



2020 NHCAA

Awards Program

November 18, 2020



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Anthem, Inc.

Special Investigations Unit

Consumer Education Website
fightthehealthcarefraud.com

NHCAA's Excellence in Public Awareness Award recognizes some of the most meaningful and effective efforts to broadly promote understanding and insight about health care fraud. Past winners have included individuals as well as organizations—each of them acknowledged for their work in bringing attention to the problem of health care fraud. These winners have included reporters and media outlets; researchers and think tanks; civil servants and government agencies.

This year, we are pleased to honor an NHCAA member organization. NHCAA is proud to name health insurer **Anthem, Inc.** as this year's recipient of the **Excellence in Public Awareness Award** for developing, launching and hosting its Consumer Education Website, fightthehealthcarefraud.com.

The Anthem Special Investigations Unit worked in collaboration with Anthem's marketing and digital teams to conceive a website to serve as a tool for the public. With accessible, easy-to-understand content, the site explains how health care fraud can undermine consumer safety. It also sheds light on the significant financial burden that fraud causes individuals as well as companies.

The site helps consumers learn how to identify possible fraud, waste and abuse. It includes a video that guides Anthem-affiliated health plan members on how to examine their explanation of benefits statements for accuracy and directs them on how to report suspected fraud, waste or abuse. Site visitors are informed about Anthem's fraud hotline and online direct referral form, both of which are monitored by the Special Investigations Unit so that allegations of fraud, waste and abuse can be immediately addressed.

NHCAA commends Anthem for prioritizing this important project that serves the public interest.

CONGRATULATIONS TO

JOHN S. HOUSTON, CPC

Director East

Special Investigations Unit

CAROLE REBBEL

Business Change Manager

Special Investigations Unit

CARL REINHARDT, AHFI, CPC

Director West

Special Investigations Unit

BRIAN A. ROHRER, JD, CPC

Director National

Special Investigations Unit



Patricia Hoofnagle, AHFI

Vice President of SIU Investigations
Magellan Health, Inc.

The John Morris Volunteer Service Award recognizes an individual who has made an outstanding contribution in support of the mission of NHCAA.

NHCAA is pleased to name **Patricia 'Patty' Hoofnagle**, Vice President of SIU Investigations at Magellan Health, Inc. as the 2020 recipient of the **John Morris Volunteer Service Award**. Patty is a remarkable individual who has devoted herself to serving NHCAA and her industry colleagues for many years.

Patty has led the Special Investigations Unit at Magellan for 17 years. And for nearly that same length of time, NHCAA has reaped the benefit of Patty's commitment to anti-fraud work. Over the span of many years, Patty has served on more than a dozen NHCAA committees and work groups—often as Chair—and she has also served on the NHCAA Board of Directors. She is an active member of practically every specialty interest group NHCAA hosts.

Patty has chaired the NHCAA Behavioral Health Interest Group for 13 years and was instrumental in launching that group in 2005. She generously shares her valuable knowledge and expertise regarding the unique aspects of health care fraud in the behavioral and mental health arenas with her industry peers.

In 2010, Patty earned her Accredited Health Care Fraud Investigator (AHFI) designation and for the past decade has supported the growth and evolution of the AHFI program through her service on both the Accreditation Committee and AHFI Task Force.

Patty is driven by the need to leave everything better than she found it. She continuously seeks opportunities to learn and grow, and she commits herself to helping others do the same. So, as a leader, it is no surprise that Patty regularly enlists members of her own SIU team at Magellan to assist NHCAA with important projects. These opportunities have allowed her colleagues to demonstrate their knowledge by serving as faculty, authors, and subject matter experts, while furthering NHCAA's goals of collaboration and partnership across the anti-fraud industry.

NHCAA is grateful to Patty Hoofnagle for her energy and generous nature and we congratulate her for being named only the third recipient of NHCAA's prestigious John Morris Volunteer Service Award.

HISTORY OF THE JOHN MORRIS VOLUNTEER SERVICE AWARD: *This award was established in 2018 to honor the memory of one of NHCAA's most ardent and loyal supporters, John George Morris, Jr. John was a founding member of NHCAA in 1985, who served for many years on the NHCAA Board of Directors, including as Board Chair in 2003. Following his service to the Board, John continued to actively participate in NHCAA committees and activities and unselfishly volunteered his time and expertise to assist with countless NHCAA projects. Even in retirement he served, volunteering as an honorary NHCAA staff member at several Annual Training Conferences. John Morris was a true friend to the Association and his philosophy of service inspired NHCAA to inaugurate a volunteer service award in his honor.*



United States of America v. Shailesh Kothari and Timothy McMenamin

Primera Medical Group

The National Health Care Anti-Fraud Association is proud to recognize the **United States of America v. Shailesh Kothari and Timothy McMenamin** investigation and prosecution teams with this year's **SIRIS Investigation of the Year Award — Honorable Mention**.

This complex fraud scheme was first identified through Anthem, Inc.'s data analysis work. It was discovered that the Primera Medical Group in Georgia offered allergy testing for \$65 and then regularly billed for immunotherapy treatment that, often, was never discussed with the patients and not provided. After additional research, Anthem Senior Investigator, John Iacovelli, determined that this was a multistate healthcare fraud scheme with potential financial impact in excess of \$8.5 million and the potential to negatively affect the health and medical records of numerous patients. Iacovelli referred the matter to the Atlanta Field Office of the Federal Bureau of Investigation and the United States Attorney's Office for the Northern District of Georgia.

This case represents a very successful collaboration between private insurers and federal government. In addition to the initial data analytics, Anthem, Inc., the Federal Bureau of Investigation, and the United States Attorney's Office, Northern District of Georgia engaged other health plans for purposes of information sharing on the case. They employed the use of confidential sources that were developed for purposes of enhancing and advancing the investigation.

In 2019, Shailesh Kothari, the former owner and CEO of Primera Medical Group, Inc. and Timothy McMenamin, Primera's former Chief Operating Officer, were sentenced for 81 months and 94 months, respectively, for conspiracy to commit healthcare fraud and aggravated identity theft based upon charges brought by the United States government. In addition, both Kothari's and McMenamin's sentences included an additional 3 years of supervised release after serving their time and each were ordered to pay over \$1.5 million in restitution.

CONGRATULATIONS TO

UNITED STATES DEPARTMENT OF JUSTICE Federal Bureau of Investigation

Patrick Finno, Special Agent
Joshua Keys, Special Agent

UNITED STATES DEPARTMENT OF JUSTICE United States Attorney's Office Northern District of Georgia

Christopher J. Huber, Deputy Chief,
Complex Frauds Section

ANTHEM, INC.

John Iacovelli, Senior Investigator



United States of America v. Pamela Antell

The National Health Care Anti-Fraud Association is proud to recognize the **United States of America v. Pamela Antell** investigation and prosecution teams with this year's **SIRIS Investigation of the Year Award**.

Shortly after opening the investigation, the Federal Bureau of Investigation submitted a Request for Investigation Assistance (RIA) through NHCAA's Special Investigation Resource and Intelligence System (SIRIS) seeking information from private insurance companies regarding their potential exposure to the scheme. Numerous companies responded to the RIA, allowing law enforcement to better understand the true scope of the fraud. Several of the responding companies provided continuing assistance in the case, becoming true investigative partners.

The investigation revealed that Dr. Antell, a psychologist from Illinois, billed Medicare and private insurance for mental health services she did not provide, and used patients' identifying information without their consent to create fraudulent claims. Furthermore, Dr. Antell attempted to obstruct justice by instructing a former patient to lie to investigators. Despite legal and contractual requirements to maintain patient records, Dr. Antell maintained virtually no patient records for anyone purportedly under her care.

In September 2018, Dr. Antell was indicted on five counts of health care fraud and three counts of aggravated identity theft. Dr. Antell ultimately pleaded guilty to one count of health care fraud and, in September 2019, was sentenced to six months imprisonment, a \$100,000 fine, and nearly \$1.5 million in restitution.

CONGRATULATIONS TO

UNITED STATES DEPARTMENT OF JUSTICE

Federal Bureau of Investigation

Mary Jo Kleefisch, *Staff Operations Specialist*

Karl D. Kraywinkle, *Special Agent*

Javier Ruiz, CPA, CFE, *Forensic Accountant*

AETNA

Sandra P. Miller, AHFI, *Senior Investigator*

BLUE CROSS AND BLUE SHIELD OF ILLINOIS

Stephanie D. Tabak, AHFI, *Lead Investigator*

OPTUM BEHAVIORAL HEALTH

Kimberlyn Janata-Bell, *Senior Investigator*



United States of America v. Saffron Gustafson

The National Health Care Anti-Fraud Association is proud to recognize the **United States of America v. Saffron Gustafson** investigation and prosecution teams with this year's **SIRIS Investigation of the Year Award**.

Based on the collaboration and investigative persistence of the involved law enforcement agencies and insurers, a durable medical equipment fraud scheme perpetrated by Saffron Gustafson, the owner of Saffron's Specialized Medicine (SSM) located in Oregon, was uncovered, investigated, and prosecuted.

The investigation revealed that beginning around September 2012 and continuing through at least August 2017, Gustafson engaged in a multistate billing scheme against private and government health care benefit plans by inflating the true acquisition costs of compression garments. She created false and fraudulent manufacturer invoices with significantly inflated acquisition costs and submitted those fraudulent invoices to the plans for reimbursement. During the investigation, a SIRIS Request for Investigation Assistance entered by the United States Department of Defense, Office of Inspector General, Defense Criminal Investigative Service helped to identify additional victims.

Throughout the scheme, SSM billed a variety of health care benefit plans more than \$3.5 million and caused more than \$2.1 million in financial loss. As a result of the overwhelming evidence uncovered by the multi-agency investigative team, Gustafson pleaded guilty to health care fraud and tax evasion charges. On September 2, 2020, she was sentenced to 21 months in federal prison and ordered to pay almost \$1.5 million in restitution.



United States of America v. Saffron Gustafson

CONGRATULATIONS TO

UNITED STATES DEPARTMENT OF DEFENSE

Office of Inspector General
Defense Criminal Investigative Service

Glenn Watson, *Special Agent*

UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of Inspector General
Office of Investigations

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CAMBIA HEALTH SOLUTIONS

Konnie Mastrovito, *Manager*

KAISER PERMANENTE

Jeff Fairbanks, AHFI, CFE, CPC, *Senior Investigator*



United States of America v. Abyssinia Love Knot

The National Health Care Anti-Fraud Association is proud to recognize the **United States of America v. Abyssinia Love Knot** investigation and prosecution teams with this year's **Investigation of the Year Award – Honorable Mention**.

This team investigated the largest pill mill operation in the Detroit metropolitan area from 2009 through 2016. Abyssinia Love Knot (ALK) and 1st Priority Physical Therapy (1st Priority) were clinics owned and operated by Pastor Shirley Douglas and her son, Malik Fuqua. Douglas, an ordained pastor, abused her position as a clergy member and her church to further her health care fraud and drug diversion scheme.

From 2009 through 2016, ALK and 1st Priority billed approximately \$36 million to Medicare and \$5.5 million to Blue Cross Blue Shield of Michigan and were paid approximately \$10.5 million on those claims for physical therapy services that were either medically unnecessary or never provided. Doctors controlled by Douglas and Fuqua prescribed approximately 4.5 million opioid dosing units, which included controlled substances such as oxycodone and oxymorphone. These dangerous opioids were then sold on the street in metro-Detroit or in other states.

Douglas and Fuqua pleaded guilty to one count of conspiracy to distribute controlled substances. On December 19, 2019 and March 10, 2020, Douglas and Fuqua, respectively, were both sentenced to 11 years imprisonment. Fuqua was ordered to forfeit almost \$717,000.

CONGRATULATIONS TO

UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of Inspector General
Office of Investigations

Christopher T. Gould, *Special Agent*

UNITED STATES DEPARTMENT OF JUSTICE

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UNITED STATES DEPARTMENT OF JUSTICE

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Stephen G. Schneider, *Task Force Officer*

BLUE CROSS BLUE SHIELD OF MICHIGAN

Raymond J. Evans, *Investigator*

James Stewart Howell, Jr., *Investigator*

Brian Zasadny, AHFI, *Fraud Senior Investigator*



United States of America v. Branden Coluccio et al.

Liberation Way

The National Health Care Anti-Fraud Association is proud to recognize the **United States of America v. Branden Coluccio et al. (Liberation Way)** investigation and prosecution teams with this year's **Investigation of the Year Award — Honorable Mention**.

The investigation into Liberation Way, a drug rehabilitation center, represents one of the first and largest drug rehabilitation health care fraud cases in southeastern Pennsylvania. The fraud was a sophisticated, multi-layered scheme that took advantage of individuals suffering from substance use disorder to generate millions in fraudulent claims. In July 2015, Liberation Way was founded by recovering drug addicts, Branden Coluccio, Dallas Fetterman, and Jason Gerner, with the goal to make millions of dollars and eventually sell the company. Within three years, Liberation Way billed insurance companies for over \$100 million and was paid more than \$35 million. At the height of the scheme, Liberation Way was earning over \$2 million per month. By December 2017, seventy percent of Liberation Way was sold to a venture capital firm for \$41.6 million.

After a referral by Independence Blue Cross in July 2016, the case was investigated by multiple state and federal law enforcement agencies, to include the Federal Bureau of Investigation, Office of Personnel Management, Pennsylvania Office of Attorney General, and the United States Attorney's Office, Eastern District of Pennsylvania. Through the tireless efforts of the investigation team it was determined that Liberation Way was involved in three main fraudulent schemes: billing for services not rendered, enrollment fraud, and a kickback scheme. Liberation Way fraudulently purchased Affordable Care Act policies for prospective patients without insurance or without coverage for out-of-network providers in order to bill for expensive "treatment" purportedly provided to these patients. Furthermore, Liberation Way's CEO created an elaborate kickback scheme involving thousands of medically unnecessary urine tests which were sent to Florida-based laboratories.

In 2019, 11 individuals were indicted by the Pennsylvania Office of Attorney General and the United States Attorney's Office, Eastern District of Pennsylvania. Of the 11 individuals indicted, all pleaded guilty to either the state or federal charges. Currently, 10 individuals have been sentenced with a cumulative total of 135 months in prison, 11 months of home confinement, 13 years of supervised release, and 150 months of probation. In addition, they have been ordered to pay over \$9 million in restitution. Regarding the founders of Liberation Way, Jason Gerner was sentenced to 3 years in prison plus 3 years of supervised release and must pay \$9.3 million in restitution. Brandon Coluccio was sentenced to 37 months in prison and ordered to pay over \$3 million in restitution. Dallas Fetterman died of an overdose in May 2017 and never made it to trial.



United States of America v. Branden Coluccio et al.

Liberation Way

CONGRATULATIONS TO

UNITED STATES DEPARTMENT OF JUSTICE Federal Bureau of Investigation

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Robert LaBar, *Chief Deputy Attorney General*
Eric J. Norman, *Supervisory Special Agent*

INDEPENDENCE BLUE CROSS

Benjamin Beddis, *Manager*
Justin Cottrell, AHFI, CFE, *Senior Financial Investigator*



United States of America v. Keaton L. Copeland and Dorothy V. Delima *Express ACA*

The National Health Care Anti-Fraud Association is proud to present the **United States of America v. Keaton L. Copeland and Dorothy V. Delima** (Express ACA) investigation and prosecution teams with this year's **Investigation of the Year Award**.

The case against Keaton Copeland and his wife, Dorothy Delima, owners of Express ACA in Florida, was the first of its kind. From January 2014 through May 2015, the defendants exploited areas of vulnerability within the Affordable Care Act (ACA) and capitalized on their findings. Keaton Copeland had knowledge of the tax industry and utilized that knowledge to launch his own business focused on producing fraudulent ACA enrollments. Copeland and Delima knew that the applications were being submitted without the victims' knowledge, consent, and/or authorization.

Copeland's and Delima's employees were instructed to value enrollment quantity over quality and even accuracy. The couple's goal was not to assist individuals in obtaining the best possible health insurance coverage; instead, their goal was to enrich themselves through commission payments at the ultimate expense of their "clients", the insurance payors, the government, and the American taxpayer.

The involved health plans conducted member interviews that revealed the use of stolen identities. Additional forensic work uncovered the use of deceased individuals' social security numbers as well as the use of commercial business addresses on beneficiary applications. Consensually recorded calls with the defendants yielded admissions and incriminating statements. Federal agents executed simultaneous search warrants that uncovered the web of deceit that made the scheme viable.

The investigation culminated in a guilty plea for one defendant and a trial conviction on all counts for the second defendant. On October 25, 2019, Copeland was sentenced to 10 years in prison, 3 years of supervised release, and restitution of \$99,000. Dorothy Delima pleaded guilty to misprision of a felony—the deliberate concealment of one's knowledge of a treasonable act or a felony. She was sentenced to 3 years of probation.



United States of America v. Keaton L. Copeland and Dorothy V. Delima

Express ACA

CONGRATULATIONS TO

UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

Emily Pedneau, *Senior Advisor, Marketplace
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UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of Inspector General Office of Investigations

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UNITED STATES DEPARTMENT OF JUSTICE Federal Bureau of Investigation

Katie Craft, *Special Agent*
Thomas F. Goeke, Jr., *Special Agent*

UNITED STATES DEPARTMENT OF JUSTICE

United States Attorney's Office Middle District of Louisiana

Brad Casey, *Assistant United States Attorney*
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ANTHEM, INC.

Larry Turso, *Lead Investigator*

BLUE CROSS AND BLUE SHIELD OF LOUISIANA

Kandycy S. Cowart, *AHFI, CFE, Manager, Federal
Investigations*

Dana Dauthier, *Manager, Individual Sales
and Retention*

Terri Vicknair, *Compliance Consultant*

HUMANA, INC.

Brian D. Davis, *Senior Investigator*



United States of America v. Insys Therapeutics, Inc. et al.

The National Health Care Anti-Fraud Association is proud to present the **United States of America v. Insys Therapeutics, Inc. et al.** investigation and prosecution teams with this year's **Investigation of the Year Award**.

After a five-year multistate investigation, the Insys investigative team, which consists of multiple agencies and insurers, was responsible for the first successful prosecution of top pharmaceutical executives for crimes related to prescribing opioids. Insys Therapeutics, Inc. (Insys), an Arizona-based pharmaceutical company, made the powerful opioid Subsys, a highly addictive sublingual fentanyl spray intended for cancer patients experiencing breakthrough pain. Insys founder, John Kapoor, and four former Insys executives were convicted of RICO conspiracy for their role in leading a nationwide conspiracy to bribe medical practitioners to prescribe Subsys and of defrauding Medicare and private insurance carriers. Additionally, two former Insys executives and one manager pleaded guilty.

As part of the criminal resolution, Insys entered into a deferred prosecution agreement with the government and Insys' operating subsidiary pleaded guilty to five counts of mail fraud. Also, Insys entered into a \$225 million global resolution to resolve federal criminal and civil investigations.

In 2019, Insys' former vice president Michael Gurry and national director of sales Richard Simon each received 33 months in prison for their involvement in the scheme. In addition, former Insys CEO Michael Babich, was sentenced to 30 months and two former regional sales directors, Joseph Rowan and Sunrise Lee were sentenced to 27 months and 366 days in prison, respectively. Most recently, John Kapoor was sentenced to 66 months in prison on January 23, 2020.



United States of America v. Insys Therapeutics, Inc. et al.

CONGRATULATIONS TO

UNITED STATES DEPARTMENT OF DEFENSE

**Office of Inspector General
Defense Criminal Investigative Service**

*Benjamin S. Hochberger, Special Agent
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UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES

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UNITED STATES DEPARTMENT OF JUSTICE Federal Bureau of Investigation

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UNITED STATES DEPARTMENT OF JUSTICE

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UNITED STATES DEPARTMENT OF LABOR Employee Benefits Security Administration

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UNITED STATES DEPARTMENT OF VETERANS AFFAIRS

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UNITED STATES FOOD AND DRUG ADMINISTRATION

Office of Criminal Investigations

Sharon L. Moorefield, Special Agent



United States of America v. Insys Therapeutics, Inc. et al.

CONGRATULATIONS TO

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Office of the Inspector General

Yvette Chang-Fisher, *Investigator*

Christopher Gleason, *Special Agent*

Irma E. Mantilla, *Forensic Auditor*

Tara Young, *Forensic Auditor*

UNITED STATES POSTAL INSPECTION SERVICE

Danielle Schrage, *Postal Inspector*

UNITED STATES POSTAL SERVICE

Office of Inspector General

Matthew Hirschy, *Special Agent*

CVS HEALTH

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Robert H. Page, Jr., MS, AHFI, CPhT, *Investigator*

Nicole Schenk, *Director*

HUMANA, INC.

Brian D. Davis, *Senior Investigator*

Brian Wehneman, RPh, *Director*

OPTUMRX

Clayton Boquet, *Vice President of Operations*

UNITEDHEALTHCARE

Kelly Kalemba, AHFI, *Manager*

Other Notable Cases

COMMONWEALTH OF MASSACHUSETTS V. RITE WAY LLC ET AL.

Michael Davini, owner of Rite Way LLC, fraudulently and repeatedly billed Medicaid for transportation services that were never provided, including claims for individuals who were hospitalized in inpatient settings, no longer used the company's services, or were deceased on the claimed dates of service. With the sentencing of the non-emergency, medical transportation company, Rite Way LLC, and its owner Michael Davini in November 2019, the Medicaid Fraud Division of the Massachusetts Attorney General's Office concluded a six-plus-year saga to hold Davini and his associates accountable for a nearly \$19 million fraud on the state's Medicaid program. Less than a week before trial, Davini agreed to plead guilty to numerous Medicaid false claims, larceny, and kickback charges. In addition, he agreed to the multimillion-dollar restitution payment and was sentenced to one year in prison followed by a five-year probationary term, which includes a two and a half-year suspended sentence.

PRIME THERAPEUTICS' PHARMACY CASE

Prime Therapeutics' Fraud, Waste, and Abuse Analytics team identified a pharmacy located in Birmingham, Alabama as billing high-risk drugs associated with foot bath and/or telemedicine schemes. The Prime Therapeutics FWA team worked closely with the Alabama Board of Pharmacy and an investigator from Blue Cross and Blue Shield of Alabama to obtain evidence to successfully terminate this provider and save over \$330,000 in future claims.

SAN DIEGO COUNTY DISTRICT ATTORNEY'S OFFICE V. APRIL ROSE AMBROSIO

April Rose Ambrosio was a dentist in San Diego who billed multiple insurance companies nearly \$600,000 for over 600 root canals that she did not perform. The California Department of Insurance spent two years investigating this case and worked closely with the San Diego District Attorney's Insurance Fraud Division to bring Ambrosio to justice. Dr. Ambrosio pleaded guilty to 3 counts of health care fraud on June 10, 2019, stipulated to the full restitution amount, and was to be officially sentenced on March 25, 2020. In her plea agreement, Ambrosio agreed to pay a portion of the restitution on March 25, 2020 and was to be sentenced to a 6-year prison term consisting of 3 years in prison followed by 3 years of probation. Due to the COVID-19 pandemic, sentencing has been postponed.

STATE OF ARIZONA V. DR. GLENN ROBERTSON

On January 6, 2020, Dr. Glenn Robertson pleaded guilty for a murder for hire scheme related to his role in a scheme to use his medical license to partner with an alleged drug dealer to illegally distribute OxyContin between February 2017 and November 2018. Robertson attempted to hire an assassin to kill the person he believed reported the scheme to the Arizona Pharmacy Board. The investigation revealed that Robertson had written 3,516 prescriptions for opioids, totaling 415,665 individual pills dispensed. This figure includes 191,069 oxycodone pills worth conservatively \$3.8 million on the street. With the plea deal, Robertson will serve 12.5 years in prison for attempted first-degree murder, as well as a concurrent 8.75 years on the charge of illegally conducting an enterprise, followed by 7 years of probation for illegal administration of drugs.

Other Notable Cases

UNITED STATES OF AMERICA V. ERIK SCHABERT AND MIKA HARRIS

While owning and operating Reliant Family Practice in Gainesville, Florida, Erik Schabert and his ex-wife, Mika Harris, attempted to defraud health care benefit programs of more than \$8 million by submitting fraudulent claims. Reliant Family Practice received over \$4.4 million from Medicare and Blue Cross and Blue Shield of Florida, Inc. for fraudulent claims for chemical peels and dermabrasions relating to false diagnoses of rosacea and actinic keratosis. On January 28, 2020, Schabert was convicted of conspiracy to commit health care and wire fraud and 24 counts of health care fraud. Schabert was sentenced to 42 months in prison, followed by 3 years supervised release. Harris was convicted of conspiracy to commit health care and wire fraud, 48 counts of health care fraud, and 41 counts of money laundering as a result of spending the fraudulently obtained proceeds. Harris was sentenced to 90 months in prison, followed by 3 years supervised release.

UNITED STATES OF AMERICA V. GUIQIONG XIAO GUDMUNDSEN ET AL.

Guiqiong Xiao Gudmundsen owned Healthy Life Acupuncture Center, which operated in California. From January 2008 until December 2015, Gudmundsen recruited Amtrak employees to visit Healthy Life and billed the Amtrak health care plan for acupuncture, which she knew had not been provided. She also billed the health plan for medically unnecessary services such as massages and facials. Gudmundsen pleaded guilty to one count of health care fraud and one count of money laundering. In February 2020, she was sentenced to 30 months in prison and ordered to pay almost \$3 million in restitution.

UNITED STATES OF AMERICA V. HERB KIMBLE

The Kimble case was a joint investigation between the United States Department of Health & Human Services, OIG, the Federal Bureau of Investigation, and the Internal Revenue Service that originated in South Carolina. This investigation was part of the national take-down Operation Brace Yourself, which took place on April 9, 2019, with the charging of 24 defendants across 17 federal districts.

UNITED STATES OF AMERICA V. MONTE ET AL.

Centurion, a marketing firm owned by Frank Monte, aka "The Wolf of Wesley Chapel," operated as a pyramid scheme and employed nearly a thousand representatives to market medically unnecessary and fraudulently prescribed creams for pain and scars. The investigation of Monte and his accomplices spanned a period of over 5 years, from 2014 to 2019. Centurion was responsible for more than \$50 million in claims to TRICARE and \$1.2 million in claims to Medicare in just 9 months. Ultimately, ten subjects were convicted and more than \$12 million dollars in restitution and forfeiture was ordered in addition to the seizure of numerous luxury vehicles. This investigation facilitated the repayment of more than \$48 million in claims to TRICARE and was a part of the calculus for TRICARE instituting edits to quell the automatic payment of claims for pain and scar creams.

Other Notable Cases

UNITED STATES OF AMERICA V. NOVARTIS PHARMACEUTICALS CORPORATION

Novartis Pharmaceuticals Corporation paid kickbacks to doctors through its speaker programs and other promotional events that promoted Novartis cardiovascular drugs. During the investigation, the United States Attorney's Office of the Southern District of New York (SDNY) and other investigating agencies interviewed or deposed more than 100 witnesses, reviewed thousands of pages of documents, and analyzed huge amounts of data from Novartis and numerous federal healthcare programs. After substantial litigation in federal district court, SDNY negotiated a settlement agreement whereby Novartis agreed to pay \$678 million to resolve all federal and state claims arising from the alleged conduct.

UNITED STATES OF AMERICA V. PINEY POINT PHARMACY (GEORGE AND MARENE TOMPKINS)

On March 10, 2020, George Tompkins was convicted of conspiracy to pay and receive kickbacks, conspiracy to commit health care fraud, conspiracy to commit money laundering, 11 counts of health care fraud, and three counts of wire fraud. Marene Tompkins pleaded guilty on January 3, 2020, to one count of conspiracy to pay kickbacks. George Tompkins, the self-proclaimed "Compound King" and former owner of Piney Point Pharmacy, and his wife, Marene Tompkins, were sentenced to 10 years in prison and 30 days of home incarceration with 3 years of supervised release, respectively. According to the evidence at trial, George Tompkins and others billed the Department of Labor approximately \$21.8 million for medically unnecessary compound gels and creams that were predicated on illegal kickback payments. At sentencing, George Tompkins was ordered to pay more than \$12 million in restitution and Marene Tompkins was ordered to pay over \$950,000 in restitution.

UNITED STATES OF AMERICA V. MOBOLAJI TINA STEWART

On October 24, 2019, Mobolaji Tina Stewart was sentenced in the United States District Court for the District of Columbia to 13 months in prison for defrauding the District's Medicaid program. Between January 2014 and November 2018, Stewart caused the District's Medicaid program to pay \$534,073 for services that she did not render. Stewart paid kickbacks to Medicaid beneficiaries for their signatures on timesheets and submitted the false timesheets to twelve home health agencies, claiming that she had provided 24 hours (or more) personal care aide services in a single day. Stewart pleaded guilty in August 2018 to one count of health care fraud. Following Stewart's prison term, she will be placed on three years of supervised release. In addition, Stewart was ordered to pay \$534,073 in restitution, and over \$300,000 in a forfeiture money judgment.

Other Notable Cases

UNITED STATES OF AMERICA V. TREVOR CRUZ, CLIFFORD SHOEMAKE, THELMA JOINER, AND KIMBERLY CONNER

These defendants engaged in a conspiracy to defraud Medicare and TRICARE by submitting claims for reimbursement for medically unnecessary ambulance services that Guam Medical Transport (GMT) provided to patients with end-stage renal disease. The conspiracy resulted in improper payments to GMT of approximately \$10.8 million. GMT owners, Shoemake and Conner received sentences of 71 months and 63 months, respectively. Both will be placed on three years of supervised release after they get out of prison and will be required to pay millions of dollars in restitution. Four others, including Cruz and Joiner, were sentenced to probation after securing deals with the government.

UNITED STATES OF AMERICA V. UBIOME, INC.

Less than a year after reeling in a \$83 million investment round, uBiome, a privately held microbiome startup filed for bankruptcy and says its founders might have misled those investors amid other potential improper business practices. uBiome direct-marketed their SmartGut test to patients. The majority of SmartGut tests were prescribed by physicians who were indirectly paid by uBiome. They also received a separate email from uBiome that promised to provide new insight into the bacterial makeup of a patient's gut. Instead of receiving one test, uBiome routinely sent multiple kits via mail with an email noting the company would track the patient's microbiome changes over time. In addition to billing private insurers, uBiome billed Medicare for these unnecessary tests.

UNITED STATES OF AMERICA V. WADE ASHLEY WALTERS

Wade Walters pleaded guilty on July 10, 2020 for his role in a multimillion-dollar scheme to defraud the TRICARE program and private health care insurers, as well as for his role in a scheme to launder the proceeds of the fraud scheme. Walters paid kickbacks to practitioners and distributors for the prescribing and referring of fraudulent prescriptions for medically unnecessary compounded medications that were ultimately dispensed by his pharmacies. He pleaded guilty to one count of conspiracy to commit health care fraud and conspiracy to commit money laundering. Walters was remanded into custody following the plea hearing. Sentencing has been scheduled for October 28, 2020.

Awards Related Sessions

Join us and the recipients of the following NHCAA awards to learn more about these noteworthy cases. Our awardees will discuss the investigative strategies, multi-organization cooperation, and case-building excellence that led to successful resolution of these cases and their coveted NHCAA honor.

NHCAA'S 2020 INVESTIGATION OF THE YEAR AWARD

United States of America v. Keaton L. Copeland and Dorothy V. Delima

Wednesday, November 18, 2020

2:00 pm – 3:00 pm ET

NHCAA'S 2020 SIRIS INVESTIGATION OF THE YEAR AWARD

United States of America v. Saffron Gustafson

Wednesday, November 18, 2020

3:15 pm – 4:15 pm ET

NHCAA'S 2020 INVESTIGATION OF THE YEAR AWARD

United States of America v. Insys Therapeutics, Inc. et al.

Thursday, November 19, 2020

3:00 pm – 4:00 pm ET

NHCAA'S 2020 SIRIS INVESTIGATION OF THE YEAR AWARD

United States of America v. Pamela Antell

The case will be presented in 2021 as an NHCAA webinar.



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