

Presented to the Court by the foreman of the  
Grand Jury in open Court, in the presence of  
the Grand Jury and FILED in the U.S.  
DISTRICT COURT at Seattle, Washington.

October 30 2024  
Ravi Subramanian, Clerk  
By [Signature] Deputy

UNITED STATES DISTRICT COURT FOR THE  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

UNITED STATES OF AMERICA,  
Plaintiff,

v.

KELLY M. LEE-CARROLL,  
ROBERT H. NELSON III, and  
KATOYA F. GRANT,  
Defendants.

NO. **CR 24 - 202 JLR**  
**INDICTMENT**

The Grand Jury charges that:

**Overview**

1. Between about July 20, 2012 and October 30, 2024, KELLY M. LEE-CARROLL, ROBERT H. NELSON III, and KATOYA F. GRANT executed a scheme to fraudulently obtain benefits and other money from the United States Department of Veterans Affairs ("VA"), by falsely representing to the VA that LEE-CARROLL was so seriously disabled that she was unable to walk or use her right arm, and required assistance with performing activities of daily living, when, in fact, LEE-CARROLL was

1 walking and using her right arm. Defendants further falsely represented that ROBERT H.  
2 NELSON III (LEE-CARROLL's son) and KATOYA F. GRANT (LEE-CARROLL's  
3 sister) were providing caregiving services for LEE-CARROLL, with NELSON and  
4 GRANT claiming reimbursements from the VA for those services, when those services  
5 were not actually performed. In all, the defendants caused the VA to pay out more than  
6 \$1,100,000 in benefits that were not properly payable.

7 **Background**

8 2. The VA is a department and agency of the United States Government.

9 3. The VA provides veterans with medical treatment and services through the  
10 Veterans Health Administration ("VHA") and disability compensation through the  
11 Veterans Benefits Administration ("VBA").

12 4. The VHA and VBA are "health care benefit program[s]," as defined by  
13 Title 18, United States Code, Section 24(b).

14 5. The VA, through the VHA and VBA, is a "health care benefit program," as  
15 defined by Title 18, United States Code, Section 24(b).

16 6. The VHA provides the Veteran-Directed Care ("VDC") program. The VDC  
17 program provides veterans with a budget that allows them to hire their own caregivers  
18 who will assist the veterans with performing activities of daily living, such as bathing,  
19 dressing, fixing meals, and toileting.

20 7. A veteran's eligibility and budget for VDC are based on a "case mix score."  
21 The case mix score is calculated using, among other things, the number of activities of  
22 daily living that the veteran requires assistance to perform. This information can be  
23 collected from the veteran as well as from a person familiar with the veteran's condition,  
24 the veteran's medical records, or the assessor's observation.

25 8. The VA contracts with the Washington State Department of Social and  
26 Health Services ("DSHS"), which oversees the VDC program. Caregivers, who are paid  
27

1 an hourly rate, must submit their timesheets to DSHS subcontractors to receive payment.  
2 DSHS subcontractors pay the caregivers based on the number of hours that the caregivers  
3 claim to have spent caring for the veteran in their timesheets. DSHS then reimburses its  
4 subcontractors for these payments, after which DSHS bills the VA for reimbursement.

5 9. The VBA provides disability compensation to veterans who suffered  
6 injuries or diseases while on active military duty or whose injuries or diseases were  
7 aggravated by active military duty. This benefit is thus called a service-connected benefit,  
8 and a grant of “service connection” for a disability is a finding that the veteran’s  
9 disability or condition is directly related to his or her military service.

10 10. When a veteran files a claim for disability benefits, the VA may conduct a  
11 Compensation and Pension Examination (“C&P exam”). The C&P exam helps the VA  
12 determine whether a veteran has a service-connected disability and rate the severity of the  
13 disability. The VA conducts a C&P exam if it needs more information to decide a  
14 veteran’s claim, if a veteran seeks an increase in his or her disability rating, or if a  
15 question arises regarding a veteran’s current rating.

16 11. KELLY M. LEE-CARROLL served in the United States Army for  
17 approximately three months in 1986, and in the United States Army Reserves from  
18 August 1986 to October 1994.

19 12. LEE-CARROLL has received a VDC budget from the VHA since May  
20 2013, which pays for her caregivers.

21 13. LEE-CARROLL designated KATOYA F. GRANT and ROBERT H.  
22 NELSON III as her caregivers.

23 14. LEE-CARROLL has received special monthly compensation from the  
24 VBA since July 20, 2012. Special monthly compensation is disability compensation that  
25 is paid to veterans who are so disabled as to be permanently bedridden or in need of  
26 regular aid and attendance.  
27

**Count 1****(Conspiracy to Commit Theft of Government Property)****A. The Conspiracy and Its Object**

15. Beginning on or about November 2015, and continuing through about May 2024, in King County, within the Western District of Washington, and elsewhere, KELLY M. LEE-CARROLL, ROBERT H. NELSON III, and KATOYA F. GRANT, together with others known and unknown to the grand jury, did knowingly and willfully conspire, combine, confederate, and agree to willfully and knowingly steal, purloin, and convert to their own uses, and the use of another, a Veteran-Directed Care (“VDC”) budget from the Veterans Health Administration (“VHA”) and special monthly compensation from the Veterans Benefits Administration (“VBA”), property of the United States with a value in excess of \$1,000, and thereby commit the offense of Theft of Government Property in violation of Title 18, United States Code, Section 641.

16. The object of the conspiracy was for LEE-CARROLL, NELSON, and GRANT to obtain compensation and other benefits from the VHA and VBA by falsely representing that LEE-CARROLL was unable to walk or use her right arm, and required assistance with performing activities of daily living, and that NELSON and GRANT were providing caregiving services to LEE-CARROLL.

**B. Manner and Means**

The following conduct was part of the conspiracy:

17. *Veteran-Directed Care:* In January 2013, LEE-CARROLL called the VHA to inquire about her eligibility for Veteran-Directed Care (“VDC”). During the call, LEE-CARROLL stated that she was bedbound with left-side paralysis and required constant assistance with performing all activities of daily living.

18. LEE-CARROLL represented to the VHA that she could not walk at all, which resulted in case mix scores that enabled her to receive VDC benefits from 2013 to

1 2023.

2 19. In September 2015, LEE-CARROLL received an increase in her VDC  
3 budget from \$4,573 to \$8,757 per month based on her representation to the VHA that she  
4 needed 16 hours of care for assistance with all activities of daily living.

5 20. To obtain re-authorization of this budget increase, LEE-CARROLL  
6 represented to her VA primary care provider in May 2022 that she was wheelchair-  
7 dependent when, in fact, she was able to walk. Based in part on her representations, her  
8 VDC budget was re-authorized.

9 21. LEE-CARROLL, as a VDC-program enrollee, represented to the VA that  
10 her son NELSON and sister GRANT would serve as her caregivers.

11 22. LEE-CARROLL, NELSON, and GRANT agreed that NELSON and  
12 GRANT would submit timesheets to DSHS subcontractors claiming hours of work caring  
13 for LEE-CARROLL when, in fact, LEE-CARROLL did not require the assistance of  
14 NELSON or GRANT and NELSON and GRANT had not provided care to LEE-  
15 CARROLL during the claimed time periods.

16 23. NELSON received VDC payments based on his role as LEE-CARROLL's  
17 caregiver from November 2015 to November 2021. GRANT received VDC payments  
18 based on her role as LEE-CARROLL's caregiver from January 2016 to June 2023.

19 24. For example, NELSON submitted a timesheet claiming to have cared for  
20 LEE-CARROLL from early morning to mid-afternoon each day between November 1,  
21 2021 and November 15, 2021, when, in fact, NELSON worked as a truck driver during  
22 those hours. GRANT submitted a timesheet claiming to have cared for LEE-CARROLL  
23 for a total of 42 hours between July 20, 2022 and July 23, 2022, when, in fact, GRANT  
24 was in Washington and LEE-CARROLL was in Las Vegas, Nevada, during that time.

25 25. NELSON and GRANT submitted timesheets claiming to have cared for  
26 LEE-CARROLL even for periods that LEE-CARROLL was out of the country and  
27

1 NELSON and GRANT had not accompanied her. For example, while LEE-CARROLL  
2 was in Cancun, Mexico, from September 29, 2019 through October 6, 2019, NELSON  
3 and GRANT submitted timesheets claiming to have cared for LEE-CARROLL for a total  
4 of 61 and 31 hours respectively. While LEE-CARROLL was in Montego Bay, Jamaica,  
5 from August 4 through August 8, 2019, NELSON and GRANT submitted timesheets  
6 claiming to have cared for LEE-CARROLL for a total of 38 and 20 hours respectively.

7 26. NELSON and GRANT received VDC payments after submitting fraudulent  
8 timesheets to DSHS subcontractors.

9 27. As a result of the fraud, Defendants collected approximately \$792,606.72 in  
10 VDC benefits that were not properly payable.

11 28. ***Special Monthly Compensation:*** On July 20, 2012, LEE-CARROLL filed  
12 a claim for benefits with the VBA seeking the grant of service connection and entitlement  
13 to special monthly compensation for, among other things, the loss of use of her right hand  
14 and foot. The VBA conducted two C&P exams before denying her claim on July 24,  
15 2013.

16 29. After her claim was denied, LEE-CARROLL represented to VA physicians  
17 that she was unable to stand or walk, was wheelchair-bound, and was unable to use her  
18 right arm.

19 30. Based in part on these representations, the VBA granted LEE-CARROLL  
20 service connection and entitlement to special monthly compensation for the loss of use of  
21 one hand and one foot. As a result, LEE-CARROLL began receiving special monthly  
22 compensation retroactive to July 20, 2012.

23 31. LEE-CARROLL continuously collected VBA benefits between July 20,  
24 2012 and October 30, 2024. For some or all of this period, and at least by July 20, 2022,  
25 LEE-CARROLL was able to walk without assistance, use her right arm, go grocery  
26 shopping, travel to foreign countries, and gamble in casinos. However, she not only  
27



1 omitted and concealed this information from, and failed to disclose this information to,  
2 the VA, but also falsely represented to the VA that she could not walk without assistance  
3 and that she was incapable of using her right hand to hold objects.

4 32. As a result of the fraud, LEE-CARROLL collected approximately  
5 \$368,733.08 in VBA benefits that were not properly payable.

6 **C. Overt Acts**

7 33. In furtherance of the conspiracy, and to accomplish one or more of its  
8 objects, LEE-CARROLL, NELSON, and GRANT, and others known and unknown to  
9 the grand jury, committed and caused to be committed one or more of the following overt  
10 acts in the Western District of Washington:

11 a. On or about February 16, 2021, NELSON submitted a timesheet  
12 reporting a total of 110 hours of work caring for LEE-CARROLL between February 1,  
13 2021 and February 15, 2021, from early morning to mid-afternoon each day. During  
14 those hours, NELSON reported to work as a truck driver. Based on NELSON's  
15 misrepresentations on his timesheet, on or about March 1, 2021, NELSON received a  
16 deposit of approximately \$2,312.96 into his Alaska USA Federal Credit Union bank  
17 account -2232.

18 b. On or about November 18, 2021, NELSON submitted a timesheet  
19 reporting a total of 108 hours of work caring for LEE-CARROLL between November 1,  
20 2021 and November 15, 2021, from early morning to mid-afternoon each day. During  
21 those hours, NELSON reported to work as a truck driver. Based on NELSON's  
22 misrepresentations on his timesheet, on or about December 1, 2021, NELSON received a  
23 deposit of approximately \$2,495.34 into his Alaska USA Federal Credit Union bank  
24 account -2232.

25 c. On or about February 20, 2022, GRANT submitted a timesheet  
26 reporting a total of 110 hours of work caring for LEE-CARROLL between February 1,  
27

1 2022 and February 15, 2022. Between February 4, 2022 and February 7, 2022, GRANT  
2 reported 29 hours of work caring for LEE-CARROLL. During that time, LEE-  
3 CARROLL was in Tennessee while GRANT was in Washington. Based on GRANT's  
4 misrepresentations on her timesheet, on or about March 1, 2022, GRANT received a  
5 deposit of approximately \$3,916.98 into her Community 1<sup>st</sup> Credit Union bank account -  
6 3890.

7 d. On or about August 1, 2022, GRANT submitted a timesheet  
8 reporting a total of 136 hours of work caring for LEE-CARROLL between July 17, 2022  
9 and July 30, 2022. Between July 20, 2022 and July 23, 2022, GRANT reported 42 hours  
10 of work caring for LEE-CARROLL. During that time, LEE-CARROLL was in Nevada  
11 while GRANT was in Washington. Based on GRANT's misrepresentations on her  
12 timesheet, on August 1, 2022, GRANT received a deposit of approximately \$3,026.25  
13 into her Community 1<sup>st</sup> Credit Union bank account -3890.

14 e. On May 3, 2024, LEE-CARROLL attended a C&P exam in a  
15 wheelchair. LEE-CARROLL knew that the primary purpose of conducting the C&P  
16 exam was to gather information or statements to make an updated eligibility  
17 determination. During the C&P exam, LEE-CARROLL represented to the examiner that  
18 her right arm and leg had not improved since 2012, that she could not walk without a  
19 walker at home and needed a wheelchair when leaving home, and that she could not even  
20 hold a coffee cup with her right hand. In fact, LEE-CARROLL was able to walk without  
21 a walker outside her home and was capable of using her right hand to hold objects,  
22 including a coffee cup. While her eligibility determination was pending, LEE-CARROLL  
23 continued to collect approximately \$11,156.39 in Special Monthly Compensation each  
24 month until August 2024.

25 All in violation of Title 18, United States Code, Section 371.  
26  
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**Counts 2-8****(Theft of Government Property)**

34. The grand jury hereby incorporates Paragraphs 1-32 of this Indictment as if fully set forth herein.

35. Between July 20, 2012 and August 30, 2024, and on or about the dates set forth below, in King County, within the Western District of Washington, and elsewhere, the defendants specified below did willfully and knowingly steal, purloin, and convert to their own uses, and the use of another, a Veteran-Directed Care ("VDC") budget from the Veterans Health Administration ("VHA") and special monthly compensation from the Veterans Benefits Administration ("VBA"), property of the United States with a value in excess of \$1,000, as further detailed below. Each of the offenses identified in Counts 2 through 8 was committed in furtherance of, and was a foreseeable part of, the conspiracy charged in Count 1 of this Indictment. Each of the following acts constitutes a separate count of this Indictment:

Count	Date	Defendant(s) Charged	Transaction
2	03/01/2021	LEE-CARROLL and NELSON	Deposit of approximately \$2,312.96 in VDC payment into NELSON's Alaska USA Federal Credit Union bank account - 2232
3	12/1/2021	LEE-CARROLL and NELSON	Deposit of approximately \$2,495.34 in VDC payment into NELSON's Alaska USA Federal Credit Union bank account - 2232
4	03/01/2022	LEE-CARROLL and GRANT	Deposit of approximately \$3,916.98 in VDC payment into GRANT's Community 1 <sup>st</sup> Credit Union bank account -3890
5	08/12/2022	LEE-CARROLL and GRANT	Deposit of approximately \$3,026.25 in VDC payment into GRANT's Community

Count	Date	Defendant(s) Charged	Transaction
			1 <sup>st</sup> Credit Union bank account -3890
6	08/01/2022	LEE-CARROLL	Deposit of approximately \$9,935.12 in Special Monthly Compensation into LEE-CARROLL's Alaska USA Federal Credit Union bank account -0935
7	09/30/2022	LEE-CARROLL	Deposit of approximately \$9,935.12 in Special Monthly Compensation into LEE-CARROLL's Alaska USA Federal Credit Union bank account -0935
8	03/31/2023	LEE-CARROLL	Deposit of approximately \$10,807.57 in Special Monthly Compensation into LEE-CARROLL's Global Federal Credit Union bank account -0935

All in violation of Title 18, United States Code, Sections 641 and 2.

**COUNTS 9-15**

**(Health Care Fraud)**

36. The Grand Jury incorporates by reference Paragraphs 17-32 of this Indictment as if fully set forth herein.

37. Beginning in or about January 2013 and continuing through about August 2024, in King County, within the Western District of Washington, and elsewhere, KELLY M. LEE-CARROLL, ROBERT H. NELSON III, KATOYA F. GRANT, and others known and unknown to the grand jury, with intent to defraud, knowingly and willfully executed a scheme or artifice to defraud health care benefit programs, and to obtain, by means of false or fraudulent pretenses, representations, promises, and omission of material facts, money or property owned by, or under the custody or control of, health care benefit programs, as further described below.

38. The essence of the scheme and artifice to defraud was for LEE-CARROLL to fraudulently obtain a VDC budget from the VHA and special monthly compensation from VBA by falsely representing herself as unable to walk or use her right arm, and requiring assistance with performing activities of daily living, and for GRANT and NELSON, as her designated caregivers, to receive payment from LEE-CARROLL's VDC budget after submitting fraudulent timesheets, which falsely claimed hours of work caring for LEE-CARROLL.

39. On or about the dates set forth below, in King County, within the Western District of Washington, and elsewhere, the defendants charged below, and others known and unknown to the grand jury, knowingly and willfully executed and attempted to execute the above-described scheme and artifice to defraud the VHA and VBA, health care benefit programs as defined in Title 18, United States Code, Section 24(b), 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 the VHA and VBA, health care benefit programs as defined in Title 18, United States Code, section 24(b), in connection with the delivery of and payment for health care benefits, items, and services, as further and more particularly set forth below. Each of the offenses identified in Counts 9 through 15 was committed in furtherance of, and was a foreseeable part of, the conspiracy charged in Count 1 of this Indictment. with each of the following acts constituting a separate Count of this Indictment:

Count	Date	Defendants Charged	Act
9	02/16/2021	NELSON and LEE-CARROLL	NELSON submits timesheet reporting 110 hours of work caring for LEE-CARROLL
10	11/18/2021	NELSON and LEE-CARROLL	NELSON submits timesheet reporting 108 hours of work caring for LEE-CARROLL

Count	Date	Defendants Charged	Act
11	02/20/2022	GRANT and LEE-CARROLL	GRANT submits timesheet reporting 110 hours of work caring for LEE-CARROLL
12	08/01/2022	GRANT and LEE-CARROLL	GRANT submits timesheet reporting 136 hours of work caring for LEE-CARROLL
13	05/31/2024	LEE-CARROLL	Deposit of approximately \$11,156.39 in Special Monthly Compensation into LEE-CARROLL's Global Federal Credit Union bank account -0935
14	07/01/2024	LEE-CARROLL	Deposit of approximately \$11,156.39 in Special Monthly Compensation into LEE-CARROLL's Global Federal Credit Union bank account -0935
15	08/01/2024	LEE-CARROLL	Deposit of approximately \$11,156.39 in Special Monthly Compensation into LEE-CARROLL's Global Federal Credit Union bank account -0935

All in violation of Title 18, United States Code, Sections 1347 and 2.

### **COUNT 16**

#### **(False Statement)**

40. On or about March 3, 2020, in King County, within the Western District of Washington, KELLY M. LEE-CARROLL did willfully and knowingly make and cause to be made a materially false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of the United States Department of Veterans Affairs ("VA"), an agency of the United States, in that LEE-CARROLL falsely represented to a City of Seattle care consultant conducting an interview on behalf of the VA for purposes of assessing her level of disability, that LEE-CARROLL could not walk at all, when in fact, as LEE-CARROLL then and there knew, LEE-CARROLL was capable of walking.

All in violation of Title 18, United States Code, Sections 1001 and 2.

**COUNT 17****(False Statement)**

41. On or about February 27, 2021, in King County, within the Western District of Washington, KELLY M. LEE-CARROLL did willfully and knowingly make and cause to be made a materially false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of the VA, an agency of the United States, in that LEE-CARROLL falsely represented to a City of Seattle care consultant conducting an interview on behalf of the VA for purposes of assessing her level of disability, that LEE-CARROLL could not walk at all, when in fact, as LEE-CARROLL then and there knew, LEE-CARROLL was capable of walking.

All in violation of Title 18, United States Code, Sections 1001 and 2.

**COUNT 18****(False Statement)**

42. On or about May 3, 2024, in King County, within the Western District of Washington, KELLY M. LEE-CARROLL did willfully and knowingly make and cause to be made a materially false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of the VA, an agency of the United States, in that LEE-CARROLL falsely represented to the VA during an interview that LEE-CARROLL's right arm and leg had not improved since 2012, that she required the use of a wheelchair when leaving her home, and that she could not hold a coffee cup in her right hand, when in fact, as LEE-CARROLL then and there knew, LEE-CARROLL was capable of walking, and could use her right hand, including to hold a coffee cup.

All in violation of Title 18, United States Code, Sections 1001 and 2.

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**FORFEITURE ALLEGATION**

43. The allegations contained in paragraphs 1-42 of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeiture.

44. Upon conviction of the offense alleged in Counts 1-15, KELLY M. LEE-CARROLL, KATOYA F. GRANT, and ROBERT H. NELSON III shall forfeit to the United States any property constituting, or derived from, gross proceeds the Defendant obtained directly or indirectly, as a result of the offense. All such property is forfeitable pursuant to Title 18, United States Code, Section 982(a)(7) and includes but is not limited to a sum of money reflecting the gross proceeds the Defendant obtained as a result of the offense.

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1 **Substitute Assets.** If any of the above-described forfeitable property, as a result of  
2 any act or omission of the defendant,

- 3 a. cannot be located upon the exercise of due diligence;  
4 b. has been transferred or sold to, or deposited with, a third party;  
5 c. has been placed beyond the jurisdiction of the Court;  
6 d. has been substantially diminished in value; or,  
7 e. has been commingled with other property which cannot be divided  
8 without difficulty,

9 it is the intent of the United States to seek the forfeiture of any other property of the  
10 defendant, up to the value of the above-described forfeitable property, pursuant to  
11 Title 21, United States Code, Section 853(p).

12  
13 A TRUE BILL:

14 DATED: 10/30/2024

15 *Signature of Foreperson redacted pursuant*  
16 *to the policy of the Judicial Conference of*  
17 *the United States.*

18 \_\_\_\_\_  
19 FOREPERSON

18  
19  
20 TESSA M. GORMAN  
21 United States Attorney

21  
22  
23 SETH WILKINSON  
24 Assistant United States Attorney

24  
25  
26 YUNAH CHUNG  
27 Assistant United States Attorney