

Fil Am Indicted on a \$20-Million Medicare Fraud - MabuhayRadio

Written by

Thursday, 30 June 2011 22:23 - Last Updated Saturday, 21 April 2012 17:06

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CHICAGO (jGLi) – A Filipino American, who owns two suburban home healthcare outfits, has been indicted by a federal grand jury for allegedly swindling Medicare of at least \$20-million over five years in one of the state's largest recipients of Medicare payments, according to a press release sent to this reporter by Randall Samborn, spokesman of Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois in Chicago.

Indicted was Jacinto "John" Gabriel, Jr., who operated Perpetual Home Health in Oak Forest, Illinois and Legacy Home Healthcare Services in Chicago

,
Illinois

According to the indictment, Gabriel, 43, allegedly schemed with others to submit millions of dollars in false claims for reimbursement of home health care services purportedly provided to Medicare beneficiaries, which alleged were never provided, were not medically necessary, or were inflated in price so that he and others could profit from the fraudulently obtained funds.

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Phones of Gabriel's home healthcare offices are not working when this reporter called.

Gabriel and his co-schemers allegedly used the proceeds for various purposes, including using more than \$5.5-million in cash to maintain lavish lifestyles, including gambling at casinos in Chicago area and in Las Vegas, Nevada, and to buy automobiles, jewelry and real estate in the United States and in the Philippines.

To perpetuate themselves in their businesses, Gabriel and company paid his employees and provided them gifts and bribed physicians and paid kickbacks to others in exchange for patient referrals.

“FIL AMS NEVER LEARN”

Filipino-American community leader, Marlon L. Pecson, a former home healthcare employee, commented, “ *hindi na dadala ang ating mga kababayan sa kanilang mga kabulastugan. Sa hirap magkuha ng lisensiya ng home health care business, sisirain lang nila ang kanilang pangalan at propesyon* .”(Our fellowmen have never learned the lesson in committing this kind of fraud. Although, it is very hard to get a license to have home healthcare

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business they just continue in committing the fraud that destroys their business and the profession.”) Mr. Pecson said he had never heard Mr. Gabriel get involved in community activities.

Gabriel, who had no formal medical training, medical degrees, nor licenses to practice as a healthcare professional, was charged with two counts of wire fraud, two counts of healthcare fraud and 11 counts of money laundering in a 15-count indictment returned Wednesday (June 29) by a federal grand jury.

The indictment also seeks forfeiture of \$20-million. He has remained free on bond since he was arrested on preliminary charges in February and he will be arraigned on a date still be determined in U.S. District Court.

“The fraud alleged in this indictment illustrates complete disregard of the needs and interests of Medicare patients,” said Lamont Pugh III, Special Agent-in-Charge of the Chicago Region of the U.S. Department of Health and Human Services Office of Inspector General. “The OIG is determined to aggressively investigate Medicare fraud and will continue to work with our law enforcement partners to ensure that those who perpetrate these types of crimes are held accountable.”

A home healthcare industry owner, who refused to be identified, told this reporter, “Yan si Gabriel ay talagang masama ang ugali dahil nang-aagaw ng pasyente ng iba. ‘Yan ayaw

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naming maging miembro ng home healthcare asosayon. Dinadala pa nga nga ang mga doctor sa casino at binibigyan niya ng minimum na \$2K na pantaya at ang dala niya sa casino lagi ay minimum of \$20K.” (Gabriel has a bad habit of taking a patient away from someone else’s home health care business. That’s why we don’t like him to be a member of our home health care association. He even took doctors to casinos and gave them US\$2,000 bet while he always had with him a minimum of \$20,000 per casino visit.)

Another member in the community also said some home healthcare owners are a bit showy with their income that they really are high rollers and big tippers in casinos.

Mr. Fitzgerald and Mr. Pugh announced the charges together with Robert D. Grant, Special Agent-in-Charge of the Chicago Office of Federal Bureau of Investigation, and Alvin Patton, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division. The Railroad Retirement Board Office of Inspector General also participated in the investigation, which is continuing. The investigation is being conducted by the Medicare Fraud Strike Force, which expanded to Chicago earlier this year, and is part of the Health Care Fraud Prevention & Enforcement Action Team (HEAT), a joint initiative between the Justice Department and HHS to focus their efforts to prevent and deter fraud and enforce anti-fraud laws around the country.

GABRIEL’S FIRMS HAVE NOW CEASED OPERATION

A ccording to the indictment, Gabriel did not identify himself as an owner, but in fact exercised

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ownership and control over Perpetual Home Health, Inc., based in Oak Forest, and Legacy Home Healthcare Services, which was located on the city's north side. Both firms have ceased operating and no longer receive Medicare payments. Between May 2006 and January 2011, Perpetual submitted more than 14,000 Medicare claims seeking reimbursement for services allegedly provided to beneficiaries. As a result of those claims, Perpetual received more than \$38-million in Medicare payments, making it one of the largest, if not the largest, recipients of Medicare payments for home-health services in

Illinois

. Between 2008 and January 2011, Legacy submitted more than 2,000 claims for Medicare reimbursement and received more than \$5-million.

As part of the fraud scheme, Gabriel and his co-schemers allegedly obtained personal information of Medicare beneficiaries to bill Medicare without the beneficiaries' knowledge or consent; created false patient files to support fraudulent Medicare claims and submitted false claims based on those records; used Medicare proceeds to pay himself, co-schemers, employees, and others who assisted him in carrying out the scheme; and concealed the fraud proceeds by directing Perpetual and Legacy to issue checks payable to fictitious entities, his friends and associates. # # #

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