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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ALASKA

UNITED STATES OF AMERICA,)	No.
)	
Plaintiff,)	<u>COUNTS 1-20:</u>
)	HEALTH CARE FRAUD SCHEME
vs.)	Vio. of 18 U.S.C. § 1347
)	
MI RAN YU,)	CRIMINAL FORFEITURE ALLEGATION
)	Vio of 18 U.S.C. § 982(a)(7)
Defendant.)	

The Grand Jury Charges:

COUNTS 1 – 20
HEALTHCARE FRAUD SCHEME
(18 U.S.C. § 1347)

Introductory Allegations

At all times material to this Indictment:

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The Medicaid Program

1. The Medicaid Program (“Medicaid”) is a health insurance program funded by the State of Alaska and the federal government which provides health care and long term care for low-income Alaskans. It targets benefits to low-income children, pregnant women, families, the elderly, the permanently disabled, and the blind. Medicaid is administered by the Department of Public Assistance (“DPA”), a state agency under the Alaska Department of Health and Social Services (“DHSS”);

2. Medicaid is a “health care benefit program” as defined by Title 18, United States Code, Section 24(b);

3. Individuals who receive Medicaid benefits are referred to as “recipients.” Each recipient of the Medicaid program is provided with a unique recipient identification number;

4. Medicaid pays for personal care assistant (“PCA”) services to recipients requiring home based healthcare services that allow Medicaid recipients to remain in their home instead of living in a skilled care setting. PCAs help recipients with activities of daily living (“ADLs”). Activities of daily living include dressing, bathing, grooming and toileting. In addition, Medicaid also provides services to help eligible recipients with instrumental ADLs, such as grocery shopping, personal laundry, and housekeeping;

5. Recipients receive PCA services through either an agency-based PCA program or a consumer-driven PCA program. Under an agency-based PCA program, the Medicaid recipient receives services through an agency that oversees, manages, and

supervises care. A consumer-driven PCA program allows recipients to manage their care by selecting, scheduling and supervising their own PCA;

6. Each recipient must apply to DHSS for PCA services, and DHSS determines which ADLs tasks are covered and the number of hours of services provided to each recipient;

7. Medicaid will only authorize and pay for PCA services provided by an agency meeting certification criteria set by state law;

8. Medicaid authorized PCA services may only be provided by a PCA who: (1) is at least 18 years old, (2) meets all requirements of the position, including education and training, (3) is individually enrolled with DHSS as a PCA, (4) passes a criminal history check, (5) has not been denied a health care license, (6) and is able to assist the recipient with the ADL tasks;

9. PCAs are responsible for maintaining a contemporaneous service record of Medicaid billing for each recipient for whom the PCA provides services. The record must include, among other things, (1) documentation of the services performed, (2) a time sheet recording the date, time and length of each visit, and (3) the signature or legal mark of the recipient or the recipient's legal representative on each time sheet verifying that services were provided as reported by the PCA; and

10. J.T.K. and S.J.K. (the "recipients") were both Medicaid recipients who received PCA services paid for by Medicaid. Defendant MI RAN YU is the daughter of J.T.K. and S.J.K. During assessments conducted by Medicaid, MI RAN YU and the recipients represented to Medicaid that the recipients were physically limited in what they

could do on their own and specifically that they needed assistance with everyday things such as walking, transferring from a sitting to standing position, bathing, and toileting.

11. From approximately January 2012 to the present, MI RAN YU was enrolled in Medicaid as a PCA and was paid with Medicaid funds to provide PCA services to recipients J.T.K. and S.J.K. During this time frame, Medicaid paid a total of \$239,974.96 for payment of PCA services provided to the recipients by MI RAN YU.

12. During an investigation conducted by the State of Alaska Medicaid Fraud Control Unit (MFCU) and the Federal Bureau of Investigation (FBI) in 2016, physical surveillance of MI RAN YU and the recipients was conducted which documented that the infirmities supposedly experienced by J.T.K. and S.J.K. had been falsely represented to Medicaid. Among other things, the recipients were observed and videotaped riding bicycles, lifting heavy bags of potting soil, and walking significant distances without the assistance of another person or the assistance of a device such as a cane or a walker. In addition, the surveillance documented that MI RAN YU was not providing PCA services to the recipients as she had represented to Medicaid.

13. As detailed below, MI RAN YU knew that J.T.K. and S.J.K. were not entitled to receive the full amount of PCA benefits they were receiving from Medicaid. In addition, she knowingly signed and submitted false timesheets and was paid with Medicaid funds for PCA services which she did not render to J.T.K. or S.J.K.

The Scheme to Defraud

14. Beginning on or about January 29, 2012, and continuing through on or about May 10, 2016, in Anchorage, within the District of Alaska, defendant MI RAN YU

knowingly, willfully, and with intent to defraud, executed, and attempted to execute, a scheme and artifice: (a) to defraud a healthcare benefit program, namely Medicaid, as to material matters in connection with the delivery of and payment for healthcare benefits and services; and (b) to obtain money from Medicaid by means of material false and fraudulent pretenses and representations and the concealment of material facts in connection with the delivery of and payment for healthcare benefits and services.

Means to Accomplish the Scheme to Defraud

15. The fraudulent scheme operated, in substance, follows:

(1) MI RAN YU knowingly, willfully, and with intent to defraud, participated in falsifying the extent of alleged infirmities experienced by J.T.K. and S.J.K. in order that they continue to receive PCA benefits paid for by Medicaid; and

(2) MI RAN YU knowingly, willfully, and with intent to defraud, submitted numerous timesheets for payment – by Medicaid - of PCA services which she knew she had not provided to J.T.K. and S.J.K.

Execution of the Scheme to Defraud

16. The scheme to defraud took place over a period of several years during which MI RAN YU submitted numerous timesheets for PCA services which she knew J.T.K. and S.J.K. were not entitled to, or which sought payment for PCA services which MI RAN YU had not provided. The fraud was executed every time MI RAN YU knowingly signed a timesheet falsely reporting PCA services rendered to J.T.K. or S.J.K.

17. On or about the dates set forth below, MI RAN YU, for the purpose of executing and attempting to execute the fraudulent scheme described above, knowingly and

willfully caused to be submitted to Medicaid for payment the following false and fraudulent claims for PCA services:

Count	Recipient	Claim number / C LI number	Date of services claimed
1	J.T.K.	16053300040127990 / 9	February 8, 2016
2	S.J.K.	16053300040115550 / 9	February 8, 2016
3	J.T.K.	16067300040123210 / 6	February 23, 2016
4	S.J.K.	16067300040133380 / 6	February 23, 2016
5	J.T.K.	16081300040081090 / 6	March 4, 2016
6	S.J.K.	16081300040089290 / 6	March 4, 2016
7	J.T.K.	16123300040089840 / 4	April 13, 2016
8	S.J.K.	16095300040110970 / 4	April 13, 2016
9	J.T.K.	16123300040089840 / 10	April 19, 2016
10	S.J.K.	16123300040080700 / 10	April 19, 2016
11	J.T.K.	16137300040067410 / 3	April 26, 2016
12	S.J.K.	16137300040069390 / 3	April 26, 2016
13	J.T.K.	16137300040067410 / 13	May 6, 2016
14	S.J.K.	16137300040069390 / 13	May 6, 2016
15	J.T.K.	16137300040067410 / 14	May 7, 2016
16	S.J.K.	16137300040069390 / 14	May 7, 2016
17	J.T.K.	16151300040021270 / 1	May 8, 2016
18	S.J.K.	16151300040020270 / 1	May 8, 201

19	J.T.K.	16151300040021270 / 3	May 10, 2016
20	S.J.K.	16151300040020270 / 3	May 10, 2016

All of which is in violation of 18 U.S.C. § 1347.

CRIMINAL FORFEITURE ALLEGATION

The Grand Jury further finds probable cause that:

The allegations contained in Counts 1 through 20 of this Indictment are hereby re-alleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to 18 U.S.C. § 982(a)(7).

As a result of the offenses alleged in Counts 1 through 20 of this Indictment, MI RAN YU shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(7), any and all property, real and personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense.

In the event that any property subject to forfeiture under 18 U.S.C. § 982(a)(7), as a result of any act or omission of or by the defendants:

- a. cannot be located upon exercise of due diligence;
- b. has been transferred or sold to, or deposited with a third party;
- c. has been placed beyond jurisdiction of this Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1), to seek forfeiture of any other property belonging to MI RAN YU, up to an amount equivalent to

the value of the property forfeitable under Title 18, United States Code, Section 982(a)(7).

A TRUE BILL.

s/ Grand Jury Foreperson
GRAND JURY FOREPERSON

s/ Joseph W. Bottini
JOSEPH W. BOTTINI
United States of America
Assistant U.S. Attorney

s/ Karen L. Loeffler
KAREN L. LOEFFLER
United States of America
United States Attorney

DATE: 2/21/2016