



The City of New York
Department of Investigation

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Release # 13-2006
nyc.gov/html/doi

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 7, 2006

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DOI ARRESTS MAN IN \$114,000 HEALTH CARE FRAUD SCHEME

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation (DOI), announced today the arrest of SCOTT FREDERICKS for allegedly defrauding the government of more than \$114,000 in funds that were supposed to pay for the defendant's personal assistant who provided home health aide. It is charged that the defendant never hired anyone.

FREDERICKS, 45, of Rockaway Park, New York, has been charged in Manhattan federal court with Health Care Fraud. If convicted, he faces a maximum of 10 years in prison.

DOI Commissioner Rose Gill Hearn said, "Deliberately taking advantage of a program designed to help those in need is wrong. No matter how desperate, this was the wrong action to take and may have prevented someone else from getting the help he or she needs. Today's charges should serve as a warning to others that the City will not be defrauded into funding non-existent employees."

According to the Complaint, FREDERICKS was notified in August 2000 by the New York City Human Resources Administration (HRA) that he had been selected to receive funding from the Medicaid-funded Consumer Directed Personal Assistance Program (CDPAP), which provides benefits, such as Personal Assistants, to eligible individuals who have disabilities. HRA contracts with Concepts of Independence (COI) to administer parts of the CDPAP program, including the processing of payroll for Personal Assistants. In order for FREDERICKS' designated Personal Assistant to receive payment for providing home care services, both FREDERICKS and the Personal Assistant were required to complete a number of documents, some of which had to be certified. FREDERICKS allegedly submitted this documentation, including a Social Security Number and passport photo, to COI indicating that a man named Richard Spears had been hired to be FREDERICKS' Personal Assistant. From September 2000 until about September 2003, FREDERICKS allegedly submitted Spears' time sheets to COI. As a result, COI paid more than \$114,000 for Spears' salary. However, after getting a tip from Concepts of Independence, DOI investigators charged that Spears did not work for FREDERICKS, that Spears had never worked in the health care field, never visited New York City and never met FREDERICKS. It is charged, the passport photo FREDERICKS had submitted was not of Spears at all, but of FREDERICKS himself. All of the COI checks made out to Spears were deposited in FREDERICKS' personal bank account.

The investigation was conducted jointly by DOI Assistant Commissioner Benjamin Defibaugh, Deputy Inspector General Valentine Douglas, and Confidential Investigator Anthony Adjei, and the Federal Bureau of Investigation. The United States Attorney for the Southern District of New York is prosecuting. Assistant United States Attorney Steve Lee is handling the matter.

Criminal charges are accusations. Defendants are presumed innocent until proven guilty.

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To report someone ripping off the city, call DOI directly at (212) 825-5959.*