



# UNITED STATES ATTORNEY'S OFFICE

## *Southern District of New York*

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### **NEW YORK CITY EMPLOYEE CHARGED IN MANHATTAN FEDERAL COURT WITH MEDICAID FRAUD**

Preet Bharara, United States Attorney for the Southern District of New York, George Venizelos, the Assistant Director-in-Charge of the New York Field Office of the Federal Bureau of Investigation ("FBI"), and Mark G. Peters, the Commissioner of the New York City Department of Investigation ("DOJ"), announced today the arrest of AKIM MURRAY, an employee of the Medicaid Reimbursement Unit of the New York City Human Resources Administration ("HRA"), for Medicaid fraud. The Complaint alleges that MURRAY, an HRA Eligibility Specialist whose job involved issuing reimbursements for Medicaid-eligible expenses, manipulated the system in order to have hundreds of thousands of dollars' worth of checks issued to his friends and criminal associates, who in turn gave him a substantial cut of the proceeds. MURRAY was taken into custody this morning, and is expected to be presented this afternoon in Manhattan federal court before Chief U.S. Magistrate Judge Kevin Nathaniel Fox.

Manhattan U.S. Attorney Bharara said: "Akim Murray was supposed to make sure that Medicaid benefits went to people eligible for the program. Instead, as alleged, Murray abused his position as a New York City employee and diverted hundreds of thousands of dollars earmarked for people in need to line his own pockets and those of his friends. Such abuses cannot and will not be tolerated by this Office and our law enforcement partners."

FBI Assistant Director-in-Charge Venizelos said: "As alleged in the complaint, Murray used his position as an HRA Eligibility Specialist to profit off of a system designed to help those in financial distress obtain medical assistance. Health care fraud increases costs for everyone, wastes tax dollars, and destroys the integrity of our health care system. The FBI, along with our federal, state and local law enforcement partners, is committed to investigating this type of fraud and hold accountable those who take advantage of our government health care programs."

DOI Commissioner Peters said: "This public servant used Medicaid benefits as a treasure trove to enrich himself and his cohorts, creating an intricate criminal network of

kickbacks, according to the charges. This investigation shows that gaming the system to siphon public funds away from eligible individuals will only lead to arrest.”

According to the allegations in the Complaint unsealed today in Manhattan federal court:

Medicaid is a federally-funded program designed to provide low-income families with affordable health care. The New York City Human Resources Administration oversees the program and processes applications from New York City residents. Under Medicaid, individuals who successfully apply for Medicaid coverage can be reimbursed for eligible expenses submitted in the approximately three-month period prior to the application (“Pre-Enrollment Services”). In order to be reimbursed for Pre-Enrollment Services, the successful Medicaid applicant requesting reimbursement must provide proof that he or she made eligible health care payments out of pocket before applying for Medicaid. City employees known as Eligibility Specialists, working for HRA’s Medicaid Reimbursement Unit, receive and process requests for reimbursement using a computer system, and make recommendations for HRA supervisors as to whether a request should be approved.

From at least July 2009 until September 2010, MURRAY, an HRA Eligibility Specialist, exploited loopholes in HRA’s computer systems to both recommend and then separately approve the issuance of Medicaid reimbursement checks without meaningful oversight. MURRAY used the personal identifying information of his co-conspirators to create and unilaterally approve requests for reimbursement checks in their names. When the checks were sent to his friends and other associates, MURRAY demanded that they cash the checks and give him between 50-70% of the proceeds. MURRAY approved hundreds of thousands of dollars in Medicaid reimbursement requests without proper oversight.

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MURRAY, 52, of New York, New York, is charged with one count of conspiracy to commit mail fraud and health care fraud, one count of mail fraud, and one count of health care fraud, which carry maximum sentences of 20 years, 20 years, and 10 years in prison, respectively. The maximum potential sentences in this case are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendant will be determined by a judge.

Mr. Bharara thanked and praised the DOI and the FBI’s Health Care Fraud Task Force for their work in this investigation, which he noted is ongoing. The New York FBI Health Care Fraud Task Force was formed in 2007 in an effort to combat health care fraud in the greater New York City area. The task force comprises agents, officers, and investigators from the FBI, NYPD, the New York State Insurance Fraud Bureau, U.S. Department of Labor, U.S. Office of Personnel Management Inspector General, U.S. Food and Drug Administration, New York State Attorney General’s Office, New York State Office of Medicaid Inspector General, New York State Health and Hospitals Inspector General, and the National Insurance Crime Bureau.

This case is being handled by the Office’s Public Corruption Unit. Assistant United States Attorney Martin S. Bell is in charge of the prosecution.

The charges contained in the Complaint are merely accusations and the defendant is presumed innocent unless and until proven guilty.

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