



Department of Justice

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U.S. ATTORNEY TAKES HARD LINE AGAINST RAMPANT HEALTH CARE FRAUD

Jackson, MS - U.S. Attorney Donald R. Burkhalter announced today that his office has obtained 33 convictions relating to health care fraud over the last three years. These convictions represent more than an astounding \$125,000,000 in fraudulent claims resulting in more than \$47,000,000 in actual fraudulent payments made to both the United States and to private health insurers. These cases include schemes to fraudulently bill Medicare and Medicaid for services that were never rendered, services that were provided by untrained or unqualified people, and services that were not medically necessary. Health care fraud prosecutions are complex matters that require a significant amount of investigation and preparation before an indictment can be sought. The prosecutions themselves can result in lengthy trials.

Some examples of recent convictions include:

Pamela Hull, of Moss Point, Mississippi and **Jacqueline Crawley**, of Messer, North Carolina were convicted by a jury on January 29th 2009, of Conspiracy to Commit Health Care Fraud, three counts of Health Care Fraud and twelve counts of making false statements relating to health care. Hull and Crawley ran two different companies that illegally provided physical therapy type services by sending untrained and unqualified people into the homes of elderly Medicare patients, who believed they were being treated by licensed and trained health care professionals. The defendants submitted almost \$50,000,000 in false bills to Medicare and received more than \$15,000,000 in stolen government funds. Both Hull and Crawley were sentenced to 10 years in federal prison. Crawley's conviction was affirmed by the Fifth Circuit Court of Appeals. Hull did not appeal.

Allan K. Hearne, of Brookhaven, Mississippi was convicted by a jury on June 4th 2009, of Conspiracy to Defraud the United States, four counts of Health Care Fraud, Obstructing a Federal Investigation, and of making a false statement to the Social Security Administration. Hearne was the owner and operator of Brookhaven Psychiatry and Psychological Associates in Brookhaven. He routinely billed Medicare, claiming that he was providing psychological health care services to patients on a weekly or semi-weekly basis, when in fact, he was treating these patients only a few times a year, if at all. Over the course of the scheme, Hearne submitted more than \$1,300,000.00 in false bills to Medicare and received more than \$500,000.00 in stolen government funds. He was sentenced to 6 years and one month in prison. His conviction was recently affirmed by the Fifth Circuit Court of Appeals.

LaTancia McMillan Rogers and **Wayne Rogers**, both of Moss Point, Mississippi were convicted by a jury on May 24, 2010, of Conspiracy to Defraud the United States and Theft of Government Funds. LaTancia McMillan Rogers was also convicted of three counts of Health Care Fraud and two counts of Making a False Statement Relating to Health Care. **Jim Davis Hull**, a former municipal judge and attorney from Moss Point, testified during the trial. Hull had previously pled guilty to his role in Primary Physical Medicine, as well as two other so called "Physical Medicine" clinics. Hull is presently serving a five year sentence in federal prison. During the course of the conspiracy, more than \$18,000,000 in false claims were submitted to Medicare and the defendants received more than \$8,000,000 in stolen funds. LaTancia Rogers was sentenced to 15 years and 7 months in prison, and Wayne Rogers was sentenced to 11 years and 3 months in prison by Senior U.S. District Judge Walter J. Gex, III.

Theddis Marcel Pearson, of Houston, Texas and **Telandra Gail Jones**, of Dallas, Texas were convicted on July 2, 2010 by a jury in federal court of stealing Medicare and Medicaid funds and conspiracy to commit money laundering. Pearson was also found guilty of five counts of making false statements related to health care. During the course of their conspiracy, Pearson and Jones submitted over \$39,000,000 dollars in false claims to Medicare and Medicaid, and received more than \$18,000,000 as a result. Pearson faces 55 years in prison, while Jones faces up to 30 years. Sentencing is set for November 29, 2010, before U.S. District Judge Keith Starrett. They are currently free on bond.

Gilberto Martinez, of Miami, Florida, pled guilty to aggravated identity theft in relation to a conspiracy to commit health care fraud on June 10, 2010. **Jorge Lazo**, also of Miami, Florida, also pled guilty to aggravated identity theft in relation to a conspiracy to commit health care fraud on September 2, 2010. The scheme involved the theft of the identification information of two local physicians. The identification information was used to submit the false claims, all without the knowledge of the local physicians. During the course of the conspiracy, more than \$2,000,000 dollars in false claims were submitted. Martinez was sentenced by Chief U.S. District Judge Henry T. Wingate on September 23, 2010 to serve two years in federal prison. Lazo is scheduled for sentencing on November 16, 2010.

Lonnie Walker, of Jackson, Mississippi, pled guilty on January 7, 2010 to conspiracy to violate the anti-kickback statute. Walker owned a durable medical equipment company that sold motorized wheelchairs. He paid a local nurse and physician kickbacks for every Medicare and Medicaid beneficiary they referred to his company for the purchase of a power wheelchair. More than \$2,000,000 in wheelchairs and accessories were paid for by Medicare. The nurse, Sylvia Redd, and the physician, Earnest Rankin, are currently charged with accepting kickbacks and theft of funds from the United States for their roles in the conspiracy and are set for trial on January 10, 2011 in front of Senior U.S. District Judge Tom S. Lee.

U.S. Attorney Burkhalter noted: "Health care fraud is a particularly insidious crime. It directly affects a program designed to provide medical care to the elderly and the disabled at a time when they are most vulnerable. It calls into question the legitimacy of the payment process, and, over time, it adds to the cost of an already burdened support system. The criminals who commit these crimes deserve the most serious punishment options available to the sentencing Judges."

If anyone has information concerning possible fraud being committed, they should contact the United States Department of Health and Human Services Office of the Inspector General at 1-800-HHS-TIPS.

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