Department of Justice

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SEVEN CHARGED IN NORTH TEXAS AS PART OF LARGEST NATIONAL MEDICARE FRAUD TAKEDOWN IN HISTORY

North Texas Defendants Owned and Operated Home Health Companies

DALLAS – Attorney General Loretta E. Lynch and Department of Health and Human Services (HHS) Secretary Sylvia Mathews Burwell announced today a nationwide sweep led by the Medicare Fraud Strike Force in 17 districts, resulting in charges against 243 individuals, including 46 doctors, nurses and other licensed medical professionals, for their alleged participation in Medicare fraud schemes involving approximately $712 million in false billings. In addition, the Centers for Medicare & Medicaid Services (CMS) also suspended a number of providers using its suspension authority as provided in the Affordable Care Act. This coordinated takedown is the largest in Strike Force history, both in terms of the number of defendants charged and loss amount.

"This action represents the largest criminal health care fraud takedown in the history of the Department of Justice, and it adds to an already remarkable record of enforcement," said Attorney General Lynch. "The defendants charged include doctors, patient recruiters, home health care providers, pharmacy owners, and others. They billed for equipment that wasn't provided, for care that wasn't needed, and for services that weren't rendered. In the days ahead, the Department of Justice will continue our focus on preventing wrongdoing and prosecuting those whose criminal activity drives up medical costs and jeopardizes a system that our citizens trust with their lives. We are prepared – and I am personally determined – to continue working with our federal, state, and local partners to bring about the vital progress that all Americans deserve."

Acting U.S. Attorney John Parker of the Northern District of Texas announced that as part of the nationwide takedown, seven individuals, including two physicians and one registered nurse, were indicted in the district.

"This district will continue to focus all the tools and resources of the Medicare Fraud Strike Force on those who cheat not only Medicare and Medicaid, but all taxpayers and vulnerable patients as well," said Acting U.S. Attorney Parker. "When these schemes are uncovered, and they will be, this office will not hesitate to bring indictments, such as the two that were unsealed this week in Dallas, against those who defraud these essential health care programs."

One indictment charges each of the below-listed defendants with one count of conspiracy to commit health care fraud:

Noble U. Ezukanma, 56, of Fort Worth, Texas
Myrna S. Parcon, a/k/a "Merna Parcon," 62, of Dallas, Texas

Lita S. Dejesus, 70, of Allen, Texas
Oliva A. Padilla, 57, of Garland, Texas
Ben P. Gaines, 55, of Plano, Texas

These five defendants were arrested on Tuesday, June 16, 2015. Each made their initial appearance in federal court and was released on bond. A sixth defendant is expected to surrender to federal authorities tomorrow in Dallas.

Defendants Ezukanma, Parcon, and Dejesus owned/operated US Physician Home Visits (USPHV), a/k/a "Healthcare Liaison Professionals, Inc." located on Viceroy Drive in Dallas. Parcon was the owner/manager and Ezukanma was a licensed medical doctor who had an ownership interest in USPHV. Both Ezukanma and another physician provided their Medicare number to the company to use to submit Medicare claims. Dejesus served in various roles at USPHV, including overseeing Medicare billing.

Gaines formed A Good Homehealth (A Good), a/k/a "Be Good Healthcare, Inc.," which was located in the same office as USPHV. Parcon, who owned and operated A Good, purchased the company through a "straw" buyer; both Gaines and Parcon concealed Parcon's ownership.

Parcon and Padilla formed Essence Home Health (Essence), a/k/a "Primary Angel, Inc.," located on Midway Road in Addison, Texas.

While the three companies appeared to be set up as three separate entities, the companies worked as one; the same employees often worked for all three companies and were often paid by all three companies.

According to the indictment, from January 1, 2009 to approximately June 9, 2013, the defendants ran a conspiracy to defraud Medicare. As part of the fraudulent business model, Ezukanma and another physician certified 94% of the Medicare beneficiaries receiving home health services from A Good, and 65% of the Medicare beneficiaries receiving home health services from Essence. Had Medicare known of the true ownership and improper relationship between the three companies, Medicare would not have allowed these companies to enroll in the program and bill for services.

The indictment alleges that USPHV submitted billing primarily under Dr. Ezukanma's Medicare provider number, regardless of who actually performed the service. They billed at an alarming rate, generally billing for only the most comprehensive physician exam, and always adding a prolonged service code. USPHV submitted claims to Medicare for physician visits of 90 minutes or more, when most visits took only 15 to 20 minutes. Most all of USPHV patients came from home health companies soliciting certifications and recertifications for home health. More than 97% of USPHV Medicare patients received home health care, whether they needed it or not. The indictment alleges that false certifications caused Medicare to pay more than $40 million for fraudulent home health services

The other indictment charges Mariamma Viju, 50, of Garland, Texas, with one count of conspiracy to commit health care fraud, five counts of health care fraud, and one count of wrongful disclosure of individually identifiable health information. Viju is a registered nurse and is the co-owner and Director of Nursing for Dallas Home Health, Inc. She was arrested on Tuesday, June 16, 2015, made her initial appearance in federal court, and was released on bond.

The indictment alleges Viju and her coconspirators stole patient information from Dallas-area hospitals with the intent to use that information to solicit patients for Dallas Home Health. Viju

allegedly purposefully took that information from Baylor University Medical Center at Dallas, where she worked as a nurse until her employment was terminated.

Dallas Home Health billed Medicare and Texas Medicaid for home health service on behalf of Medicare beneficiaries and Medicaid clients who were not homebound and other otherwise eligible for covered home health services. As Director of Nursing, Viju falsified and exaggerated the nature of patients' health conditions to increase the amount billed to Medicare and Medicaid, and paid to Dallas Home Health. Viju also allegedly paid kickbacks to Medicare beneficiaries to recruit and retain them as patients of Dallas Home Health.

In a related case, Mariamma Viju's husband, Viju Mathew, 50, also of Garland, a former registration specialist at Parkland Hospital in Dallas, pleaded guilty in November 2014 to one count of fraud and related activity in connection with identification documents, authentication features and information (identity theft). He used his position at the hospital to obtain confidential patient information, including patients' names, telephone numbers, dates of birth, participation in the Medicare program, and government-issued health insurance claim numbers so that he could use it to contact prospective patients for his home health care business. He is scheduled to be sentenced in August 2015.

The Medicare Fraud Strike Force operations are part of the Health Care Fraud Prevention & Enforcement Action Team (HEAT), a joint initiative announced in May 2009 between the Department of Justice and HHS to focus their efforts to prevent and deter fraud and enforce current anti-fraud laws around the country. Since their inception in March 2007, Strike Force operations in nine locations have charged over 2,300 defendants who collectively have falsely billed the Medicare program for over $7 billion.

Including today's enforcement actions, nearly 900 individuals have been charged in national takedown operations, which have involved more than $2.5 billion in fraudulent billings. Today's announcement marks the first time that districts outside of Strike Force locations have participated in a national takedown and accounted for 82 defendants charged in the takedown.

A complaint or indictment is merely a charge, and defendants are presumed innocent until proven guilty. The maximum statutory penalty for each count in each of these two indictments is 10 years in federal prison and a $250,000 fine.

The Northern District of Texas cases are being investigated by the FBI, the U.S. Department of Health and Human Services – Office of Inspector General and the Texas Attorney General's Medicaid Fraud Control Unit and were brought as part of the Medicare Fraud Strike Force supervised by the Criminal Division Fraud Section and the U.S. Attorney's Office for the Northern District of Texas.

Assistant U.S. Attorneys Katherine Pfeifle and Douglas Brasher are in charge of the prosecutions.

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