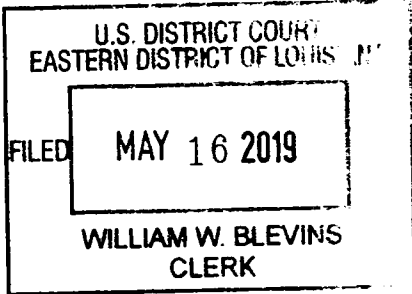


UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA * CRIMINAL NO. 18-32
VERSUS * SECTION: "M"
JOSEPH A. HAYNES *
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* * *



FACTUAL BASIS OF PLEA

Joseph A. Haynes (the "Defendant") has agreed to plead guilty to Count 7 of the Indictment now pending against him. Count 7 charges him with Conspiracy to Solicit and Receive Illegal Health Care Kickbacks, in violation of Title 18, United States Code, Section 371 and Title 42, United States Code, Section 1320a-7b(b)(1)(A). The United States and the Defendant agree that the following facts, among others, set forth a sufficient factual basis for this guilty plea. The United States and the Defendant further stipulate that the United States would have proven, through the introduction of competent testimony and admissible evidence, the following facts to support the allegations in the Indictment.

Documents in the custody of the United States Department of Health and Human Services, Office of Inspector General (HHS-OIG) and/or the Federal Bureau of Investigation (FBI), a witness with specialized knowledge of the Medicare program, and percipient witnesses would prove the following facts:

The Defendant, along with his co-conspirators, Kim Ricard, Milton Diaz, Dr. Muhammad Arshad, and Dr. Padmini Nagaraj, beginning approximately July 2008, and continuing through approximately March 2013, in the Eastern District of Louisiana, and elsewhere, conspired to solicit

DOJ Trial Attorney JLH
Defendant Joseph A. Haynes JLH
Defense Counsel Roger W. Jordan RW Jordan

and receive illegal health care kickbacks in exchange for referring, certifying, and recertifying Medicare beneficiaries (“beneficiaries”), among others, to home health agencies, including Progressive Home Health (“Progressive”), for medically unnecessary home health services.

Medicare will pay for beneficiaries to receive home health care if the beneficiaries: (1) need the service prescribed (such as physical therapy or skilled nursing care); and (2) meet Medicare’s definition of “confined to the home.” In addition, Medicare does not pay for any claim—regardless of whether the beneficiaries qualify for the services—if the claim is procured through kickbacks.

The Defendant was a marketer for Company A, who recruited patients, specifically Medicare beneficiaries, to receive psychiatric services from Company A. Ricard worked as a marketer for Progressive, a home health agency, which was owned by Diaz. Between 2008 and 2013, Diaz paid Ricard a referral fee, between \$250 and \$300, for every beneficiary whom she brought to Progressive to receive home health services. Ricard located these beneficiaries with the assistance of the Defendant, who through his employment at Company A, had access to the personal identifying information of beneficiaries who were receiving psychiatric treatment from Company A. The Defendant provided this personal identifying information to Ricard, who then provided it to Diaz, which allowed Progressive to perform home health services for these beneficiaries and bill the cost of performing those services to Medicare. Ricard’s referrals to Progressive were all patients of Company A, whose personal identifying information she received from the Defendant.

Additionally, the Defendant introduced Drs. Arshad and Nagaraj to Diaz for the purpose of having Drs. Arshad and Nagaraj refer, certify, and recertify beneficiaries—patients the doctors treated at Company A—to Progressive for medically unnecessary home health services. The

DOJ Trial Attorney *JW*
Defendant Joseph A. Haynes *JH*
Defense Counsel Roger W. Jordan *RWJ*

Defendant told Diaz that he needed to pay Drs. Arshad and Nagaraj for making these referrals for medically unnecessary home health services. Accordingly, Diaz “hired” Drs. Arshad and Nagaraj to be “medical directors” of Progressive and paid them \$1,500 a month. In actuality, these \$1,500 monthly “medical director” fees were concealed kickback payments to Drs. Arshad and Nagaraj for referring, certifying, and recertifying beneficiaries to Progressive for medically unnecessary home health services. Diaz paid Ricard a kickback for every home health referral that Dr. Arshad and Dr. Nagaraj made to Progressive. The Defendant facilitated these kickback payments by Diaz to Ricard.

In approximately February 2013, the Defendant and Ricard requested that Diaz pay Ricard more than the \$250 to \$300 fee that Diaz had previously paid for the home health certifications and recertifications. Diaz refused. As a result, the Defendant and Ricard moved the beneficiaries who had received medically unnecessary home health services from Progressive to another home health agency (“Second Home Health Agency”) that was willing to pay more for referrals. Dr. Nagaraj assisted the Defendant and Ricard with this transferring of patients by discharging from Progressive all of her prior referrals, and upon becoming the “medical director” of the Second Home Health Agency, at Defendant’s solicitation and direction, and upon receiving \$1,500 monthly in illegal kickbacks, Dr. Nagaraj referred, certified, and recertified beneficiaries to the Second Home Health Agency for medically unnecessary home health services.

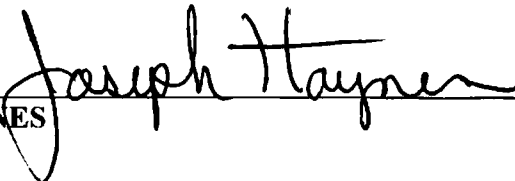
In all, as a result of the Defendant’s solicitation of illegal health care kickbacks for Ricard, between 2008 and 2013, Progressive paid Ricard approximately \$331,000 for home health referrals.

Limited Nature of Factual Basis

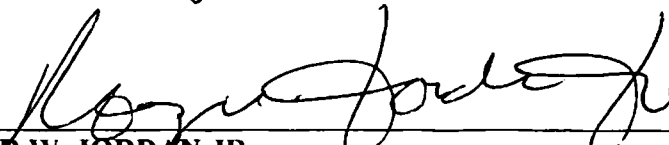
This proffer of evidence is not intended to constitute a complete statement of all facts known by the Defendant, and/or the government, and it is not a complete statement of all facts described by the Defendant to the government. Rather, it is a minimum statement of facts intended to prove the necessary factual predicate for her guilty plea. The limited purpose of this proffer is to demonstrate that there exists a sufficient legal basis for the pleas of guilty to the charged offenses by the Defendant.

The above facts come from an investigation conducted by, and would be proven at trial by credible testimony from, *inter alia*, Special Agents and forensic examiners from the FBI and HHS-OIG, and admissible tangible exhibits in the custody of the FBI and HHS-OIG.

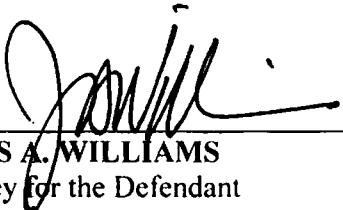
Signed and Agreed,

 5/10/19


JOSEPH A. HAYNES DATE
Defendant

 5/10/19

ROGER W. JORDAN JR. DATE
Attorney for the Defendant

 5/10/19

JAMES A. WILLIAMS DATE
Attorney for the Defendant

 5/16/19

KATHERINE PAYERLE DATE
JARED HASTEN
Trial Attorneys
Fraud Section, Criminal Division
United States Department of Justice