

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
v. : Criminal Number: 16-
PAUL MIL : 18 U.S.C. §§ 1349, 1957(a) and 2
and 26 U.S.C. § 7201

I N F O R M A T I O N

The defendant having waived in open court prosecution by Indictment,
the United States Attorney for the District of New Jersey charges:

Count One
(Conspiracy to Commit Health Care Fraud)

Introduction

1. At various times relevant to this Information:

The Defendant and Other Parties

a. HHCH Health Care, Inc., a co-conspirator not named as a defendant herein, was a company located in Linden, New Jersey (hereinafter "HHCH"). HHCH was a for-profit "home health agency" engaged in the business of providing home health aides and health care services to New Jersey residents. These home health aide services were subsidized under the New Jersey Medical Assistance Program (hereinafter "Medicaid").

b. People Choice Home Care, Inc., a co-conspirator not named as a defendant herein, was a company located in Elizabeth, New Jersey (hereinafter "People Choice"). People Choice was a for-profit "home health agency" engaged in

the business of providing home health aides and health care services to New Jersey residents. These home health aide services were subsidized by Medicaid.

c. Defendant Paul Mil, a resident of Springfield, New Jersey, was the primary owner and operator of People Choice. In addition, defendant Paul Mil was the registered agent of HHCH.

d. Irina Krutoyarsky, a co-conspirator not named as a defendant herein, was the primary owner and operator of HHCH.

e. Co-Conspirator One, an individual not named as a defendant herein, was the office manager for HHCH.

f. Co-Conspirator Two, an individual not named as a defendant herein, was employed by HHCH as a clerk.

Overview of Medicaid

2. Medicaid was a jointly funded, federal-state health insurance program that provided certain health benefits to individuals and families with low incomes and resources and the disabled. In New Jersey, Medicaid was administered by the New Jersey Department of Human Services. The New Jersey Department of Law and Public Safety, Division of Consumer Affairs, Board of Nursing (hereinafter the "New Jersey Board of Nursing") conducted background checks on prospective home health aides and, when appropriate, issued and renewed home health aide certifications based on documents and representations made by home health agencies.

The Conspiracy

3. From in or about early 2007 through in or about early February 2013, in Union County, in the District of New Jersey and elsewhere, defendant

PAUL MIL

knowingly and willfully conspired and agreed with HHCH Health Care, Inc., People Choice, Inc., Co-Conspirator Irina Krutoyarsky, Co-Conspirator One, Co-Conspirator Two, and others to execute a scheme and artifice to defraud the New Jersey Medical Assistance Program, a health care benefit program as defined under Title 18, United States Code, Section 24(b), and 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 health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services, contrary to Title 18, United States Code, Section 1347.

Object of the Conspiracy

4. The object of the conspiracy was to fraudulently obtain approximately \$7 million from Medicaid by (a) billing Medicaid for home health aide services not rendered to patients; and (b) billing Medicaid for home health aide services rendered by unqualified and unlicensed individuals.

Manner and Means of the Conspiracy

5. It was part of the conspiracy that defendant Paul Mil, Co-Conspirator Irina Krutoyarsky, and others billed Medicaid for home health aides services not rendered to patients.

6. It was further part of the conspiracy that defendant Paul Mil, Co-Conspirator Irina Krutoyarsky, and others submitted false documents to the New Jersey Board of Nursing to obtain home health aide certifications on behalf of prospective home health aides.

7. It was further part of the conspiracy that defendant Paul Mil, Co-Conspirator Irina Krutoyarsky, and others billed Medicaid for home health aide services rendered by unqualified and uncertified individuals, including individuals with no lawful status in the United States.

8. It was further part of the conspiracy that defendant Paul Mil, Co-Conspirator Irina Krutoyarsky, and others shared in the proceeds derived from the scheme.

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

Count Two
(Engaging in a Monetary Transaction Derived Through Medicaid Fraud)

1. The allegations set forth in the Paragraphs 1, 2 and 4 through 8 of Count One of this Information are realleged as if fully set forth herein (hereinafter the "Medicaid Scheme").

Manner and Means of the Scheme

2. Defendant Paul Mil controlled and maintained bank accounts in the name of People Choice, including a payroll account and operating account, among others (hereinafter collectively the "Accounts").

3. Defendant Paul Mil caused proceeds of the Medicaid Scheme to be deposited into the Accounts and into other accounts that he owned and controlled.

4. Defendant Paul Mil then conducted financial transactions with the proceeds of the Medicaid Scheme in amounts greater than \$10,000 to (a) purchase, maintain, pay for, and otherwise satisfy obligations related to ownership of real property in New Jersey, New York, and elsewhere; (b) purchase personal property for his own use and benefit; and (c) pay for personal expenses for his own use and benefit and the use and benefit of his family. For example:

a. On or about October 1, 2008, defendant Paul Mil issued, and caused to be issued, a check in the approximate amount of \$55,000 to purchase real estate in New Jersey.

b. On or about December 4, 2008, defendant Paul Mil issued, and caused to be issued, a check in the approximate amount of \$44,000 to purchase real estate in New Jersey.

c. On or about January 24, 2013, defendant Paul Mil issued, and caused to be issued, a check in the approximate amount of \$139,500 to purchase real estate in New York.

The Charge

5. On or about January 24, 2013, in Union County, in the District of New Jersey and elsewhere, defendant

PAUL MIL

knowingly engaged in a monetary transaction in the United States in criminally derived property of a value greater than \$10,000, such property having been derived from a specified unlawful activity, namely, health care fraud, in and affecting interstate and foreign commerce and by, through, and to financial institutions.

In violation of Title 18, United States Code, Section 1957(a).

Count Three
(Tax Evasion)

1. The allegations set forth in the Paragraphs 1, 2 and 4 through 8 of Count One and Paragraphs 2 through 4 of Count Two of this Information are realleged as if fully set forth herein.

Overview of the Tax Evasion Scheme

2. Defendant Paul Mil and Co-Conspirator Irina Krutoyarsky dispatched home health aides to patients' homes who were not eligible for Medicaid. These patients paid for these services by issuing personal checks payable to People Choice or HHCH (hereinafter the "Private Pay Checks").

3. In an effort to conceal this income from the Internal Revenue Service, defendant Paul Mil cashed these Private Pay Checks at check cashing businesses in northern New Jersey. Thereafter, defendant Paul Mil equally shared the cash derived from the Private Pay Checks with Co-Conspirator Irina Krutoyarsky. Defendant Paul Mil intentionally concealed and failed to account for the Private Pay Checks on People Choice's financial records.

4. Defendant Paul Mil filed false corporate and individual income tax returns that concealed the income derived from the Private Pay Checks. For example, on or about May 7, 2010, defendant Paul Mil signed and caused to be filed with the Internal Revenue Service a Form 1040 tax return for tax year 2009 on behalf of himself. That return declared that his taxable income for calendar year 2009 was approximately \$611,570.00 and the amount of tax due and owing was approximately \$201,222.00. The return did not include approximately

\$630,982.00 in additional taxable income that defendant Paul Mil had received in 2009. With this income, an additional tax of at least \$ 223,052.00 was due and owing to the United States.

5. In total, between 2007 through 2011, defendant Paul Mil evaded the payment of approximately \$918,369.00 in taxes due and owing to the United States.

The Charge

6. On or about May 7, 2010, in Union County, in the District of New Jersey and elsewhere, defendant

PAUL MIL

knowingly and willfully attempted to evade and defeat a substantial part of the income tax due and owing to the United States in that he signed and caused to be filed a false and fraudulent Form 1040 tax return for tax year 2009, as described in Paragraph 4 of this Count, knowing it to be false and fraudulent, as described in Paragraph 4 of this Count.

In violation of Title 26, United States Code, Section 7201 and Title 18, United States Code, Section 2.

Forfeiture Allegation

1. The allegations set forth in the preceding paragraphs of this Information are realleged as if fully set forth herein for the purpose of alleging forfeiture.

2. Under Title 18, United States Code, Sections 982(a)(1) and 982(a)(7) and based on the conviction of the federal health care fraud and money laundering offenses alleged in this Information, defendant Paul Mil shall forfeit to the United States all property, real and personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of those offenses, including but not limited to the following:

a. A forfeiture money judgment for which Paul Mil is jointly and severally liable for equal to \$7 million in United States currency, representing the amount of proceeds obtained as a result of the offenses alleged herein, namely, the federal health care fraud and money laundering offense alleged in this Information.

b. All of defendant Paul Mil's right, title, and interest, including all appurtenances and improvements thereon, in the following real property:

- (1) 30 West 63rd St. Apt. 16J, New York, New York;
- (2) 430 Morris Ave., Elizabeth, New Jersey;
- (3) 534 Ashwood Rd., Springfield, New Jersey;
- (4) 44 Golf Oval, Springfield, New Jersey;
- (5) 9 Peal St. Unit 1B, Beach Haven, New Jersey; and

- (6) 3 Kipling Avenue, Springfield, New Jersey (as subject to the terms of the plea agreement).

c. All of defendant Paul Mil's right, title, and interest in the following property:

- (1) \$281,350.39 in United States currency previously contained in a Sovereign Bank Free Business Checking Plus Account # xxxxx2678, held by: c/o: Paul Mil—People Choice Home Care, Inc.;
- (2) \$28,356.14 in United States currency previously contained in Sovereign Bank—Business Checking Account # xxxxx3016, held by: People Choice Home Care;
- (3) \$32,998.23 in United States currency previously contained in Sovereign Bank—Business Money Market Account #xxxxxx5838, held by: People Choice Home Care;
- (4) \$23,968.37 in United States currency previously contained in Sovereign Bank—Free Business Checking Account #xxxxxx3015, held by: I & P Business Mgt.;
- (5) \$41,816.12 in United States currency previously contained in Sovereign Bank—Free Business Checking Account xxxxx3198, held by: P & I Enterprise;
- (6) \$46,700.49 in United States currency previously contained in Sovereign Bank—Premier Checking Account #xxxxxx3260, held by: Paul Mil & Felix Mil;
- (7) \$312,551.00 in United States Currency previously contained in Sovereign Bank—Premier Money Market Account #xxxxxx8830, held by: Paul Mil & Felix Mil;
- (8) \$107,858.89, plus interest accrued in United States Currency previously contained in Wells Fargo Bank—Crown Classic Banking Account #xxxxxxxxxx2564, held by: Paul Mil & Bella Mil (deceased);

- (9) \$139,529.81 in United States currency previously contained in Attorney Trust Account of Belkin Burden Wenig & Goldman;
- (10) \$33,093.04 in United States currency previously contained in Sovereign Bank Account Number: xxxxx1709, held by: Edens Flow, Inc.;
- (11) \$5,472.01 in United States currency previously contained in Sovereign Bank Account Number xxxxx4598, held by: PIJ One, LLC;
- (12) \$858,787.24 in United States currency previously contained in a Sovereign Bank Account (Bank Time Deposit CD) Number XXXXXXXX5865, held by: Felix Mil and Paul Mil;
- (13) \$24,600.00 in United States currency;
- (14) \$600.85 in United States currency from 560 Euros;
- (15) \$4,900.00 from 49 American Express \$100.00 gift cards; and
- (16) \$2,236.50 in United States Currency.

3. If any of the above-described forfeitable property, as a result of any act or omission of defendant Paul Mil:

- 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;

then it is the intent of the United States to seek forfeiture of any other property of defendant Paul Mil up to the value of the forfeitable property described above.

All pursuant to Title 18, United States Code, Sections 982(a)(1), 982(a)(7) made applicable hereto by Title 18, United States Code, Section 1347; Title 28, United States Code, Section 2461; Title 18, United States Code, Section 982(a)(1) and (b)(2) and the procedures outlined at Title 21, United States Code Section 853, and set forth in Fed. R. Crim. P. 32.2.



PAUL J. FISHMAN
United States Attorney

CASE NUMBER: _____

United States District Court
District of New Jersey

UNITED STATES OF AMERICA

v.

PAUL MIL

INFORMATION FOR

Title 18, United States Code, Sections 1349, 1957(a),
and 2 and Title 26, United States Code, Section 7201

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UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal Number: 15-

v. :

PAUL MIL : WAIVER OF INDICTMENT

I, Paul Mil, the above-named defendant, who is charged as follows:

Count One: knowingly and willfully conspiring and agreeing with others to execute a scheme and artifice to defraud a health care benefit program as defined under Title 18, United States Code, Section 24(b), and 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 health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services, contrary to Title 18, United States Code, Section 1347, in violation of Title 18, United States Code, Section 1349;

Count Two: knowingly engaged in a monetary transaction in the United States in criminally derived property of a value greater than \$10,000, such property having been derived from a specified unlawful activity, in and affecting interstate and foreign commerce and by, through, and to financial institutions, in violation of Title 18, United States Code, Section 1957(a); and

Count Three: knowingly and willfully attempting to evade and defeat a substantial part of the income tax due and owing to the United States, in violation of Title 26, United States Code, Section 7201 and Title 18, United States Code, Section 2;

being advised of the nature of the charges, including the forfeiture allegation, the proposed Information, and my rights, hereby waive in open court on (Date) _____ prosecution by indictment and consent that the proceeding may be by information rather than by indictment.

Paul Mil, Defendant
Defendant

Nicholas G. Kaizer, Esq.
Attorney for defendant

Before:

HON. KATHARINE S. HAYDEN
United States Senior District Judge