

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF VIRGINIA
ABINGDON DIVISION**

CLERK'S OFFICE U.S. DISTRICT COURT
AT ABINGDON, VA
FILED

JUN 11 2024

LAURA A. JUSTIN, CLERK
BY: *[Signature]*
DEPUTY CLERK

UNITED STATES OF AMERICA

v.

MYRON JOEL WYATT

and

STEPHANIE BROOKE DAVIS

:
: **Criminal No.: 1:24CR000 19**
: **In Violation of:**
: **18 U.S.C. § 1347**
: **18 U.S.C. § 2**
: **18 U.S.C. § 1349**
:

INDICTMENT

INTRODUCTION

At all times material to this Indictment:

1. The "Grants to States for Medical Assistance Program," commonly referred to as "Medicaid," was established in 1965, and provides medical assistance services to eligible indigent persons. Such persons may include the aged, blind, disabled, pregnant women, and dependent or needy children. Medicaid services are authorized and reimbursed within guidelines stated in specified state and federal regulations.

2. The United States Department of Health and Human Services (HHS) and the Commonwealth of Virginia, Department of Medical Assistance Services (DMAS) administer and supervise the administration of the Medicaid Program in Virginia. The United States government contributes at least fifty percent of the cost of the Medicaid program, with the remaining monies provided by the Commonwealth. Medicaid is a

"healthcare benefit program" affecting commerce, as defined by Title 18, United States Code, Section 24(b).

3. Provider participation in the Medicaid program is voluntary. A participating provider is a person, organization, or institution, with a valid participation agreement who or which will (1) provide the service, (2) submit a truthful claim, and (3) accept as payment in full the amount paid by the Virginia Medicaid Program¹.

4. DMAS has established procedures in accordance with the regulations of the United States Department of Health and Human Services to compensate providers for services provided to Medicaid recipients. Each provider that becomes a certified Medicaid provider signs a participation agreement acknowledging that he or she will abide by all participation requirements and guidelines. Virginia Medicaid also requires the provider to keep such records as are necessary to fully disclose the services actually provided to Medicaid recipients.

5. During the relevant time period, DMAS contracted with Magellan, a Managed Care Organization (MCO), to manage mental and behavioral health services for Virginia Medicaid recipients.

6. Beginning in 2018, DMAS also contracted with other MCOs to manage mental and behavioral health services for Virginia Medicaid recipients.

¹ Except for co-pays and co-insurance owed by individual Virginia Medicaid recipients. Not all services offered by Virginia Medicaid have co-pays or co-insurance.

7. Company One was a corporation with headquarters in Franklin, Tennessee, and locations throughout the Commonwealth of Virginia, including several locations in the Western District of Virginia.

8. Company One was a healthcare provider focused on mental and behavioral health services for children and families.

9. Company One was a participating provider with Virginia Medicaid, Magellan, and other Virginia Medicaid MCOs, and agreed to provide mental and behavioral health services to individuals who qualified for Virginia Medicaid. As such, Company One was required to abide by the rules and regulations of Virginia Medicaid, and to abide by contractual obligations with Magellan and other MCOs.

11. MYRON JOEL WYATT ("WYATT") worked at Company One's office in Big Stone Gap, Virginia, which was subsequently moved to Norton, Virginia. He held various leadership positions with Company One, including Virginia Director of Operations.

12. STEPHANIE BROOKE DAVIS (DAVIS) was Company One's Director of Credentialing and Licensing.

13. Virginia Medicaid offers Behavioral Therapy Services (BTS) to individuals who meet the medical criteria for those services. Behavioral Therapy includes, but is not limited to, Applied Behavioral Analysis, and can be provided in the individual's home and in community settings if deemed medically necessary treatment.

14. BTS was a service that Company One provided to Virginia Medicaid recipients.

15. In order to be reimbursed by Virginia Medicaid (and its contracted MCO's), BTS had to be provided by certain licensed mental health providers, including a Licensed Behavior Analyst (LBA).

16. Individual One was a properly licensed LBA, employed by Company One in Northern Virginia. Individual One worked out of offices in Alexandria, Virginia and Sterling, Virginia.

17. Individual One did not work in Company One's Southwest Virginia region, she did not clinically supervise anyone in that region, and she did not provide services to any clients in that region.

18. During the relevant time period, employees of Company One in the Southwest Virginia region who provided services billed to Virginia Medicaid as BTS were not clinically supervised by Individual One, or any other properly licensed LBA.

19. Knowing that Individual One did not provide services to clients in Company One's Southwest Virginia region, and that she did not clinically supervise any other providers who did provide services to clients there, WYATT, DAVIS and others knowingly caused Company One to bill Virginia Medicaid for BTS services as if Individual One had provided the services or had clinically directed the care provided by others.

20. From approximately June 19, 2017, until approximately February 28, 2019, Company One billed Virginia Medicaid approximately 3,429 times for BTS services in the Southwest Virginia region, using Individual One's National Provider Identifier (NPI) number, as if those services were provided or directed by Individual One.

COUNT ONE

The Grand Jury charges that:


1. The Introduction is re-alleged and incorporated by reference into this count of the indictment.
2. On or about and between June 19, 2017, and February 28, 2019, in the Western District of Virginia and elsewhere, MYRON JOEL WYATT, STEPHANIE BROOKE DAVIS, and others, known and unknown, conspired to knowingly and willfully execute and attempt to execute a scheme and artifice to (a) defraud any healthcare benefit program and (b) obtain by means of false and fraudulent pretenses, representations, and promises, money under the custody and control of Virginia Medicaid, a healthcare benefit program as defined by Title 18, United States Code Section 24(b), in connection with the delivery of and payment for healthcare benefits, items and services, in violation of Title 18, United States Code Section 1347.
3. It was an object of the conspiracy that Company One would obtain compensation from Virginia Medicaid to which it was not entitled by fraudulently billing for Behavioral Therapy Services.
4. All in violation of Title 18, United States Code, Section 1349.

COUNT TWO

The Grand Jury charges that:

1. The Introduction is re-alleged and incorporated by reference into this count of the indictment.
2. On or about and between June 19, 2017, and February 28, 2019, in the Western District of Virginia and elsewhere, MYRON JOEL WYATT, STEPHANIE BROOKE DAVIS and others, known and unknown, as principals and aiders and abettors, knowingly and willfully executed and attempted to execute a scheme and artifice to (a) defraud any healthcare benefit program and (b) obtain by means of false and fraudulent pretenses, representations, and promises, money under the custody and control of Virginia Medicaid, a healthcare benefit program as defined by Title 18, United States Code Section 24(b), in connection with the delivery of and payment for healthcare benefits, items and services.
3. An object of the scheme and artifice to defraud was that Company One would obtain compensation from Virginia Medicaid to which it was not entitled by fraudulently billing for Behavioral Therapy Services.
4. All in violation of Title 18, United States Code, Sections 2 and 1347.

A TRUE BILL this 11th day of June 2024.


CHRISTOPHER R. KAVANAUGH
UNITED STATES ATTORNEY

/s/ Grand Jury Foreperson