

Department of Justice
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Husband and Wife Owners of Chicago Physical Therapy Company Indicted in Schemes to Defraud Medicare and Force Labor

A Chicago couple was charged in an indictment with a scheme to use their health care business to defraud Medicare out of millions of dollars, while also conspiring to employ a woman against her will.

Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division, U.S. Attorney Zachary T. Fardon of the Northern District of Illinois, Special Agent in Charge Michael J. Anderson of the FBI's Chicago Division, Special Agent in Charge Lamont Pugh III of the U.S. Department of Health and Human Services Office of Inspector General (HHS-OIG) Chicago Regional Office, Special Agent in Charge James D. Robnett of the Internal Revenue Service-Criminal Investigation (IRS-CI) Chicago Field Office, Acting Special Agent in Charge James M. Gibbons of the U.S. Immigration and Customs Enforcement's Homeland Security Investigations (ICE-HSI) Chicago Field Office, Special Agent in Charge James Vanderberg of the U.S. Department of Labor's Office of Inspector General-Office of Labor Racketeering and Fraud Investigations Chicago Region and Cook County State's Attorney Anita Alvarez made the announcement.

Richard Tinimbang, 38, and his wife, Maribel Tinimbang, 40, both of Chicago, were charged with participating in a \$45 million fraud scheme involving three Lincolnwood, Illinois, based home health care companies owned by Richard Tinimbang's mother, Josephine Tinimbang. The companies allegedly paid bribes and kickbacks to obtain Medicare beneficiaries, ignored doctors who refused to certify beneficiaries as being in need of home health care and falsified medical records to make patients appear sicker than they actually were.

This indictment is part of a larger health care fraud investigation in which 13 others have been charged. Three defendants have pleaded guilty and await sentencing; the 10 others, including Josephine Tinimbang, are awaiting trial. Richard and Maribel Tinimbang's business, Patients First Physical Therapy Inc., purportedly provided in-home therapy services to patients of three home health care companies – Donnarich Home Health Care Inc., Josdan Home Health Care Inc. and Pathways Home Health Services LLC. According to the indictment, several individuals who worked at Donnarich, Josdan and Pathways conspired to commit health care fraud and laundered money to conceal the scheme. From 2008 through 2014, the scheme resulted in \$45 million in losses to Medicare, according to the indictment.

Richard Tinimbang also allegedly submitted fraudulent forms to the U.S. Department of Homeland Security in order to allow a Filipino woman to legally work in the United States, stating that the woman would be hired as a business analyst at Josdan, thus qualifying her for an H-1B visa. However, according to the indictment, when the woman arrived in the United States, Richard Tinimbang put her to work full time as a nanny and housekeeper for him, his wife and others. The couple allegedly attempted to induce the woman to sign a servitude contract that provided for payment of \$66 per day – regardless of the number of hours worked – for a term of seven years. According to allegations in the indictment, the

contract further provided that if the woman quit before the seventh year, she would be required to pay \$25,000 in damages. The couple allegedly threatened to send her back to the Philippines without being paid for the work she had already performed in order to force her to sign the contract and surrender her passport.

The couple and Josephine Tinimbang used proceeds from the fraud to make numerous personal purchases, including shares of stock, vehicles, real estate and jewelry, according to the indictment. The indictment alleges that the couple concealed the money they had pocketed by falsely making it appear to be business expenses.

Richard Tinimbang is charged with one count of conspiracy to defraud Medicare, one count of conspiracy to pay or receive health care kickbacks, two counts of paying kickbacks to induce referrals of Medicare beneficiaries, one count of money laundering conspiracy, one count of conspiracy to obtain forced labor and one count of presenting false statements in an immigration document. Maribel Tinimbang is charged with one count of conspiracy to defraud Medicare, one count of money laundering conspiracy and one count of conspiracy to obtain forced labor.

An indictment is merely a charge and the defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

The Medicare Fraud Strike Force and the Cook County Human Trafficking Task Force investigated the case. Trial Attorney Brooke Harper of the Criminal Division's Fraud Section is prosecuting the case.

Since its inception in March 2007, the Medicare Fraud Strike Force, now operating in nine cities across the country, has charged over 2,300 defendants who collectively have billed the Medicare program for over \$7 billion. In addition, the HHS Centers for Medicare & Medicaid Services, working in conjunction with the HHS-OIG, are taking steps to increase accountability and decrease the presence of fraudulent providers.

To learn more about the Health Care Fraud Prevention and Enforcement Action Team (HEAT), go to www.stopmedicarefraud.gov.