



## HRA Staff Congratulated for Their Role in Busting Massive Medicaid Fraud Ring



*HRA Commissioner Steven Banks*

HRA staff went undercover to help expose a scam preying on low-income Medicaid clients, many of them homeless. The alleged fraudsters called the clients “guinea pigs,” and lured them into hours of unnecessary medical tests at clinics throughout the city with the promise of free sneakers. Scams like this not only steal from taxpayers, they exploit people with real need. HRA’s Investigation, Revenue and Enforcement Administration (IREA) played an instrumental part in stopping the scam and bringing the alleged perpetrators to justice.

On Thursday, May 14, HRA Commissioner Steven Banks and IREA senior staff held an event to congratulate the employees involved in cracking the case. Not only did HRA staff go undercover to help catch perpetrators in the act, they also worked behind the scenes to research, monitor and document the investigation as it progressed.

“I think this is the best of what our agency does,” said Commissioner Banks at the event. “You are protecting clients from being exploited and taxpayers from being cheated. I salute you for your extraordinary work in making this happen. We would not have been able to move forward with this without everyone contributing.”

HRA worked with the Brooklyn District Attorney and local, state and federal investigation and health agencies to uncover the scheme, which involved nine doctors and 14 other individuals in a variety of medical fields. The alleged perpetrators approached New Yorkers who had Medicaid cards near soup kitchens and homeless shelters and lured them to several different medical clinics with the promise of free shoes. Clients were subjected to unnecessary medical tests, and their Medicaid accounts were billed for further tests that were never carried out. Clients were told they needed to accept unneeded orthotic devices if they wanted their free shoes.



*Assistant Deputy Commissioner of the Office of Medicaid Provider Fraud and Abuse Investigations Maura Hayes-Chaffe*

On March 31, 2015 the defendants were arrested and charged with crimes including health care fraud, enterprise corruption, money laundering,

falsifying business records and grand larceny. If convicted, they could face up to 25 years in prison.



*The IREA team that handled the investigation, with Commissioner Banks and IREA senior staff (some images have been altered to protect the identity of staff)*