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REDACTED FOR
PUBLIC DISCLOSURE

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

United States of America,

Plaintiff,

vs.

1. Kenneth Harrison, and
(all counts)

2. Courtney Haywood,
(all counts)

Defendants.

No. CR-24-00393-PHX-MTL (DMF)

INDICTMENT

VIO: 18 U.S.C. § 371
(Conspiracy)
Count 1

18 U.S.C. § 1347
(Healthcare Fraud)
Counts 2-9

18 U.S.C. § 1957
(Transactional Money Laundering)
Counts 10-20

18 U.S.C. § 1028A
(Aggravated Identity Theft)
Counts 21-30

18 U.S.C. § 981(a)(1)(C)
18 U.S.C. § 982(a)(1)
28 U.S.C. § 2461(c)
Forfeiture Allegations

THE GRAND JURY CHARGES:

At all times material to this indictment, within the District of Arizona and elsewhere:

INTRODUCTION

1. Between about January 1, 2020 and October 1, 2021, KENNETH

1 HARRISON and COURTNEY HAYWOOD, acting primarily through their company
2 Aurtism, LLC, defrauded the Arizona Health Care Cost Containment System
3 (“AHCCCS”) out of approximately \$9.4 million by falsely billing for behavioral healthcare
4 services. HARRISON and HAYWOOD primarily targeted the AHCCCS-eligible Native
5 American population, often by recruiting them for behavioral healthcare services and either
6 billing AHCCCS for services that were never provided at all or grossly overbilling for any
7 services that were provided.

8 **Individuals and Entities Involved**

9 2. KENNETH HARRISON currently resides in Las Vegas, Nevada and
10 Atlanta, Georgia. During the period of the fraudulent activity, he resided in Arizona.

11 a. HARRISON directed the day-to-day operations of Aurtism.

12 b. HARRISON has four criminal convictions: felony theft, TX220105J,
13 9/8/1997; misdemeanor burglary of a vehicle, TX220273J, 1/5/1998; felony injury
14 to a child, TX220105J, 10/6/2000; and misdemeanor assault, TX220243J,
15 10/6/2000.

16 3. COURTNEY HAYWOOD currently resides in Las Vegas, Nevada. During
17 the period of the fraudulent activity, he resided in Las Vegas and traveled to Arizona
18 frequently to participate in the management of Aurtism.

19 4. Aurtism, LLC, was organized in Arizona on October 31, 2019, as a
20 “healthcare and social assistance” business. The name “Aurtism” is a combination of
21 “autism” and “art,” and it has been portrayed on social media platforms as providing art
22 therapy to assist autistic children. COURTNEY HAYWOOD was listed in the Arizona
23 Corporation Commission documents as the sole member, organizer, and statutory agent of
24 Aurtism. The address for Aurtism was listed as **** East Valley Auto Drive, unit 109,
25 Mesa, Arizona, 85206.

26 5. Therapy Mental Health & Wellness, LLC, was incorporated in Arizona on
27 April 16, 2020, also as a “healthcare and social assistance” business. It appears that
28

1 Therapy Mental Health was never fully operational. As with Aurtism, COURTNEY
2 HAYWOOD was listed in the Arizona Corporation Commission documents as the sole
3 member, organizer, and statutory agent; and the address was listed as **** East Valley
4 Auto Drive, unit 109, Mesa, Arizona, 85206.

5 AHCCCS Registration

6 6. AHCCCS administers Medicaid healthcare programs to Arizona residents
7 who meet certain income requirements. The federal government pays states for a
8 percentage of Medicaid program expenditures. In 2020 and 2021, it was approximately 70
9 percent. Among other programs and plans, AHCCCS has an American Indian Health
10 Program (“AIHP”) through which AHCCCS-enrolled Native Americans may receive
11 healthcare services, including preventive and behavioral healthcare services.

12 7. AHCCCS providers are required to be registered, and Aurtism was registered
13 under AHCCCS Provider ID ending 0237 and National Provider ID ending 1802.

14 a. In registration forms dated 11/1/2019, COURTNEY HAYWOOD
15 was the only named representative of Aurtism and was the sole signatory. The forms
16 include a document entitled “Disclosure of Ownership/Control and Criminal
17 Offenses Statements” that requires a listing of all persons with a direct or indirect
18 ownership interest, and HAYWOOD was listed as the sole response.

19 b. In registration modification forms dated 3/23/2020, a document
20 entitled “Provider Controlling Interest/Ownership” requests as “required disclosure
21 information” the name and address of any person “with ownership or control
22 interest,” and COURTNEY HAYWOOD was the sole person listed. The same
23 document requests information about “any federal or state felony” incurred on or
24 after August 21, 1996 by any person disclosed, and no criminal history is listed.

25 c. The hours of operation for Aurtism were stated as 9 a.m. to 5 p.m.,
26 Monday through Thursday—approximately 16 days per month, which equates to a
27 maximum of 7,680 billable minutes per month, per patient.

1 8. Therapy Mental Health was similarly registered, under AHCCCS Provider
2 ID ending 5266 and National Provider ID ending 5266.

3 a. In registration forms dated 10/23/20, COURTNEY HAYWOOD was
4 listed as the sole owner, with no other entities or persons having a direct or indirect
5 ownership or control interest or acting as an agent, managing employee, or key
6 employee. Like the Aurtism forms, the documents seek disclosure of any federal
7 or state felony incurred on or after August 21, 1996 for any disclosed person, and
8 no criminal history is listed.

9 b. The registration forms asked whether the applicant had been
10 “terminated, denied enrollment, suspended, revoked, precluded, determined
11 ineligible, restricted by Agreement, or otherwise sanctioned by Medicare,
12 AHCCCS, a Medicare program in any other state, or any other governmental or
13 private medical insurance program.” COURTNEY HAYWOOD answered the
14 question in the negative, although HAYWOOD’S entity Aurtism of Nevada and
15 HAYWOOD were sanctioned for Medicaid fraud on 9/21/20.

16 **Investigation into Widespread AHCCCS Fraud**

17 9. The AHCCCS Office of Inspector General (“OIG”) began investigating a
18 widespread fraud in which residential and outpatient treatment centers recruited Native
19 Americans and other indigent individuals to exploit the AIHP under AHCCCS. Because
20 it was easier to enroll as a provider with AIHP than some other AHCCCS insurance
21 programs, and because AIHP’s reimbursement rates for certain behavioral health services
22 were sometimes higher than those of other programs, these treatment centers preferred
23 patients who were enrolled in AIHP. In some cases, these treatment centers identified
24 potential patients and enrolled the patients in AIHP or had the patients switch their existing
25 AHCCCS insurance plan to AIHP, regardless of whether the patient was Native American.

26 10. In 2021, AHCCCS OIG identified Aurtism as one of the top providers billing
27 AHCCCS through AIHP. Its investigation revealed that, among other things:
28

1 a. Aurtism frequently billed for services that patients already received
2 from other providers;

3 b. Aurtism billed for patients who had passed away or were in jail or
4 prison; and

5 c. Aurtism billed for services for patients who were in residential
6 treatment facilities and already receiving those services in the facilities.

7 **Funds Received from AHCCCS**

8 11. Aurtism's bank account for the relevant period was Bank of America account
9 ending 9120. Bank records show deposits of approximately \$9.4 million during the
10 relevant period. KENNETH HARRISON and COURTNEY HAYWOOD were the sole
11 signatories on the bank account.

12 12. Of the \$9.4 million Aurtism received from AHCCCS during the relevant
13 period, \$4.6 million (49%) went to KENNETH HARRISON. HARRISON used the finds
14 to purchase, among other things, \$2.7 million in residential real estate and \$763,000 in
15 vehicles and related expenses, and he spent \$588,000 on retail purchases and \$339,000 on
16 travel.

17 13. Of the \$9.4 million, COURTNEY HAYWOOD received \$3.4 million (36%).
18 HAYWOOD used the funds in similar ways: \$708,000 to purchase residential real estate,
19 \$200,000 to purchase a bar, \$271,000 on retail purchases, and \$199,000 on travel.

20 14. Of the \$9.4 million, \$1.2 million (13%) was spent on items claimed to be
21 related to Aurtism, such as \$322,000 for payroll and \$107,000 for supplies.

22 **COUNT 1**
23 **Conspiracy**
 (18 U.S.C. § 371)

24 The factual allegations in the preceding paragraphs are incorporated by reference
25 and re-alleged as though fully set forth herein.

26 15. Beginning at a time unknown to the grand jury, but at least as early as on or
27 about January 1, 2020, and continuing to on or about October 1, 2021, in the District of
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1 Arizona and elsewhere, Defendants KENNETH HARRISON and COURTNEY
 2 HAYWOOD, individually and doing business under the entities described above, along
 3 with other individuals and entities known and unknown to the grand jury, knowingly and
 4 willfully agreed and conspired with each other and others to commit the following offenses
 5 against the United States: healthcare fraud, in violation of 18 U.S.C. § 1347; money
 6 laundering, in violation of 18 U.S.C. § 1957; and aggravated identity theft, in violation of
 7 18 U.S.C. § 1028A.

8 **Manner and Means of the Conspiracy and Scheme**

9 16. The manner and means used by Defendants and others, individually and
 10 through the entities described above, to effect the objects of the conspiracy and scheme to
 11 defraud, included the following:

12 a. Supplying AHCCCS with false registration documents, designed to
 13 conceal the identity and criminal history of KENNETH HARRISON and the
 14 existence of Aurtism's Nevada operation, as set forth in ¶¶ 7–8 above.

15 b. Exploiting AHCCCS by submitting false billings, in large part under
 16 the AIHP, for services that were never rendered or inflating the billings for any
 17 services that were rendered, as set forth in ¶¶ 9–10 above.

18 **Overt Acts of the Conspiracy**

19 17. In furtherance of the conspiracy, and to effect the objects of the conspiracy,
 20 Defendants committed or caused to be committed various overt acts in the District of
 21 Arizona and elsewhere, including but not limited to the following:

22 a. For patient J.M., Aurtism billed AHCCCS for 12,000 minutes in
 23 services each month for November 2020 through April 2021, which would be 8
 24 hours per day for 25 days per month.

25 b. For patient L.T., Aurtism billed AHCCCS for 12,000 minutes for
 26 several months during 2020–21 and billed 24,000 minutes for September–
 27 December 2020—which equates to 16 hours per day for 25 days per month.

1 c. HARRISON and HAYWOOD submitted false registration documents
2 to AHCCCS related to Aurtism on 11/1/2019 and 3/23/2020.

3 d. As set forth in ¶ 19 below, Aurtism submitted false billings to
4 AHCCCS for patients J.M., L.T., B.K., and D.Y., incorporated herein by reference.

5 e. As referenced in ¶ 20 below, HARRISON used funds he received on
6 or about or about 12/18/20, 1/19/20, and 2/8/20 to purchase a \$1 million residence
7 in Miami, Florida.

8 f. As referenced in ¶ 20 below, HAYWOOD used funds he received on
9 or about 10/26/20 to purchase a condo in Las Vegas, Nevada for approximately
10 \$200,000.

11 g. As referenced in ¶ 20 below, HAYWOOD used funds he received on
12 or about 2/8/21 and 2/23/21 to purchase 123 acres of property in Marlin, Texas.

13 These acts were in violation of 18 U.S.C. § 371.

14 **COUNTS 2-9**
15 **Health Care Fraud**
16 **(18 U.S.C. § 1347)**

17 The factual allegations in the preceding paragraphs are incorporated by reference
18 and re-alleged as though fully set forth herein.

19 18. Between at least as early as January 1, 2020, and continuing through at least
20 as late as October 1, 2021, KENNETH HARRISON and COURTNEY HAYWOOD
21 knowingly and willfully executed and attempted to execute a scheme or artifice to defraud
22 a health care benefit program and to obtain by means of false or fraudulent pretenses,
23 representations and promises, money or property owned by or under the custody or control
24 of a health care benefits program, to wit: AHCCCS, in connection with the delivery of or
25 payment for health care benefits, items, or services.

26 19. On or about the dates below, HARRISON and HAYWOOD submitted and
27 received payment from AHCCCS for the following examples of fraudulent billings related
28 to Aurtism, with each instance serving as a separate indictment count:

Ct	Patient	Date (on or about)	Amount Billed	Amount Paid	Date(s) of Service
2	J.M.	05/14/2021	\$7,000.00	\$7,000.00	01/01/2021 – 01/31/2021
3	J.M.	05/14/2021	\$2,720.00	\$2,720.00	01/01/2021 – 01/31/2021
4	L.T.	03/25/2021	\$7,000.00	\$7,000.00	02/01/2021 – 02/28/2021
5	L.T.	03/25/2021	\$2,720.00	\$2,720.00	02/01/2021 – 02/28/2021
6	B.K.	12/18/2020	\$7,000.00	\$7,000.00	11/01/2020 – 11/30/2020
7	B.K.	12/18/2020	\$2,720.00	\$2,720.00	11/01/2020 – 11/30/2020
8	D.Y.	04/09/2020	\$6,564.00	\$3,063.20	03/02/2020 – 04/03/2020
9	D.Y.	04/09/2020	\$3,400.00	\$3,400.00	03/02/2020 – 04/03/2020

This was in violation of 18 U.S.C. § 1347.

COUNTS 10-20
Transactional Money Laundering
(18 U.S.C. § 1957)

The factual allegations in the preceding paragraphs are incorporated by reference and re-alleged as though fully set forth herein.

20. On the dates listed below, KENNETH HARRISON and COURTNEY HAYWOOD, individually and doing business under the entities described above, along with other individuals and entities known and unknown to the grand jury, knowingly engaged and attempted to engage in the following transactions in the United States with

criminally derived property of a value exceeding \$10,000, derived from specified unlawful activity, namely the violation of 18 U.S.C. § 1347 (health care fraud scheme), with each instance being a separate indictment count:

Ct	Date (on or about)	Approx. Amount	Monetary Instrument	Transaction (Bank of America)
10	10/22/2020	\$166,703	Cashier's Check	HARRISON withdrew funds from #9120 and deposited funds in #5326
11	10/26/2020	\$300,000	Cashier's Check	HAYWOOD withdrew funds from #9120 and deposited funds in #6454
12	11/20/2020	\$95,000	Cashier's Check	HARRISON withdrew funds from #9120 and deposited funds in #5326
13	11/30/2020	\$80,000	Cashier's Check	HARRISON withdrew funds from #9120 and deposited funds in #5326
14	12/18/2020	\$150,000	Cashier's Check	HARRISON withdrew funds from #9120 and deposited funds in #5326
15	12/21/2020	\$125,000	Cashier's Check	HAYWOOD withdrew funds from #9120 and deposited funds in #6454
16	1/19/2021	\$240,000	Cashier's Check	HARRISON withdrew funds from #9120 and deposited funds in #5326
17	2/8/2021	\$300,000	Cashier's Check	HAYWOOD withdrew funds from #9120 and deposited funds in #6454
18	2/8/2021	\$400,000	Cashier's Check	HARRISON withdrew funds from #9120 and deposited funds in #5326
19	2/23/2021	\$160,000	Cashier's Check	HAYWOOD withdrew funds from #9120 and deposited funds in #6454
20	3/17/2021	\$120,000	Cashier's Check	HAYWOOD withdrew funds from #9120 and deposited funds in #6454

All of this was in violation of 18 U.S.C. § 1957.

COUNTS 21-30
Aggravated Identity Theft
(18 U.S.C. § 1028A)

The factual allegations in the preceding paragraphs are incorporated by reference and re-alleged as though fully set forth herein.

21. On or about the dates listed below, KENNETH HARRISON and COURTNEY HAYWOOD, individually and doing business under the entities described above, along with other individuals and entities known and unknown to the grand jury, during and in relation to the commission of a health care fraud scheme, knowingly transferred, possessed, and used, without lawful authority, a means of identification of another person.

a. More specifically, Defendants created false billings for patients for days that the patients were not provided any treatment at all, with each of the following instances being a separate indictment count:

Ct	Date (on or about)	Patient	Means of Identification Used
21	1/1/21– 1/31/21	J.M.	Name, AHCCCS ID, Date of Birth
22	2/1/21– 2/28/21	L.T.	Name, AHCCCS ID, Date of Birth
23	11/1/20– 11/31/20	B.K.	Name, AHCCCS ID, Date of Birth
24	3/1/20– 3/31/20	D.Y.	Name, AHCCCS ID, Date of Birth

b. Additionally, Defendants created false billings for at least one patient, R.P., who was already deceased, with each instance being a separate indictment count:

Ct	Date (on or about)	Patient	Means of Identification Used
25	12/26/20	R.P.	Name, AHCCCS ID, Date of Birth
26	12/27/20	R.P.	Name, AHCCCS ID, Date of Birth
27	12/28/20	R.P.	Name, AHCCCS ID, Date of Birth
28	12/29/20	R.P.	Name, AHCCCS ID, Date of Birth
29	12/30/20	R.P.	Name, AHCCCS ID, Date of Birth
30	12/31/20	R.P.	Name, AHCCCS ID, Date of Birth

All of this was in violation of 18 U.S.C. § 1028A.

FORFEITURE ALLEGATIONS

The factual allegations in the preceding paragraphs are incorporated by reference and re-alleged as though fully set forth herein.

22. Pursuant to 18 U.S.C. §§ 981 and 982, 21 U.S.C. § 853, and 28 U.S.C. § 2461(c), upon conviction of one or more of the offenses alleged in counts 1 through 30 above, Defendants HARRISON and HAYWOOD shall forfeit to the United States all right, title, and interest in any and all property, real or personal, involved in such offenses, or in any property traceable to such property involved in such offenses, including the following: (a) all money or other property that was the subject of each transaction or transfer in violation of a statute listed in 18 U.S.C. § 982; (b) all other property constituting proceeds obtained as a result of those violations; and (c) all property used in any manner or part to commit or to facilitate the commission of those violations, including but not limited to the

1 sum of money representing the amount of money involved in the offenses. This includes
2 a sum of money equal to at least \$9.4 million in U.S. currency, representing the amount of
3 proceeds involved in the offenses.

4 23. If any of the above-described forfeitable property, as a result of any act or
5 omission by any Defendant, cannot be located upon the exercise of due diligence, has been
6 transferred, sold to, or deposited with a third party, has been placed beyond the jurisdiction
7 of the court, had been substantially diminished in value, or has been commingled with other
8 property and cannot be divided without difficulty, it is the intent of the United States to
9 seek forfeiture of any other property of that Defendant up to the value of the above-
10 described forfeitable property, pursuant to 21 U.S.C. § 853(p), as incorporated by 18
11 U.S.C. § 982(b) and 28 U.S.C. § 2461.

12 A TRUE BILL

13
14 s/
FOREPERSON OF THE GRAND JURY
15 Date: *March 6, 2024*

16 GARY M. RESTAINO
17 United States Attorney
District of Arizona

18 s/
19 MONICA B. KLAPPER
Assistant U.S. Attorney