

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF NEW YORK

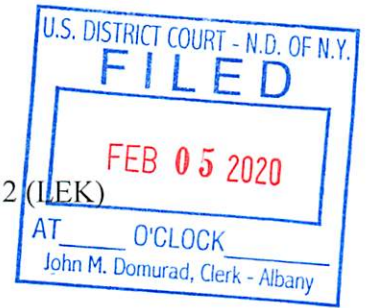
UNITED STATES OF AMERICA

v.

LUKE E. STEINER,

Defendant.

) Criminal No. 1:20-CR-32 (LEK)
)
) **Information**
)
) Violation: 18 U.S.C. § 1349
) [Conspiracy to Commit
) Wire Fraud]
)
) 1 Count & Forfeiture Allegation
)
) County of Offense: Saratoga



THE UNITED STATES ATTORNEY CHARGES:

COUNT 1
[Conspiracy to Commit Wire Fraud]

Background

At all times relevant to this information:

1. **LUKE E. STEINER** ("STEINER") resided in Minnesota and was an employee of Optum, a division of UnitedHealth Group Incorporated ("UHG") located in Eden Prairie, Minnesota.
2. Michael T. Mann ("Mann") resided in the Northern District of New York, and owned and operated ValueWise Corporation ("ValueWise") and other companies based in Clifton Park, New York.
3. ValueWise performed consulting services for Optum/UHG until in or about May 2017, when Optum/UHG terminated its relationship with ValueWise.
4. Financing Company-1 was a financing company headquartered in New York.
5. Financing Company-2 was a financing company headquartered in Colorado.

The Conspiracy

6. From in or around 2013 through in or around September 2019, in Saratoga County in the Northern District of New York, and elsewhere, the defendant, **LUKE E. STEINER**, Michael T. Mann, and others known and unknown, conspired to commit wire fraud, by devising and intending to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and transmitting and causing to be transmitted by means of wire communication in interstate commerce, writings, signs and signals for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

Object of the Conspiracy

7. The object of the conspiracy was to fraudulently obtain millions of dollars in loans from financing companies, including Financing Company-1 and Financing Company-2, by falsely representing that fictitious invoices from companies owned and controlled by Mann were legitimate and payable by Optum/UHG.

Manner and Means

It was a manner and means of the conspiracy that:

8. From at least 2013 through September 2019, Mann orchestrated a scheme to obtain millions of dollars in loans from financing companies, including Financing Company-1 and Financing Company-2, under false pretenses. To obtain the loans, Mann falsely represented that certain of his companies other than ValueWise, including FocalPointe Group, LLC (“FocalPointe”) and Weitz & Associates, Inc. (“Weitz”), performed consulting work for and had accounts receivables payable by Optum/UHG. The companies did not, however, have any accounts receivables payable by Optum/UHG.

9. Mann routinely created false invoices purportedly from his companies, including FocalPointe and Weitz, falsely reflecting millions of dollars in payments purportedly due from Optum/UHG to Mann's companies. He then assigned the invoices to financing companies. The financing companies, including Financing Company-1 and Financing Company-2, loaned millions of dollars against the false receivables to Mann and his companies. Mann then used other fraudulently obtained funds to pay the amounts of the false invoices to the financing companies and made it appear as if payment came from Optum/UHG, when the payments in fact came from Mann.

10. In furtherance of the scheme, **STEINER** routinely and knowingly made false statements to various financing companies, including to Financing Company-1 from in or around October 2013 to in or around August 2019, and to Financing Company-2 from in or around 2014 to in or around February 2017, by emails and telephone calls transmitted between two or more states.

11. Purporting to act in his capacity as an Optum employee, **STEINER** regularly represented to the financing companies that the false invoices submitted by Mann were due and payable by Optum/UHG when, as **STEINER** then well knew, the invoices were false, and neither Optum nor UHG had contracts with FocalPointe and Weitz nor made any payments to these companies.

12. For instance, on or about October 28, 2014, a representative of Financing Company-1 ("Representative-1") sent **STEINER** an email at his Optum email address (the "Steiner Optum Email") and attached an "Invoice Aging Report" reflecting approximately \$4.6 million in purported invoices from FocalPointe to Optum/UHG assigned to Financing Company-1. In the body of the email, Representative-1 wrote, "Would you please confirm, by returning this

email, that you show that United Health – Optum has these invoices and shows them as correct and now owing for the account of Focalpoint Group LLC,” and “that you show them payable to [Financing Company-1] as assignee.”

13. Minutes later, **STEINER** forwarded the email to Mann and wrote “FYI.” Mann, after asking, “Did you reply?” and explaining, “You can copy and paste what is below if you haven’t,” wrote: “Yes, United Health - Optum has these invoices and they are correct for the account of Focalpointe Group LLC except for invoices 1151, 1152 and 1153. You should have received payment today. These are payable to [Financing Company-1] as assignee.” **STEINER**, in turn, responded to Representative-1’s email and, copying from Mann’s email, wrote: “Yes, United Health - Optum has these invoices and they are correct for the account of Focalpointe Group LLC except for invoices 1151, 1152 and 1153. You should have received payment today.” **STEINER**’s representation was false because, as **STEINER** then well knew, Optum/UHG had no invoices from FocalPointe and did not transmit any payments to Financing Company-1.

14. On or about August 27, 2019, Representative-1 sent **STEINER** an email at the Steiner Optum Email and attached an “Invoice Aging Report” reflecting approximately \$3.6 million in purported invoices from FocalPointe to Optum/UHG assigned to Financing Company-1. In the body of the email, Representative-1 wrote, “Total outstanding and owed to [Financing Company-1] as of today 8/27/2019 \$ 3,603,170.85,” followed by, “Would you please confirm by returning this email that: (1) You show that United Health - Optum has these invoices listed on the aging and you show them as correct and owing for the account of Focalpointe Group LLC and that (2) You show them payable to [Financing Company-1] as the assignee[.]”

15. A day later, **STEINER** forwarded the email to Mann and wrote “FYI.” Mann responded, “This looks good. Invoices 1680 and 1681 to be paid this week.” **STEINER**, in turn,

responded to Representative-1's email and wrote: "This looks good and payment should be coming on 1680 and 1681." **STEINER's** representation was false because, as **STEINER** then well knew, Optum/UHG had no invoices from FocalPointe and would not transmit any payments to Financing Company-1.

16. On or about November 4, 2016, Mann sent **STEINER** an email at the Steiner Optum Email, copied a representative of Financing Company-2, and attached three (3) false invoices purportedly from Weitz to Optum/UHG for a total of approximately \$370,000. In the body of the email, Mann wrote: "Enclosed are the invoices from last week and they match to your system's consolidated invoices. I have them as detail attached. Can you verify that you have received this by replying to all in this email?" Later in the day, **STEINER** responded to Mann, copying the representative of Financing Company-2, and wrote: "I have received these." **STEINER's** representation was false because, as **STEINER** then well knew, Optum/UHG had no invoices from and owed nothing to Weitz.

17. On or about January 30, 2017, Mann sent **STEINER** an email at the Steiner Optum Email, copied a representative of Financing Company-2, and attached three (3) false invoices purportedly from Weitz to Optum/UHG for a total of approximately \$714,000. In the body of the email, Mann wrote: "Enclosed are the invoices from this week and they match to your system's consolidated invoices. I have them as detail attached. Can you verify that you have received this by replying to all in this email?" Later in the day, **STEINER** responded to Mann, copying the representative of Financing Company-2, and wrote: "Thanks Mike." **STEINER's** representation was false because, as **STEINER** then well knew, Optum/UHG had no invoices from and owed nothing to Weitz.

18. Between in or about 2013 and in or about August 2019, Mann regularly instructed **STEINER** what to falsely represent to Financing Company-1 and Financing Company-2 via email, text message, and telephone. Those communications, as well as the emails with Financing Company-1 and Financing Company-2 sent to and from the Steiner Optum Email, were transmitted between two or more states.

All in violation of Title 18, United States Code, Section 1349.

FORFEITURE ALLEGATION

The allegations contained in Count One of this Information are hereby realleged and incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C), Title 18, United States Code, Section 982(a)(2)(A) and Title 28, United States Code, Section 2461(c).

Upon conviction of the offense in violation of Title 18, United States Code, Section 1349 set forth in Count One of this Indictment, the defendant, **LUKE E. STEINER**, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C), Title 18, United States Code, Section 982(a)(2)(A) and Title 28, United States Code, Section 2461(c), all right, title and interest in any property constituting, and derived from, proceeds obtained directly and indirectly, as a result of such violation. The property to be forfeited includes, but is not limited to:

- a. **Money Judgment:** A money judgment in the amount of \$11,300.

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 of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

Dated: January 30, 2020

GRANT C. JAQUITH
United States Attorney

By:



Michael Barnett and Cyrus P.W. Rieck
Assistant United States Attorneys
Bar Roll Nos. 519140 and 518933