimburse the costs of the Medicaid Program.

d. Local departments of social services within New York State process applications for health insurance plans falling within the Medicaid Program and monitor the provision of plans at the local level.

e. In New York City, the department that administers the Medicaid Program is the Human Resources Agency ("HRA"), which is an agency of the City of New York. HRA processes applications for health insurance plans falling within the Medicaid program in its office in New York, New York, and acts on behalf of NY DOH.

f. Once an individual is approved for enrollment in the Medicaid Program by the local department of social services, the individual must renew his or her eligibility annually, certifying in writing that he or she continues to qualify. The annual renewal is generally processed through the mail by the local department of social services, such as HRA.

The Medicaid Reimbursement Program

10. Based on my training and experience, my review of documents, and my conversations with others, I have learned the following:

a. Under the Medicaid Program, individuals who qualify for Medicaid are able to request reimbursement for bills they paid before applying for the Medicaid Program. In particular, individuals who qualify for the Medicaid Program can be paid for services they paid for and received on or after the first day of the third month before they applied for Medicaid ("Pre-Enrollment Services"). By way of example, an individual who applies for the Medicaid Program on April 21st can seek reimbursement for services he or she received and paid for from January 1st until they are successfully enrolled in the Medicaid Program.

b. In order to be reimbursed for Pre-Enrollment Services, the services received have to have been for services for which the Medicaid Program covers. Examples include doctor visits, home care, hospital visits, and prescription benefits. The services for which Medicaid reimburses must have been needed by the individual requesting reimbursement, and the individual must have been eligible for Medicaid at the time the services were paid for by the person making the request or another individual.

c. In order to be reimbursed for Pre-Enrollment Services, the individual seeking reimbursement must provide the local department of social services with bills for the services and proof that they were paid.

HRA's Oversight of the Medicaid Reimbursement Program

11. I have spoken to a supervisory employee of HRA, and to other law enforcement agents who have also spoken to that supervisory employee. From my conversations, I have learned the following:

a. In New York City, the HRA fields requests for reimbursements for Pre-Enrollment Services through its Medicaid Reimbursement Unit ("MRU").

b. The MRU is staffed by fewer than 20 individuals. Among these individuals are Eligibility Specialists, who are the primary individuals who handle requests

for reimbursement and make recommendations as to whether an individual should receive funds. The MRU is also staffed by Supervisors who approve requests for reimbursement evaluated initially by Eligibility Specialists, and Clerks, whose chief responsibilities include data entry. When requests for reimbursements for Pre-Enrollment Services are handled by the MRU, information from the documents received is entered into a computer system by an MRU employee, typically a Clerk. The request is reviewed by an Eligibility Specialist and ultimately approved by a Supervisor.

c. Under ordinary circumstances, the person who reviews a given request for Pre-Enrollment Services at the Eligibility Specialist level and the person who approves the request at the Supervisor level should not be the same person pursuant to HRA policy. Further, Eligibility Specialists who sign on to the system as Eligibility Specialists generally should not be able to log on as Supervisors and approve the very recommendations they make as Eligibility Specialists.

d. HRA's computer systems keep track of which HRA employees handle each individual request for Pre-Enrollment Services at each level of the review and approval processes.

e. In late 2010, HRA revamped its internal security measures, including resetting access permissions and changing passwords for MRU staff.

The Defendant's Involvement in the Scheme

12. I have spoken to, and reviewed notes and reports generated by, several investigators at the New York City Department of Investigation ("NYC-DOI"), a law enforcement agency that oversees New York City government agencies, including HRA. From my review of these materials and my conversations with these Investigators, I have learned the following:

a. NYC-DOI has access to data generated as Pre-Enrollment requests are processed by MRU, including which HRA employee handles each stage of each application, what services are the subjects of reimbursement requests, and what reimbursements are approved and issued. NYC-DOI also had access to employment information concerning individual HRA employees.

b. According to employment records available to NYC-DOI, AKIM MURRAY, the defendant, has worked for HRA since 1985 and has worked as an Eligibility Specialist since 1992.

c. NYC-DOI performed a review and analysis of data concerning Pre-Enrollment requests. The review revealed that that MURRAY had logged into the system in multiple capacities, including as Eligibility Specialist and as Supervisor, for a large number of reimbursement requests. Further, the number of transactions for which MURRAY was listed as both the Eligibility Specialist processing requests and the Supervisor providing approval increased significantly between 2007 and 2010. For example, between April 2007 and April 2008, Murray served in both roles on fewer than six occasions each month. Between April 2009 and April 2010, Murray served in multiple roles no fewer than twenty times each month, peaking at well over 90 such occasions in September 2009.

d. Between 2008 and 2010, HRA paid approximately \$707,000 in Medicaid reimbursements to 42 persons where (1) MURRAY had both input and approved the claims (at odds with HRA policy), and (2) the individual recipients received a total of more than \$10,000 in benefits.

e. The total value of reimbursement requests submitted between 2008 and 2010 issued pursuant to a reimbursement request for which MURRAY had served on paper as both the Eligibility Specialist and the Supervisor (at odds with HRA policy) exceeded \$1.9 million.

13. I have reviewed New York City Department of Finance records and records from HRA, from which I have learned the following:

a. A specific individual ("CW-1") received seven checks from the City of New York for reimbursement for Medicaid-eligible services after reimbursement requests were submitted to the MRU. The checks were issued between August 31, 2009 and September 7, 2010, and ranged in value from \$2,700.00 to \$5,800.00.

b. Another individual ("CW-2") received nine checks from the City of New York for reimbursement for Medicaid-eligible services after reimbursement requests were submitted to the MRU. The checks were issued between April 14, 2009 and June 1, 2010, and ranged in value from \$2,246.97 to \$5,000.00.

c. MRU has retained the claim justifications submitted for each individual check, which included dental procedures with specific doctors and purchases of Oxycontin and other drugs from specific pharmacies.

14. I have spoken to CW-1, who since our conversations has entered into a cooperation agreement with the Government in the hope of receiving leniency at sentencing.¹ From these conversations, I have learned the following:

a. CW-1 met AKIM MURRAY, the defendant, through a mutual friend ("Friend-1") in 2008 or 2009. CW-1 observed that Friend-1 appeared to be living well despite being on public assistance, and that MURRAY would often take Friend-1 shopping. Eventually, Friend-1 informed CW-1 that MURRAY worked for HRA, and that MURRAY had arranged for Friend-1 to receive checks from the government.

b. Later, CW-1 encountered financial difficulties. MURRAY informed CW-1 that he could arrange for checks to be sent to her if she agreed to split the money with him.

c. At MURRAY's direction, CW-1 provided MURRAY with her full name, social security number, and address. At the time, she was not on Medicaid, and she did not provide a form of identification.

d. Soon after providing MURRAY with the information, CW-1 received, through the mail, a letter in a large envelope with the HRA logo on it. MURRAY contacted her via text message at around that time and notified her that a check would arrive in short order. MURRAY demanded somewhere between 65 and 70 percent of the value of the check.

e. In or around September of 2009, CW-1 received the first check. MURRAY contacted her, already aware that a check had been sent to her. CW-1 cashed the check and gave MURRAY his portion of the proceeds.

f. One or two months after the first check arrived, CW-1 asked MURRAY for another check. MURRAY replied, "I got you." After that point, CW-1 received several checks over a period of several months without asking for them.

¹ Information provided by CW-1 has been corroborated in this case, as described herein, by witness statements and HRA data, among other things.

g. At one point, CW-1 provided her husband's identifying information to MURRAY for the purpose of getting checks in his name sent to her residence. At the time, CW-1 and her husband were married, but not living together, and CW-1 provided the information without her husband's permission or knowledge. CW-1 also provided MURRAY with identifying information belonging to the father of her daughter to MURRAY without his permission or knowledge. CW-1 received checks in the names of both men, cashed them, and provided the same percentage of the proceeds to MURRAY. CW-1 also supplied her mother and father's identifying information to MURRAY in order for checks to be sent to them.

h. CW-1 was a regular customer of a beauty shop (the "Beauty Shop") in the Inwood neighborhood of Manhattan. MURRAY would frequently appear in the beauty shop, bringing alcohol and expensive gifts for the women in the shop. CW-1 heard numerous individuals at the shop discuss participating in the check scheme with MURRAY, including its owner ("the Beauty Shop Owner").

i. MURRAY also spent thousands of dollars on expensive clothes for himself and jewelry for his friends. He referred to himself by the nickname "ATM."

15. I have spoken to a fellow law enforcement agent ("Agent-1"), who, along with other agents, spoke to CW-2 on multiple occasions. CW-2 has provided information to the Government in the hope of receiving leniency.² CW-2 is CW-1's sister. From these conversations, I have learned the following:

a. CW-2 met AKIM MURRAY, the defendant, at the Beauty Shop, separately from CW-1. MURRAY became aware that CW-2 had medical bills to pay and said that he could help her get to the "top of the list" when it came to getting money from the government. MURRAY told her that he worked for Medicaid, and asked for her name, social security number, and date of birth. Not long after that, CW-2 received a check in the mail from the City of New York. CW-2 asked MURRAY about the check, and he told her, in sum and substance, not to worry. CW-2 asked further questions, and MURRAY said, "Just cash the check and take me out to dinner." MURRAY and CW-2 did go out to dinner, and CW-2 paid for the meal. Shortly after, MURRAY and CW-2 became romantically involved.

² Information provided by CW-2 has been corroborated in this case, as described herein, by witness statements and other evidence.

b. After a second check was mailed to CW-2, MURRAY told CW-2 that "I'm helping you out, but you have to give me half the money." CW-2 cashed the check and gave MURRAY half of the proceeds.

c. CW-2 received a third check in the mail. CW-2 asked MURRAY what to do with it, and MURRAY told her to cash it and give him half of the proceeds.

d. CW-2 received several more checks, and split the value of the checks with MURRAY.

e. CW-2 had discussions with at least three other individuals who stated that were involved in the scheme with MURRAY, including CW-1.

f. CW-2 never filled out forms or applied for the money she received.

g. CW-2 had no familiarity with the specific treatments and other medical justifications listed in HRA's database for her claims.

16. From my review of records made available to me by NYC-DOI, I know that CW-1, CW-2, Friend-1, the Beauty Shop Owner and the sister of the Beauty Shop Owner were all among the top 25 recipients of checks issued as a result of Medicaid reimbursement requests handled by AKIM MURRAY, the defendant, at HRA.

17. In addition to CW-1 and CW-2, I and other law enforcement officers have interviewed approximately six other recipients of Medicaid reimbursement requests handled by AKIM MURRAY, the defendant. Each of these individuals acknowledged receiving Medicaid reimbursement checks from MURRAY for medical expenditures they had not in fact made, and for providing a portion of cash obtained from these reimbursement checks to MURRAY at his direction. Several of these individuals named other persons who had participated in the activity.

WHEREFORE, deponent prays that defendant be imprisoned, or bailed, as the case may be.



SHAWN MULLEN
Special Agent
Federal Bureau of Investigation

APR 23 2014

Sworn to before me this
___ day of April, 2014



THE HONORABLE KEVIN NATHANIEL FOX
UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF NEW YORK