



2021 NHCAA

Awards Program

November 17-18, 2021



NHCAA



The People of the State of California v. Christopher Bathum and Kirsten Wallace

Community Recovery

The National Health Care Anti-Fraud Association is proud to present **The People of the State of California v. Christopher Bathum and Kirsten Wallace (Community Recovery)** investigation and prosecution teams with this year's **Investigation of the Year Award**.

Between June 2012 and December 2015, Christopher Bathum and Kirsten Wallace, co-owners of numerous substance abuse treatment centers in Los Angeles and Orange counties in California and several in the state of Colorado, fraudulently billed an estimated \$175 million to private insurers. These rehab facilities were collectively referred to as Community Recovery.

Extensive investigations beginning with Anthem Blue Cross revealed that Bathum and Wallace obtained multiple health care insurance policies for their clients/patients without their knowledge by using their personal identifying information and falsifying the clients' circumstances. Bathum and Wallace then fraudulently billed claims for services that were never provided to unsuspecting individuals seeking help with their addictions. In addition to the health care fraud scheme, Bathum gave his patients drugs, used drugs himself, and offered special privileges (internships, company cars, and access to iPhones) in return for sex.

The collaboration between multiple insurers and government agencies ensured the success of this case. This team of experienced investigators and government agencies were in constant communication and were able to uncover many fraud schemes perpetrated by the owners of Community Recovery. In November 2016, Community Recovery closed when Bathum and Wallace were arrested on fraud, sexual assault, and drug charges.

As the result of this excellent investigation and prosecution, Kirsten Wallace pleaded guilty on March 14, 2017 to 46 felony counts related to the health care fraud billing scheme. Wallace was immediately sentenced to 11 years in state prison. On November 14, 2019, Wallace was ordered to pay a total of almost \$52 million to Anthem Blue Cross and to the victims.

Christopher Bathum pleaded no contest to running this high-dollar billing scheme. Bathum entered the plea to 14 felony counts: seven counts of grand theft, five counts of insurance fraud and one count each of identity theft and money laundering. He was ultimately found guilty of 31 criminal counts. In July 2020, Bathum was sentenced to 52 years in prison and at his restitution hearing on October 7, 2020, he was ordered to pay a total of \$45 million to the victims of his crimes.



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CONGRATULATIONS TO

CALIFORNIA DEPARTMENT OF INSURANCE Fraud Division

Pollie J. Pent, *Detective*

LOS ANGELES COUNTY DISTRICT ATTORNEY'S OFFICE

Shaun Gipson, *Deputy District Attorney*
Reinhold Mueller, *Deputy District Attorney*
Henry Valdez, *Senior Investigator*

LOS ANGELES COUNTY SHERIFF'S DEPARTMENT

Jeffrey S. Jackson, *Detective*

ANTHEM BLUE CROSS

Debra Herzog, *Senior Investigator*
Richard Mossler, *Manager*

BLUE SHIELD OF CALIFORNIA

Mark S. Trueblood, *Senior Investigator*

CENTENE CORPORATION

Lisa-Noelle LeGare, AHFI, CFE, *Senior Investigator*

CIGNA

The Special Investigations Unit
Lisa Henningson, *Fraud Specialist*

HUMANA, INC.

Brian D. Davis, *Senior Special Investigator*