

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

UNITED STATES OF AMERICA * CRIMINAL DOCKET NO. 15-152

VERSUS * SECTION "J"

JOHN TEAL *

*** * * * ***

FACTUAL BASIS

The defendant, John Teal (Teal), has agreed to plead guilty to Count 1 of the Superseding Indictment now pending against him. Count 1 charges Teal with Conspiracy to Commit Health Care Fraud. Both the Government and the defendant, John Teal, do hereby stipulate and agree that the following facts set forth a sufficient factual basis for the crime to which Teal is pleading guilty. The Government and Teal further stipulate that the Government would have proven at trial, through the introduction of competent testimony and admissible evidence, the following facts beyond a reasonable doubt, to support the allegations in the Superseding Indictment now pending against Teal:

Background

Agents with the United States Department of Health and Human Services, Office of Inspector General (HHS-OIG), and the Federal Bureau of Investigation (FBI), would testify, and records from the State of Mississippi, would be admitted, to establish that Teal was a resident of Mississippi and resided at 618 Eagle Avenue, Jackson, Mississippi.

Documents and electronic records in the custody of the HHS-OIG and FBI, records from the states of Mississippi, Louisiana, Alabama and Florida, and Medicare documents and records would be admitted to establish that Rodney Hesson and Gertrude Parker incorporated and

established Medicare provider numbers for Nursing Home Psychological Services (NHPS), and for Psychological Care Services of Louisiana (PCS-LA), Psychological Care Services of Mississippi (PCS-MS), and Psychological Care Services of Florida (PCS-FL) (together, PCS), so as to allow these companies to submit claims to Medicare and be reimbursed by Medicare for those claims. Medicare documents and records, Medicare claims data from NHPS, PCS-LA, PCS-MS, and PCS-FL would be admitted to show that these companies billed Medicare primarily for psychological testing and related services that were purportedly rendered in nursing homes in Louisiana, Mississippi, Florida, and Alabama.

Documents and electronic records in the custody of the HHS-OIG and FBI, Medicare documents and records, and records from the states of Mississippi, Louisiana, and Florida, would be admitted to show that Teal was a clinical psychologist and was licensed to practice in Mississippi, Louisiana and Florida.

Documents and electronic records in the custody of the HHS-OIG and FBI, records from the states of Mississippi, Louisiana, Alabama and Florida, and Medicare documents and records, would be admitted to establish that beginning in or around October 2010, Teal entered into an employment relationship with NHPS, PCS-LA, PCS-MS, and PCS-FL. These documents and electronic records would be admitted to show that Teal established Medicare provider numbers so as to allow him to submit claims to Medicare, and assign benefits associated with those Medicare provider numbers to NHPS, PCS-LA, PCS-MS, and PCS-FL. Medicare documents in the custody of the HHS-OIG and FBI would be introduced into evidence to demonstrate that Teal understood that the Medicare program was based upon a system of trust between Medicare and providers in the Medicare system, and that Teal knew, at times, that he breached that trust when he caused fraudulent claims to be submitted to Medicare.

Beginning in or around October 2010, and continuing through the date of the Superseding Indictment in the Eastern District of Louisiana and elsewhere, John Teal conspired with Rodney

Hesson, Gertrude Parker, Beverly Stubblefield, and others to commit health care fraud – that is, to execute a scheme or artifice to defraud a healthcare benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), *i.e.*, Medicare, 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 healthcare benefit program, in connection with the delivery of, and payment for, healthcare benefits, items, and services, in violation of Title 18, United States Code, Section 1347.

Documents and electronic records in the custody of the HHS-OIG and FBI and testimony from witnesses would be introduced to establish that one of the purposes of the conspiracy was to cause the submission and concealment of false and fraudulent claims to Medicare for psychological testing and related services that were not medically necessary, and in some instances, were not provided.

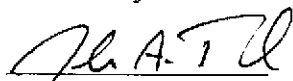
Documents and electronic records in the custody of the HHS-OIG and FBI, and testimony from witnesses, would be introduced to prove that, as manner and means of the conspiracy, Teal and other co-conspirators created false documents and other records to support the submission of fraudulent claims to Medicare for psychological testing and related services, knowing that these services were either not medically necessary or were not provided. These records and testimony would show, among other things, that Teal and co-conspirators knowingly:

- created records which falsely claimed that Teal had provided psychological services that were, in fact, provided by unqualified persons working with Teal;
- administered psychological tests to nursing home residents who were either non-responsive or were otherwise unable to meaningfully participate in a psychological test, causing Medicare to be billed for services that were either not medically needed and/or were not provided; and

- exaggerated the time that he spent providing psychological tests to nursing home residents, causing Medicare to be billed for time he was not present and services he did not provide.

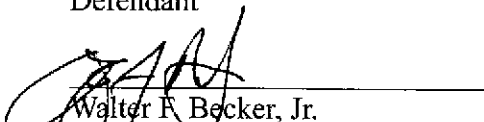
Medicare billing records and electronic records and documents in the custody of the HHS-OIG and FBI would be admitted to prove that Teal caused Medicare to be billed \$3,505,137.10 for services that were not medically necessary and/or were not provided. Medicare billing records, documents and electronic records in the custody of the HHS-OIG and FBI and testimony from witnesses would be introduced to establish that this amount of loss was reasonably foreseeable to Teal at the time he engaged in his conduct and is the amount of loss that is readily provable. Teal's available pay records reveal that he was paid approximately \$980,000.00 by NHPS and PCS.

The facts described above emerge from an investigation conducted by the HHS-OIG and FBI, and would be proven at trial by credible testimony from Special Agents from the HHS-OIG and FBI, employees of NHPS and PCS, employees from nursing homes at which Teal rendered purported psychological testing services, Medicare records for NHPS and PCS, electronic records and other business records of NHPS and PCS, and documents and tangible evidence in the custody of the HHS-OIG and FBI.

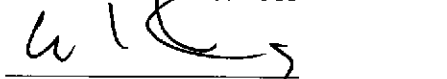


John Teal
Defendant

Date: 9-7-16


Walter F. Becker, Jr.
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Date: 9/7/16


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