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THREE NURSES, INCLUDING TWO OWNERS OF A HOME HEALTH CARE AGENCY, AND THE COMPANY AMONG SIX DEFENDANTS INDICTED IN ALLEGED CONSPIRACY INVOLVING KICKBACKS FOR MEDICARE PATIENTS

CHICAGO — A home health care agency in suburban Lincolnwood, two nurses who are part owners of the company and a third nurse affiliated with them, along with two marketers, were indicted on federal charges for allegedly participating in a conspiracy to pay and receive kickbacks in exchange for the referral of Medicare patients for home health care services, federal law enforcement officials announced today. Defendants **Marilyn Maravilla** and **Junjee L. Arroyo**, both part owners of **Goodwill Home Healthcare, Inc.**, and three other defendants allegedly conspired to pay and receive approximately $400,000 in kickbacks to themselves, nurses, marketers and others for the referral and retention of Medicare patients that enabled Goodwill to bill Medicare approximately $5 million.

Also indicted were **Ferdinand Echavia**, a licensed nurse who referred patients to Goodwill, and **Jean Holloway** and **Rakeshkumar Shah**, both of whom marketed Goodwill's services to Medicare patients.

The 29-count indictment was returned by a federal grand jury last Thursday and unsealed on Friday following the arrests of Holloway, 41, of Bellwood, and Shah, 46, of Des Plaines. Both were released on bond after pleading not guilty in U.S. District Court.

Maravilla, 55, of Chicago; Arroyo, 44, of Elmhurst; and Echavia, 39, of Chicago, all licensed nurses, together with Goodwill as a corporate defendant, are scheduled to be arraigned on Aug. 22 in U.S. District Court.

All six defendants were charged with one count of conspiracy to pay and receive illegal kickbacks for Medicare patient referrals, and each defendant was also charged with the following number of counts of violating the anti-kickback statute: Goodwill, 16 counts; Maravilla, 15 counts; Arroyo, 16 counts; Echavia, five counts; Holloway, three counts; and Shah, eight counts.

Maravilla began working as a nurse at Goodwill in August 2008 and sometime during the next two months became an owner and the administrator of the agency. Arroyo was also an owner and Goodwill's director of nursing.

The indictment was announced by Gary S. Shapiro, Acting United States Attorney for the Northern District of Illinois; Lamont Pugh III, Special Agent-in-Charge of the Chicago Region of the U.S. Department of Health and Human Services, Office of Inspector General; and Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation.

"Paying kickbacks to refer Medicare patients is illegal. Money cannot be permitted to be the basis of a medical referral over medical necessity or quality of service," Mr. Pugh said. The investigation is continuing, the officials said.

Between August 2008 and July 2010, the indictment alleges that Maravilla, Arroyo and two other individuals — one an officer and an owner of Goodwill, and the other a certified public accountant and Goodwill's bookkeeper — paid and caused Goodwill to pay kickbacks to nurses, marketers and other home health care workers who referred patients to Goodwill; assisted in re-certifying patients as homebound; or caused patients to begin new 60-day care cycles of home health care with Goodwill. By offering kickbacks, Maravilla, Arroyo, and others sought to increase Goodwill's patient census and to enrich themselves and Goodwill. During this time, Goodwill obtained referrals of approximately 900 cycles of home health care, including new patients and the re-certification of existing patients for additional 60-day cycles of care.

According to the indictment, the amount of the kickback payments varied, but generally ranged from approximately $400 to $700 for each new care cycle, and approximately $100 to $300 for each re-certification. The payments were intended to induce nurses, marketers and others in the home health industry to refer patients to Goodwill for services to be reimbursed by Medicare, the indictment alleges.

In January 2009, Maravilla and Arroyo allegedly created and circulated to Goodwill employees and affiliates a memo on Goodwill's letterhead that set forth a structure for kickbacks relating to patient re-certifications, disguising the illegal payments as "bonuses." The memo provided that a $100 "bonus" would be given to nurses who re-certified a patient for a third cycle, and a $200 "bonus" would be given to a nurse who re-admitted a discharged patient a month after the discharge date.

In order to make certain kickback payments in cash, Maravilla and Arroyo obtained Goodwill checks payable to them and recorded on Goodwill's books as "loans," but they allegedly cashed the checks and used the funds to pay kickbacks to marketers.

The indictment alleges that Maravilla, Arroyo and Goodwill's bookkeeper paid Echavia cash kickbacks totaling approximately $28,000, and also paid kickbacks totaling approximately $56,000 to a company owned and controlled by Echavia. Maravilla and Arroyo allegedly caused Goodwill to pay approximately $10,400 in kickbacks to Holloway, and kickbacks totaling approximately $21,500 to Shah. In addition, the two owners caused Goodwill to pay approximately $20,000 in kickbacks to two other marketers who were not charged.

The indictment also alleges that Maravilla and Arroyo caused Goodwill to pay at least $58,000 in kickbacks to at least three other nurses who were affiliated with Goodwill and who were not charged. In addition to receiving salary and profits from Goodwill, Maravilla and Arroyo allegedly caused the agency to pay kickbacks to them as well. Maravilla allegedly received approximately $138,000 in kickbacks for patient referrals, and Arroyo allegedly received approximately $44,000 in kickbacks for patients that either he or his wife referred to Goodwill.

Conspiracy and each count of violating the anti-kickback statute carry a maximum penalty of five years in prison and a $250,000 fine. If convicted, the Court must impose a reasonable sentence under federal statutes and the advisory United States Sentencing Guidelines.

The government is being represented by Assistant U.S. Attorneys Shoshana Gillers and John Kness.

The public is reminded that an indictment is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

The case falls under the umbrella of the Medicare Fraud Strike Force, which expanded operations to Chicago in February 2011, and is part of the Health Care Fraud Prevention &

Enforcement Action Team (HEAT), a joint initiative announced in May 2009 between the Justice Department and HHS to focus their efforts to prevent and deter fraud and enforce current anti-fraud laws around the country. Approximately four dozen defendants have been charged in health care fraud cases since the strike force began operating in Chicago last year. In unrelated cases indicted in late June 2012, 10 defendants, including the owners of two Chicago home health care agencies and three physicians were charged in two separate alleged Medicare referral kickback schemes.

Since their inception in March 2007, Strike Force operations in nine locations have charged more than 1,330 defendants who collectively have falsely billed the Medicare program for more than $4 billion. In addition, the HHS Centers for Medicare and Medicaid Services, working in conjunction with the HHS-OIG, are taking steps to increase accountability and decrease the presence of fraudulent providers.

To learn more about the Health Care Fraud Prevention & Enforcement Action Team (HEAT), go to: www.stopmedicarefraud.gov .

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