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 PUBLIC DISCLOSURE

IN THE UNITED STATES DISTRICT COURT
 FOR THE DISTRICT OF ARIZONA

United States of America,

 Plaintiff,

 vs.

 Cleesther Davenport,

 Defendant.

No. **CR-25-00883-PHX-MTL (ASB)**

INDICTMENT

 VIO: 18 U.S.C. § 371
 (Conspiracy)
 Count 1

 42 U.S.C. § 1320a-7b(b)(1)(A)
 (Soliciting and Receiving Health Care
 Kickbacks)
 Counts 2-6

 18 U.S.C. § 981
 18 U.S.C. § 982
 21 U.S.C. § 853
 28 U.S.C. § 2461(c)
 Forfeiture Allegations

THE GRAND JURY CHARGES:

At all times material to this indictment, within the District of Arizona and elsewhere:

INTRODUCTION

1. Between in or around September 2022 and in or around March 2023, Defendant CLEESTHER DAVENPORT, acting primarily through her company, Davenport House LLC (“Davenport House”), conspired with others to solicit, receive, offer, and pay illegal kickbacks. As a part of the scheme, payments made by the Arizona Health Care Cost Containment System (“AHCCCS”) to Tusa Integrated Clinic, LLC (“TUSA”), an outpatient treatment center that purportedly provided addiction treatment services, were kicked back to Defendant and others in exchange for Defendant and others referring individuals under their control to TUSA. In total, between in or around October 2022 and in or around March 2023, Defendant received approximately \$739,000 in kickbacks through this scheme.

Background on the Arizona Health Care Cost Containment System

2. AHCCCS was Arizona’s Medicaid agency that offered health care programs to Arizona residents. AHCCCS contracted with several health plans to provide covered services and worked with medical providers, such as doctors, hospitals, pharmacies, specialists, and counselors, to provide care for AHCCCS members. Covered services included, among other services, behavioral health counseling services, such as counseling and substance abuse treatment.

3. AHCCCS administered Medicaid health care programs to Arizona residents who met certain income requirements. The federal government paid Arizona for the majority of AHCCCS Medicaid program expenditures. Among other programs and plans, AHCCCS provided care through the American Indian Health Program (“AIHP”), through which AHCCCS-enrolled Native Americans could receive health care services, including preventive and behavioral health care services, on a fee-for-service basis.

1 4. AHCCCS was a “health care benefit program,” as defined in Title 18, United
2 States Code, Section 24(b), and a “Federal health care program,” as defined in Title 42,
3 United States Code, Section 1320a-7b(f).

4 5. AHCCCS-covered services, including behavioral health services, must have
5 been medically necessary, cost effective, federally reimbursable, and state reimbursable.
6 Arizona Administrative Code R9-22-202.

7 6. Outpatient behavioral health services were behavioral health services
8 provided by an outpatient treatment center (“OTC”). An OTC was a health care institution
9 without inpatient beds that provided physical health services or behavioral health services
10 for the diagnosis and treatment of patients. Arizona Administrative Code R9-10-101.

11 7. OTC services included therapy in the form of intensive outpatient services
12 (“IOP”) and outpatient services (“OP”). IOP and OP patients attended facilities on an
13 ongoing basis where treatment was rendered, generally in the form of group and individual
14 therapy sessions. The distinction between the two different treatment plans related to,
15 among other things, the amount of therapy time on a daily or weekly basis.

16 **Related Entities and Individuals**

17 8. Davenport House was a limited liability company formed in June 2021.
18 Defendant CLEESTHER DAVENPORT operated Davenport House to purportedly
19 provide housing to individuals enrolled in AHCCCS-funded health care plans, including
20 AIHP. Davenport House’s sole source of revenue was kickbacks from OTCs that
21 purportedly provided addiction treatment services to Davenport House residents.
22 Davenport House maintained a primary bank account ending in 4821 at Financial
23 Institution-1 (“Davenport House Account”). Although Financial Institution-1 records
24 show that Defendant’s mother was the signatory on the Davenport House Account,
25 Defendant was its true owner and controlled the funds received therein.

26 9. Safety Nest LLC (“Safety Nest”) was a limited liability company formed in
27 Arizona on or about June 5, 2021. Defendant was not named on the organizational
28 documents of Safety Nest, which instead named multiple individuals, including one or

1 more relatives of Defendant. However, Defendant operated the company in 2023 and filed
2 or caused to be filed Articles of Amendment in February 2023 that made her a member.
3 Safety Nest operated as an OTC billing AHCCCS for addiction treatment services
4 purportedly provided in early-to-mid 2023.

5 10. TUSA was organized in Arizona on or about May 20, 2022, and was licensed
6 as an OTC effective on or about June 28, 2022. One of the corporate bank accounts
7 maintained by TUSA during the relevant time period was at Financial Institution-2, ending
8 in 2208 ("Tusa Account"). TUSA also made payments through third-party payroll entity
9 Payment Processor-1 via an account it held ("Payment Processor-1 Account"). Rita Ntusa
10 Anagho ("Anagho") was the owner and operator of TUSA. Defendant CLEESTHER
11 DAVENPORT was employed in an office role at TUSA from approximately November to
12 December 2022.

13 **COUNT 1**
14 **Conspiracy to Defraud the United States**
15 **(18 U.S.C. § 371)**

16 11. The factual allegations above are incorporated for Count 1.

17 12. Beginning at a time unknown to the grand jury, but at least as early as in or
18 around September 2022, and continuing through in or around March 2023, in the District
19 of Arizona and elsewhere, Defendant CLEESTHER DAVENPORT, Anagho, and others
20 known and unknown to the grand jury, did knowingly and willfully agree and conspire:

21 a. To defraud the United States by cheating the United States
22 government or any of its departments and agencies out of money and property, and
23 by impairing, impeding, obstructing, and defeating through deceitful and dishonest
24 means, the lawful government functions of AHCCCS, an agency of the United
25 States, in its management of Arizona Medicaid;

26 b. To solicit and receive any remuneration, including kickbacks and
27 bribes, directly and indirectly, overtly and covertly, in cash and in kind, in return for
28 referring one or more individuals, to wit, Arizona Medicaid beneficiaries, for the

1 furnishing and arranging for the furnishing of any item and service for which
2 payment may be made in whole and in part under a Federal health care program,
3 that is, AHCCCS, contrary to Title 42, United States Code, Section 1320a-
4 7b(b)(1)(A); and

5 c. To offer and pay any remuneration, including kickbacks and bribes,
6 directly and indirectly, overtly and covertly, in cash and in kind, to one or more
7 persons to induce such persons to refer one or more individuals, to wit, Arizona
8 Medicaid beneficiaries, for the furnishing and arranging for the furnishing of any
9 item and service for which payment may be made in whole and in part under a
10 Federal health care program, that is, AHCCCS, contrary to Title 42, United States
11 Code, Section 1320a-7b(b)(2)(A).

12 **Purpose of the Conspiracy**

13 13. It was a purpose of the conspiracy for Defendant, Anagho, and others to
14 unjustly enrich themselves by, among other things: (a) offering, paying, soliciting, and
15 receiving illegal kickbacks and bribes in exchange for referring patients from Davenport
16 House and other residences to TUSA and other OTCs for purported treatment billed to
17 AHCCCS; (b) submitting and causing the submission of false and fraudulent claims to
18 AHCCCS for addiction treatment services; (c) concealing the submission of false and
19 fraudulent claims to AHCCCS, and the receipt and transfer of fraud proceeds; and (d)
20 diverting the fraud proceeds for their personal use and benefit, the use and benefit of others,
21 and to further the fraud.

22 **Manner and Means of the Conspiracy and Scheme**

23 14. The manner and means used by Defendant, Anagho, and others, individually
24 and through the entities described above, to effect the purpose of the conspiracy included
25 the following:

26 a. CLEESTHER DAVENPORT operated and controlled Davenport
27 House, a company that recruited and purported to provide housing to individuals
28 with AHCCCS-funded health care coverage.

1 b. CLEESTHER DAVENPORT operated and controlled Safety Nest, an
2 OTC, in early 2023.

3 c. CLEESTHER DAVENPORT controlled to which OTC individuals
4 from Davenport House were referred and attended, including Safety Nest.

5 d. Anagho operated and controlled TUSA, an OTC that purportedly
6 provided addiction treatment services for individuals suffering from alcohol and
7 drug addiction.

8 e. CLEESTHER DAVENPORT and others solicited and received, and
9 Anagho and others offered and paid, illegal kickbacks and bribes in exchange for
10 referring patients from Davenport House and other residences to TUSA and other
11 OTCs for purported treatment billed to AHCCCS.

12 f. CLEESTHER DAVENPORT and others solicited and received, and
13 Anagho and others offered and paid, illegal kickbacks and bribes that varied based
14 on the volume and value of the referred patients, including higher payments for the
15 referral of patients with AIHP insurance compared to patients with other plans
16 because the reimbursement from AHCCCS for these patients was generally higher.

17 g. CLEESTHER DAVENPORT, Anagho, and others concealed, and
18 attempted to conceal, the nature of the kickback payments by characterizing them
19 as payments for room and board for the individuals undergoing substance abuse
20 treatment, when in fact the kickback payments far exceeded the actual cost of room
21 and board and were in reality payments in exchange for the referral of patients to
22 TUSA and other OTCs.

23 h. TUSA billed AHCCCS for more services than were actually provided
24 to patients referred by CLEESTHER DAVENPORT to TUSA in exchange for
25 illegal kickbacks, including services that were not provided at all, were not provided
26 as billed, were not provided by qualified personnel, were so substandard that they
27 failed to serve a treatment purpose, were not used or integrated into any treatment
28 plan, and/or were medically unnecessary.

1 i. TUSA billed AHCCCS approximately \$1.83 million for services
2 purportedly provided to patients referred by CLEESTHER DAVENPORT to TUSA
3 in exchange for illegal kickbacks, and AHCCCS paid TUSA approximately \$1.58
4 million for those claimed services.

5 j. Between in or around October 2022 and in or around March 2023,
6 Anagho, primarily through TUSA, paid CLEESTHER DAVENPORT, through
7 Davenport House, approximately \$739,000 in kickbacks for referrals.

8 **Overt Acts of the Conspiracy**

9 15. In furtherance of the conspiracy, and to effect the objects of the conspiracy,
10 Defendant, Anagho, and their co-conspirators committed or caused to be committed
11 various overt acts in the District of Arizona and elsewhere, including but not limited to the
12 following:

13 a. On or about October 14, 2022, CLEESTHER DAVENPORT
14 submitted or caused to be submitted one or more documents labeled “invoice” “000-
15 1” to TUSA, which in total requested the payment of \$11,200 related to one or more
16 Davenport House clients.

17 b. On or about October 17, 2022, CLEESTHER DAVENPORT solicited
18 and received from Anagho \$11,200, wired from the Tusa Account, to the Davenport
19 House Account. This payment was an illegal kickback paid in exchange for patient
20 referrals to TUSA.

21 c. On or about October 21, 2022, CLEESTHER DAVENPORT
22 submitted or caused to be submitted one or more documents labeled “invoice”
23 “0002” to TUSA, which in total requested the payment of \$14,000 related to one or
24 more Davenport House clients.

25 d. On or about October 24, 2022, CLEESTHER DAVENPORT solicited
26 and received from Anagho \$14,000, wired from the Tusa Account, to the Davenport
27 House Account. This payment was an illegal kickback paid in exchange for patient
28 referrals to TUSA.

1 e. In or around December 2022, CLEESTHER DAVENPORT solicited
2 and received from Anagho \$70,100, via the Payment Processor-1 Account, into the
3 Davenport House Account. This payment was an illegal kickback paid in exchange
4 for patient referrals to TUSA.

5 f. In or around December 2022, CLEESTHER DAVENPORT solicited
6 and received from Anagho \$18,900, via the Payment Processor-1 Account, into the
7 Davenport House Account. This payment was an illegal kickback paid in exchange
8 for patient referrals to TUSA.

9 g. In or around February 2023, CLEESTHER DAVENPORT solicited
10 and received from Anagho and TUSA \$104,700, via the Payment Processor-1
11 Account, into the Davenport House Account. This payment was an illegal kickback
12 paid in exchange for patient referrals to TUSA.

13 h. In or around March 2023, CLEESTHER DAVENPORT solicited and
14 received from Anagho and TUSA \$107,500, via the Payment Processor-1 Account,
15 into the Davenport House Account. This payment was an illegal kickback paid in
16 exchange for patient referrals to TUSA.

17 All in violation of 18 U.S.C. § 371.

18 **COUNTS 2-6**

19 **Soliciting and Receiving Health Care Kickbacks**

20 **(42 U.S.C. § 1320a-7b(b)(1)(A))**

21 16. The factual allegations above are incorporated for Counts 2-6.

22 17. Between at least as early as September 2022, and continuing through at least
23 as late as March 2023, in the District of Arizona and elsewhere, Defendant CLEESTHER
24 DAVENPORT did knowingly and willfully solicit and receive, and cause to be solicited
25 and received, any remuneration, including kickbacks and bribes, directly and indirectly, in
26 cash and in kind, in exchange for Defendant referring patients to TUSA for treatment billed
27
28

to and paid by AHCCCS, with each instance serving as a separate Indictment count, as set forth below:

Count	Approx. Date	Approx. Amount	Originating Account	Receiving Account
2	10/17/2022	\$11,200	Tusa Account	Davenport House Account
3	10/24/2022	\$14,000	Tusa Account	Davenport House Account
4	12/13/2022	\$70,100	Payment Processor-1 Account	Davenport House Account
5	2/6/2023	\$104,700	Payment Processor-1 Account	Davenport House Account
6	3/8/2023	\$107,500	Payment Processor-1 Account	Davenport House Account

Each in violation of 42 U.S.C. §§ 1320a-7b(b)(1)(A).

FORFEITURE ALLEGATIONS

18. The factual allegations above are incorporated for forfeiture. The grand jury further realleges and incorporates the allegations of Counts 1 through 6 of this indictment, which are incorporated by reference as though fully set forth herein.

19. Pursuant to 18 U.S.C. §§ 981 and 982, 21 U.S.C. § 853, and 28 U.S.C. 2461(c), upon conviction of one or more of the offenses alleged in counts 1 through 6 above, Defendant CLEESTHER DAVENPORT shall forfeit to the United States all right, title, and interest in any and all property, real or personal, involved in such offense(s), or in any property traceable to such property involved in the offense(s), including the following: (a) all money or other property that was the subject of each transaction or transfer in violation of a statute listed in 18 U.S.C. § 982; (b) all other property constituting proceeds obtained as a result of those violations; and (c) all property used in any manner or part to commit or to facilitate the commission of those violations. Such property includes, but is not limited to, a sum of money equal to at least \$739,000 in U.S. currency, representing the amount of proceeds involved in the offenses.

20. If any of the forfeitable property, as a result of any act or omission by any Defendant,

- a. cannot be located upon the exercise of due diligence,
- b. has been transferred, sold to, or deposited with a third party,
- c. has been placed beyond the jurisdiction of the court,
- d. had been substantially diminished in value, or
- e. has been commingled with other property and cannot be divided without difficulty,

it is the intent of the United States to seek forfeiture of any other property of that Defendant up to the value of the above-described forfeitable property, pursuant to 21 U.S.C. § 853(p).

A TRUE BILL

//s//
FOREPERSON OF THE GRAND JURY
Date: June 11, 2025

TIMOTHY COURCHAINED
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