INDICTMENT

The Grand Jury charges:

At all times material to this Indictment, unless otherwise specified:

General Allegations

1. The Medicare Program ("Medicare") was a federal healthcare program providing benefits to persons who were over the age of 65 or disabled. Medicare was administered by the United States Department of Health and Human Services ("HHS") through its agency, the Centers for Medicare & Medicaid Services ("CMS"). Individuals receiving benefits under Medicare were referred to as Medicare "beneficiaries."

2. The Texas State Medicaid program ("Medicaid") was a federally and state funded program providing benefits to individuals and families who met specified financial and other eligibility requirements, and certain other individuals who lacked
adequate resources to pay for medical care. CMS was responsible for overseeing the Medicaid program in participating states, including Texas.

3. Medicare and Medicaid were “health care benefit programs,” as defined by Title 18, United States Code, Section 24(b).

4. “Part A” of the Medicare program covered certain eligible home healthcare costs for medical services provided by a home healthcare agency (“HHA”) to beneficiaries requiring home healthcare services because of an illness or disability causing them to be homebound. Payments for home healthcare medical services under Medicare Part A were typically made directly to a HHA or provider based on claims submitted to the Medicare program for qualifying services that had been provided to eligible beneficiaries, rather than to the beneficiary.

5. Physicians, clinics and other healthcare providers, including HHAs that provided services to Medicare beneficiaries, were able to apply for and obtain a Medicare “provider number.” A healthcare provider that was issued a Medicare provider number was able to file claims with Medicare to obtain reimbursement for services provided to beneficiaries. A Medicare claim was required to set forth, among other things, the beneficiary’s name and Medicare identification number, the services that were performed for the beneficiary, the date the services were provided, the cost of the services, and the name and identification number of the physician or other healthcare provider that ordered the services.
6. CMS did not directly pay Medicare Part A claims submitted by Medicare-certified HHAs. CMS contracted with different companies to administer the Medicare Part A program throughout different parts of the United States. In the State of Texas, CMS contracted with Trailblazer Health Enterprises ("Trailblazer") to administer Part A HHA claims. As administrator, Trailblazer received, adjudicated and paid claims submitted by HHA providers under the Part A program for home healthcare claims.

7. The Medicare program paid 100% of the allowable charges for participating HHAs providing home healthcare services only if the patient qualified for home healthcare benefits. A patient qualified for home healthcare benefits only if the patient:

   a. was confined to the home; also referred to as homebound;

   b. was under the care of a physician who specifically determined there was a need for home healthcare and established the Plan of Care ("POC"); and

   c. the determining physician signed a certification statement specifying that:

      i. the beneficiary needed intermittent skilled nursing services, physical therapy, or speech therapy;

      ii. the beneficiary was confined to the home;

      iii. a POC for furnishing services was established and periodically reviewed; and

      iv. the services were furnished while the beneficiary was under the care of the physician who established the POC.

8. Medicare Part A regulations required HHAs providing services to Medicare patients to maintain complete and accurate medical records reflecting the medical
assessment and diagnoses of their patients, as well as records documenting actual treatment of the patients to whom services were provided and for whom claims for payment were submitted by the HHA.

9. These medical records were required to be sufficient to permit Medicare, through Trailblazer and other contractors, to review the appropriateness of Medicare payments made to the HHA under the Part A program.

10. Among the written records required to document the appropriateness of home healthcare claims submitted under Part A of Medicare was a POC that included the physician order for home healthcare, diagnoses, types of services, frequency of visits, prognosis, rehabilitation potential, functional limitations, activities permitted, medications, treatments, nutritional requirements, safety measures, discharge plans, goals, and physician signature. Also required was a signed certification statement by an attending physician certifying that the patient was confined to his or her home and was in need of the planned home healthcare services, and an assessment of the beneficiary’s condition and eligibility for home health services, called an Outcome and Assessment Information Set (“OASIS”).

11. Medicare Part A regulations required provider HHAs to maintain medical records of each visit made by a nurse, therapist, and home healthcare aide to a beneficiary. The record of a nurse’s visit was required to describe, among other things, any significant observed signs or symptoms, any treatment and drugs administered, any reactions by the patient, any teaching and the understanding of the patient, and any
changes in the patient’s physical or emotional condition. The home healthcare nurse, therapist and aide were required to document the hands-on personal care provided to the beneficiary if the services were deemed necessary to maintain the beneficiary’s health or to facilitate treatment of the beneficiary’s primary illness or injury. These written medical records were generally created and maintained in the form of “visit notes” and “home health aide notes/observations.”

The Defendants

JACQUES ROY, M.D.


13. Medistat was a Texas corporation located in DeSoto, Texas, incorporated on or about July 1990. Medistat was an association of healthcare providers that primarily provided home health certifications and performed patient home visits. Medistat consisted of four doctors and approximately fifteen nurses with varying levels of professional expertise. Between January 2006 and November 2011, Medistat certified more Medicare beneficiaries for home health services and had more patients than any other medical practice in the United States.
14. Jacques Roy, M.D. and, at his direction, other Medistat physicians, certified and recertified POCs so that HHAs were able to bill Medicare for home health services that were not medically necessary and not rendered.

15. Jacques Roy, M.D. and, at his direction, other Medistat physicians and nurse practitioners, performed unnecessary home visits and ordered unnecessary medical services for the Medicare beneficiaries certified for home health services by Jacques Roy, M.D. or another Medistat physician.

16. From January 1, 2006 through November 30, 2011, Jacques Roy, M.D. or another Medistat physician certified more than 11,000 unique Medicare beneficiaries for home health services provided by over 500 HHAs. Medistat and the HHAs billed Medicare for over $350 million and Medicaid for over $24 million for these beneficiaries.

CYNTHIA STIGER
WILBERT JAMES VEASEY, JR.

17. Cynthia Stiger and Wilbert James Veasey, Jr. residents of Dallas, Texas, were the owners of Apple of Your Eye Health Care Services, Inc. ("Apple"). Apple was a HHA located in Dallas, Texas, doing business in and around Dallas County. Eighty-percent (80%) of Apple’s patients were certified for home healthcare services by Jacques Roy, M.D. or another Medistat physician.

18. Cynthia Stiger and Wilbert James Veasey, Jr. submitted fraudulent claims to Medicare for home health services that were not medically necessary. From January 1, 2006 through July 31, 2011, Apple submitted claims to Medicare totaling
$9,157,646.09 for services for Medicare beneficiaries certified by Jacques Roy, M.D. or another Medistat physician.

CYPRIAN AKAMNONU
PATRICIA AKAMNONU, R.N.

19. Defendants Cyprian Akamnonu and Patricia Akamnonu, R.N., residents of Cedar Hill, Texas, were the owners of Ultimate Care Home Health Services, Inc. ("Ultimate"). Ultimate was a HHA, originally located in Grand Prairie, Texas, and later relocated to Arlington, Texas, doing business in and around Dallas County. Seventy-eight percent (78%) of Ultimate’s patients were certified for home healthcare services by Jacques Roy, M.D. or another Medistat physician.

20. Cyprian Akamnonu and Patricia Akamnonu, R.N. submitted fraudulent claims to Medicare for home healthcare services that were not medically necessary. From January 1, 2006 through August 31, 2011, Ultimate submitted claims to Medicare totaling $43,184,628.32 for services for Medicare beneficiaries certified by Jacques Roy, M.D. or another Medistat physician.

TERI SIVILS

21. Defendant Teri Sivils, a resident of Midlothian, Texas, was an employee at Medistat beginning in 2002, and was the office manager from 2005 through 2010. Teri Sivils was directly responsible for the daily operation of Medistat and ensured that POCs were processed. Teri Sivils signed Jacques Roy, M.D.’s name to POCs. Teri Sivils also supervised the processing of thousands of POCs that contained Jacques Roy, M.D.’s
electronic signature, and other Medistat physicians' signatures, permitting HHAs to bill Medicare for unnecessary home health services.

22. Teri Sivils accepted cash payments from Cyprian Akamnonu in exchange for ensuring that POCs contained the signature of Jacques Roy, M.D. or another Medistat physician.

CHARITY ELEDA, R.N.

23. Defendant Charity Eleda, R.N., a resident of Rowlett, Texas, was the co-owner of Charry Home Care Services, Inc. ("Charry"). Charry was a HHA located in Dallas, Texas doing business in and around Dallas County. Seventy-nine percent (79%) of Charry's patients were certified for home healthcare services by Jacques Roy, M.D. or another Medistat physician.

24. Charity Eleda, R.N. submitted fraudulent claims to Medicare for home healthcare services that were not medically necessary. From August 1, 2008 through June 30, 2011, Charry submitted claims to Medicare totaling $468,858.14 for services for Medicare beneficiaries certified by Jacques Roy, M.D. or another Medistat physician.
COUNT 1
Conspiracy to Commit Healthcare Fraud
(Violation of 18 U.S.C. § 1349)

25. Paragraphs 1 through 24 of the General Allegations section of this Indictment are realleged and incorporated by reference as though fully set forth herein.

26. From in or around November 2004, through in or around November 2011, the exact dates being unknown to the Grand Jury, in the Dallas Division of the Northern District of Texas, and elsewhere, defendants,

Jacques Roy, M.D.
Cynthia Stiger
Wilbert James Veasey, Jr.
Cyprian Akamnonu
Patricia Akamnonu, R.N.
Teri Sivils
Charity Eleda, R.N.

did knowingly and willfully combine, conspire, confederate and agree with others, known and unknown to the Grand Jury, to violate Title 18, United States Code, Section 1347, that is, to execute a scheme and artifice to defraud a health care benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, Medicare, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, said healthcare benefit program, in connection with the delivery of and payment for healthcare benefits, items, and services.
Purpose of the Conspiracy

27. It was a purpose of the conspiracy for the defendants to unlawfully enrich themselves by, among other things, (a) submitting and causing the submission of false and fraudulent claims to Medicare and Medicaid for services that were medically unnecessary and not rendered; (b) concealing the submission of false and fraudulent claims to Medicare and Medicaid and the receipt of and transfer of the proceeds from the fraud; and (c) diverting the proceeds of the fraud for the personal use and benefit of the defendants and their co-conspirators.

Manner and Means of the Conspiracy

28. The manner and means by which the defendants sought to accomplish the purpose of the conspiracy included, among other things:

A. The Scheme to Defraud

29. Wilbert James Veasey, Jr. (Apple), Patricia Akamnonu, R.N. (Ultimate), and Charity Eleda, R.N. (Charry), and other co-conspirators, known and unknown, recruited Medicare beneficiaries to be placed at their respective HHA so that their respective HHA could bill Medicare for unnecessary home health services.

30. Patricia Akamnonu, R.N. (Ultimate), Charity Eleda, R.N. (Charry), and co-conspirator medical professionals at Apple, as well as other co-conspirators, known and unknown to the Grand Jury, would falsify OASISs to make it appear that the beneficiaries recruited by Wilbert James Veasey, Jr. (Apple), Patricia Akamnonu, R.N. (Ultimate), and Charity Eleda, R.N. (Charry), and other co-conspirators, known
and unknown (the "Recruited Beneficiaries"), qualified for home health services that
were not medically necessary.

31. **Patricia Akamnonu, R.N. (Ultimate), Charity Eleda, R.N. (Charry), and**
co-conspirator medical professionals at Apple, as well as other co-conspirators, known
and unknown to the Grand Jury, prepared POCs that were not medically necessary for the
Recruited Beneficiaries.

32. **Cyprian Akamnonu (Ultimate), Cynthia Stiger (Apple), Charity Eleda,**
R.N. (Charry) and co-conspirator employees at Ultimate, Apple and Charry, known and
unknown to the Grand Jury, would provide these POCs either by facsimile or hand-
delivery to Medistat for **Jacques Roy, M.D.** or another Medistat physician to falsely
certify that the Recruited Beneficiaries needed home health care services from their
respective HHAs.

33. **Teri Sivils,** working as the office manager for Medistat, would sign
**Jacques Roy, M.D.**'s name to POCs. **Teri Sivils** would also supervise the process by
which thousands of POCs would be approved using **Jacques Roy, M.D.**'s electronic
signature.

34. Co-conspirator nurses at Apple, Ultimate and Charry and other co-
conspirators, known and unknown to the Grand Jury, would write visit notes to make it
appear that they provided skilled nursing to the Recruited Beneficiaries when no skilled
nursing was provided.
35. At the conclusion of the initial 60-day episode of care covered by the POCs, the co-conspirators would engage in the same conduct as alleged above so that the Recruited Beneficiaries could receive additional episodes of care.

36. **Jacques Roy, M.D.**, and other co-conspirators, known and unknown to the Grand Jury, would perform medically unnecessary home visits and order unnecessary medical services for the Recruited Beneficiaries.

37. Co-conspirators at Medistat, known and unknown to the Grand Jury, would submit fraudulent claims to Medicare for certifying and recertifying beneficiaries for unnecessary home health services, for unnecessary home visits, and other unnecessary medical services.

**B. Medistat's Fraudulent Business Model**

38. Medistat received hundreds of POCs and/or requests for physician orders for home health services per day from HHAs. In order to process this volume of paperwork, Medistat maintained a “485 Department,” named for the form on which the POC was documented. **Jacques Roy, M.D.** instructed Medistat employees to complete the 485s by either signing his name by hand or by affixing his electronic signature to the document. Each completed POC indicated that the beneficiary was under the care of **Jacques Roy, M.D.** or another Medistat physician and that the beneficiary was homebound and in need of skilled nursing services.

39. By processing the paperwork in this manner, Medistat was able to bill Medicare for certifying and recertifying beneficiaries for unnecessary home health
services, for unnecessary home visits, and other unnecessary medical services.

40. When Medistat completed a POC for a beneficiary, Jacques Roy, M.D. made that beneficiary a Medistat patient. Once a beneficiary became a Medistat patient, Medistat employees acting under the direction of Jacques Roy, M.D. would make home visits to that beneficiary, provide unnecessary medical services and order unnecessary durable medical equipment for that beneficiary. Medistat would then bill Medicare for those visits and services.

41. The funds paid by Medicare to Medistat for those home visits and medical services were paid into a single account controlled by Jacques Roy, M.D. (the “Medistat Account”) and he would pay the employees acting at his direction an agreed upon amount out of the Medistat Account based on the number of beneficiaries they visited.

42. In total, between January 1, 2006 and November 30, 2011, the 485 Department, directed by Jacques Roy, M.D., processed and approved POCs for more than 11,000 unique Medicare beneficiaries from more than 500 different HHAs. Many of these Medicare beneficiaries had primary care physicians who never certified home healthcare services for them.

43. In sum, Medistat’s fraudulent business model was to use the HHAs as recruiters for its own practice so that Medistat could bill unnecessary home visits and unnecessary medical services for the beneficiaries that Jacques Roy, M.D. and other Medistat physicians certified for home health services.

44. In November 2004, Jacques Roy, M.D. told J.A., Medistat’s business
manager, that Cynthia Stiger and Wilbert James Veasey, Jr. (Apple) gave Medicare beneficiaries cash and groceries to get them to sign up for home healthcare services with Apple.

45. J.A. also recorded several conversations between himself and Jacques Roy, M.D. in January 2006. The conversations concerned a disagreement between J.A. and Jacques Roy, M.D. regarding a HHA technically owned by J.A. but financed by Jacques Roy, M.D. In the recorded conversation, J.A. argued that Cynthia Stiger and Wilbert James Veasey, Jr. (Apple) were “shady” and that he never agreed to their involvement in the HHA. Jacques Roy, M.D. insisted that Cynthia Stiger and Wilbert James Veasey, Jr. were always part of the HHA’s business plan and stated “James and Cynthia would have half the profits because they’ll bring patients in.”

46. J.A. continued to argue with Jacques Roy, M.D. suggesting that Medistat should invest in legitimate marketing rather than working with Cynthia Stiger and Wilbert James Veasey, Jr. (Apple). In response, Jacques Roy, M.D. stated “… I’ve done enough marketing to know it’s bullshit, and I don’t want to do it.”

47. By virtue of its fraudulent business model, Medistat was able to bill approximately $30 million to Medicare and Medicaid for unnecessary home visits and unnecessary medical services from January 1, 2006 through November 30, 2011.

C. Arrangements between Jacques Roy, M.D. and the HHAs

48. In order to ensure that his fraudulent business model worked and that he had a steady stream of Medicare beneficiaries for whom to bill, Jacques Roy, M.D.
entered into formal and informal fraudulent arrangements with HHAs including Apple, Ultimate and Charry.

i. **Apple**

49. On or about January 7, 2006, Jacques Roy, M.D. entered into a secret agreement with Cynthia Stiger and Wilbert James Veasey, Jr. where he would pay all of the operating expenses for Apple in return for fifty-percent (50%) of the profits Apple made from billing Medicare for home health services.

50. Between January 2006 and November 2006, Jacques Roy, M.D. paid Cynthia Stiger and Wilbert James Veasey, Jr. $350,000 in amounts ranging from $2,000 to $40,000. Cynthia Stiger and Wilbert James Veasey, Jr., in turn, made payments to Jacques Roy, M.D. from the money Apple made from billing Medicare for unnecessary home health services. During the time period that Jacques Roy, M.D. was paying Apple's operating expenses, almost all of Apple's patients were certified for home healthcare by Jacques Roy, M.D. or another Medistat physician.

51. From January 1, 2006 through July 31, 2011, eighty-percent (80%) of Apple's patients were certified by Jacques Roy, M.D. or another Medistat physician for home health services and Medistat incorporated these patients into its practice.

52. From January 1, 2006 through July 31, 2011, Apple submitted claims to Medicare totaling $9,157,646.09 for home health services for Medicare beneficiaries certified by Jacques Roy, M.D. or another Medistat physician and Jacques Roy, M.D. and Medistat submitted $1,080,531.74 to Medicare for services for these beneficiaries.
ii. **Ultimate**

53. In or about January 2006, Jacques Roy, M.D. entered into an arrangement with Ultimate and its owners Patricia Akamnonu, R.N. and Cyprian Akamnonu.

54. Patricia Akamnonu, R.N. recruited Medicare beneficiaries for Ultimate by approaching people and promising free healthcare and other social services such as food stamps. Patricia Akamnonu, R.N. would record the person's information, including Medicare number, and then sign that person up for home healthcare services—sometimes without their knowledge.

55. Patricia Akamnonu, R.N. and Cyprian Akamnonu then would have Jacques Roy, M.D. or another Medistat physician certify that the beneficiary needed home health services from Ultimate.

56. To facilitate the certifications, and with Jacques Roy, M.D.'s knowledge, Cyprian Akamnonu paid cash kickbacks to Teri Sivils, the Medistat office manager. Jacques Roy, M.D. instructed Teri Sivils to provide "special treatment" to Ultimate and to be personally responsible for Ultimate patient certifications.

57. From January 1, 2006 through August 31, 2011, seventy-eight percent (78%) of Ultimate patients were certified by Jacques Roy, M.D. or another Medistat physician for home health services and Medistat incorporated these patients into its practice.

58. From January 1, 2006 through August 31, 2011, Ultimate submitted claims to Medicare totaling $43,184,628.32 for home health services for Medicare beneficiaries
certified by Jacques Roy, M.D. or another Medistat physician and Jacques Roy, M.D. and Medistat submitted $2,397,424.30 to Medicare for services for these beneficiaries.

iii. Charry

59. During the fall of 2010, Charity Eleda, R.N. (Charry) visited The Bridge Homeless Shelter ("The Bridge") in Dallas, Texas to recruit homeless beneficiaries who were staying there ("guests").

60. Charity Eleda, R.N. hired recruiters to find guests with Medicare benefits and to direct them to her vehicle parked outside the gates of The Bridge. Charity Eleda, R.N. paid the recruiters $50 per beneficiary. Any treatment that Charity Eleda, R.N. provided was either in her vehicle, in the courtyard of The Bridge, on a park bench outside of The Bridge, or on the second floor of a church located several blocks away from The Bridge.

61. Charity Eleda, R.N. sent by facsimile certification paperwork to Medistat and called Jacques Roy, M.D. to come to The Bridge and meet with the beneficiaries. Jacques Roy, M.D. came to The Bridge and conducted a medical examination of the allegedly homebound beneficiaries. Jacques Roy, M.D. conducted his medical examinations inside The Bridge at a courtyard picnic table and at the Austin Street Shelter, another homeless facility located in downtown Dallas. Jacques Roy, M.D. certified the beneficiaries as being homebound and in need of skilled nursing services to be provided by Charity Eleda, R.N. and Charry.

62. Charity Eleda, R.N. and other nurses employed by Charry attempted to
visit guests of The Bridge during the 60-day certification period approved by Jacques Roy, M.D. Charity Eleda, R.N. was informed, however, by security guards at The Bridge that she was not permitted to treat guests on or near the premises, and that The Bridge had a Parkland Hospital medical clinic inside the gates that was available to the guests. After being removed from The Bridge on several occasions, Charity Eleda, R.N. began to see the allegedly homebound beneficiaries on the second floor of a church located several blocks away from The Bridge.

63. From August 1, 2008 through June 30, 2011, seventy-nine percent (79%) of Charry patients were certified by Jacques Roy, M.D. or another Medistat physician for home healthcare services and Medistat incorporated these patients into its practice.

64. From August 1, 2008 through June 30, 2011, Charry submitted claims to Medicare totaling $468,858.14 for home health services for Medicare beneficiaries certified by Jacques Roy, M.D. or another Medistat physician and Jacques Roy, M.D. and Medistat submitted $151,207.64 to Medicare for services for these beneficiaries.

All in violation of Title 18, United States Code, Section 1349.
COUNTS 2-10
Healthcare Fraud
(18 U.S.C. §§ 1347 and 2)

65. Paragraphs 1 through 24 and 28 through 64 of this Indictment are realleged and incorporated by reference as though fully set forth herein.

66. On or about the dates specified below, in the Dallas Division of the Northern District of Texas, and elsewhere, defendants

Jacques Roy, M.D.
Wilbert James Veasey, Jr.
Patricia Akamnonu, R.N.
Charity Eleada, R.N.

in connection with the delivery and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, a scheme and artifice to defraud Medicare, a health care benefit program affecting commerce, as defined by Title 19, United States Code, Section 24(b), and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, Medicare, that is, the defendants submitted and aided and abetted in submitting false and fraudulent claims to Medicare, seeking reimbursement for the cost of various unnecessary home health services.
<table>
<thead>
<tr>
<th>Count</th>
<th>Defendants</th>
<th>HHA</th>
<th>Medicare Beneficiary</th>
<th>Approximate Dates</th>
<th>Conduct</th>
<th>Amount Submitted to Medicare and Medicaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Jacques Roy, M.D. and Wilbert James Veasey, Jr.</td>
<td>Apple</td>
<td>C.B.</td>
<td>May 2010 to July 2010</td>
<td>Recruitment and home health certification for 60-day episode of care</td>
<td>$1,196.74</td>
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<td>4</td>
<td>Jacques Roy, M.D. and Wilbert James Veasey, Jr.</td>
<td>Apple</td>
<td>C.M.B.</td>
<td>May 2010 to July 2010</td>
<td>Recruitment and home health certification for 60-day episode of care</td>
<td>$3,145.74</td>
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<td>5</td>
<td>Jacques Roy, M.D. and Patricia Akamnonu, R.N.</td>
<td>Ultimate</td>
<td>N.C</td>
<td>January 2006 to March 2006</td>
<td>Recruitment and home health certification for 60-day episode of care</td>
<td>$2,700.00</td>
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<td>6</td>
<td>Jacques Roy, M.D. and Patricia Akamnonu, R.N.</td>
<td>Ultimate</td>
<td>L.S.</td>
<td>May 2007 to July 2007</td>
<td>Recruitment and home health certification for 60-day episode of care</td>
<td>$4,481.74</td>
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<td>7</td>
<td>Jacques Roy, M.D. and Patricia Akamnonu, R.N.</td>
<td>Ultimate</td>
<td>B.L</td>
<td>July 2009 to September 2009</td>
<td>Recruitment and home health certification for 60-day episode of care</td>
<td>$1,101.00</td>
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<td>8</td>
<td>Jacques Roy, M.D. and Charity Eleda, R.N.</td>
<td>Charry</td>
<td>I.S.</td>
<td>September 2010 to November 2010</td>
<td>Recruitment and home health certification for 60-day episode of care</td>
<td>$1,679.86</td>
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<td>Count</td>
<td>Defendants</td>
<td>HHA</td>
<td>Medicare Beneficiary</td>
<td>Approximate Dates</td>
<td>Conduct</td>
<td>Amount Submitted to Medicare and Medicaid</td>
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<td>9</td>
<td>Jacques Roy, M.D. and Charity Eleda, R.N.</td>
<td>Charry</td>
<td>S.C.</td>
<td>October 2010 to December 2010</td>
<td>Recruitment and home health certification for 60-day episode of care</td>
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<td>Jacques Roy, M.D. and Charity Eleda, R.N.</td>
<td>Charry</td>
<td>K.F</td>
<td>September 2010 to January 2011</td>
<td>Recruitment and home health certification for 60-day episode of care</td>
<td>$1,364.12</td>
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Each in violation of Title 18 United States Code Sections 1347 and 2.
COUNTS 11-13
False Statements for Use in
Determining Rights for Benefit and Payment by Medicare
(42 U.S.C. § 1320a-7b(a)(2))

67. Paragraphs 1 through 24 of the General Allegations section of this
Indictment are realleged and incorporated by reference as though fully set forth herein.

68. On or about the dates enumerated below, in the Dallas Division of the
Northern District of Texas, and elsewhere, the defendant,

**Charity Eleda, R.N.**

did knowingly and willfully make and cause to be made false statements and
representations of material facts in patient files for the beneficiaries set forth below, for
use in determining rights for any benefit and payment under a Federal healthcare
program, that is, Medicare, to wit, that she provided skilled nursing when in fact she was
outside of the United States:

<table>
<thead>
<tr>
<th>Count</th>
<th>Medicare Beneficiary</th>
<th>Date of Nursing Visit</th>
<th>False Statement and Representation</th>
<th>Amount Submitted to Medicare</th>
</tr>
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<tr>
<td>11</td>
<td>R.G.</td>
<td>February 8, 2011</td>
<td>Skilled Nursing Visit in Dallas</td>
<td>$200</td>
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<td>12</td>
<td>I.S.</td>
<td>February 9, 2011</td>
<td>Skilled Nursing Visit in Dallas</td>
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<tr>
<td>13</td>
<td>R.G.</td>
<td>February 15, 2011</td>
<td>Skilled Nursing Visit in Dallas</td>
<td>$200</td>
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</table>

Each in violation of Title 42, United States Code, Section 1320a-7b(a)(2) and Title
18, United States Code, Section 2.
NOTICE OF CRIMINAL FORFEITURE
[18 U.S.C. § 982(a)(7)].

Upon conviction for any of the offenses charged in this Indictment, the defendants, Jacques Roy, M.D., Cynthia Stiger, Wilbert James Veasey, Jr., Cyprian Akamnonu, Patricia Akamnonu, R.N., Teri Sivils, and Charity Eleda, R.N., shall, pursuant to 18 U.S.C. §982(a)(7), forfeit to the United States all property, real or personal, constituting or derived, directly or indirectly, from gross proceeds traceable to the commission of the offense, including, but not limited to, the following:

Property to be forfeited by Jacques Roy, M.D.

a. All funds in business checking account XXXX8914 in the name of Medistat Group Associates at Bank of America.

b. All funds in business checking account XXXX9921 in the name of Medistat Group Associates at Capital One, N.A.

c. All funds in personal checking account XXXX1176 in the name of Jacques Roy at Bank of America.

d. 2009 Melges sailboat, USMEB20118L809, “One Trick Pony”.

e. 2008 Flying Scot sailboat, hull ID GDB04468G808.

f. 2007 Toyota Avalon, VIN 4T1BK36B47U192647.

g. 2009 Buick Enclave, VIN 5GAER23D09J165416.

h. All funds in account XX7659 for Jacques Roy with American Equity Investment Life Insurance Company.

i. All funds in account XXXX8147 for Jacques Roy with Allianz Life Insurance Company.

j. All funds in account XXXX0518 for Jacques Roy with Mass Mutual Financial Group.
k. All funds in account XXXX0508 for Jacques Roy with Mass Mutual Financial Group.

l. All funds in account VF5148XXXX for Jacques Roy with Pacific Life Insurance Company.

m. All funds in accounts for Jacques Roy with Jackson National Life.

n. All funds in account XXX293x for Jacques Roy with Life Insurance Company of the Southwest.

Property to be forfeited by Cyprian Akamnonu And Patricia Akamnonu, R.N.

o. All funds in business checking account XXXXXXXX0011 in the name of Cyprian Inc., dba Ultimate Care Home Health Services at Bank of America.

p. All funds in business checking account XXXXXXXX1257 in the name of Cyprian Akamnonu, dba Ultimate Care Home Health Services at Bank of America.

q. All funds in business checking account XXXXXXXX2835 in the name of Cyprian, Inc., dba Ultimate Care Home Health Services at Bank of America.

r. All funds in business checking account XXXXXXXX3153 in the name of Cyprian, Inc., dba Ultimate Care Home Health Services at Bank of America.

s. All funds in business checking account XXXXXXXX9747 in the name of Cyprian, Inc., dba Ultimate Care Home Health Services at Bank of America.

t. All funds in business checking account XXXXXXXX0024 in the name of Cyprian, Inc., dba Ultimate Care Home Health Services at Bank of America.

u. All funds in business checking account XXXXXXXX0759 in the name of Cyprian, Inc., dba Ultimate Care Home Health Services at Bank of America.
v. All funds in personal checking account XXXXXXXX7508 in the name of Cyprian and Patricia Akamnou at Bank of America.

w. All funds in personal checking account XXXXXXXX1411 in the name of Cyprian and Patricia Akamnou at Bank of America.

x. All funds in personal money market savings account XXXXXXXX2847 in the name of Cyprian and Patricia Akamnou at Bank of America.

y. 2010 Nissan Murano, VIN JN8AZ1MUAW007045.

z. 2006 Infiniti FX35, VIN JNRAS08W26X202720.

aa. 2008 Nissan Titan, VIN 1N6BA07C48N332766.

bb. 2010 Mercedes GL5, VIN 4JGBF8GE0AA609720.

c. The real property located at 8016 Alex David Circle, Dallas, Texas 75237.

dd. The real property located at 7130 Sorcey Road, Dallas, Texas 75249.

e. The real property located at 9620 Michelle Drive, Dallas, Texas 75271.

ff. The real property located at 9602 Whistler Drive, Dallas, Texas 75217.

gg. The real property located at 552 Palomino Way, Grand Prairie, Texas 75052.

hh. The real property located at 8054 Genesis, Dallas, Texas 75232.

ii. The real property located at 8017 Alex David Circle, Dallas, Texas 75237.

jj. The real property located at 8022 Roger Hollow Circle, Dallas, Texas 75232.

kk. The real property located at 8419 Widgeon Way, Dallas, Texas 75249.

ll. The real property located at 8411 Canvasback Lane, Dallas, Texas 75249.

mm. The real property located at 9623 Michelle Drive, Dallas, Texas 75271.

nn. The real property located at 5915 Alcova Lane, Dallas, Texas 75249.
oo. The real property located at 2913 Sand Dollar Ct., Cedar Hill, Texas 75104.

pp. The real property located at 2846 Trail dust, Dallas, Texas 75237.

qq. The real property located at 2410 Lily, Grand Prairie, Texas 75104.

rr. The real property located at 3163 Sanctuary, Grand Prairie, Texas 75052.

ss. The real property located at 1609 Mustang Court, Cedar Hill, Texas 75104.

tt. The real property located on Avenue K, Plano, Texas 75074, more specifically described by legal description ABS A0738 Daniel Rowlett Survey BLK 3 Tract 59.

uu. The real property located at Avenue K, Plano, Texas 75074, more specifically described by legal description ABS A0738 Daniel Rowlett Survey BLK 3 Tract 60.

vv. The real property located at 2811 Park Springs Drive, Grand Prairie, Texas 75052.

Property to be forfeited by Charity Eleda, R.N.

ww. $16,471.82 in funds seized in June 2011 from business checking account #xxxx8253 in the name of Charry Home Care Services, Inc. at Compass Bank.

Pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b)(1), if any of the above-referenced property subject to forfeiture, as a result of any act or omission of any of the defendants, cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third person; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be subdivided without difficulty, it is the intent of the United States of America to seek forfeiture of any other property of that defendant up to the value of the previously-described property subject to forfeiture.
A TRUE BILL

FOREPERSON

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ORDER TO UNSEAL

Before the court is the government's Motion for an Order to Unseal the Indictment filed February 23, 2012, as to the above individuals. After consideration, the court determines that the motion should be and is hereby granted.

IT IS HEREBY ORDERED THAT the Indictment be unsealed.

DATED this 28th day of February, 2012.

SAM A. LINDSAY
United States District Judge
IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

UNITED STATES OF AMERICA §
v. §
§
JACQUES ROY, M.D. (1) §
CYNTHIA STIGER (2) §
WILBERT JAMES VEASEY JR. (3) §
CYPRIAN AKAMNONU (4) §
PATRICIA AKAMNONU, R.N. (5) §
TERI SIVILS (6) §
CHARITY ELEDA, R.N. (7) §

No. 3-12CR-054-L
Filed Under Seal

MOTION FOR ORDER TO UNSEAL

The United States respectfully moves for entry of an Order unsealing the Indictment filed February 23, 2012, as to the above individuals.

Respectfully submitted,

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UNITED STATES OF AMERICA vs. JACQUES ROY, M.D. (1)

Defendant.

MEMORANDUM IN SUPPORT OF MOTION TO DETAIN

Defendant Jacques Roy, M.D. ("Dr. Roy") masterminded and executed a health care fraud conspiracy that resulted in well over $350 million being fraudulent billed to the Medicare and Medicaid programs over the past five years. The evidence of Dr. Roy's guilt is strong and he faces a life sentence if convicted. He has shown a brazen disregard for legal and administrative process by reconstituting his fraud scheme under the guise of another company after being placed on suspension from the Medicare program in June 2011. And perhaps most importantly, Dr. Roy has created a false identity and squirreled away millions of dollars of assets that likely would be available to him should he choose to flee. The United States moves this Court, pursuant to the Bail Reform Act, to detain Dr. Roy pending trial because he is a flight risk and a danger to the community.

I. BACKGROUND

A. Indictment and Charges

On February 22, 2012, a federal grand jury sitting in the Northern District of Texas, Dallas Division, returned a 13-count indictment (the "Indictment") charging Dr. Roy and six other co-conspirators with one count of conspiracy to commit health care fraud in violation of
Title 18, United States Code, Section 1349, and nine counts of health care fraud in violation of Title 18, United States Code, Sections 1347 and 2. Dr. Roy is not named in the remaining three counts of the Indictment. If convicted of the charges in the Indictment, Dr. Roy faces a total statutory maximum sentence of 100 years imprisonment and forfeiture of at least $18.5 million. A preliminary sentencing guidelines analysis shows that Dr. Roy’s prison sentence, based on indicted and relevant conduct, would be life.

B. The Alleged Scheme

Dr. Roy has been the primary target of investigators for several years. Since 2006, through his company Medistat Group and Associates, P.A. (“Medistat”), Dr. Roy has certified more than 11,000 unique patients from over 500 home health agencies (HHAs) in the Dallas-Fort Worth area – more than any other practice in the United States. By certifying thousands of patients for home health services he has created a cottage industry in and around Dallas-Fort Worth and made millions of dollars at the expense of taxpayers by billing Medicare and Medicaid for unnecessary services.

Dr. Roy executed a scheme to defraud Medicare and Medicaid by certifying patients for home health services who did not need them and then billing those patients himself for unnecessary services. He was able to execute this scheme by virtue of explicit and implicit arrangements with the home health agencies (“HHAs”) for which he certified patients. The HHAs would canvas neighborhoods door-to-door to recruit patients for home health services, regardless of whether they actually needed those services. Once they found a patient, the HHA would send the required paperwork to Medistat for either Dr. Roy or another Medistat physician acting at his direction to certify the patient for home health services for which the HHA could bill Medicare. Each patient that a Medistat physician certified for home health services also was
added to Medistat’s ten thousand plus patient roster so that Medistat could bill Medicare for more unnecessary services associated with that patient.

Dr. Roy approved patients for home health services regardless of whether they needed them. Medistat had a boiler room where employees worked all day placing his signature on approvals for home health services regardless of whether he reviewed those approvals. Moreover, Dr. Roy was well aware that the HHAs obtained patients by recruiting door-to-door and that the patients for which he was signing (or, more accurately, for which someone was signing on his behalf) had been recruited. Dr. Roy also saw patients for whom he approved home health services when it was obvious that the patient did not need them.

In sum, Dr. Roy used his signature as a commodity. By signing approvals for home health services for patients provided to him by HHAs, he was able to obtain patients for Medistat to bill. As a result, both he and the HHAs he conspired with were able to rob Medicare and Medicaid of hundreds of millions of dollars.

II. FACTS RELEVANT TO REQUEST FOR PRETRIAL DETENTION

The investigation leading to the indictment of Dr. Roy has uncovered a great deal of information that makes his detention pending trial appropriate.

A. Dr. Roy created a fake identity including fake identification cards and overseas bank accounts.

One June 2, 2011, law enforcement personnel conducted a search of the Medistat business location in Desoto, Texas, and of Dr. Roy’s residence in Rockwall, Texas. During the search, agents seized thousands of patient files, numerous computers and voluminous administrative paperwork. At Dr. Roy’s home, among other items, agents found folders and files containing evidence of a fake identity that Dr. Roy created in the name of “Michel Poulin.”
Agents also found overseas banking information, much of it being comingled with false identifying information. The following items were found in Dr. Roy's house:

- A fake Texas Driver's License with Dr. Roy's picture and the name Michel Poulin, date of birth 5/13/57;
- An official Canadian Birth Certificate from the Province of Quebec with the name Michel Alphonse Poulin, date of birth, 5/13/57;
- A Quebec identification card with Dr. Roy’s picture and the name Michel Poulin, address Quebec, Canada, date of birth 5/13/57;
- Application materials for a Canadian Passport for Michel Poulin;
- An application for a post office box in Quebec, Canada, for Michel Poulin;
- Numerous passport photos of Dr. Roy portraying him with and without glasses and in different outfits;
- A Canadian application for Social Security for Michel Poulin;
- A U.S. Postal Service Change of Address Form;
- A blank piece of paper containing First State Bank letterhead;
- A blank piece of paper containing NBC Bank letterhead;
- A letter of good-standing for Michel Poulin addressed “To Whom it May Concern” on First State Bank letterhead in which Dr. Roy forged the signature of Paul Smith, Vice President;
- Evidence of a Royal Bank of Canada account in the name of Michel Poulin;
- Bank deposit slips and communications for Euro Bank Corporation, Grand Cayman, B.W.I.;
- Bank deposit slips and communications for Guardian Bank and Trust (Cayman) Limited, Grand Cayman, B.W.I.;
- CIBC Bank and Trust company (Cayman) Limited instructions on how to wire money from the United States;
- Guides and literature for several offshore banks in the Cayman Islands;
- Correspondence material with Private Equity Firms located in the Cayman Islands;
- A KPMG guide to ship and yacht registration in the Cayman Islands;
- A copy of Edmund J. Pankau's Hide Your AS$ET$S and Disappear, A Step-by-Step Guide to Vanishing Without a Trace;
- A copy of The Offshore Money Manual, providing 23 worldwide locations favorable to offshore banking.

After reviewing this information agents have attempted to ascertain the extent of Dr. Roy's overseas banking activities. Agents were able to confirm that Dr. Roy, in fact did have an account with The Royal Bank of Canada, Grand Cayman, in the name of Michel Poulin that was
opened in 1995. However, the government has been unable to confirm the current status of this account or the associated dollar amount therein.

The government has also confirmed the existence of two separate bank accounts Dr. Roy has used in Grand Cayman, B.W.I. These accounts were opened under Dr. Roy's true name. One account is at Euro Bank Corporation ("Euro Bank"), Grand Cayman, B.W.I. Agents located a $2,000.00 deposit slip to Euro Bank from March 1995 during the search of Dr. Roy's home. The government has no information on if this account remains open or if additional funds have been added since that date. Another account was with Guardian Bank & Trust ("Guardian"), Grand Cayman, B.W.I. Transaction reports from Guardian discovered during the June search detail numerous deposits from Perth Corporation, a corporation the government believes to be owned and operated by Dr. Roy. It is noteworthy that Guardian's license to conduct financial transactions was revoked by the Government of Grand Cayman in March 1995. Despite having its license revoked, a letter from Guardian to Dr. Roy discovered in the June search states that "the bank is solvent and deposits can be paid in full." Guardian records that accompany this letter state that Dr. Roy had nearly $80,000 invested with Guardian at that time. The government has been unable to determine where this money went and in what name it was deposited under after Guardian was liquidated.

B. Dr. Roy has gone to considerable lengths to conceal the almost $19 million paid to Medistat by Medicare and Medicaid.

Dr. Roy made almost $19 million through his fraudulent operation of Medistat. It is plain from the above that Dr. Roy has taken steps to hide this money from authorities. Indeed, of this $19 million paid by Medicare and Medicaid, the government has traced almost $4 million to various accounts and investments apparently set up by Dr. Roy to conceal his assets and shield them from tax liability. The government intends to freeze these assets.
However, there remain millions of dollars paid to Dr. Roy that are unaccounted for. Though the government is continuing its attempts to trace these funds, it is likely that Dr. Roy has assets available to him sufficient to fund his flight from the jurisdiction pending trial.

C. Dr. Roy has continued to defraud Medicare by billing through another company.

In June 2011, the Center for Medicare and Medicaid Services ("CMS") suspended the provider numbers for Dr. Roy and Medistat based on credible allegations of fraud (the "Suspension"). When CMS suspends a provider number, Medicare payments are frozen into an inaccessible account until a suspension is lifted or further action is taken. Because all Medistat billing was submitted under one provider number and all payments went to a single bank account controlled by Dr. Roy, the Suspension made it impossible for Dr. Roy to be paid by Medicare. This was a significant problem for Dr. Roy considering that almost all of his revenue comes from Medicare reimbursements.

But Dr. Roy apparently found a way around the Suspension by shifting Medistat’s business to another company. Agents have learned that immediately after the Suspension, nearly all of Medistat’s employees started billing Medicare under the provider number for Medcare HouseCalls, LLC’s ("Medcare HouseCalls"), which is owned and operated by a former Medistat employee. According to witness interviews, Dr. Roy and Medistat’s Chief Financial Officer are responsible for this "merger" and Dr. Roy is ultimately in charge of the day to day operations of the nurses and doctors at Medcare HouseCalls. Employees also told agents that in order to make the new company look legitimate, a former Medistat doctor is being "masqueraded" as the head of Medcare HouseCalls at the direction of Dr. Roy. In addition, Medistat employees have been instructed to tell federal auditors that they work for Medcare HouseCalls, not Medistat.
Medicare billing data also suggests that many Medistat patients have been shifted to Medcare HouseCalls. In 2010, Medcare HouseCalls had 1,225 Medicare beneficiaries in its patient base. In 2011, Medcare HouseCalls reported 6,299 Medicare beneficiaries with a jump of approximately 4,000 patients in June 2011, the month of the Suspension. Medcare HouseCalls’ billing has increased accordingly; from just $300,000 in 2010 to $2.4 million in 2011.

Dr. Roy himself also continues to certify patients for home health despite the Suspension. In fact, Medicare data shows that since June 2011 he has certified more than 4,000 unique beneficiaries from over 435 HHAs which have billed $18.4 million to Medicare for these beneficiaries. And though Dr. Roy cannot bill Medicare for these services, bank records indicate that from August through November 2011 Medcare HouseCalls paid Medistat over $800,000 in “management fees.”

Thus, Dr. Roy presently is subverting CMS’ suspension of his and Medistat’s provider numbers and continuing his scheme to defraud Medicare.

D.  Dr. Roy travels outside the United States regularly.

Dr. Roy, a native of Canada, travels regularly to Quebec and to other locations outside of the United States. Both Dr. Roy and his spouse have family members living in Canada and speak French fluently, and traveled there as recently as a week ago.

In addition to trips to Canada, Dr. Roy has visited Mexico, France, St. Maarten and Norway since 2006.

III. ARGUMENT

There is a serious risk that if Dr. Roy is released, he will flee. He has directed and operated a long running fraud on the Medicare and Medicaid programs and he and his co-conspirators have submitted claims to Medicare and Medicaid in excess of $350 million. If
convicted, Dr. Roy faces life imprisonment. Evidence taken from his home during the search indicates that he has prepared to disappear if faced with the consequences of his actions. And he has indicated a complete lack of regard and respect for legal authority by his preparation of a false identity and his efforts to circumvent CMS’ suspension.

Separate and apart from being a flight risk, Dr. Roy poses a significant threat to the community should he be released prior to trial. The amount of tax dollars already lost to Dr. Roy’s schemes is astounding and failure to detain him likely would result in additional losses. CMS’ administrative suspension of his and Medistat’s provider numbers did little to disrupt his fraudulent activities. This danger to the community should be eliminated; Dr. Roy should be detained.

A. Bail Reform Act

Under the Bail Reform Act, Title 18, United States Code, Section 3141, et seq., federal courts are empowered to order a defendant’s detention pending trial upon a determination that the defendant is either a danger to the community or a risk of flight. See 18 U.S.C. § 3142(e) ("no condition or combination of conditions would reasonably assure the appearance of the person as required and the safety of any other person and the community"). A finding of risk of flight must be supported by a preponderance of the evidence. United States v. Trosper, 809 F.2d 1107, 1109 (5th Cir. 1987); see also United States v. Stewart, No. 01-4537, 2001 WL 1020779 (4th Cir. Sept. 6, 2001) (unpublished) (citing United States v. Hazime, 762 F.2d 34, 37 (6th Cir. 1985)).

The Bail Reform Act lists four factors for courts to consider in the detention analysis: (1) the nature and circumstances of the crimes charged; (2) the history and characteristics of the defendant; (3) the seriousness of the danger posed by the defendant’s release; and (4) the evidence of the defendant’s guilt. See 18 U.S.C. § 3142(g). All four factors are considered in
turn below and indicate that Dr. Roy is prepared to flee the jurisdiction and has the means to do so.

B. All Four Factors Support Dr. Roy’s Detention.


The charges alleged in the Indictment subject Dr. Roy to significant criminal exposure. Given Dr. Roy’s role in the fraudulent scheme, and the over $350 million in losses, Dr. Roy faces a significant period of incarceration if convicted. See e.g., United States v. Duran, No. 1:10-cr-20767, Docket Entry No. 339 (S.D. Fl. Sept. 20, 2011) (sentencing defendant involved in $200 million health care fraud scheme to 50 years’ imprisonment); United States v. Mateos, 623 F.3d 1350 (11th Cir. 2010) (affirming 30-year sentence for physician involved in $11 million health care fraud scheme). Indeed, a preliminary Sentencing Guidelines calculation places him in a position to receive a life sentence. This fact alone suggests a serious risk that Dr. Roy will flee. See United States v. Stanford, 341 Fed. Appx. 979, 982 (5th Cir. 2009) (affirming district court’s detention order where “the district court properly took into account the daunting sentence – 375 years of imprisonment – [defendant] faces if found guilty on all twenty-one counts in determining that he presents a risk of flight”).

Moreover, the manner in which Dr. Roy and co-conspirators executed (and continue to execute) their fraud indicates a level of sophistication. As explained in detail above, the defendant spearheaded a wide-ranging fraudulent scheme that resulted in massive losses to the Medicare and Medicaid programs. Moreover, he has engaged in an elaborate cover-up to conceal his continued fraudulent activities.
2. Dr. Roy's History and Characteristics Indicate a Strong Propensity to Deceive Authorities.

The evidence discovered at Dr. Roy's home indicates a well-planned effort to lay the groundwork for a quick and easy getaway. Not only did Dr. Roy create a fake identity for himself with the name Michel Poulin, he funded one overseas account, the government knows of, associated with that fake identity. There can be little dispute about the purpose of those activities. In the event he was faced with the consequences of his criminal activity, Dr. Roy intended to hide his assets and disappear, just as one of the books discovered in his home instructed him how to do.

Moreover, as discussed above, Dr. Roy has gone to significant lengths to circumvent CMS' suspension of his and Medistat's provider numbers so that he can continue his fraud scheme. This shows a complete lack of regard for the administrative requirements of him as a physician and Medicare provider. The same is true of the underlying fraud scheme itself. Dr. Roy has indicated that he will feign compliance with the conditions imposed on him while in reality doing whatever he pleases.

The startling lack of candor evidenced by Dr. Roy's creation and funding of a fake identity and circumvention of CMS' suspension weigh heavily in favor of his detention. He simply cannot be trusted to comply with any conditions of release.

3. Dr. Roy's Release Poses a Danger to the Community.

The Bail Reform Act directs the Court to consider "the nature and seriousness of the danger to any person or the community that would be posed by the person's release." 18 U.S.C. § 3142(g)(4). "The 'danger to ... the community' [language in the Bail Reform Act] permits consideration of the defendant's propensity to commit crime generally, even where only pecuniary and not physical harm might result to the community at large." United States v. Parr,
399 F.Supp. 883, 888 (W.D.Tex.1975); see also United States v. Madoff, 586 F.Supp.2d 240, 254 (S.D.N.Y 2009) (conducting an exhaustive review of case law and determining that “there is jurisprudence to support the consideration of economic harm in the context of detention to protect the safety of the community.”)

Dr. Roy has engaged in a pattern of fraudulent activity that is staggering in its breadth and scope and has resulted in significant economic loss. And despite the best efforts of those who administer the Medicare program, he has continued his scheme and continues to cause millions of dollars in losses. There is every reason to believe based on Dr. Roy’s past activity that if he is released he will find a way to continue his fraud and steal additional money from the American taxpayer. Dr. Roy’s incarceration pending trial is the safest way to ensure that the community is protected from further harm that may be wrought by him.

4. The Evidence of Dr. Roy’s Guilt is Strong.

Finally, the strength of the evidence also weighs in favor of pre-trial detention. To prove the charges contained in the indictment, the government must prove, among other things, that the defendant knowingly and intentionally joined the criminal scheme. The government has collected substantial evidence that Dr. Roy not only knew of the criminal purpose of the scheme, but directed it. Multiple witnesses have stated that Dr. Roy was intent on growing Medistat with patients referred to him by HHAs and was well aware that these patients were obtained through illegal recruiting methods involving kickbacks. The government also has interviewed hundreds of beneficiaries who were certified by Dr. Roy and often treated by him as well. The overwhelming majority of these beneficiaries did not need the services for which Dr. Roy certified them and he knew it. Finally, the allegations in the Indictment are supported by the Medicare data itself. It is simply not plausible that Dr. Roy could have legitimately certified and treated the number of patients for which Medicare was billed during the course of the fraud.
In addition to the evidence already collected, the government is continuing its investigation into the allegations contained in the indictment, including executing search warrants on the day of this filing. This continuing investigation is likely to develop even more evidence of the defendant’s role.

IV. CONCLUSION

Dr. Roy engaged in a staggering and long-running fraud scheme. The evidence against him is strong and he faces a life sentence if convicted. He has already prepared to flee by creating a fake identity and sending the proceeds of his fraud offshore. He has shown that he will flout any authority that tries to reign him in and has every intention of continuing his fraud scheme by any means available to him.

Based on the foregoing, and pursuant to 18 U.S.C. § 3142(f)(2), the government respectfully requests that the court order that Dr. Roy be detained pending trial because no condition or combination of conditions will reasonably assure his appearance as required at future court proceedings and because he is a danger to the community.

Respectfully submitted,

SARAH SALDAÑA
UNITED STATES ATTORNEY

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CERTIFICATE OF SERVICE

On this 28th day of February, I hereby certify that, because the case is still sealed in CM-ECF, I have hand delivered this filing to the Clerk of the District Court for the Northern District of Texas. I have contacted counsel for the defendant and will provide him with a copy.

[Signature]

MICHAEL ELLIOTT
Assistant United States Attorney