

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

UNITED STATES OF AMERICA

CASE NO. 8:22-cr- 184 TPB-TGW

v.

18 U.S.C. § 1349

18 U.S.C. § 1347

KATELINE LAVACHE

INDICTMENT

SEALED

The Grand Jury charges that:

COUNT ONE

(Conspiracy to Commit Health Care Fraud and Wire Fraud)

At all times material to this Indictment:

The Defendant and Relevant Entities

1. REMN Management LLC ("REMN") was a company formed under the laws of Florida. From in or around October 2016 until in around May 2017, REMN's principal place of business was located in Palm Beach County, Florida. In or around May 2017, REMN's principal place of business moved to Hillsborough County, Florida.
2. Comprehensive Telcare, LLC ("Comptel") was a company formed under the laws of Florida with its principal place of business located in Hillsborough County, Florida.
3. KATELINE LAVACHE was a resident of Broward County, Florida.

SEALED

The Medicare Program

4. The Medicare Program (“Medicare”) was a federally funded program that provided free or below-cost health care benefits to certain individuals, primarily the elderly, blind, and disabled. The benefits available under Medicare were governed by federal statutes and regulations. The United States Department of Health and Human Services (“HHS”), through its agency, the Centers for Medicare and Medicaid Services (“CMS”), oversaw and administered Medicare. Individuals who received benefits under Medicare were commonly referred to as Medicare “beneficiaries.”

5. Medicare was a “health care benefit program,” as defined by 18 U.S.C. § 24(b), that affects commerce.

6. Medicare was divided into multiple program “parts.” Medicare Part A covered health services provided by hospitals, skilled nursing facilities, hospices, and home health agencies. Medicare Part B covered physician services and outpatient care, including an individual’s access to durable medical equipment (“DME”), such as orthotic devices.

Durable Medical Equipment

7. Orthotic devices were a type of DME that included rigid and semi-rigid devices, such as knee braces, back braces, shoulder braces, ankle braces, and wrist braces (collectively, “braces”).

8. In order for various medical providers to bill Medicare for services rendered, they were required to enroll with Medicare as a Medicare provider (“provider”). For a provider of DME services to bill Medicare Part B and receive

Medicare reimbursement, that provider was required to enroll with Medicare as a Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (“DMEPOS”) provider by completing and submitting an enrollment application, a Form CMS-855S.

9. Form CMS-855S contained a certification that stated:

I agree to abide by the Medicare laws, regulations and program instructions that apply to me or to the organization listed in Section 2A1 of this application. The Medicare laws, regulations, and program instructions are available through the Medicare Administrative Contractor. I understand that payment of a claim by Medicare is conditioned upon the claim and the underlying transaction complying with such laws, regulations and program instructions (including, but not limited to, the Federal Anti-Kickback Statute, 42 U.S.C. section 1320a-7b (b) (section 1128B (b) of the Social Security Act) and the Physician Self-Referral Law (Stark Law), 42 U.S.C. section 1395nn (Section 1877 of the Social Security Act)). [...]

I will not knowingly present or cause to be presented a false or fraudulent claim for payment by Medicare, and I will not submit claims with deliberate ignorance or reckless disregard of their truth or falsity.

10. If Medicare approved a provider’s application, Medicare assigned the provider a Medicare “provider number.” A health care provider with a Medicare provider number could file claims with Medicare to obtain reimbursement for services rendered to beneficiaries.

11. Enrolled Medicare providers agreed to abide by the policies, procedures, rules, and regulations governing reimbursement. To receive Medicare funds, enrolled providers were required to abide by the Federal Anti-Kickback Statute and other laws and regulations. Providers were given access to Medicare manuals and services bulletins describing billing procedures, rules, and regulations.

12. Medicare reimbursed DME suppliers and other health care providers for items and services rendered to beneficiaries. To receive payment from Medicare, providers submitted or caused the submission of claims to Medicare electronically, via interstate wire communications, either directly or through a billing company.

13. A Medicare claim for DME reimbursement was required to set forth, among other things, the beneficiary's name and unique Medicare identification number, the DME provided to the beneficiary, the date the DME was provided, the cost of the DME, and the name and unique physician identification number of the physician who prescribed or ordered the equipment.

14. A claim for DME submitted to Medicare qualified for reimbursement only if it was medically necessary for the treatment of the beneficiary's illness or injury and prescribed by a licensed medical professional.

Telemedicine

15. Telemedicine provided a means of connecting patients to doctors by using telecommunications technology, such as the internet or the telephone, to interact with a patient.

16. Telemedicine companies provided telemedicine services, or telehealth services, to individuals by hiring doctors and other health care providers. Telemedicine companies typically paid doctors a fee to conduct consultations with patients. In order to generate revenue, telemedicine companies typically either billed insurance or received payment from patients who utilized the services of the telemedicine company.

17. Medicare Part B covered expenses for specified telehealth services if certain requirements were met. These requirements included that (a) the beneficiary was located in a rural or health professional shortage area; (b) services were delivered via an interactive audio and video telecommunications system; and (c) the beneficiary was in a practitioner's office or a specified medical facility – not at a beneficiary's home – during the telehealth consultation with a remote practitioner.

The Conspiracy

18. Beginning in or around May 2018, and continuing through in or around April 2019, in the Middle District of Florida, and elsewhere, the defendant,

KATELINE LAVACHE,

did knowingly and willfully combine, conspire, confederate, and agree with others, known and unknown to the Grand Jury, to commit certain offenses against the United States, that is:

- a. health care fraud, in violation of 18, U.S.C. § 1347; and
- b. wire fraud, in violation of 18 U.S.C. § 1343.

Manner and Means of the Conspiracy

19. The manner and means by which the defendant and her co-conspirators sought to accomplish the object and purpose of the conspiracy included, among others, the following:

- a. It was part of the conspiracy that KATELINE LAVACHE was a registered nurse practicing in Florida.

- b. It was further part of the conspiracy that KATELINE LAVACHE had the ability to prescribe DME.
- c. It was further part of the conspiracy that KATELINE LAVACHE would and did work for Comptel.
- d. It was further part of the conspiracy that KATELINE LAVACHE and her co-conspirators would and did identify beneficiaries and obtain their medical histories.
- e. It was further part of the conspiracy that KATELINE LAVACHE would and did agree with her co-conspirators to prescribe DME for Medicare beneficiaries in exchange for kickbacks and bribes from her co-conspirators and others, and without regard to the medical necessity of the prescribed DME or whether the DME was eligible for Medicare reimbursement.
- f. It was further part of the conspiracy that KATELINE LAVACHE would and did prescribe DME to Medicare beneficiaries, even though she had no prior relationship with the beneficiaries, was not treating the beneficiaries, and did not conduct telemedicine visits with the beneficiaries.
- g. It was further part of the conspiracy that KATELINE LAVACHE and her co-conspirators would and did submit, and would and did cause the submission, via interstate wire communication, of false and fraudulent claims to Medicare for DME that were not medically

necessary, not validly prescribed, procured through the payment of kickbacks and bribes, and not eligible for reimbursement from Medicare.

- h. It was further part of the conspiracy that KATELINE LAVACHE and her co-conspirators would and did perform acts, and would and did make statements, to promote and achieve the objects of the conspiracy and to hide and conceal the purposes of the conspiracy and the acts committed in furtherance thereof.
- i. It was further part of the conspiracy that, from in or around May 2018, and continuing through in or around April 2019, KATELINE LAVACHE and her co-conspirators would and did submit and cause the submission of false and fraudulent claims to Medicare, via interstate wire communication, in the approximate amount of \$8.8 million, of which Medicare paid in excess of approximately \$4.2 million.
- j. It was further part of the conspiracy that KATELINE LAVACHE would and did receive approximately \$123,180 in kickbacks and bribes in exchange for prescribing DME for Medicare beneficiaries without regard to the medical necessity of the prescribed DME or whether the DME was eligible for Medicare reimbursement.

All in violation of 18 U.S.C. § 1349.

COUNTS TWO THROUGH FIVE
(Health Care Fraud)

20. Paragraphs 1 through 17 of Count One of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

The Scheme and Artifice

21. Beginning in or around May 2018, and continuing through in or around April 2019, in the Middle District of Florida, and elsewhere, the defendant,

KATELINE LAVACHE,

aided and abetted by others, did knowingly and willfully devise and intend to devise a scheme and artifice to defraud Medicare, a health care benefit program, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, said health care benefit program.

Manner and Means of the Scheme and Artifice

22. The substance of the manner and means of the scheme is described in the Manner and Means section of Count One of the Indictment, and the Grand Jury realleges and incorporates by reference those paragraphs as though fully set forth herein.

Execution of the Scheme and Artifice

23. On or about the dates set forth as to each count below, in the Middle District of Florida, and elsewhere, the defendant, KATELINE LAVACHE, did knowingly and willfully execute, and attempt to execute, the above-described scheme

and artifice to defraud a health care benefit program in that the defendant submitted and caused the submission of false and fraudulent claims, seeking the identified dollar amounts, and representing that such benefits, items, and services were medically necessary and eligible for Medicare reimbursement:

Count	Medicare Beneficiary Initials	Approx. Date of Claim Submission	Claim Number	Approx. Amount Billed
TWO	E.B.	November 7, 2018	118311735060000	\$4,285.18
THREE	B.K.	November 20, 2018	118324711271000	\$1,221.19
FOUR	P.M.	December 4, 2018	118338744284000	\$924.63
FIVE	T.O.	February 25, 2019	119056742673000	\$2,261.37

Each in violation of 18 U.S.C. § 1347 and 18 U.S.C. § 2.

FORFEITURE

24. The allegations contained in Counts One through Five are incorporated by reference for the purpose of alleging forfeiture pursuant to 18 U.S.C. § 982(a)(7).

25. Upon conviction of the violation of 18 U.S.C. §§ 1347 and 1349, the defendant shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(7), any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense.

26. The property to be forfeited includes, but is not limited to, the \$123,180 in proceeds the defendant obtained as a result of the commission of the offenses.

27. If any of the property described above, as a result of any act or omission of the defendant:

- 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;

the United States shall be entitled to forfeiture of substitute property under the provisions of 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b)(1).

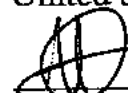
A TRUE BILL,



FOREPERSON


ROGER B. HANDBERG
United States Attorney

By:

 for

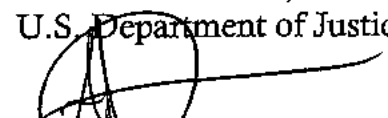
Rachelle DesVaux Bedke
Assistant United States Attorney
Chief, Economic Crimes Section, Tampa Division

By:

 for

Joseph S. Beemsterboer
Acting Chief
Criminal Division, Fraud Section
U.S. Department of Justice

By:



Alejandro J. Salicrup
Trial Attorney
Criminal Division, Fraud Section
U.S. Department of Justice

FORM OBD-34
5/20/22 Revised

No.

UNITED STATES DISTRICT COURT
Middle District of Florida
Tampa Division

THE UNITED STATES OF AMERICA

vs.

KATELINE LAVACHE

INDICTMENT

Violations: 18 U.S.C. § 1349 and 18 U.S.C. § 1347

A true bill,



Foreperson

Filed in open court this 24th day Of May, 2022.

Clerk

Bail \$ _____
