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VA Office of Inspector General and Department of Justice Announce VA Health Care Fraud Task Force

Task Force Will Focus on Health Care Fraud in VA's Expanding Community Care Program

WASHINGTON – The Department of Veterans Affairs Office of Inspector General (VA OIG) and the Department of Justice (DOJ) today announced the establishment of the VA Health Care Fraud Task Force to combat fraud in VA's expanding health care programs.

The Task Force combines VA OIG's substantial experience investigating health care fraud at VA with DOJ's proven track record prosecuting health care fraud through its Medicare Fraud Strike Force, which resides within the DOJ Criminal Division's Fraud Section (Fraud Section). The Task Force initially will focus on investigating and prosecuting health care fraud in VA's growing Community Care program, under which eligible veterans may receive health care from a private provider in their local community (rather than from a VA medical facility). As part of the Task Force, a VA OIG attorney will be detailed to serve as a special prosecutor in the Health Care Fraud Unit of the Fraud Section.

The VA operates the nation's largest integrated health care system, providing care to approximately 9 million veterans at over 1,200 medical facilities. Beginning on June 6, 2019, the VA MISSION Act significantly increased veterans' access to health care by expanding their ability to receive health care from approved non-VA providers (referred to as Community Care providers). Similar to the Medicare program, these Community Care providers submit claims to VA for payment for their services.

The Fraud Section leads the Medicare Fraud Strike Force, which maintains 15 strike forces operating in 24 districts. The Medicare Fraud Strike Force is a partnership among DOJ's Criminal Division, U.S. Attorney's Offices, the Federal Bureau of Investigation (FBI), and the Department of Health and Human Services Office of Inspector General (HHS OIG). Since its inception in March 2007, the Medicare Fraud Strike Force has charged nearly 4,200 defendants who have collectively billed the Medicare program for more than \$19 billion.

"Combating health care fraud is one of our highest priorities at VA OIG," said VA Inspector General Michael J. Missal. "Our agents in the VA OIG Office of Investigations are experts at detecting and investigating health care fraud in VA's complex and diverse health care system. We are enthusiastic about the opportunity to tap into the wealth of knowledge and expertise of DOJ and the Medicare Fraud Strike Force, particularly in the fee-for-service environment. As the VA MISSION Act expands VA's Community Care program, this is one of those rare opportunities in government where we can be proactive and get ahead of the curve by

partnering with the Fraud Section and leveraging its proven strategies for combating fraud in the Medicare program. This Task Force sends a clear message to anyone considering committing health care fraud at VA – we will protect our veterans’ health care system at all costs.”

“It is beyond the pale when individuals commit fraud against health care programs designed to assist the men and women who have served in our nation’s military,” said Assistant Attorney General Brian A. Benczkowski of the Justice Department’s Criminal Division. “This new Task Force leverages the proven success of the Department’s Strike Force model and will aggressively target fraud in the VA’s expanding health care programs.”

In coordination with the recently announced Medicare Fraud Strike Force enforcement actions, VA OIG partnered with DOJ to bring charges and/or obtain guilty pleas in cases impacting VA’s health care programs in August and September 2019. These cases are being prosecuted and investigated by U.S. Attorney’s Offices nationwide and/or the Fraud Section, along with agents from the FBI, HHS OIG, DEA, IRS-CI, and other federal law enforcement agencies.

Among those charged include:

In the Western District of Arkansas, charges were brought against Dr. Robert Levy, the former Chief of Pathology at VA’s Health Care System of the Ozarks, alleging wire and mail fraud, making false statements in health care matters, and involuntary manslaughter. The case is being prosecuted by Assistant U.S. Attorneys Kyra Jenner and Bryan Achorn. For more information, see <https://www.justice.gov/usao-wdar/pr/fayetteville-doctor-arrested-charges-wire-fraud-mail-fraud-making-false-statements-and>

In the District of Colorado, charges were brought against Ronald Vaughn, the owner of a home health care company, who subsequently pled guilty to paying more than \$1 million in illegal gratuities to a VA employee in exchange for referrals for his company. The case is being prosecuted by Assistant U.S. Attorney Anna Edgar. For more information, see <https://www.justice.gov/usao-co/pr/man-pays-va-employee-1-million-illegal-gratuities>

In the Middle District of Florida, charges were brought against Teresa Johnson, the owner of a third-party billing company, who subsequently pled guilty to conspiracy to commit health care fraud for submitting fraudulent claims to various government health care programs, including nearly a million dollars in CHAMPVA coding fraud. The case is being prosecuted by Assistant U.S. Attorney Kelley Howard-Allen. For more information, see <https://www.justice.gov/usao-mdfl/pr/health-care-fraud-and-opioid-enforcement-action-brings-multiple-charges-across-middle>

In the District of Massachusetts, charges were brought against Kathleen Nofle, a former nurse at the VA Medical Center in Bedford, for allegedly diverting morphine meant to be given to veterans under her care in the hospice unit. The case is being prosecuted by Assistant U.S. Attorney William Brady. For more information, see <https://www.justice.gov/usao-ma/pr/former-va-hospice-nurse-charged-diverting-and-tampering-morphine-meant-dying-veterans>

In the Northern District of Ohio, charges were brought against VA Community Care claims processors Michele Whaley, Sarah Stipkovich, Michelle Macklin, Edwin Orin, Daniel Folliett, and Demetria Sims-Leeper for allegedly defrauding VA by collecting overtime pay for hours not worked. The case is being prosecuted by Assistant U.S. Attorney Brian McDonough.

In the Northern District of Oklahoma, charges were brought against Fred Woodson, who subsequently pled guilty to conspiracy to pay kickbacks to physicians for writing prescriptions for compounded drugs. These prescriptions were paid for by federal health care programs, including CHAMPVA. The case is being prosecuted by Assistant U.S. Attorneys Melody Nelson and Richard Cella. For more information, see previous press release <https://www.justice.gov/usao-ndok/pr/three-physicians-and-five-marketers-charged-violations-federal-anti-kickback-statutes>

In the District of South Carolina, charges were brought against Fredrick Palmer for allegedly submitting false statements to VA to receive an increased benefits rating and health care services. The case is being prosecuted by Assistant U.S. Attorney Bill Watkins.

In the Northern District of Texas, charges were brought against Jamshid Noryian, Dehshid Nourian, Christopher Rydberg, Leyla Nourian, Ashraf Mofid, Dr. Leslie Benson, Dr. Michael Taba, and Ali Khavarmanesh for their alleged participation in a scheme to defraud VA by paying kickbacks to doctors for medically unnecessary compounding medication prescriptions for VA employees in the Office of Workers' Compensation Program. The case is being prosecuted by Assistant Chief Adrienne Frazier of the Fraud Section. For more information, see <https://www.justice.gov/usao-ndtx/pr/texas-healthcare-fraud-takedown-results-charges-against-58-individuals>

In the Northern District of Texas, charges were brought against Brian Carpenter, Jerry Hawrylak, Nilesh Patel, Bruce Henry, and Craig Henry for their alleged participation in a scheme to defraud the CHAMPVA program through a compounding pharmacy. The case is being prosecuted by Assistant Chief Adrienne Frazier of the Fraud Section. For more information, see <https://www.justice.gov/usao-ndtx/pr/texas-healthcare-fraud-takedown-results-charges-against-58-individuals>

In the Northern District of Texas, charges were brought against Michael Braddick, Kyle Hermes, and Bioflex Medical Technologies for their alleged participation in a scheme to defraud VA by fraudulently billing for durable medical equipment for VA employees in the Office of Workers' Compensation Program. The case is being prosecuted by Special Assistant U.S. Attorney Jennifer Bray. For more information, see <https://www.justice.gov/usao-ndtx/pr/texas-healthcare-fraud-takedown-results-charges-against-58-individuals>

In the Southern District of Texas, charges were brought against Tammy Wilson for allegedly defrauding the CHAMPVA program by submitting reimbursements for counterfeit prescriptions. The case is being prosecuted by Assistant U.S. Attorney Thomas Carter III. For more information, see <https://www.justice.gov/usao-sdtx/pr/veteran-s-widow-charged-defrauding-va>

In the Southern District of West Virginia, charges were brought against Julie Wheeler, the owner of a home health care company, for allegedly falsely billing VA for services to a Spina

Bifida beneficiary that she never provided. The case is being prosecuted by Assistant U.S. Attorney Erik Goes. For more information, see <https://www.justice.gov/opa/pr/second-appalachian-region-prescription-opioid-strikeforce-takedown-results-charges-against-13>

In the Western District of Wisconsin, charges were brought against Jennifer Amble, a former nurse practitioner at the VA Medical Center in Tomah, alleging opioid prescription fraud. The case is being prosecuted by Assistant U.S. Attorney Zachary Corey.

A complaint, information, or indictment is merely an allegation, and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

The VA OIG conducts oversight of VA programs and operations, providing independent and objective reporting to VA and Congress in order to prevent and detect fraud, waste, and abuse, as well as enhance VA's integrity, efficiency, and effectiveness. To report potential fraud, waste, mismanagement, or other abuse, contact the VA OIG Hotline at www.va.gov/oig/hotline/default.asp.

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