

Two Women Plead Guilty to Health Care Fraud Conspiracy and Related Offenses

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CHARLOTTE, NC—Two women charged with health care fraud related offenses have pled guilty to the charges, announced Anne M. Tompkins, U.S. Attorney for the Western District of North Carolina.

On January 26, 2012, Wendy Gibson (a/k/a Wendy Fitzgerald), 40, of Charlotte, pled guilty to one count of health care fraud conspiracy, one count of paying and receiving illegal kickbacks, and one count of conspiracy to distribute controlled substances. Gibson's co-defendant, Karen Wills (a/k/a Karen Boykin and Karen Jackson), 43, of Salisbury, entered a guilty plea to the same charges and to one additional count of health care fraud conspiracy on January 12, 2012. The defendants were charged by a criminal bill of indictment on August 17, 2011.

According to filed documents and statements made in court, from around 2008 to January 2011, Wills and others participated in a scheme to defraud Medicare and Medicaid by submitting false and fraudulent claims for medical services which were medically unnecessary, not provided, or both, including but not limited to, electromyography ("EMG") and anorectal manometry ("AM") procedures. As a result of this scheme, Medicare and Medicaid paid over \$400,000 in reimbursement payments on the fraudulent claims. Court documents indicate that around August 2008, Wills and others became aware of the investigation into this fraudulent billing scheme. In an effort to conceal the fraud, Wills created several false EMG and AM reports and placed them in patient files. As part of her guilty plea, Willis admitted that the amount of loss intended to be caused by the scheme was in excess of \$400,000 but less than \$1,000,000.

Wills and Gibson also pled guilty to charges of conspiring to pay and receive illegal kickbacks. According to the indictment, from around January 2008 to around 2009, Wills, Gibson, and others engaged in an illegal kickback scheme involving power wheelchairs. According to plea documents, Wills used her position with her employer's company to submit fictitious referrals for patients to receive medically unnecessary power wheelchairs from Gibson's employer's company. In some instances, Wills forged a physician's signature on required qualification documents, while Gibson tracked and directed payment to those referrals. As part of their plea agreements, the defendants admitted to concealing the illegal kickback payments by falsely representing on invoices and checks that the payments were for nursing and billing services. This scheme resulted in payments for the medically unnecessary equipment from Medicare and Medicaid in excess of \$300,000.

Wills and Gibson also pled guilty to charges of conspiracy to distribute controlled substances and to commit health care fraud. In pleading guilty to that charge, Wills admitted that she forged a physician's signature on prescription pads she misappropriated from her employer, and issued fraudulent prescriptions in Gibson's name. The prescriptions were written for controlled substances including oxycodone and hydrocodone/acetaminophen pills. In her plea, Gibson admitted that she used her health insurance prescription benefit program to pay for the fraudulent prescriptions resulting in payments in over \$30,000 for these fraudulent prescriptions. Wills and Gibson obtained and illegally distributed approximately 3,000 oxycodone pills, and approximately 5,000 hydrocodone/acetaminophen pills.

At sentencing, Gibson and Wills face a maximum statutory sentence of 10 years in prison on the health care fraud conspiracy and a \$250,000 fine, and five years in prison and a \$25,000 fine for the illegal kickbacks charge. They also face 20 years in prison and a \$1 million fine for the conspiracy to distribute controlled substances. Wills also faces a penalty of 10 years of imprisonment and a \$250,000 fine for the additional charge of health care fraud conspiracy. Wills has been in federal custody on these charges since August 2011, and Gibson remains on bond. A sentencing date has not been set.

The investigation into Wills and Gibson was handled by HHS-OIG, MIU, FBI, USSS, NC SBI, CPMD, and Rowan County Sheriff's Office. The prosecution is being handled by Assistant U.S. Attorney Kelli Ferry of the U.S. Attorney's Office in Charlotte.

The investigation and charges are the work of the Western District's joint Health Care Fraud Task Force. The Task Force is a multi-agency team of experienced federal and state investigators and prosecutors, working in conjunction with criminal and civil Assistant United States Attorneys, dedicated to identifying and prosecuting those who defraud the health care system, and reducing the potential for health care fraud in the future. The Task Force focuses on the coordination of cases, information sharing, identification of trends in health care fraud throughout the region, staffing of all whistle blower complaints, and the creation of investigative teams so that individual agencies may focus their unique areas of expertise on investigations.

The Task Force builds upon existing partnerships between the agencies and its work reflects a heightened effort to reduce fraud and recover taxpayer dollars.

If you suspect Medicare or Medicaid fraud please report it by phone at 1-800-447-8477 (1-800-HHS-TIPS), or E-Mail at HHSTips@oig.hhs.gov.

U.S. Attorney's Office January 26, 2012

Western District of North Carolina (704) 344-6222