

**Qui Tam Whistleblower
Medicaid Fraud
Legal NEWS**

McInnis Law
Timothy J. McInnis, Esq.
521 Fifth Avenue, 17th Floor
New York, NY 10175-0038
212-292-4573 – 917-903-9424
www.WhistleblowerLegal.com
TMcInnis@McInnis-Law.com

FOR IMMEDIATE RELEASE
March 5, 2013

**New York Non-Profit Serving Developmentally Disabled
Children and Adults Settles Whistleblower Complaint
Alleging False Billing at Queens and Brooklyn Day Habilitation Centers**

(New York City) — A non-profit serving the developmentally disabled in three states falsely billed New York State Medicaid for day habilitation client services for five years even though its own attendance records showed some developmentally disabled clients were not present, according to allegations in separate whistleblower settlements between the provider and New York State and federal governments, Manhattan-based Qui Tam Whistleblower Attorney Timothy J. McInnis of McInnis Law announced.

EiHAB Human Services, Inc., (“EIHAB”) headquartered on South Conduit Avenue in the Springfield Gardens section of Queens, New York, falsely billed the governments for day habilitation according to the settlement agreements. While not admitting liability or conceding that the governments’ and the relators’ claims were well founded, EIHAB paid \$54,000 to New York State and \$36,000 to the United States. In addition, EIHAB was required to retain a compliance monitor approved by New York State who will send quarterly reports on the non-profit’s services billed to Medicaid, according to the agreement.

McInnis, a former federal prosecutor whose law practice serves whistleblowers across the country, originally filed the EIHAB Qui Tam Complaint in early 2010, under seal as required by federal and state False Claims Acts.

McInnis’s clients are two women who held management-level positions at EIHAB. They are identified in the Complaint only as Mary Roe and Jane Doe. Among allegations in the Amended Complaint, all of which were dismissed in the stipulation of dismissal unsealed with the Amended Complaint, are that EIHAB ordered a case manager to fabricate case notes and other documents to substantiate billings that also were needed for a 2009 audit. That false data was in turn sent to the New York State Office of Mental Retardation and Developmental Disabilities, (“OMRDD”) which licenses and regulates habitation services, it was alleged.

(More)

Among many services EIHAB provides in the Empire State in addition to habilitation at centers in Brooklyn and Queens are: residential services; Medicaid Service Coordination (“MSC”), which helps beneficiaries to receive entitlements and services from the program; respite services; and family support services.

EIHAB’s annual revenue was estimated at \$10 million or more. Day habilitation services fees were estimated at approximately \$1.3 million per year. Almost all of EIHAB’s annual revenue is from Medicaid, according to the Amended Complaint. EIHAB provides group home services in New Jersey. In Pennsylvania it offers 12 different services, including those provided in New York, along with a summer camp.

The organization also solicits donations on its website. Web visitors who donate at <http://www.EIHAB.org/donate>¹, can charge their gifts to one of four major credit cards or use their PayPal account.

That page features a quote from Victor Hugo, “As the purse is emptied the heart is filled.” Under a “Donate Today” headline it states, “Your donation to EIHAB provides life-enhancing services for people in need right in your community. With your assistance we help physically and mentally challenged individuals lead more meaningful, dignified and independent lives.”

“They tried to empty the wrong purse at EIHAB,” McInnis said, “taking money from New York State’s and federal taxpayers’ pockets by falsely billing for service they didn’t provide to their vulnerable day habilitation clients.”

After he took over as billing manager in 2004, the son of EIHAB’s Executive Director Fatma Abboud, “maximized the billing units regardless of the nature and scope of the services actually provided.” The new billing manager and his fiancée also shredded records and created other “sanitized” billing records to support the false claims, the Amended Complaint alleged.

Under the False Claims Act, Qui Tam actions allow private citizens with knowledge of fraud to help the Government recover ill-gotten gains and additional civil penalties. The FCA allows the Government to collect up to three times the amount it was defrauded, in addition to civil penalties from \$5,500 to \$11,000 per false claim.

In successful Qui Tam whistleblower cases in which the Government intervenes, whistleblowers are typically entitled to receive awards representing 15-to-25 percent of Qui Tam recoveries. However, in cases where the allegations are not resolved and are taken to trial by the relator, the relator’s share increases to 25-to-30 percent. In this case the relators received 20 percent, McInnis explained.

(More)

¹ Visited March 4, 2013

“The federal False Claims Act and its qui tam provisions have returned billions to taxpayers since the “Lincoln Law” was strengthened in 1986. Many states and two cities enacted their own versions after that,” McInnis said.

“This case is another example of motivated citizens stepping forward to, ‘Do the right thing,’ by reporting false billing when the government pays for goods or services that never were delivered. While rewards in outlier whistleblower cases can be substantial, my clients have received the most important reward all whistleblowers want from their cases, correcting billing abuses by employers who won’t.”

This case was assigned to United States District Court Judge Raymond J. Dearie, in the Eastern District of New York, who approved the settlement.

Docket Number, U.S. District Court, Eastern District of New York: Civil Action No. 10- Civ. 0898 (RJD) (SMG).

###

Contact:

Timothy J. McInnis, Esq.

McInnis Law

212-292-4573

TMcInnis@McInnis-Law.com

This news release and related filed documents are posted in the “Successful Cases” Section of WhistleblowerLegal.com.

###