

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

THE UNITED STATES OF AMERICA and the  
STATE OF NEW YORK *ex rel.* J. DOE,

Plaintiffs,

v.

A.R.E.B.A.-CASRIEL, INC. D/B/A  
ADDICTION CARE INTERVENTIONS  
CHEMICAL DEPENDENCY TREATMENT  
CENTERS and STEVEN YOHAY,

Defendants.

**16 Civ. 1760 (VSB)**

UNITED STATES OF AMERICA,

Plaintiff-Intervenor,

v.

A.R.E.B.A.-CASRIEL, INC. D/B/A  
ADDICTION CARE INTERVENTIONS  
CHEMICAL DEPENDENCY TREATMENT  
CENTERS and STEVEN YOHAY,

Defendants.

**STIPULATION AND ORDER OF SETTLEMENT AND DISMISSAL**

WHEREAS, this Stipulation and Order of Settlement and Dismissal (“Stipulation”) is entered into by and among plaintiff the United States of America (the “United States” or “Government”), by its attorney, Audrey Strauss, Acting United States Attorney for the Southern

District of New York, and on behalf of the Office of Inspector General of the Department of Health and Human Services (“OIG-HHS”); relator Kaitlin Downes (the “Relator”), by her authorized representatives; and defendants A.R.E.B.A.-CASRIEL, Inc. d/b/a/ Addiction Care Interventions Chemical Dependency Treatment Centers (“ACI”) and Steven Yohay (“Yohay”) (together “Defendants”) (together with the Government and the Relator, the “Parties”), by their authorized representatives;

WHEREAS, ACI, a company located in New York City, provides inpatient and outpatient substance abuse addiction treatment services that are reimbursed by Medicaid;

WHEREAS, Yohay is the majority owner, President and former CEO of ACI and he is involved in the management and operations of ACI;

WHEREAS, on or about March 8, 2016, the Relator filed a complaint in the United States District Court for the Southern District of New York pursuant to the *qui tam* provisions of the False Claims Act (“FCA”), 31 U.S.C. § 3729 *et seq.* (the “Relator Complaint”), alleging, *inter alia*, that Defendants engaged in an illegal kickback scheme involving the use of employed drivers to solicit and recruit Medicaid beneficiaries for admission to ACI’s treatment programs;

WHEREAS, in addition to investigating the allegations in the Relator Complaint, the United States Attorney’s Office for the Southern District of New York also initiated an investigation into other potential violations of the FCA not referenced in the Relator Complaint or raised by the Relator;

WHEREAS, the Government alleges that from January 2014 to December 2019, ACI, with the knowledge, involvement, and participation of Yohay, induced patients to be admitted to ACI’s inpatient treatment program by using drivers who were compensated based in part on the volume of patients they recruited for admission into the programs to: (1) solicit and transport

potential new patients, including out-of-state residents, to ACI's facility when the individuals had not previously sought treatment at ACI or been previously treated at ACI; and (2) offer and provide potential new patients with money, drugs, and/or alcohol, in violation of the Anti-Kickback Statute (the "AKS"), 42 U.S.C. §§ 1320a-7b(b). As a result of the foregoing, ACI submitted false claims for payment to Medicaid. The conduct described in this paragraph is referred to as the "Driver Kickback Covered Conduct";

WHEREAS, the Government further alleges that from October 2012 through March 2017, ACI, with the knowledge, involvement and participation of Yohay, employed and paid an individual to purportedly provide translation services that were rarely provided in order to induce that individual, who was a full-time employee at an organization that refers individuals to substance abuse providers, to refer patients to ACI, in violation of the AKS. As a result of the foregoing, ACI submitted false claims for payment to Medicaid. The conduct described in this paragraph is referred to as the "Sham Employee Kickback Covered Conduct";

WHEREAS, the Government further alleges that from July 2012 through July 2013, ACI admitted Medicaid patients into its inpatient treatment program who were not evaluated by a qualified health care professional as required by applicable state law, created medical forms containing a xeroxed copy of a physician's signature to make it appear that such an evaluation had occurred by that physician, and after ACI's management, including Yohay, became aware of the documentation containing false signatures, ACI and Yohay did not disclose to Medicaid that ACI had been using forms containing false information for reimbursement and knowingly failed to return payments that it had improperly received from Medicaid. The conduct described in this paragraph is referred to as the "False Documentation Covered Conduct";

WHEREAS, contemporaneous with the filing of this Stipulation, the Government, through the Office of the United States Attorney for the Southern District of New York, is filing a Notice of Election to Partially Intervene and a Complaint-In-Intervention in the above-referenced *qui tam* action (“Government Complaint”), in which it is asserting claims under the FCA against ACI and Yohay for the Driver Kickback Covered Conduct, the Sham Employee Kickback Covered Conduct, and the False Documentation Covered Conduct;

WHEREAS, as this matter involves Medicaid funds which involve both the United States and New York State, ACI and Yohay intend on entering into a separate settlement agreement with New York State (“New York State Settlement”) to resolve claims related to the Driver Kickback Covered Conduct, the Sham Employee Kickback Covered Conduct, and the False Documentation Covered Conduct, and each defendant has agreed to pay \$1,800,000 to New York State, for a total of \$3,600,000, pursuant to the New York State Settlement;

WHEREAS, simultaneously with this Stipulation, Yohay is entering into a Voluntary Exclusion Agreement with HHS-OIG, according to which he agrees to be excluded from participation in Medicare and other federal health care programs for a period of fifteen (15) years from the date of that agreement, which is attached hereto as Exhibit A.

WHEREAS, in connection with settlement discussions and in order to allow the Government to assess ACI’s ability to make payments to resolve this matter, ACI has submitted information concerning its financial condition to the Government, including but not limited to information relating to its assets, liabilities, expenses, revenues, profits, and financial projections (the “ACI Financial Information”);

WHEREAS, the Parties have, through this Stipulation, reached a mutually agreeable resolution addressing the claims asserted against Defendants in the Government Complaint and the Relator Complaint;

WHEREAS, the Relator's claim to a share of the proceeds from the settlement of claims arising from the Relator Complaint will be the subject of a separate agreement between the Relator and the United States, and the Relator acknowledges that this claim is limited to a share of the proceeds for the settlement of claims related to the Driver Kickback Covered Conduct;

NOW, THEREFORE, upon the Parties' agreement, IT IS HEREBY ORDERED that:

### **TERMS AND CONDITIONS**

1. The Parties agree that this Court has subject matter jurisdiction over this action and consent to this Court's exercise of personal jurisdiction over each of them.

2. ACI and Steven Yohay admit, acknowledge, and accept responsibility for the following conduct:

- a. ACI provides substance abuse treatment to patients and operates inpatient and outpatient programs in New York City.
- b. Yohay is the majority owner and President of ACI. Until 2014, Yohay also served as the CEO of ACI. As the CEO, during the relevant time periods, Yohay was involved in the day-to-day management and operations of ACI, including monitoring patient admissions and discharges, approving salaries and expenditures, and making staffing decisions. After hiring a CEO in 2016, Yohay remained President of ACI, but took on a less active role in the day-to-day management and operations of ACI.

#### **Role of Drivers:**

- c. From January 2014 to December 2019, ACI employed drivers who were involved in identifying, recruiting, and providing transportation services for new patients who were admitted into ACI's inpatient treatment. During the relevant period, ACI employed approximately five to ten drivers at any given time.

- d. ACI drivers picked up individuals, including some individuals who did not have any prior contact with ACI, and transported them to ACI's facility for admission as inpatients. These individuals had not been previously treated at ACI and had not previously contacted ACI to schedule an appointment for admission.
- e. ACI drivers rode in unmarked vehicles and picked up individuals, who were often homeless, from a wide range of locations, including parks, train stations, shelters, hospitals, under bridges, and other substance abuse treatment centers. ACI's management, including Yohay, were aware that many of the individuals picked up by ACI's drivers were homeless or lacked stable housing.
- f. Most of the new admissions to ACI's inpatient program resulted from efforts by ACI's drivers to recruit and contact potential patients.
- g. ACI financially incentivized its drivers to bring in new patients. ACI paid the driver who brought in the most new patients during the relevant period an annual salary of more than \$200,000, as well as a bonus consisting of thousands of dollars.
- h. ACI's management, including Yohay, tracked on a daily basis the number of new patients that each driver brought to ACI for admission as well as the number that were ultimately admitted.
- i. ACI's management, including Yohay, were made aware of allegations that certain ACI drivers gave some potential new patients money, drugs, and/or alcohol to induce them to seek admission to ACI's inpatient program. However, ACI and Yohay failed to adequately investigate these allegations or take appropriate corrective actions in response.
- j. ACI failed to adequately supervise its drivers. At least one driver who was employed by ACI did not have a valid driver's license.
- k. ACI did not provide training to its drivers, including any training on the Anti-Kickback Statute, and did not maintain any policies governing the drivers' conduct.
- l. A large percentage of the new patients admitted into ACI's inpatient program were New Jersey residents who were picked up by drivers in New Jersey. After picking up these individuals, ACI's drivers assisted them with enrolling in the New York Medicaid program by facilitating the creation of identification documents containing a New York address. Many of these patients remained enrolled in New Jersey Medicaid while at ACI, and returned to New Jersey after their discharge from ACI. From January 2015 through August 2018, almost half of the individuals admitted

into ACI's inpatient program for the first time were enrolled in New York Medicaid on the same day that they were admitted to ACI.

**Use of Paid Employee to Make Patient Referrals:**

- m. In October 2012, ACI created a part-time "translator" position and hired an individual to fill the position who was simultaneously employed at Bronx Treatment Assessment Services ("TASC"), an organization that refers individuals to substance abuse clinics, like ACI, for treatment as an alternative to incarceration. The person remained in the position until March 2017.
- n. During her employment, ACI paid the individual more than \$75,000.00.
- o. Although the individual was hired to be a "translator," she rarely was asked by ACI to provide any translation services. The individual translated for ACI a few times in 2012, and thereafter, she did not perform any translation services for ACI but continued to be paid by ACI until 2017.
- p. Throughout the course of her employment with ACI, the individual regularly provided ACI managers with lists of individuals who were being referred by TASC to ACI for substance abuse services. ACI provided services to many of these referred patients, and received reimbursement from Medicaid for these services.
- q. On one occasion in 2014, the individual requested several thousand dollars from ACI's CEO so that she could pay her traffic tickets and court costs associated with driving with a suspended license. ACI gave her the money, with Yohay's approval, after ACI's CEO requested and received a list reflecting the patients she had referred from TASC to ACI.

**Medical Assessments Not Completed by Physicians:**

- r. From July 2012 through July 2013, ACI admitted certain patients into its inpatient program who were not properly evaluated by a qualified health professional as required.
- s. Substance abuse treatment providers are required to assess patients and make a clinical determination as to the level of care the patient should receive upon admission to a facility. During the relevant time period, the level of care determination was documented on an admission criteria form, which was required to be signed by a qualified health professional as defined by the Office of Alcohol and Substance Abuse Services. The level of care determination also affected the level of reimbursement received from Medicaid.

- t. During the relevant period, ACI admissions staff, who were not qualified health professionals, conducted the patient assessment and completed the admissions criteria forms. These forms, which were part of a patient's file used to support claims for reimbursement from Medicaid, contained a xeroxed, pre-signed copy of a physician's signature.
- u. After ACI's management, including Yohay, became aware of the documentation containing false signatures, they did not disclose to Medicaid that ACI had created forms containing false information to support ACI's claims for reimbursement from Medicaid and did not return payments that ACI had improperly received from Medicaid.

3. Yohay shall pay to the United States within fourteen (14) business days of the Effective Date (defined below in Paragraph 35) the sum of \$1,200,000.00 plus interest, which shall be compounded annually at a rate of 0.75% accruing from November 6, 2020 to the date of the payment (the "Yohay Settlement Amount"), in accordance with instructions to be provided by the Financial Litigation Unit of the United States Attorney's Office for the Southern District of New York. Of the Yohay Settlement Amount, \$600,000.00 plus applicable interest constitutes restitution to the United States. The sum of \$654,120.00 plus applicable interest is being paid to resolve claims for the Driver Kickback Covered Conduct, and the sum of \$545,880.00 plus applicable interest is being paid to resolve claims for the Sham Employee Kickback Covered Conduct and False Documentation Covered Conduct. Yohay agrees that he shall not seek indemnification from any source with respect to any portion of the Yohay Settlement Amount.

4. ACI shall pay to the United States the sum of \$1,200,000.00 plus applicable interest (the "ACI Settlement Amount") to be paid in six installments according to the schedule set forth below. ACI shall make the below-referenced payments in accordance with instructions to be provided by the Financial Litigation Unit of the United States Attorney's Office for the Southern District of New York. Of the ACI Settlement Amount, \$600,000.00 plus applicable



interest constitutes restitution to the United States. The sum of \$654,120.00 plus applicable interest is being paid to resolve claims for the Driver Kickback Covered Conduct, and the sum of \$545,880.00 plus applicable interest is being paid to resolve claims for the Sham Employee Kickback Covered Conduct and False Documentation Covered Conduct. The Government will allocate each installment payment proportionally between the amount being paid to resolve claims for the Driver Kickback Covered Conduct and the amount being paid to resolve claims for the Sham Employee Kickback Covered Conduct and False Documentation Covered Conduct.

- a. Within fourteen (14) business days of the Effective Date (defined below in Paragraph 35), ACI shall pay the United States the sum of \$100,000.00.
- b. On or before December 31, 2021, ACI shall pay the United States the sum of \$156,000.00, plus interest which shall be compounded annually at a rate of 0.75% accruing from the Effective Date.
- c. On or before December 31, 2022, ACI shall pay the United States the sum of \$200,000.00, plus interest which shall be compounded annually at a rate of 0.75% accruing from the Effective Date.
- d. On or before December 31, 2023, ACI shall pay the United States the sum of \$248,000.00, plus interest which shall be compounded annually at a rate of 0.75% accruing from the Effective Date.
- e. On or before December 31, 2024, ACI shall pay the United States the sum of \$248,000.00, plus interest which shall be compounded annually at a rate of 0.75% accruing from the Effective Date.

f. On or before December 31, 2025, ACI shall pay the United States the sum of \$248,000.00, plus interest which shall be compounded annually at a rate of 0.75% accruing from the Effective Date.

5. 530 Midwood LLC has executed a Guaranty Agreement with the United States guarantying up to \$550,000 of the ACI Settlement Amount owed to the United States by ACI, a copy of which is attached hereto as Exhibit B. In the event, 530 Midwood LLC rescinds its obligation as guarantor under the terms of the Guaranty Agreement at Exhibit B, ACI shall obtain a new qualified guarantor within 30 days of the date of the rescission. If ACI fails to obtain a new qualified guarantor within 30 days of the date of the rescission, ACI shall be in default of this Stipulation, in which case the Government may take any of the actions set forth in Paragraph 18 below.

6. ACI shall execute and agree to the entry of a consent judgment in favor of the Government and against ACI in the amount of \$1,200,000.00, a copy of which is attached hereto as Exhibit C (the "ACI Consent Judgment"). The Government may use the ACI Consent Judgment to obtain a security interest in any asset or property of ACI, but shall not engage in other collection activity with respect to the ACI Consent Judgment so long as ACI fully complies with the payment schedule set forth in Paragraph 4 above. Should ACI comply fully with the payment schedule set forth in Paragraph 4 above, the ACI Consent Judgment shall be deemed to be satisfied in full. Within thirty (30) calendar days after ACI makes the final payment under the payment schedule, and upon ACI's request, the Government shall file with the Clerk of the Court and deliver to ACI a Full Satisfaction of Judgment. In the event that ACI fully pays the Settlement Amount faster than as provided in the payment schedule, the ACI Consent Judgment shall be deemed to be satisfied in full and, upon ACI's request, the Government shall file with

the Clerk of the Court and deliver to ACI a Full Satisfaction of Judgment. Should ACI fail to comply fully with the payment schedule set forth in Paragraph 4 above or any other term of this Stipulation, ACI shall be in default of this Stipulation, in which case the Government may take any of the actions set forth in Paragraph 18 below.

7. The following injunctive relief shall apply:

a. Notwithstanding anything to the contrary herein, within thirty (30) days of the Effective Date, Yohay shall no longer maintain ownership or control interest, as defined in 42 U.S.C. § 1320a-3(a)(3), in ACI. Yohay shall divest himself from ACI such that he shall have no involvement or decision-making authority in the management of ACI and or in any operational decisions of ACI. Yohay shall fully divest any ownership interests, direct or indirect, in ACI to a disinterested third-party. Once Yohay has fully divested his ownership and removed himself from any operational or managerial control of ACI, he shall notify the United States within five (5) days. OIG-HHS agrees that during the 30-day period following the Effective Date it will not exercise its right to institute, direct, or maintain any administrative action seeking exclusion against ACI from Medicare, Medicaid, or other Federal healthcare programs (as defined in 42 U.S.C. § 1320a-7b(f)) under 42 U.S.C. § 1320a-7(b)(8) (permissive exclusion for entities controlled by a sanctioned individual).

b. Notwithstanding the foregoing, Yohay's divestiture of his ownership and control interest in ACI, as well as his decision-making, management and operational authority over ACI are subject to the approval by the New York State Office of Addiction Services and Supports ("OASAS"). Within five (5) days of

the Effective Date, Yohay shall submit to OASAS a Change in Ownership Application to change ACI's ownership to a disinterested third party. In the event OASAS denies the pending Change in Ownership Application, Yohay shall submit another Change in Ownership Application to OASAS within thirty (30) days and shall complete divestiture of his shares upon OASAS's approval of the Change in Ownership Application. If Yohay fails to timely divest his shares upon approval by OASAS of the Change in Ownership Application or fails to timely submit another Change in Ownership Application to OASAS should OASAS deny the pending application, ACI shall be in default of this Stipulation, in which case the Government may take any of the actions set forth in Paragraph 18 below.

c. ACI, and any person acting on behalf of ACI, including any agent, assign, transferee or successor-in-interest, agrees to fully and completely refrain from transferring or receiving, either directly or indirectly, anything of value to or from Yohay or a family member of Yohay (the "Yohays"), including any entity that the Yohays have any type of ownership or beneficial interest in or are employed by, either directly or indirectly. For purposes of this Stipulation, the phrase "anything of value" expressly includes personal or professional services, as well as any and all types of real or personal property, whether in the form of money, loans, travel, entertainment, hospitality, or in any other form, and whether jointly or individually held. "Anything of value" expressly excludes: (i) any remuneration Yohay receives in exchange for his eighty-five percent (85%) ownership interest in ACI pursuant to a good faith, arm's length transaction; (ii) the repayment of two Revolving Credit Notes, one between Yohay and ACI and the other between

Joel H. Yohay and ACI, which are both dated February 15, 2019 and have maturity dates of December 31, 2028. ACI shall be in default of this Stipulation should it accept any additional monies by Yohay or Joel H. Yohay to ACI, under the existing Revolving Credit Notes or any other means.

d. ACI agrees to the following:

i. Within 30 days of the Effective Date, ACI, in consultation with a retained qualified entity with expertise in compliance with federal health care program requirements (“Consultant”), shall develop and implement written procedures designed to ensure that any transportation services offered by ACI do not violate the AKS (“New Procedures”). The Consultant shall provide training to all ACI employees regarding the requirements of the AKS, the circumstances under which the provision of free or discounted transportation services can implicate or violate the AKS, and the New Procedures. Such training shall be provided to all ACI employees within 60 days of the Effective Date. ACI shall document and retain for a period of five years, and make available upon the request of any law enforcement entity or agency during that period, the written procedures and training, including a record of those who attended and received the training.

ii. Beginning no later than 60 days after the Effective Date, ACI shall document and retain for a period of five years, and make available upon the request of any law enforcement entity or agency during that period, the following as to each individual who is transported to ACI’s facility by an

ACI driver for potential admission into a treatment program: (1) the individual's name and address, (2) the manner by which driver made contact with the individual, including who initiated contact and how the contact was made, (3) the date, time and location at which the individual was picked up by the ACI driver, (4) whether the individual had previously sought or received treatment from ACI or had any prior contact with ACI and the manner of that contact, (5) whether the individual was admitted into the treatment program, and (6) the identity of the driver.

8. Defendants agree to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Stipulation. Upon reasonable notice, Defendants shall encourage, and agree not to impair, the cooperation of ACI's directors, officers, and employees, and shall use its best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. Defendants further agree to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in its possession, custody, or control concerning any investigation of the Driver Kickback Covered Conduct, Sham Employee Kickback Covered Conduct, and False Documentation Covered Conduct that they have undertaken, or that has been performed by another on their behalf.

9. Subject to the exceptions in Paragraphs 15 and 23 below (concerning excluded claims and bankruptcy proceedings), and conditioned upon ACI's full compliance with the terms of this Stipulation, including full payment of the ACI Settlement Amount to the United States pursuant to Paragraph 4 above, the United States releases ACI, including ACI's subsidiaries and

corporate predecessors, successors, and assigns, from any civil or administrative monetary claim that the United States has for the Driver Kickback Covered Conduct, Sham Employee Kickback Covered Conduct, and False Documentation Covered Conduct under the FCA, the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a, the Program Fraud Civil Remedies Act, 31 U.S.C. § 3801-3812, and the common law theories of fraud, payment by mistake, and unjust enrichment. For avoidance of doubt, this Stipulation does not release any current or former officer, director, employee, or agent of ACI from liability of any kind.

10. Subject to the exceptions in Paragraphs 15 and 23 below (concerning excluded claims and bankruptcy proceedings), and conditioned upon Yohay's full compliance with the terms of this Stipulation, including full payment of the Yohay Settlement Amount to the United States pursuant to Paragraph 3 above, the United States releases Yohay from any civil or administrative monetary claim that the United States has for the Driver Kickback Covered Conduct, Sham Employee Kickback Covered Conduct, and False Documentation Covered Conduct under the FCA, the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a, the Program Fraud Civil Remedies Act, 31 U.S.C. § 3801-3812, and the common law theories of fraud, payment by mistake, and unjust enrichment.

11. Defendants fully and finally release the United States and its agencies, officers, employees, servants, and agents from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Defendants have asserted, could have asserted, or may assert in the future against the United States and its agencies, officers, employees, servants, or agents related to the Driver Kickback Covered Conduct, Sham Employee Kickback Covered Conduct, and False Documentation Covered Conduct and the United States' investigation, prosecution and settlement thereof.

12. Conditioned on ACI's timely payment of the full ACI Settlement Amount pursuant to Paragraph 4 above, the Relator, for herself and her heirs, successors, attorneys, agents, and assigns, releases ACI, including its subsidiaries and corporate predecessors, successors and assigns, as well as all of its current and former officers, directors, employees, attorneys, and other agents, except for Yohay, from any and all manner of claims, proceedings, liens, and causes of action of any kind or description that the Relator has against ACI; provided, however, that nothing in this Stipulation shall preclude the Relator from seeking to recover her reasonable expenses and attorneys' fees and costs pursuant to 31 U.S.C. § 3730(d).

13. Conditioned on Yohay's timely payment of the full Yohay Settlement Amount pursuant to Paragraph 3 above, the Relator, for herself and her heirs, successors, attorneys, agents, and assigns, releases Yohay from any and all manner of claims, proceedings, liens, and causes of action of any kind or description that the Relator has against Yohay; provided, however, that nothing in this Stipulation shall preclude the Relator from seeking to recover her reasonable expenses and attorneys' fees and costs pursuant to 31 U.S.C. § 3730(d).

14. In consideration of the execution of this Stipulation by the Relator and the Relator's releases as set forth in Paragraphs 12 and 13 above, Yohay and ACI, including ACI's subsidiaries, predecessors, and corporate successors and assigns, as well as all of their current and former officers, directors, employees, attorneys, and other agents, release the Relator and her successors, heirs, assigns, attorneys, and other agents, from any and all manner of claims, proceedings, liens, and causes of action of any kind or description that Defendants have against the Relator related to or arising from the Relator Complaint.



15. Notwithstanding the releases given in Paragraphs 9 and 10, or any other term of this Stipulation, the following claims of the Government are specifically reserved and are not released by this Stipulation:

- a. any liability arising under Title 26, United States Code (Internal Revenue Code);
- b. any criminal liability;
- c. except as explicitly stated in this Stipulation or in the Voluntary Exclusion Agreement, any administrative liability, including mandatory or permissive exclusion from Federal healthcare programs as defined in 42 U.S.C. §1320a-7b(f) under 42 U.S.C. §1320a-7(a) (mandatory exclusion) or 42 U.S.C. §1320a-7(b) (permissive exclusion);
- d. any liability to the United States (or its agencies) for any conduct other than the Driver Kickback Covered Conduct, Sham Employee Covered Conduct, and False Documentation Covered Conduct;
- e. any liability based upon obligations created by this Stipulation; and
- f. any liability of individuals, except Yohay.

16. ACI has provided the ACI Financial Information to the United States, and the United States has relied on the accuracy and completeness of that information in reaching this Stipulation. ACI warrants that the ACI Financial Information is complete, truthful, and accurate. If the United States learns of any misrepresentation or inaccuracy in the ACI Financial Information, or of assets in which ACI had an interest at the time of this Stipulation that were not disclosed in the ACI Financial Information, and if such nondisclosure or misrepresentation changes either the estimated net worth, annual net income, or assets set forth in the ACI

Financial Information by 5% or more, the United States may at its option: (i) rescind this Stipulation and reinstate the claims asserted against ACI in the Government Complaint, or (ii) let the Stipulation stand and collect the full Settlement Amount plus one hundred percent (100%) of the value of the net worth, net income or assets that were previously not disclosed. ACI agrees not to contest any collection action undertaken by the United States pursuant to this provision, and immediately to pay the United States all reasonable costs incurred in such an action, including attorneys' fees and expenses.

17. Yohay shall be in default of this Stipulation if he fails to make the required payment set forth in Paragraph 3 above on or before the due date for such payment, or if he fails to comply materially with any other term of this Stipulation ("Default"). The Government shall provide written notice to Yohay of any Default in the manner set forth in Paragraph 3 below. Yohay shall then have an opportunity to cure the Default within ten (10) calendar days from the date of delivery of the notice of Default. In the event that a Default is not fully cured within ten (10) calendar days of the delivery of the notice of Default ("Uncured Default"), interest shall accrue at the rate of 12% per annum compounded daily on the remaining unpaid principal balance of the Settlement Amount set forth in Paragraph 3 above, beginning ten (10) calendar days after mailing of the notice of Default. In the event of an Uncured Default, Defendant shall agree to the entry of a consent judgment in favor of the United States against Defendant in the amount of the Settlement Amount as attached hereto as Exhibit D. The United States may also, at its option, (a) rescind this Stipulation and reinstate the claims asserted against Yohay in the Government Complaint; (b) seek specific performance of this Stipulation; (c) offset the remaining unpaid balance of the Yohay Settlement Amount from any amounts due and owing Yohay by any department, agency, or agent of the United States; or (d) exercise any other rights

granted by law, or under the terms of this Stipulation, or recognizable at common law or in equity. Yohay shall not contest any offset imposed or any collection undertaken by the Government pursuant to this Paragraph, either administratively or in any Federal or State court. In addition, Yohay shall pay the Government all reasonable costs of collection and enforcement under this Paragraph, including attorneys' fees and expenses. In the event that the United States opts to rescind this Stipulation pursuant to this Paragraph, Yohay shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any civil or administrative claims that relate to the Driver Kickback Covered Conduct, Sham Employee Kickback Covered Conduct, and False Documentation Covered Conduct.

18. ACI shall be in default of this Stipulation if it fails to make the required payments set forth in Paragraph 4 above on or before the due date for such payment, or if it fails to comply materially with any other term of this Stipulation ("Default"). The Government shall provide written notice to ACI of any Default in the manner set forth in Paragraph 4 below. ACI shall then have an opportunity to cure the Default within ten (10) calendar days from the date of delivery of the notice of Default. In the event that a Default is not fully cured within ten (10) calendar days of the delivery of the notice of Default ("Uncured Default"), interest shall accrue at the rate of 12% per annum compounded daily on the remaining unpaid principal balance of the Settlement Amount set forth in Paragraph 4 above, beginning ten (10) calendar days after mailing of the notice of Default. In the event of an Uncured Default, the United States may initiate a collection action or take any other action with respect to the unpaid portion of the amount specified in the consent judgment attached hereto Exhibit D. The United States may also, at its option, (a) rescind this Stipulation and reinstate the claims asserted against ACI in the Government

Complaint; (b) seek specific performance of this Stipulation; (c) offset the remaining unpaid balance of the ACI Settlement Amount from any amounts due and owing ACI by any department, agency, or agent of the United States; or (d) exercise any other rights granted by law, or under the terms of this Stipulation, or recognizable at common law or in equity. ACI shall not contest any offset imposed or any collection undertaken by the Government pursuant to this Paragraph, either administratively or in any Federal or State court. In addition, ACI shall pay the Government all reasonable costs of collection and enforcement under this Paragraph, including attorneys' fees and expenses. In the event that the United States opts to rescind this Stipulation pursuant to this Paragraph, ACI shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any civil or administrative claims that relate to the Driver Kickback Covered Conduct, Sham Employee Kickback Covered Conduct, and False Documentation Covered Conduct.

19. The Relator and her heirs, successors, attorneys, agents, and assigns shall not object to this Stipulation; the Relator agrees and confirms that the terms of this Stipulation are fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B).

20. Defendants waive and shall not assert any defenses they may have to any criminal prosecution or administrative action relating to the Driver Kickback Covered Conduct, Sham Employee Covered Conduct, and False Documentation Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Stipulation bars a remedy sought in such criminal prosecution or administrative action.

21. Defendants, having truthfully admitted the conduct set forth in Paragraph 2 above (the “Admitted Conduct”), agree that they shall not, through their attorneys, agents, officers, or employees, make any public statement, including but not limited to any statement in a press release, social media forum, or website, that contradicts or is inconsistent with the Admitted Conduct or suggests that the Admitted Conduct is not wrongful (a “Contradictory Statement”). Any Contradictory Statement by Defendants or their attorneys, agents, officers, or employees shall constitute a violation of this Stipulation, thereby authorizing the Government to pursue any of the remedies set forth in Paragraphs 17 and 18 above, or seek other appropriate relief from the Court. Before pursuing any remedy, the Government shall notify Defendants that it has determined that that they have made a Contradictory Statement. Upon receiving such notice from the Government, Defendants may cure the violation by repudiating the Contradictory Statement in a press release or other public statement within four business days. If Defendants learn of a potential Contradictory Statement by their attorneys, agents, officers, or employees, Defendants must notify the Government of the statement within 24 hours. The decision as to whether any statement constitutes a Contradictory Statement or will be imputed to the Defendants for the purpose of this Stipulation, or whether Defendants adequately repudiated a Contradictory Statement to cure a violation of this Stipulation, shall be within the sole discretion of the Government. Consistent with this provision, Defendants may raise defenses and/or assert affirmative claims or defenses in any proceedings brought by private and/or public parties, so long as doing so would not contradict the Admitted Conduct.

22. Defendants represent and warrant that they have reviewed their respective financial situations, that they are currently not insolvent as such term is defined in 11 U.S.C. § 101(32), and that they reasonably believes they shall remain solvent following payment to the

Government of the settlement amounts referenced in Paragraphs 3 and 4 above. Further, the Parties warrant that, in evaluating whether to execute this Stipulation, they (a) have intended that the mutual promises, covenants, and obligations set forth constitute a contemporaneous exchange for new value given to Defendants, within the meaning of 11 U.S.C. § 547(c)(1); and (b) have concluded that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. Further, the Parties warrant that the mutual promises, covenants, and obligations set forth herein are intended to and do, in fact, represent a reasonably equivalent exchange of value that is not intended to hinder, delay, or defraud any entity to which Defendants were or became indebted to on or after the date of this Stipulation, within the meaning of 11 U.S.C. § 548(a)(1).

23. If within 91 days of the Effective Date of this Stipulation or any payment made under this Stipulation, Defendants commence any case, action, or other proceeding under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors, or a third party commences any case, action, or other proceeding under any law related to bankruptcy, insolvency, reorganization, or relief of debtors (a) seeking an order for relief of Defendants' debts, or seeking to adjudicate Defendants as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for Defendants or for all or part of that Defendants' assets, Defendants agree as follows:

- a. Defendants' obligations under this Stipulation may not be avoided pursuant to 11 U.S.C. § 547, and Defendants shall not argue or otherwise take the position in any such case, action, or proceeding that (i) Defendants' obligations under this Stipulation may be avoided under 11 U.S.C. § 547; (ii) Defendants are insolvent at the time this Stipulation was entered into; or (iii) the mutual

promises, covenants, and obligations set forth in this Stipulation do not constitute a contemporaneous exchange for new value given to Defendants.

- b. If any of Defendants' obligations under this Stipulation are avoided for any reason, including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code, the Government, at its option, may rescind the release in this Stipulation and bring any civil and/or administrative claim, action, or proceeding against Defendants for the claims that would otherwise be covered by the release in Paragraphs 9 and 10 above. Defendants agree that (i) any such claim, action, or proceeding brought by the Government would not be subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) as a result of the case, action, or proceeding described in the first sentence of this Paragraph, and Defendants shall not argue or otherwise contend that the Government's claim, action, or proceeding is subject to an automatic stay; (ii) Defendants shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any claim, action, or proceeding that is brought by the Government within 60 calendar days of written notification to Defendants that the release has been rescinded pursuant to this Paragraph, except to the extent such defenses were available on the date the Relator Complaint was filed; and (iii) the Government has an undisputed, noncontingent, and liquidated allowed claim against Defendants in the amount of the respective settlement amounts set forth in Paragraphs 3 and 4 above and the Government may pursue its claim in the case, action, or proceeding

described in the first sentence of this Paragraph, as well as in any other case, action, or proceeding, and shall be allowed to offset the remaining unpaid balance of its claim from any amounts due and owing Defendants by any department, agency, or agent of the United States without seeking further authorization from any court under 11 U.S.C. § 362(a)(7).

- c. Defendants acknowledge that the agreements in this Paragraph are provided in exchange for valuable consideration provided in this Stipulation.

24. Defendants agree to the following:

- a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395kkk-1 and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Defendants, including ACI's present or former officers, directors, employees, and agents in connection with:

- (1) the matters covered by this Stipulation;
- (2) the United States' audit(s) and civil investigation(s) of matters covered by this Stipulation;
- (3) Defendants' investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with matters covered by this Stipulation (including attorneys' fees);
- (4) the negotiation and performance of this Stipulation;



(5) any payment Defendants make to the United States pursuant to this Stipulation and any payment Defendants may make to the Relator, including expenses, costs, and attorneys' fees; and

- b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by Defendants, and Defendants shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States.
- c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Stipulation, Defendants shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs (as defined in this Paragraph) included in payments previously sought by Defendants from the United States. Defendants agree that the United States, at a minimum, shall be entitled to recoup from Defendants any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted requests for payment. Any payments due shall be paid to the United States pursuant to the direction of the Department of Justice and/or the affected agencies. The United States, including the Department of Justice and/or the affected agencies, reserves its right to audit, examine, or re-examine Defendants' books and records and to disagree with any calculation submitted by Defendants or any of ACI's subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by ACI, or the effect of any such Unallowable Costs on the amounts of such payments.

d. Nothing in this Stipulation shall constitute a waiver of the rights of the United States to audit, examine, or re-examine Defendants' books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

25. This Stipulation is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity except as otherwise provided herein.

26. Defendants agree that they waive and shall not seek payment for any of the health care billings covered by this Stipulation from any healthcare beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims defined as Driver Kickback Covered Conduct, Sham Employee Kickback Covered Conduct, and False Documentation Covered Conduct.

27. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Stipulation; provided, however, nothing in this Stipulation shall preclude the Relator from seeking to recover her expenses or attorneys' fees and costs from Defendants pursuant to 31 U.S.C. § 3730(d).

28. Any failure by the Government to insist upon the full or material performance of any of the provisions of this Stipulation shall not be deemed a waiver of any of the provisions hereof, and the Government, notwithstanding that failure, shall have the right thereafter to insist upon the full or material performance of any and all of the provisions of this Stipulation.

29. This Stipulation is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Stipulation is the United States District Court for the Southern District of New York. For purposes of construing this Stipulation, this

Stipulation shall be deemed to have been drafted by all Parties to this Stipulation and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

30. This Stipulation constitutes the complete agreement between the Parties with respect to the subject matter hereof. This Stipulation may not be amended except by written consent of the Parties.

31. The undersigned counsel and other signatories represent and warrant that they are fully authorized to execute this Stipulation on behalf of the persons and the entities indicated below.

32. This Stipulation is binding on ACI's successors, transferees, heirs, and assigns. This Stipulation is binding on the Relator's successors, transferees, heirs, and assigns.

33. This Stipulation may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Stipulation. E-mails that attach signatures in PDF form or facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Stipulation.

34. Any notice pursuant to this Stipulation shall be in writing and shall, unless expressly provided otherwise herein, be delivered by hand, express courier, or e-mail transmission followed by postage-prepaid mail, and shall be addressed as follows:

TO THE UNITED STATES:  
Kirti Vaidya Reddy, Esq.  
Assistant United States Attorneys  
United States Attorney's Office  
Southern District of New York  
86 Chambers Street, Third Floor  
New York, New York 10007  
Telephone: (212) 637-2751  
Email: Kirti.Reddy@usdoj.gov

TO DEFENDANTS ACI AND YOHAY:

Robert A. Del Giorno, Esq.  
Garfunkel Wild, P.C.  
111 Great Neck Road  
Great Neck, New York 11021  
Telephone: 516-393-2505  
Email: [rdelgiorno@garfunkelwild.com](mailto:rdelgiorno@garfunkelwild.com)

TO RELATOR:

Robert W. Sadowski, Esq.  
800 Third Avenue, 28<sup>th</sup> Floor  
New York, NY 10022  
Telephone Phone: 646-503-5341  
Email: [rsadowski@robertwsadowski.com](mailto:rsadowski@robertwsadowski.com)

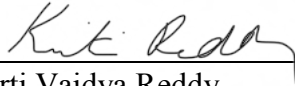
35. The effective date of this Stipulation is the date upon which the Stipulation is approved by the Court (the “Effective Date”).

Agreed to by:

**THE UNITED STATES OF AMERICA**

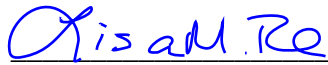
Dated: December 14, 2020

AUDREY STRAUSS  
Acting United States Attorney for the  
Southern District of New York

By:   
Kirti Vaidya Reddy  
Assistant United States Attorneys  
86 Chambers Street, Third Floor  
New York, New York 10007  
Telephone: (212) 637-2751  
Email: [Kirti.Reddy@usdoj.gov](mailto:Kirti.Reddy@usdoj.gov)

Dated: December 14, 2020

Office of the Inspector General, the U.S.  
Department of Health and Human Services

By:   
Lisa M. Re  
Assistant Inspector General  
for Legal Affairs

## DEFENDANTS

Dated: December \_\_\_\_\_, 2020

DEFENDANT STEVEN YOHAY

\_\_\_\_\_  
Steven Yohay

DEFENDANT ACI

By: \_\_\_\_\_  
Steven Yohay, President, ACI

By: \_\_\_\_\_  
Robert A. Del Giorno, Esq.  
John Martin, Esq.  
Garfunkel Wild, P.C.  
111 Great Neck Road  
Great Neck, New York 11021  
Telephone: 516-393-2505  
Email: rdelgiorno@garfunkelwild.com  
*Attorneys for Steven Yohay and ACI*

Dated: December \_\_, 2020

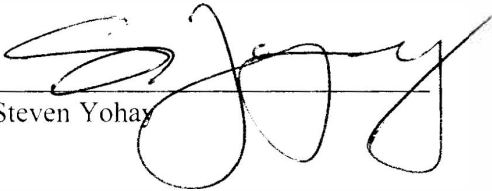
Office of the Inspector General, the U.S.  
Department of Health and Human Services

By: \_\_\_\_\_  
Lisa M. Re  
Assistant Inspector General  
for Legal Affairs

**DEFENDANTS**

Dated: December 14, 2020

DEFENDANT STEVEN YOHAY

  
\_\_\_\_\_  
Steven Yohay

DEFENDANT ACI

By:   
\_\_\_\_\_  
Steven Yohay, President, ACI

By: \_\_\_\_\_  
Robert A. Del Giorno, Esq.  
John Martin, Esq.  
Garfunkel Wild, P.C.  
111 Great Neck Road  
Great Neck, New York 11021  
Telephone: 516-393-2505  
Email: rdelgiorno@garfunkelwild.com  
*Attorneys for Steven Yohay and ACI*

Dated: December \_\_, 2020

Office of the Inspector General, the U.S.  
Department of Health and Human Services

By: \_\_\_\_\_  
Lisa M. Re  
Assistant Inspector General  
for Legal Affairs

**DEFENDANTS**

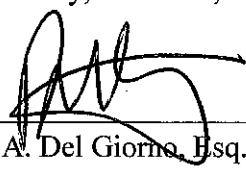
Dated: December 11, 2020

DEFENDANT STEVEN YOHAY

\_\_\_\_\_  
Steven Yohay

DEFENDANT ACI

By: \_\_\_\_\_  
Steven Yohay, President, ACI

By:  *as to form*  
\_\_\_\_\_  
Robert A. Del Giorno, Esq.  
John Martin, Esq.  
Garfunkel Wild, P.C.  
111 Great Neck Road  
Great Neck, New York 11021  
Telephone: 516-393-2505  
Email: rdelgiorno@garfunkelwild.com  
*Attorneys for Steven Yohay and ACI*

**RELATOR**

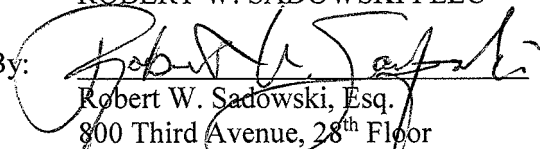
Dated: December 14, 2020

KAITLIN DOWNES

\_\_\_\_\_  
Kaitlin Downes

ROBERT W. SADOWSKI PLLC

By:

  
Robert W. Sadowski, Esq.  
800 Third Avenue, 28<sup>th</sup> Floor  
New York, New York 10022  
Phone: 646-503-5341  
Email: [rsadowski@robertwsadowski.com](mailto:rsadowski@robertwsadowski.com)  
*Attorney for Relator*

FINKELSTEIN, BLANKINSHIP, FREI-  
PEARSON & GARBER, LLC

By:

\_\_\_\_\_  
Jeremiah Frei-Pearson  
One North Broadway, Ste. 900  
White Plains, New York 10601  
Phone: 914-298-3281  
Email: [jfrie-pearson@fbfglaw.com](mailto:jfrie-pearson@fbfglaw.com)  
*Attorney for Relator*

SO ORDERED:

\_\_\_\_\_  
HON. VERNON S. BRODERICK  
UNITED STATES DISTRICT JUDGE

Dated: \_\_\_\_\_  
New York, New York



**RELATOR**

Dated: December <sup>11</sup>\_\_\_\_, 2020

KAITLIN DOWNES



\_\_\_\_\_  
Kaitlin Downes

ROBERT W. SADOWSKI PLLC

By: \_\_\_\_\_

Robert W. Sadowski, Esq.  
800 Third Avenue, 28<sup>th</sup> Floor  
New York, New York 10022  
Phone: 646-503-5341  
Email: [rsadowski@robertwsadowski.com](mailto:rsadowski@robertwsadowski.com)  
*Attorney for Relator*

FINKELSTEIN, BLANKINSHIP, FREI-  
PEARSON & GARBER, LLC

By: \_\_\_\_\_

*Jeremiah Frei-Pearson*  
Jeremiah Frei-Pearson  
One North Broadway, Ste. 900  
White Plains, New York 10601  
Phone: 914-298-3281  
Email: [jfrei-pearson@fbfglaw.com](mailto:jfrei-pearson@fbfglaw.com)  
*Attorney for relator*

SO ORDERED:



\_\_\_\_\_  
Vernon S. Broderick  
United States District Judge

Dated: December 17, 2020  
New York, New York

# **EXHIBIT A**

## EXCLUSION AGREEMENT

I hereby agree to be excluded from participation in Medicare, Medicaid, and all Federal health care programs as defined in 42 U.S.C. § 1320a-7b(f), for a period of 15 years, based on the following OIG allegations:

The OIG alleges that from January 2014 to December 2019, A.R.E.B.A.-CASRIEL, Inc. d/b/a/ Addiction Care Interventions Chemical Dependency Treatment (ACI), with the knowledge, involvement, and participation of myself, induced patients to be admitted to ACI's inpatient treatment program by using drivers who were compensated based in part on the volume of patients they recruited for admission into the programs to: (1) solicit and transport potential new patients, including out-of-state residents, to ACI's facility when the individuals had not previously sought treatment at ACI or been previously treated at ACI; and (2) offer and provide potential new patients with money, drugs, and/or alcohol, in violation of the anti-kickback statute (the "AKS"), 42 U.S.C. §§ 1320a-7b(b). As a result of the foregoing, ACI submitted false claims for payment to Medicaid.

The OIG alleges that from October 2012 through March 2017, ACI, with the knowledge, involvement and participation of myself, employed and paid an individual to purportedly provide translation services that were rarely provided in order to induce that individual, who was a full-time employee at an organization that refers individuals to substance abuse providers, to refer patients to ACI, in violation of the AKS. As a result of the foregoing, ACI submitted false claims for payment to Medicaid.

The OIG alleges that from July 2012 through July 2013, ACI admitted Medicaid patients into its inpatient treatment program who were not evaluated by a qualified health care professional as required by applicable state law, created medical forms containing a xeroxed copy of a physician's signature to make it appear that such an evaluation had occurred by that physician, and after ACI's management, including myself, became aware of the documentation containing false signatures, ACI and I did not disclose to Medicaid that ACI had been using forms containing false information for reimbursement and knowingly failed to return payments that it had improperly received from Medicaid.

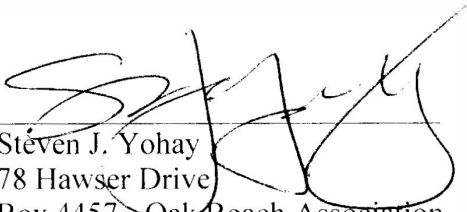
I understand that this exclusion shall have national effect. Federal health care programs shall not pay anyone for items or services, including administrative and management services, furnished, ordered, or prescribed by me in any capacity while I am excluded. This payment prohibition applies to me and all other individuals and entities (including, for example, anyone who employs or contracts with me, and any hospital or other provider where I provide services). The exclusion applies regardless of who submits the claim or other request for payment. I shall not submit or cause to be submitted to any

Federal health care program any claim or request for payment for items or services, including administrative and management services, furnished, ordered, or prescribed by me during the exclusion. I consent to OIG's disclosure of this Agreement, and information about this Agreement, to the public.

Violation of the conditions of the exclusion may result in criminal prosecution, the imposition of civil monetary penalties and assessments, and an additional period of exclusion. I further agree to hold the Federal health care programs, and all federal beneficiaries and/or sponsors, harmless from any financial responsibility for items or services furnished, ordered, or prescribed to such beneficiaries or sponsors after the effective date of the exclusion. I understand and acknowledge that this exclusion is authorized under 42 U.S.C. § 1320a-7(b)(7). I waive any further notice of the exclusion and agree not to contest such exclusion either administratively or in any state or federal court. This Agreement is freely and voluntarily entered into without any duress or compulsion whatsoever and with the assistance and advice of legal counsel.

I understand that reinstatement to program participation is not automatic. If I wish to be reinstated, I must submit a written request for reinstatement to the OIG in accordance with the provisions of 42 C.F.R. §§ 1001.3001-.3005. Such request may be made to the OIG no earlier than 90 days prior to the expiration of the period of exclusion set forth above. Reinstatement becomes effective only upon notice of reinstatement by the OIG after OIG approval of my application. Obtaining another license, moving to another state, or obtaining a provider number from a Medicare contractor, a state agency, or a Federal health care program does not reinstate my eligibility to participate in these programs.

The exclusion is effective on the date of the last signature on this agreement.

  
Steven J. Yohay  
78 Hawser Drive  
Box 4457 - Oak Beach Association  
Oak Beach, New York 11702

12/14/2020  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Lisa M. Re  
Assistant I.G. for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
U.S. Department of Health & Human Services

\_\_\_\_\_  
Date

Federal health care program any claim or request for payment for items or services, including administrative and management services, furnished, ordered, or prescribed by me during the exclusion. I consent to OIG's disclosure of this Agreement, and information about this Agreement, to the public.

Violation of the conditions of the exclusion may result in criminal prosecution, the imposition of civil monetary penalties and assessments, and an additional period of exclusion. I further agree to hold the Federal health care programs, and all federal beneficiaries and/or sponsors, harmless from any financial responsibility for items or services furnished, ordered, or prescribed to such beneficiaries or sponsors after the effective date of the exclusion. I understand and acknowledge that this exclusion is authorized under 42 U.S.C. § 1320a-7(b)(7). I waive any further notice of the exclusion and agree not to contest such exclusion either administratively or in any state or federal court. This Agreement is freely and voluntarily entered into without any duress or compulsion whatsoever and with the assistance and advice of legal counsel.

I understand that reinstatement to program participation is not automatic. If I wish to be reinstated, I must submit a written request for reinstatement to the OIG in accordance with the provisions of 42 C.F.R. §§ 1001.3001-.3005. Such request may be made to the OIG no earlier than 90 days prior to the expiration of the period of exclusion set forth above. Reinstatement becomes effective only upon notice of reinstatement by the OIG after OIG approval of my application. Obtaining another license, moving to another state, or obtaining a provider number from a Medicare contractor, a state agency, or a Federal health care program does not reinstate my eligibility to participate in these programs.


The exclusion is effective on the date of the last signature on this agreement.

---

Steven J. Yohay  
78 Hawser Drive  
Box 4457 - Oak Beach Association  
Oak Beach, New York 11702


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Date



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Lisa M. Re  
Assistant I.G. for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
U.S. Department of Health & Human Services



---

Date

# **EXHIBIT B**

## GUARANTY AGREEMENT

This Guaranty Agreement is entered into by and among 530 Midwood LLC (“Guarantor”) and the United States of America (“United States”) (collectively the “Parties”).

WHEREAS, the Government, through the Office of the United States Attorney for the Southern District of New York, is filing a Notice of Election to Partially Intervene and a Complaint-In-Intervention in a pending *qui tam* action in the United States District Court for the Southern District of New York, *United States ex. rel. J. Doe v. A.R.E.B.A.-Casriel, Inc.*, 16 Civ. 1760 (VSB), against A.R.E.B.A. Casriel, Inc., d/b/a Addiction Care Interventions Chemical Dependency Treatment Centers (“ACI”) and Steven Yohay;

WHEREAS, the Government’s Complaint-In-Intervention alleges, *inter alia*, that ACI and Steven Yohay engaged in illegal kickback schemes and conduct that involved the submission of false claims to Medicaid in violation of the False Claims Act, 31 U.S.C. §§ 3729 *et seq.*;

WHEREAS, the United States, ACI, Steven Yohay, and the relator in the *qui tam* action wish to settle claims related to the allegations through the execution of a Stipulation and Order of Settlement and Dismissal (the “Stipulation”) dated December 14, 2020, and the Exhibits thereto, including this Guaranty Agreement;

WHEREAS, the specific claims being resolved are set forth in the Stipulation;

WHEREAS, ACI has executed the Stipulation, incorporated by reference herein, wherein ACI promises to pay the United States \$1,200,000.00 plus applicable interest (the “Settlement Amount”) as set forth in Paragraph 4 of the Stipulation;

WHEREAS, Guarantor is not a party to the Stipulation;

IT IS HEREBY AGREED that, in exchange for adequate consideration, the Parties shall undertake the following obligations:

### TERMS AND CONDITIONS

1. Statement of Guaranty. Guarantor unconditionally guarantees the prompt payment of the full Settlement Amount by ACI as set forth in Paragraph 4 of the Stipulation, up to the total amount of \$550,000.00 (five hundred and fifty thousand dollars). For the avoidance of doubt, under no circumstance will Guarantor’s liability exceed \$550,000.00 (five hundred and fifty thousand dollars) under this Agreement.
2. Nature of Guaranty. The Guaranty set forth in Paragraph 1 of this Agreement constitutes a guaranty of payment of the full Settlement Amount by ACI as set forth in Paragraph 4 of the Stipulation, up to the total amount of \$550,000.00 (five hundred and fifty thousand dollars), and shall not be affected by any event, occurrence or circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor or surety

(other than full and complete payment of the Settlement Amount). In the event that any payment by ACI pursuant to the Stipulation is rescinded or must otherwise be returned by virtue of any action by any bankruptcy court, Guarantor shall remain liable hereunder with respect to such Settlement Amount as if payment had not been made. Guarantor agrees that the United States may resort to Guarantor for payment of any unpaid portion of the Settlement Amount, up to \$550,000 (five hundred and fifty thousand dollars), without regard to whether the United States shall have proceeded against any other person or entity primarily or secondarily obligated with respect to any of the Settlement Amount.

3. Acceleration. Guarantor agrees that, within ten days of receipt of written notice from the United States that ACI (i) has failed to make any payment required by the Stipulation, and (ii) has not cured its Default as provided for under Paragraph 18 of the Stipulation, Guarantor will be obligated to pay in full the amount then due under the Stipulation, up to the total amount of \$550,000.00 (five hundred and fifty thousand dollars). Guarantor understands that the failure to adhere fully to the terms of this paragraph would be a material breach of this Guaranty Agreement.
4. No Waiver; Cumulative Rights. No failure on the part of the United States to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the United States of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power. Each and every right, remedy and power hereby granted to the United States or allowed by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by the United States from time to time.
5. Effective Date. This Guaranty Agreement shall become effective on the Effective Date of the Stipulation, as defined in Paragraph 35 of the Stipulation. Guarantor may elect to rescind this Guaranty Agreement only if the New York State Office of Addiction Services and Supports (“OASAS”) rejects or denies the Change in Ownership Application to be submitted by Yohay to OASAS within five (5) days of the Effective Date of the Stipulation. The option to rescind this Guaranty Agreement shall expire within ten (10) days of a decision by OASAS rejecting or denying the Change in Ownership Application.
6. Subrogation. Guarantor shall not exercise any subrogation rights it may acquire against ACI as a result of this Guaranty Agreement until all of the Settlement Amount owed to the United States has been paid in full.
7. Waiver of Notice. Guarantor waives notice of the acceptance of this Guaranty, presentment, demand, notice of dishonor, protest, and all other notices whatsoever.
8. Duration. This Guaranty shall continue in full force and effect until all of the Settlement Amount has been paid in full.

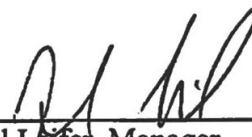


9. **Entire Agreement.** Each Party hereto represents and warrants that this Agreement constitutes a valid and binding agreement enforceable against each Party in accordance with its terms. This Agreement embodies the entire guaranty agreement between the Parties. There are no promises, terms, conditions or obligations other than those contained in this Agreement. This Agreement supersedes all previous communications, representations or agreements either verbal or written between Guarantor and the United States.
10. **Severability.** Should any one or more provisions of this Agreement be determined to be illegal, unenforceable, void or voidable, all other provisions shall remain in effect.
11. **Assignment.** No Party hereto may assign its rights, interests or obligations hereunder to any other person or entity without prior written consent of the other Party. The provisions of this Agreement shall be binding on the Parties hereto and their successors and assigns. This Agreement is to continue in full force and effect notwithstanding a change in the composition, ownership or corporate structure of ACI, or the sale of any assets or shares of ACI.
12. **Miscellaneous.** This Agreement shall not be amended except in a writing signed by all Parties. Each signatory hereto represents and warrants that he or she is authorized to execute and deliver this Agreement on behalf of the Party for whom he or she is purporting to act. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which shall constitute one and the same agreement.
13. **Governing Law; Consent to Jurisdiction.** This Agreement shall be governed by and construed in accordance with federal common law. The Parties consent to the jurisdiction of the United States District Court for Southern District of New York in any action to enforce any term of this Agreement.

**GUARANTOR**

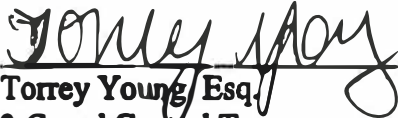
Dated: 12/13, 2020

By:

  
\_\_\_\_\_  
Joel Leifer, Manager  
530 Midwood LLC

Dated: Dec. 13, 2020


MUKASEY FRENCHMAN & SKLAROFF LLP

By:   
Torrey Young/Esq.  
2 Grand Central Tower  
140 East 45<sup>th</sup> Street, 17<sup>th</sup> Floor  
New York, New York 10017  
Telephone: (212) 466-6409  
Email: [Torrey.Young@mfsllp.com](mailto:Torrey.Young@mfsllp.com)  
*Attorney for Guarantor*

**THE UNITED STATES OF AMERICA**

Dated: 14, 2020

AUDREY STRAUSS  
Acting United States Attorney for the  
Southern District of New York

By:   
Kirti Vaidya Reddy  
Assistant United States Attorney  
86 Chambers Street, Third Floor  
New York, New York 10007  
Telephone: (212) 637-2751  
Email: [Kirti.Reddy@usdoj.gov](mailto:Kirti.Reddy@usdoj.gov)

# **EXHIBIT C**

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

THE UNITED STATES OF AMERICA and the  
STATE OF NEW YORK *ex rel.* J. DOE,

Plaintiffs,

v.

A.R.E.B.A.-CASRIEL, INC. D/B/A  
ADDICTION CARE INTERVENTIONS  
CHEMICAL DEPENDENCY TREATMENT  
CENTERS and STEVEN YOHAY,

Defendants.

**16 Civ. 1760 (VSB)**

UNITED STATES OF AMERICA,

Plaintiff-Intervenor,

v.

A.R.E.B.A.-CASRIEL, INC. D/B/A  
ADDICTION CARE INTERVENTIONS  
CHEMICAL DEPENDENCY TREATMENT  
CENTERS and STEVEN YOHAY,

Defendants.

**CONSENT JUDGMENT**

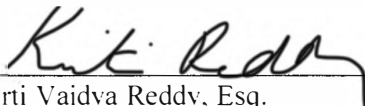
Upon the consent of Plaintiff the United States of America and defendant A.R.E.B.A.-  
CASRIEL, Inc. d/b/a/ Addiction Care Interventions Chemical Dependency Treatment (“ACI”), it  
is hereby

ORDERED, ADJUDGED and DECREED: that plaintiff the United States of America is awarded judgment in the amount of \$1,200,000 against ACI.


Agreed to by:

Dated: December 14, 2020

AUDREY STRAUSS  
Acting United States Attorney for the  
Southern District of New York

By:   
Kirti Vaidya Reddy, Esq.  
Assistant United States Attorneys  
86 Chambers Street, Third Floor  
New York, New York 10007  
Telephone: (212) 637-2751  
Email: [Kirti.Reddy@usdoj.gov](mailto:Kirti.Reddy@usdoj.gov)

Dated: December 14, 2020

By:   
Steven Yohay  
President, ACI

By: \_\_\_\_\_  
Robert A. Del Giorno, Esq.  
John Martin, Esq.  
Garfunkel Wild, P.C.  
111 Great Neck Road  
Great Neck, New York 11021  
Telephone: 516-393-2505  
Email: [rdelgiorno@garfunkelwild.com](mailto:rdelgiorno@garfunkelwild.com)  
*Attorneys for ACI*

ORDERED, ADJUDGED and DECREED: that plaintiff the United States of America is awarded judgment in the amount of \$1,200,000 against ACI.

Agreed to by:

Dated: December \_\_, 2020

AUDREY STRAUSS  
Acting United States Attorney for the  
Southern District of New York

By: \_\_\_\_\_

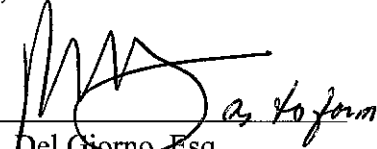
Kirti Vaidya Reddy, Esq.  
Assistant United States Attorneys  
86 Chambers Street, Third Floor  
New York, New York 10007  
Telephone: (212) 637-2751  
Email: [Kirti.Reddy@usdoj.gov](mailto:Kirti.Reddy@usdoj.gov)

Dated: December 11, 2020

By: \_\_\_\_\_

Steven Yohay  
President, ACI

By: \_\_\_\_\_

  
Robert A. Del Giorno, Esq.  
John Martin, Esq.  
Garfunkel Wild, P.C.  
111 Great Neck Road  
Great Neck, New York 11021  
Telephone: 516-393-2505  
Email: [rdelgiorno@garfunkelwild.com](mailto:rdelgiorno@garfunkelwild.com)  
*Attorneys for ACI*

SO ORDERED:

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HON. VERNON S. BRODERICK  
UNITED STATES DISTRICT JUDGE

Dated: \_\_\_\_\_, 2020  
New York, New York

# **EXHIBIT D**



**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

THE UNITED STATES OF AMERICA and the  
STATE OF NEW YORK *ex rel.* J. DOE,

Plaintiffs,

v.

A.R.E.B.A.-CASRIEL, INC. D/B/A  
ADDICTION CARE INTERVENTIONS  
CHEMICAL DEPENDENCY TREATMENT  
CENTERS and STEVEN YOHAY,

Defendants.

**16 Civ. 1760 (VSB)**

UNITED STATES OF AMERICA,

Plaintiff-Intervenor,

v.

A.R.E.B.A.-CASRIEL, INC. D/B/A  
ADDICTION CARE INTERVENTIONS  
CHEMICAL DEPENDENCY TREATMENT  
CENTERS and STEVEN YOHAY,

Defendants.

**CONSENT JUDGMENT**

Upon the consent of Plaintiff the United States of America and defendant Steven Yohay,  
it is hereby

ORDERED, ADJUDGED and DECREED: that plaintiff the United States of America is awarded judgment in the amount of \$1,200,000 against Steven Yohay, as well as post-judgment interest at the rate of 12% per annum compounded annually.

Agreed to by:

Dated: December \_\_\_\_, 2020

AUDREY STRAUSS  
Acting United States Attorney for the  
Southern District of New York

By: \_\_\_\_\_  
Kirti Vaidya Reddy, Esq.  
Assistant United States Attorneys  
86 Chambers Street, Third Floor  
New York, New York 10007  
Telephone: (212) 637-2751  
Email: [Kirti.Reddy@usdoj.gov](mailto:Kirti.Reddy@usdoj.gov)

Dated: December\_\_\_\_\_, 2020

By: \_\_\_\_\_  
Steven Yohay

By: \_\_\_\_\_  
Robert A. Del Giorno, Esq.  
John Martin, Esq.  
Garfunkel Wild, P.C.  
111 Great Neck Road  
Great Neck, New York 11021  
Telephone: 516-393-2505  
Email: [rdelgiorno@garfunkelwild.com](mailto:rdelgiorno@garfunkelwild.com)  
*Attorneys for Steven Yohay*

SO ORDERED:

---

HON. VERNON S. BRODERICK  
UNITED STATES DISTRICT JUDGE

Dated: \_\_\_\_\_, 2020  
New York, New York