

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

UNITED STATES OF AMERICA *ex rel.* WENDY  
MORALES,

Plaintiff and Relator,

-against-

TCPRNC, LLC d/b/a THE PLAZA REHAB AND  
NURSING CENTER *et al.*,

Defendants.

18 Civ. 9651 (GBD)

UNITED STATES OF AMERICA,

Plaintiff-Intervenor,

-against-

TCPRNC, LLC d/b/a THE PLAZA REHAB AND  
NURSING CENTER and CITADEL CONSULTING  
GROUP LLC d/b/a CITADEL CARE CENTERS LLC;

Defendants.

**STIPULATION AND ORDER OF SETTLEMENT AND DISMISSAL**

WHEREAS, this Stipulation and Order of Settlement and Dismissal (“Stipulation”) is entered into by and among plaintiff the United States of America (the “United States” or “Government”), by its attorney, Damian Williams, United States Attorney for the Southern District of New York, and on behalf of the Office of Inspector General for the Department of Health and Human Services (“OIG-HHS”); the relator Wendy Morales (“Relator”), by her authorized representatives; and defendants TCPRNC, LLC d/b/a The Plaza Rehab And Nursing Center (

”TCPRNC”) and Citadel Consulting Group LLC d/b/a Citadel Care Centers LLC (“Defendants,” and together with the Government and Relator, the “Parties”), by their authorized representatives;

WHEREAS, Defendant TCPRNC owns and operates a skilled nursing facility located in the Bronx (the “Plaza Rehab Center”) and, pursuant to a services agreement, Defendant Citadel Consulting Group LLC d/b/a Citadel Care Centers LLC (“Citadel”) provides administrative services to TCPRNC relating to the administration of the Plaza Rehab Center;

WHEREAS, qualifying residents of skilled nursing facilities such as the Plaza Rehab Center may enroll in insurance plans that are administered pursuant to either Medicare Part A (“Original Medicare”) or Medicare Part C. Original Medicare and Medicare Part C cover certain care provided by skilled nursing facilities to residents;

WHEREAS, in order for a skilled nursing facility to receive reimbursement for a claim under Original Medicare, that facility must submit a claim to Medicare on a fee-for-service basis;

WHEREAS, in order for a skilled nursing facility to receive reimbursement for a claim under Medicare Part C, that facility must submit a claim to a private insurance company that administers a Medicare Part C insurance plan (a “Medicare Advantage Plan”);

WHEREAS, on or about October 15, 2018, Relator filed a complaint under the *qui tam* provisions of the False Claims Act (“FCA”), 31 U.S.C. § 3729 *et seq.*, , alleging, *inter alia*, that, Plaza Rehab Center disenrolled residents from their Medicare Part C plans and enrolled them in Original Medicare without the residents’ consent;

WHEREAS, the Government alleges that from September 1, 2016 to February 28, 2019 (the “Covered Period”), Defendants violated the FCA by submitting, or causing to be submitted, false claims to Original Medicare seeking payment for care provided to Plaza Rehab Center residents whom Defendants had disenrolled from their self-selected Medicare Advantage Plans

and enrolled in Original Medicare without obtaining the residents' consent or the consent of their authorized legal representatives. As a result, Defendants received higher payments than they would have otherwise received if these residents had remained enrolled in their Medicare Advantage Plans. The conduct described in this Paragraph is the "Covered Conduct" for purposes of this Stipulation;

WHEREAS, contemporaneous with the filing of this Stipulation, the Government is filing a Notice of Election to Intervene and Complaint-In-Intervention in the above-referenced *qui tam* action ("Government Complaint"), in which it is asserting claims against Defendants under the FCA and common law for the Covered Conduct;

WHEREAS, the Parties have, through this Stipulation, reached a mutually agreeable resolution addressing the claims asserted against Defendants in the Government Complaint and the Relator Complaint, for the Covered Conduct;

NOW, THEREFORE, upon the Parties' agreement IT IS HEREBY ORDERED that:

#### **TERMS AND CONDITIONS**

1. The Parties agree that this Court has subject matter jurisdiction over this action and consent to this Court's exercise of personal jurisdiction over each of them.
2. Defendants admit, acknowledge and accept responsibility for the following conduct (the "Admitted Conduct") that occurred during the Covered Period:
  - a. TCPRNC operates Plaza Rehab Center, a skilled nursing facility that is located in the Bronx, New York and which holds itself out to the public as a "Citadel Care Center." Pursuant to a services agreement, Citadel provides administrative services to the Plaza Rehab Center, including services relating to the enrollment and disenrollment of Plaza Rehab Center residents in Medicare plans and other insurance programs.

- b. Plaza Rehab Center staff, at the direction and under pressure from a Citadel manager responsible for the new admission practices, changed Plaza Rehab Center residents' insurance from Medicare Advantage Plans to Original Medicare after such residents' admission to Plaza Rehab Center. Among other things, Citadel set a monthly disenrollment quota for Plaza Rehab Center and identified potential candidates for disenrollment. Plaza Rehab Center earned greater revenues for residents if such residents were enrolled in Original Medicare, as compared to Medicare Advantage Plans.
- c. The above-referenced Citadel manager instructed Plaza Rehab Center staff to disenroll specific residents from their Medicare Advantage Plans without regard to whether those residents or their representatives had consented to the disenrollment.
- d. Plaza Rehab Center staff often did not obtain the consent of the resident or their authorized legal representatives prior to disenrolling the resident from their Medicare Advantage Plan and enrolling them in Original Medicare.
- e. Plaza Rehab Center had a process in which staff were supposed to have residents or their representatives sign forms memorializing their consent to an insurance change before disenrolling the residents from their Medicare Advantage Plan. However, in numerous instances, Plaza Rehab Center staff disenrolled residents from their Medicare Advantage Plan and enrolled them in Original Medicare without obtaining such a signed consent form.
- f. In addition, in approximately 19 instances, Plaza Rehab Center staff purportedly obtained the residents' consent before disenrolling them from their Medicare Advantage Plan, but, according to these residents' mental status assessments, they did not have the capacity to provide consent because of their health condition. Plaza Rehab Center regularly failed to consider the results of these mental health assessments and did not evaluate the capacity of residents to consent to the insurance change.
- g. Even when Plaza Rehab Center staff obtained the consent of the resident or their representative they typically did not fully explain in writing or orally the impact of the change in coverage, which can include (i) changes to the resident's co-payments and deductibles; and (ii) loss of supplemental coverage that was available under the resident's Medicare Advantage Plan.

- h. Plaza Rehab Center staff effectuated these changes in a resident's coverage by logging on to the Medicare.gov website using the resident's personal information. Plaza Rehab Center staff would use this website to disenroll the resident from their self-selected Medicare prescription drug plan, which resulted in the resident automatically being disenrolled from their self-selected Medicare Advantage Plan and being enrolled into Original Medicare. In some instances, when completing the information online to effectuate the disenrollment, Plaza Rehab Center staff misrepresented that they were either: (i) the person listed on the enrollment form; (ii) a person helping the person listed on the enrollment form in completing the form; or (iii) a person authorized to act on behalf of the individual on the enrollment form under the laws of the State where the individual resided.
- i. Defendants often did not offer Plaza Rehab Center residents assistance in re-enrolling them in a Medicare Advantage Plan upon discharge from Plaza Rehab Center facility.
- j. As a result of the conduct described above, the Government made payments under Original Medicare to Plaza Rehab Center for residents who were improperly enrolled in Original Medicare without their consent. Plaza Rehab Center was not entitled to these payments.

3. Defendants shall pay to the Government within fourteen (14) business days of the Effective Date (defined below in Paragraph 31) the sum of \$7,850,000 plus interest which shall be compounded annually at a rate of 1.5% accruing from April 14, 2022, to the date of the payment (the "Settlement Amount") in accordance with instructions to be provided by the Financial Litigation Unit of the United States Attorney's Office for the Southern District of New York. Of the Settlement Amount, \$3,925,000 plus applicable interest constitutes restitution to the United States.

4. Citadel shall take reasonable steps to ensure that all skilled nursing facilities that are Citadel Care Centers comply with the Centers for Medicare & Medicaid Services ("CMS") guidance on Medicare health plan disenrollments and enrollments, as set forth in CMS's *Memo to Long Term Care Facilities on Medicare Health Plan Enrollment* (October 2021), available at

<https://www.cms.gov/files/document/lcfdisenrollmentmemo.pdf>, and all Medicare regulations set forth therein.

5. Defendants agree to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Stipulation. Upon reasonable notice, Defendants shall encourage, and agree not to impair, the cooperation of its directors, officers, and employees, and shall use its best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. Defendants further agree to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in its possession, custody, or control concerning any investigation of the Covered Conduct that it has undertaken, or that has been performed by another on its behalf.

6. Subject to the exceptions in Paragraph 11 (concerning reserved claims) below and subject to Paragraph 12 (concerning default) and Paragraph 17 (concerning bankruptcy proceedings) below, and conditioned on Defendants' full compliance with the terms of this Stipulation, including full payment of the Settlement Amount to the United States pursuant to Paragraph 3 above, the United States releases Defendants, including its subsidiaries and corporate predecessors, successors and assigns, from any civil or administrative monetary claim that the United States has for the Covered Conduct under the FCA, the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a, the Program Fraud Civil Remedies Act, 31 U.S.C. § 3801-3812, and the common law theories of fraud, payment by mistake, and unjust enrichment. For avoidance of doubt, this Stipulation does not release: (1) any current or former officer, director, employee, or agent of Defendants from liability of any kind; (2) Citadel Consulting Group LLC, for any conduct that relates to a skilled nursing facility other than the Plaza Rehab Center.

7. Defendants fully and finally release the United States, its agencies, officers, employees, servants, and agents from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Defendants have asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, employees, servants, or agents related to the Covered Conduct or the United States' investigation, prosecution and settlement thereof.

8. In consideration of the obligations of Defendants in this Agreement and the Corporate Integrity Agreement ("CIA"), entered into between OIG-HHS and Defendants, and upon the United States' receipt of full payment of the Settlement Amount, plus any interest due under Paragraph 3, the OIG-HHS shall release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from Medicare, Medicaid, and other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) against Defendants under 42 U.S.C. § 1320a-7a (Civil Monetary Penalties Law) or 42 U.S.C. § 1320a-7(b)(7) (permissive exclusion for fraud, kickbacks, and other prohibited activities) for the Covered Conduct, except as reserved in this paragraph and in Paragraph 11 (concerning reserved claims), below. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude Defendants from Medicare, Medicaid, and other Federal health care programs under 42 U.S.C. § 1320a-7(a) (mandatory exclusion) based upon the Covered Conduct. Nothing in this paragraph precludes the OIG-HHS from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 11 below.

9. Subject to the exceptions in Paragraph 11 (concerning reserved claims) below and subject to Paragraph 12 (concerning default) and Paragraph 17 (concerning bankruptcy proceedings) below, and conditioned on Defendants' full compliance with the terms of this

Stipulation, including full payment of the Settlement Amount to the United States pursuant to Paragraph 3 above, Relator, for herself and her heirs, successors, attorneys, agents, and assigns, releases Defendants, including their subsidiaries and corporate predecessors, successors and assigns, as well as all of their current and former officers, directors, employees, attorneys, and other agents, from any and all manner of claims, proceedings, liens, and causes of action of any kind or description that Relator has against Defendants related to or arising from the Relator Complaint; provided, however, that nothing in this Stipulation shall preclude Relator from seeking to recover her reasonable expenses and attorneys' fees and costs pursuant to 31 U.S.C. § 3730(d).

10. In consideration of the execution of this Stipulation by Relator and the Relator's release as set forth in Paragraph 9 above, Defendants, including their subsidiaries, predecessors, and corporate successors and assigns, as well as all of its current and former officers, directors, employees, attorneys, and other agents, release Relator and her heirs, successors, attorneys, agents, and assigns, from any and all manner of claims, proceedings, liens, and causes of action of any kind or description that Defendants have against Relator related to or arising from the Relator Complaint.

11. Notwithstanding the releases given in Paragraph 6 above, or any other term of this Stipulation, the following claims of the Government are specifically reserved and are not released by this Stipulation:

- a. any liability arising under Title 26, United States Code (Internal Revenue Code);
- b. any criminal liability;



- c. except as explicitly stated in this Stipulation, any administrative liability or enforcement right, including mandatory exclusion from any Federal health care program;
- d. any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. any liability based upon obligations created by this Stipulation; and
- f. any liability of individuals.

12. Defendants shall be in default of this Stipulation if Defendants fail to make the required payment set forth in Paragraph 3 above on or before the due date for such payment, or if Defendants fail to comply materially with any other term of this Stipulation that applies to Defendants (“Default”). The Government will provide a written Notice of Default to Defendants of any Default in the manner set forth in Paragraph 30 below. Defendants shall then have an opportunity to cure the Default within seven (7) calendar days from the date of receipt of the Notice of Default by making the payment due and paying any additional interest accruing under the Stipulation up to the date of payment. If Defendants fail to cure the Default within thirty (30) calendar days of receiving the Notice of Default (“Uncured Default”), interest on the remaining unpaid balance shall thereafter accrue at the rate of 12% per annum, compounded daily from the date of Default, on the remaining unpaid total (principal and interest balance). In the event of an Uncured Default, Defendants shall agree to the entry of a consent judgment in favor of the United States against Defendants in the amount of the Settlement Amount as attached hereto as Exhibit A. Defendants also agree that the United States, at its sole discretion, may (i) retain any payments previously made, rescind this Stipulation, and reinstate the claims asserted against Defendants in the Government Complaint, or bring any civil and/or administrative claim, action, or proceeding

against Defendants for the claims that would otherwise be covered by the releases provided in Paragraphs 6 and 8 above, with any recovery reduced by the amount of any payments previously made by Defendants to the United States under this Stipulation; (ii) take any action to enforce this Stipulation in a new action or by reinstating the Government Complaint; (iii) offset the remaining unpaid balance from any amounts due and owing to Defendants and/or affiliated companies by any department, agency, or agent of the United States at the time of Default or subsequently; and/or (iv) exercise any other right granted by law, or under the terms of this Stipulation, or recognizable at common law or in equity. The United States shall be entitled to any other rights granted by law or in equity by reason of Default, including referral of this matter for private collection. In the event the United States pursues a collection action, Defendants agree immediately to pay the United States the greater of (i) a ten-percent (10%) surcharge of the amount collected, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States' reasonable attorneys' fees and expenses incurred in such an action. In the event that the United States opts to rescind this Stipulation pursuant to this paragraph, Defendants waive and agree not to plead, argue, or otherwise raise any defenses of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims that (i) are filed by the United States against Defendants within 120 days of written notification that this Stipulation has been rescinded, and (ii) relate to the Covered Conduct, except to the extent these defenses were available on October 15, 2018. Defendants agree not to contest any offset, recoupment, and/or collection action undertaken by the United States pursuant to this paragraph, either administratively or in any state or federal court, except on the grounds of actual payment to the United States.

13. Defendants, having truthfully admitted to the Admitted Conduct set forth in Paragraph 2 hereof, agree they shall not, through their attorneys, agents, officers, or employees,

make any public statement, including but not limited to, any statement in a press release, social media forum, or website, that contradicts or is inconsistent with the Admitted Conduct or suggests that the Admitted Conduct is not wrongful (a “Contradictory Statement”). Any Contradictory Statement by Defendants, their attorneys, agents, officers, or employees, shall constitute a violation of this Stipulation, thereby authorizing the Government to pursue any of the remedies set forth in Paragraph 12 hereof, or seek other appropriate relief from the Court. Before pursuing any remedy, the Government shall notify Defendants that it has determined that Defendants have made a Contradictory Statement. Upon receiving notice from the Government, Defendants may cure the violation by repudiating the Contradictory Statement in a press release or other public statement within four business days. If Defendants learn of a potential Contradictory Statement by their attorneys, agents, officers, or employees, Defendants must notify the Government of the statement within 24 hours. The decision as to whether any statement constitutes a Contradictory Statement or will be imputed to Defendants for the purpose of this Stipulation, or whether Defendants adequately repudiated a Contradictory Statement to cure a violation of this Stipulation, shall be within the sole discretion of the Government. Consistent with this provision, Defendants may raise defenses and/or assert affirmative claims or defenses in any proceeding brought by private and/or public parties, so long as doing so would not contradict or be inconsistent with the Admitted Conduct.

14. Relator and her heirs, successors, attorneys, agents, and assigns shall not object to this Stipulation; Relator agrees and confirms that the terms of this Stipulation are fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B).

15. Defendants agree that they waive and shall not seek payment for any of the health care billings covered by this Stipulation from any health care beneficiaries or their parents,

sponsors, legally responsible individuals, or third party payors based upon the claims defined as Covered Conduct.

16. Defendants waive and shall not assert any defenses that they may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Stipulation bars a remedy sought in such criminal prosecution or administrative action.

17. In exchange for valuable consideration provided in this Stipulation, Defendants acknowledges the following:

- a. Defendants have reviewed their financial situation and warrant that they are solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I) and shall remain solvent following payment to the United States of the Settlement Amount.
- b. In evaluating whether to execute this Agreement, the Parties intend that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to Defendants, within the meaning of 11 U.S.C. § 547(c)(1), and the Parties conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange.
- c. The mutual promises, covenants, and obligations set forth herein are intended by the Parties to, and do in fact, constitute a reasonably equivalent exchange of value.

- d. The Parties do not intend to hinder, delay, or defraud any entity to which Defendants were or became indebted on or after the date of any transfer contemplated in this Stipulation, within the meaning of 11 U.S.C. § 548(a)(1).
- e. If Defendants' obligations under this Stipulation are avoided for any reason (including but not limited to through the exercise of a trustee's avoidance powers under the Bankruptcy Code) or if, before the Settlement Amount is paid in full, Defendants or a third party commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking any order for relief of Defendants; debts, or to adjudicate Defendants as bankrupt or insolvent, or seeking appointment of a receiver, trustee, custodian, or other similar official for Defendants or for all or any substantial part of Defendants' assets:
  - (1) the United States may rescind the releases in this Stipulation and bring any civil and/or administrative claim, action, or proceeding against Defendants for the claims that would otherwise be covered by the releases provided in Paragraphs 6 and 8 above.
  - (2) the United States has an undisputed, noncontingent, and liquidated allowed claim against a Defendant in the amount of \$7,850,000, less any payments received pursuant to the Stipulation, provided, however, that such payments are not otherwise avoided and recovered from the United States by Defendants, a receiver, trustee, custodian, or other similar official for Defendants; and

(3) if any payments are avoided and recovered by Defendants, a receiver, trustee, custodian, or similar official for Defendants, Relator shall, within thirty days of written notice from the United States to the undersigned Relator's counsel, return any portions of such payments already paid by the United States to Relator.

f. Defendants agree that any civil and/or administrative claim, action, or proceeding brought by the United States under Paragraph 17(e) above is not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) because it would be an exercise of the United States' police and regulatory power. Defendants shall not argue or otherwise contend that the United States' claim, action, or proceeding is subject to an automatic stay and, to the extent necessary, consents to relief from the automatic stay for cause under 11 U.S.C. § 362(d)(1). Defendants waive and shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claim, action, or proceeding brought by the United States within 120 days of written notification to Defendants that the releases have been rescinded pursuant to this paragraph, except to the extent such defenses were available on October 15, 2018.

18. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare contractor (e.g., Medicare Administrative Contractor, fiscal intermediary, carrier) related to the Covered Conduct; and Defendants agrees not to resubmit to any Medicare contractor any previously denied claims related to the Covered Conduct, agrees not to appeal any such denials of claims, and agrees to

withdraw any such pending appeals.

19. Defendants agree to the following:

a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395kkk-1 and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Defendants, including their present or former officers, directors, employees, and agents in connection with:

- (1) the matters covered by this Stipulation;
- (2) the United States' audit(s) and civil investigation(s) of matters covered by this Stipulation;
- (3) Defendants' investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with matters covered by this Stipulation (including attorneys' fees);
- (4) the negotiation and performance of this Stipulation; and
- (5) any payment Defendants make to the United States pursuant to this Stipulation and any payment Defendants may make to Relator, including expenses, costs and attorneys' fees;
- (6) the negotiation of, and obligations undertaken pursuant to the CIA to: (i) retain an independent review organization to perform annual reviews as described in Section III of the CIA; and (ii) prepare and submit reports to the OIG-HHS;

are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program (FEHBP) (hereinafter referred to as “Unallowable Costs”).

- b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by Defendants, and Defendants shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States or any State Medicaid program, or seek payment for such Unallowable Costs through any cost report, cost statement, information statement, or payment request submitted by Defendants or any of their subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.
- c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Stipulation, Defendants shall identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid and FEHBP fiscal agents, any Unallowable Costs (as defined in this paragraph) included in payments previously sought from the United States, or any State Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by Defendants or any of their subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the Unallowable Costs. Defendants agree that the United States, at a minimum, shall be entitled to recoup from



Defendants any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted cost reports, information reports, cost statements, or requests for payment. Any payments due after the adjustments have been made shall be paid to the United States pursuant to the direction of the Department of Justice and/or the affected agencies. The United States, including the Department of Justice and/or the affected agencies, reserves its rights to disagree with any calculation submitted by Defendants or any of their subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on Defendants' or any of their subsidiaries' or affiliates' cost reports, cost statements, or information reports.

d. Nothing in this Stipulation shall constitute a waiver of the rights of the United States to audit, examine, or re-examine Defendants' books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

20. This Stipulation is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity except as otherwise provided herein.

21. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Stipulation; provided, however, nothing in this Stipulation shall preclude Relator from seeking to recover her expenses or attorneys' fees and costs from Defendants, pursuant to 31 U.S.C. § 3730(d).

22. Any failure by the Government to insist upon the full or material performance of any of the provisions of this Stipulation shall not be deemed a waiver of any of the provisions

hereof, and the Government, notwithstanding that failure, shall have the right thereafter to insist upon the full or material performance of any and all of the provisions of this Stipulation.

23. This Stipulation is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Stipulation is the United States District Court for the Southern District of New York.

24. For purposes of construing this Stipulation, this Stipulation shall be deemed to have been drafted by all Parties to this Stipulation and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

25. This Stipulation constitutes the complete agreement between the Parties with respect to the subject matter hereof. This Stipulation may not be amended except by written consent of the Parties. No prior agreements, oral representations or statements shall be considered part of this Stipulation.

26. The undersigned counsel and other signatories represent and warrant that they are fully authorized to execute this Stipulation on behalf of the persons and the entities indicated below.

27. This Stipulation is binding on Defendants' successors, transferees, heirs, and assigns.

28. This Stipulation is binding on Relator's successors, transferees, heirs, and assigns.

29. This Stipulation may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Stipulation. E-mails that attach signatures in PDF form or facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Stipulation.

30. Any notice pursuant to this Stipulation shall be in writing and shall, unless expressly provided otherwise herein, be delivered by hand, express courier, or e-mail transmission followed by postage-prepaid mail, and shall be addressed as follows:

TO THE UNITED STATES:

Charles S. Jacob  
Assistant United States Attorney  
United States Attorney's Office  
Southern District of New York  
86 Chambers Street, Third Floor  
New York, New York 10007  
Email: charles.jacob@usdoj.gov

TO DEFENDANTS:

David Kelley  
Dechert LLP  
Three Bryant Park  
1095 Avenue of the Americas  
New York, NY 10036  
Email: david.kelley@dechert.com

TO RELATOR:

Peter Katz  
Law Offices of Peter Katz, LLC  
116 Village Blvd., 2nd Floor  
Princeton, NJ 08540  
Email: peter@pkatzlegal.com

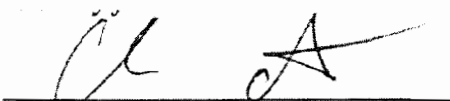
31. The effective date of this Stipulation is the date upon which the Stipulation is approved by the Court (the "Effective Date").

Agreed to by:

**THE UNITED STATES OF AMERICA**

Dated: June 20, 2022

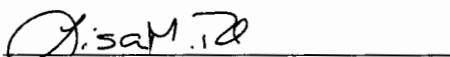
DAMIAN WILLIAMS  
United States Attorney for the  
Southern District of New York

By: 

Charles S. Jacob  
Assistant United States Attorney  
86 Chambers Street, Third Floor  
New York, New York 10007  
Tel.: (212) 637-2725  
Fax: (212) 637-2702  
*Attorney for the United States of America*

Dated: June 13 2022

Office of the Inspector General,  
the U.S. Department of Health and Human Services

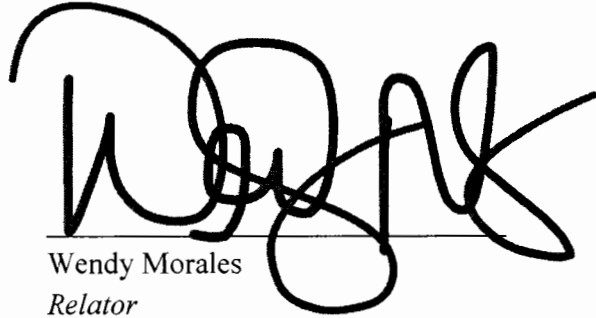
By: 

LISA M. RE  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
United States Department of Health and Human  
Services  
*Attorney for HHS-OIG*

**RELATOR**

Dated: \_\_\_\_\_, \_\_\_\_\_

By: \_\_\_\_\_



Wendy Morales  
*Relator*

Dated: New York, New York  
\_\_\_\_\_, \_\_\_\_\_

Law Offices of Peter Katz

By: \_\_\_\_\_

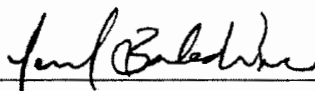


Peter Katz  
Law Offices of Peter Katz, LLC  
116 Village Blvd., 2nd Floor  
Princeton, NJ 08540  
Email: peter@pkatzlegal.com  
*Attorney for Relator Wendy Morales*

**DEFENDANT TCPRNC, LLC D/B/A THE PLAZA REHAB NURSING CENTER**

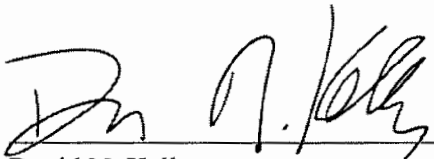
Dated: New York, New York

June 14, 2022

By:   
Yuval Bar-kokhba  
General Counsel  
TCPRNC, LLC

Dated: New York, New York

June 16, 2022

By:   
David N. Kelley  
Partner  
Dechert LLP

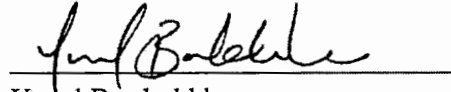
*Attorneys for Defendant TCPRNC d/b/a The  
Plaza Rehab Center*

**DEFENDANT CITADEL CONSULTING GROUP LLC**

Dated: New York, New York

June 14, 2022

By:

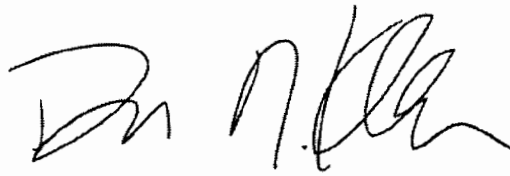


Yuval Bar-kokhba  
General Counsel  
Citadel Consulting Group LLC

Dated: New York, New York

June 16, 2022

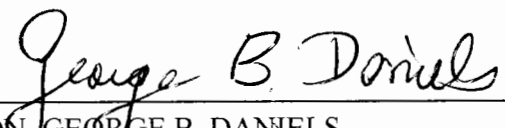
By:



David N. Kelley  
Partner  
Dechert LLP

*Attorneys for Defendant Citadel Consulting  
Group LLC*

SO ORDERED:

  
\_\_\_\_\_  
HON. GEORGE B. DANIELS  
UNITED STATES DISTRICT JUDGE

Dated: ~~JUN 27, 2021~~



# **Exhibit A**

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

UNITED STATES OF AMERICA *ex rel.* WENDY  
MORALES,

Plaintiff and Relator,

-against-

TCPRNC, LLC d/b/a THE PLAZA REHAB AND  
NURSING CENTER *et al.*,

Defendants.

18 Civ. 9651 (GBD)

UNITED STATES OF AMERICA,

Plaintiff-Intervenor,

-against-

TCPRNC, LLC d/b/a THE PLAZA REHAB AND  
NURSING CENTER and CITADEL CONSULTING  
GROUP LLC d/b/a CITADEL CARE CENTERS LLC;

Defendants.

**JUDGMENT**

**JUDGMENT**

Upon the consent of plaintiff the United States of America and defendants TCPRNC, LLC d/b/a The Plaza Rehab And Nursing Center and Citadel Consulting Group LLC d/b/a Citadel Care Centers LLC (together, "Defendants"), it is hereby:

ORDERED, ADJUDGED and DECREED: that plaintiff the United States of America is awarded judgment in the amount of \$7,850,000 against Defendants, as well as post-judgment

interest at the rate of 12% per annum compounded daily, and that each Defendant is jointly and severally liable for this amount.

Agreed to by:

**THE UNITED STATES OF AMERICA**

Dated: June 21, 2022

DAMIAN WILLIAMS  
United States Attorney for the  
Southern District of New York

By: \_\_\_\_\_

Charles S. Jacob  
Assistant United States Attorney  
86 Chambers Street, Third Floor  
New York, New York 10007  
Tel.: (212) 637-2725  
Fax: (212) 637-2702  
*Attorney for the United States of America*

**DEFENDANT TCPRNC, LLC D/B/A THE PLAZA REHAB AND NURSING CENTER**

Dated: New York, New York  
\_\_\_\_\_, 20\_\_

By: \_\_\_\_\_  
Yuval Bar-kokhba  
General Counsel  
TCPRNC, LLC

Dated: New York, New York  
\_\_\_\_\_, 20\_\_

By: \_\_\_\_\_  
David N. Kelley  
Partner  
Dechert LLP

*Attorneys for Defendant TCPRNC d/b/a The  
Plaza Rehab And Nursing Center*

**DEFENDANT CITADEL CONSULTING GROUP LLC D/B/A CITADEL CARE CENTERS LLC**

Dated: New York, New York  
\_\_\_\_\_, 20\_\_

By: \_\_\_\_\_  
Yuval Bar-kokhba  
General Counsel  
Citadel Consulting Group LLC

Dated: New York, New York  
\_\_\_\_\_, 20\_\_

By: \_\_\_\_\_  
David N. Kelley  
Partner  
Dechert LLP

*Attorneys for Defendant Citadel Consulting Group LLC*

SO ORDERED:

Dated: New York, New York  
June \_\_, 2022

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HONORABLE GEORGE B. DANIELS  
UNITED STATES DISTRICT JUDGE