

Department of Justice
U.S. Attorney's Office
Northern District of Texas

FOR IMMEDIATE RELEASE
Monday, November 14, 2016

Federal Jury Convicts Two Former Postal Employees in Scheme to Defraud Worker's Compensation Program

DALLAS — Following a nearly one-week trial before U.S. District Judge Sam A. Lindsay, two former employees of the U.S. Postal Service were convicted on felony offenses stemming from their scheme to defraud the Department of Labor's (DOL) Office of Worker's Compensation Program (OWCP), announced U.S. Attorney John Parker of the Northern District of Texas.

McArthur Baker, 69, and Tonya Evans, 52, both of Dallas, were each convicted on one count of conspiracy to defraud the U.S. with respect to claims and one count of false statements or fraud to obtain federal employees' compensation. The conspiracy count carries a maximum statutory penalty of 10 years in federal prison and a \$250,000 fine. The false statements or fraud count carries a maximum statutory penalty of five years in federal prison and a \$250,000 fine. Both will remain on bond pending sentencing, which is set for March 6, 2017.

The government presented evidence at trial that Baker and Evans engaged in a scheme to receive kickbacks in exchange for their completion of falsified medical documentation that was used by co-conspirators to defraud DOL's OWCP. The government presented further evidence that Baker also falsified forms related to travel he purportedly made for medical services, and as a result, received funds from DOL to which he was not entitled.

Baker began working for the U.S. Postal Service in 1982; he was assigned to work as a mail handler equipment operator. Between 1984 and 2007, Baker filed eight different claims for disability, claiming he suffered from various injuries. As a result of these claims, Baker stopped working in approximately December 2007. He never returned to work but continued to receive disability compensation from December 2007 until at least October 2009. He received more than \$68,000 in worker's compensation payments. He retired from the U.S. Postal Service in October 2009 but he continued to receive disability medical care paid for through DOL, and he continues to be eligible for disability medical care.

Evans began working for the U.S. Postal Service in November 1985; she worked as a clerk primarily with the parcel post distribution machine. She filed disability claims in August 2001, August 2003, and August 2008 claiming that she suffered from various injuries. As a result of these claims, Evans was placed on worker's compensation in 2001. She received more than \$340,000 in worker's compensation payments. In March 2010, she applied for disability retirement that was approved in October 2011.

Convicted co-conspirator, Larry Washington, was a licensed professional counselor and ran several businesses known as AAA Mental Health, LLC, Mind Spa, Inc., Solutions Health and Rehabilitation, and Convergence Emergence Diversion. Through these businesses, Washington purportedly provided patients with counseling, pain management, chiropractic services, physical therapy, and massage services. His patients were former postal and Veterans Administration employees who had suffered on-the-job injuries and were eligible to receive medical services and worker's compensation related to those injuries. Earlier this year, Washington pleaded guilty to one count of conspiracy to commit health care fraud and was sentenced in May 2016 to 78 months in federal prison and ordered to pay \$7.7 million in restitution.

To maintain and enhance his billings with OWCP, Washington asked claimants, including Baker and Evans, to falsify medical documentation, called "mood inventories," that indicated they had received services on days they had not. Baker and Evans completed numerous mood inventory forms that contained false information about the days on which Baker and Evans received treatment from Washington or someone working for Washington. Baker and Evans received approximately \$100 for each form they completed.

Over the course of the fraud, Baker received a total of \$3,000 from Washington; Evans received \$6,000.

As a result of Baker's falsified documentation, Washington was able to fraudulently bill \$105,125 from OWCP. As a result of Evans' falsified documentation, Washington was able to bill \$202,438 from OWCP.

The government presented further evidence that Baker submitted falsified documentation related to travel he purportedly made to receive medical services from Washington and others. He also requested reimbursement for twice the amount of mileage he would have received had he actually received the purported services. As a result, based on fraudulent travel forms he submitted, Baker received more than \$3,000.

In addition to Baker and Evans, 20 claimants, four doctors or medical providers, a senior claims examiner at DOL, a claims representative, a Postal employee detailed to the Postal Service Health Resource Management Office, and a medical provider's employee were charged and convicted in the scheme.

In total, the defendants were able to collectively fraudulently bill the federal government through the OWCP for more than \$9.5 million and receive more than \$8.7 million in government payments based on their fraudulent billing. The DOL made approximately \$11.4 million in payments to these claimants for their compensation and medical services.

The investigation was led by the U.S. Postal Service Office of Inspector General, and the Department of Labor Office of Inspector General, with assistance from Internal Revenue Service Criminal Investigation, U.S. Treasury Office of Inspector General, Social Security Administration Office of Inspector General/Cooperative Disability Investigations Unit, and the U.S. Department of Veterans Affairs Office of Inspector General.

Assistant U.S. Attorney P.J. Meitl and Special Assistant U.S. Attorneys Nicole Dana and Jennifer Bray are in charge of the prosecution.