



CLIENT NEWSLETTER



THE LAW OFFICE OF RICKY D. GREEN, PLLC

March 1, 2012



**FRAUD
ALERT**

FRAUD ALERT!!

Federal officials say they have taken down the largest Medicare fraud scheme investigators have ever discovered: a \$375 million dollar home healthcare scam operating in the Dallas, Texas area.

The alleged "mastermind" of the fraud, Dr. Jacques Roy, is charged with certifying hundreds of fraudulent claims for Medicare reimbursement, and pocketing millions in payments for services not needed, or never delivered. Prosecutors say the 54-year-old Dr. Roy, who was arrested today and could be sentenced to life in prison, operated a "boiler room" to churn out thousands of phony Medicare claims and recruited homeless people as fake patients.

"Today, the Medicare Fraud Strike Force is taking aim at the largest alleged home health fraud scheme ever committed," said Assistant Attorney General Lanny Breuer. "According to the indictment, Dr. Roy and his co-conspirators, for years, ran a well-oiled fraudulent enterprise in the Dallas area, making millions by recruiting thousands of patients for unnecessary services, and billing Medicare for those services."

The government charges that Dr. Roy was planning to take the money and run. He allegedly hid much of his Medicare money in an offshore account in the Cayman Islands, and in documents filed in court today, the government charges that Dr. Roy was planning to change his identity and flee the country to avoid prosecution. In a motion opposing bail for Dr. Roy, prosecutors claim that he had created a false Canadian identity under the name Michel Poulin, had a copy of a book called "Hide Your A\$\$ET\$ and Disappear," and a guide to yacht registration in the Caymans.

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Dr. Roy's scam was clever, wide-ranging, and very, very profitable, according to prosecutors. He allegedly exploited the Medicare regulation that requires a doctor to "certify" that Medicare services are legitimate – that they are needed and are being delivered to the patient. Dr. Roy allegedly sold his certification as "a commodity" to nearly 500 home health care companies in Texas, certifying patients for Medicare services regardless of whether they needed them or received them. In return, the government charges, Dr. Roy would receive a portion of the fraudulent Medicare payment.

Between 2006 and 2011, according to the 13-count indictment unsealed today, Dr. Roy certified more Medicare beneficiaries for home health services and had more patients, than any other medical practice in the United States. He allegedly even had a "boiler room" where employees worked all day signing his name on Medicare claims. Roy's company, Medistat Group and Associates, received hundreds of claims per day, and Dr. Roy allegedly instructed employees in the company's "485 Department," named for the "Plan of Care" form, to sign his name by hand or affix his electronic signature. Since 2006, according to prosecutors, Medistat Group and Associates has "certified more than 11,000 unique patients from over 500 home healthcare agencies in the Dallas-Fort Worth area." Medistat and the home health care agencies billed Medicare for more than \$350 million and Medicaid for more than \$24 million for these patients.

Homeless 'Patients' Recruited in Alleged Medicare Fraud

Seventy-eight companies associated with Dr. Roy will have their Medicare eligibility suspended immediately as a result of this indictment, the Justice Department says, and six associates of Dr. Roy's alleged scheme were also charged as co-conspirators. Operating under the company names Apple of Your Eye, Ultimate Care and Charry Home Care, among others, the associates allegedly fed a steady stream of fraudulent clients to Dr. Roy to be certified as Medicare eligible. In some cases, the indictment charges, Medicare patients were recruited by offering cash and groceries in return for signing up for home health care. These fraudulent "patients" were then allegedly certified by Dr. Roy for services. Some of those recruits didn't even have a home to visit, according to sources close to the investigation: they were recruited from homeless shelters.



For example, the indictment charges that Charity Eleda of Charry Home Health services "visited The Bridge Homeless Shelter" in Dallas to recruit Medicare patients. She allegedly sat in a parked vehicle outside the shelter, and hired recruiters to send prospects to her car. She allegedly paid the recruiters \$50 per new "patient." "Any treatment that Charity Eleda provided was either in her vehicle, in the courtyard of the Bridge, or on a park bench," said the indictment.

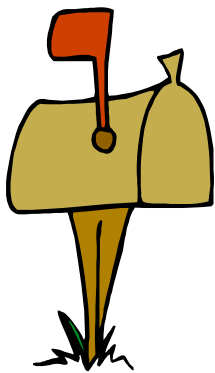
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Dr. Roy's business manager, identified in the indictment as J.A., allegedly recorded phone calls with Dr. Roy in which he objected to working with the coconspirators to drum up phony business, and suggested that the company "invest in legitimate marketing" to attract business instead. According to the indictment, Dr. Roy responded, "I've done enough marketing to know it's b___sh___, and I don't want to do it."

Federal sources say investigators have been looking into Dr. Roy's operation for years, and he was suspended from the Medicare program in 2011. But according to documents filed today, Dr. Roy found a way around the suspension by creating a new company, "Medcare HouseCalls," and working through his associated companies.

Last summer, investigators searched his home and found evidence that Dr. Roy had stashed some of money he alleged stole from Medicare in a secret account in the Cayman Islands. There was also evidence that Dr. Roy had created a false identity for himself -- he had a fake driver's license and a birth certificate in the name of Michel Poulin, and applications for Canadian citizenship. Investigators also found bank deposit slips from Cayman Island banks, a guide to yacht registration in the Caymans, a book titled "Hide Your A\$\$et\$ and Disappear: A Step by Step Guide to Vanishing Without A Trace," and a copy of "The Offshore Money Manual."



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