

Ambulance Manager And Biller Plead Guilty To Medicare Fraud and Identity Theft

By Administrator

Thursday, 28 November 2019 12:15 - Last Updated Thursday, 28 November 2019 12:18

United States Attorney Robert J. Higdon, Jr. announced that today in federal court, PAMELA DEWITT BABB, 49, of Mt. Olive, and DAVON TERRELL HENDERSON, 32, of Greenville, NC, pleaded guilty to a Criminal Information charging BABB and HENDERSON with Conspiracy to Commit Health Care Fraud, and Aggravated Identity Theft. United States Attorney Robert J. Higdon stated, "This fraud was huge in term of scope and impact. The defendants, and those working with them, went to great lengths to steal millions of dollars - stealing from the taxpayers of the country. My office and the investigative agencies with which we partner take these crimes, very seriously; it is a matter of principle and priority for us as we represent the people of the Eastern District."

The Criminal Information to which BABB and HENDERSON pleaded guilty charges that in January of 2014, HENDERSON, BABB, and others entered into a scheme to defraud Humana, Inc.'s Medicare Advantage program by billing for fictitious ambulance services using the names and identifiers of Humana customers, referred to in the charges as the Humana Beneficiaries. The fraud was carried out in the name of the ambulance company HENDERSON owned at the time, known as Med 1 Inter-facility Care, LLC (Med-1). To carry out the fraud, a participant in the scheme acquired personally identifying information (PII) for certain Humana beneficiaries. HENDERSON and BABB paid participants for obtaining the identifying information of Humana Beneficiaries.

Using stolen Humana Beneficiary identifying information, HENDERSON and BABB caused Humana's Medicare Advantage plan to be "back-billed" for various ambulance services in 2013, even though Med-1 was not operational for most of 2013. Thereafter, HENDERSON and BABB caused Humana to be billed for further fictitious ambulance services, continuing the fraud through June of 2016.

During the course of the fraud, Humana initially issued paper checks to Med-1 for the fictitious services. Rather than depositing the checks, HENDERSON and BABB caused the checks to be converted to cash using a check cashing business. HENDERSON and BABB then split the cash proceeds from the fraud. Later, BABB established an electronic billing and payment channel between Med-1 and Humana. Although BABB established this billing and payment channel in the name of Med-1, the routing number given to Humana for the purposes of payment for ambulance services belonged to a wheelchair company owned by HENDERSON, known as H&H Transport Services LLC (H&H). In other words, payments from Humana for services allegedly rendered by Med-1 were deposited into an H&H bank account. After Humana made an electronic deposit into the H&H bank account for fictitious ambulance services, HENDERSON and BABB split the proceeds by wiring approximately half of the proceeds into a bank account belonging to BABB.

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In total, between 2014 and April of 2016, HENDERSON and BABB caused Humana to be billed for \$6.1 Million in fraudulent ambulance services. Of this amount, Humana paid \$4.7 Million, which was split between HENDERSON and BABB.

The maximum punishment for Health Care Fraud is up to 10 years in federal prison and up to \$250,000 in fines. The maximum punishment for Aggravated Identity Theft (18 U.S.C. § 1028A) is not less than, nor more than 2 years in prison consecutive to any other term of imprisonment imposed, as well as up to a \$250,000 in fines. The defendants will also be subject to an order of restitution and forfeiture of assets.

The United States Department of Health and Human Services Office of the Inspector General and the Internal Revenue Service Criminal Investigation conducted the investigation of this case. Assistant United States Attorney William M. Gilmore represents the United States.