



Office of Inspector General for the U.S. Department of Labor

# OIG Investigations Newsletter

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The Office of Inspector General (OIG) for the U.S. Department of Labor (DOL) is pleased to present the *OIG Investigations Newsletter*, providing a bimonthly summary of selected investigative accomplishments.

The OIG conducts criminal, civil, and administrative investigations relating to violations of federal laws, rules, or regulations, including those performed by DOL contractors and grantees, as well as investigations of allegations of misconduct on the part of DOL employees. In addition, the OIG has an external program function to conduct criminal investigations to combat the influence of labor racketeering and organized crime in the nation's labor unions. We conduct labor racketeering investigations in three areas: employee benefit plans, labor-management relations, and internal union affairs.

## **Former CEO of Massey Energy Sentenced to Prison for Violating Mine Health and Safety Standards**

On April 6, 2016, Donald L. Blankenship was sentenced to 12 months in prison and 12 months of supervised release and was ordered to pay a \$250,000 fine. Blankenship was previously found guilty at trial of having willfully violated mine health and safety standards during a period before the 2010 Upper Big Branch (UBB) Mine explosion.

The OIG's Massey Energy UBB Mine investigation was initiated after a devastating explosion ripped through the UBB Mine on April 5, 2010, killing 29 miners. At the trial, witnesses testified that Blankenship, who managed the UBB Mine for Massey, perpetuated health and safety violations at the mine despite being aware that doing so could likely result in accidents and fatalities. Witnesses also testified that Massey personnel, under Blankenship's leadership, engaged in organized efforts to routinely interfere with U.S. Mine Safety and Health Administration inspections of the UBB Mine.

This was a joint investigation with the FBI. *United States v. Donald L. Blankenship* (S.D. West Virginia)

## **Maryland Doctor Sentenced to Prison for \$3.1 Million Health Care Fraud Scheme**

On April 11, 2016, Dr. Paramjit Ajrawat was sentenced to 111 months in prison and 36 months of supervised release and was ordered to forfeit and pay restitution of more than \$3.1 million for defrauding numerous federal health benefit programs, including the Federal Employees' Compensation Act program administered by the DOL Office of Workers' Compensation Programs (OWCP), Medicaid, Medicare, Tricare, and the Federal Employees Health Benefits Program. The restitution order specifically requires that Ajrawat pay more than \$475,000 directly to OWCP.

Ajrawat and his wife, both licensed physicians, owned and operated Washington Pain Management Center, a pain clinic located in Greenbelt, Maryland. From at least January 2011 through May 2014, the Ajrawats engaged in a variety of fraudulent billing schemes to defraud OWCP, using billing codes for more expensive procedures than were preformed, billing for services not rendered, and otherwise

billing for services for which OWCP would automatically pay without requiring documentation. Co-conspirator Dr. Sukhveen Ajrawat passed away on February 1, 2016, prior to sentencing.

This was a joint investigation with the FBI, Defense Criminal Investigative Service (DCIS), United States Postal Service (USPS)–OIG, Department of Health and Human Services (HHS)–OIG, and Office of Personnel Management (OPM)–OIG. *United States v. Paramjit Singh Ajrawat* (D. Maryland)

### **Leader and Co-conspirator Admit to Identity Theft Scheme to Obtain More than \$1.4 Million in Unemployment Benefits**

Diameter Akala, of Silver Spring, Maryland, pled guilty on May 13, 2016, to aggravated identity theft and wire fraud conspiracy for his leading role in a fictitious employer scheme that defrauded the Maryland Department of Labor, Licensing and Regulation (DLLR) and Pennsylvania Department of Labor and Industry (DLI) of more than \$1.4 million in unemployment insurance (UI) benefits. As part of his plea, Akala acknowledged foreseeable losses of at least \$3.5 million and agreed to pay more than \$1.4 million in restitution.

In addition, co-conspirator Wilfred Mendez, of the Bronx, New York, pled guilty on April 5, 2016, to aggravated identity theft and wire fraud conspiracy for his involvement in the scheme. Mendez acknowledged at least \$600,000 in foreseeable losses and agreed to pay more than \$195,000 in restitution. Mendez is the eighth of Akala's co-conspirators to plead guilty in this case.

Akala devised the scheme in or about 2012 and began to enlist dozens of friends and family members to help him execute it until his arrest in 2015. Akala created at least nine fictitious companies with DLLR and DLI, and then filed wage reports falsely stating that the fictitious companies employed and paid wages to hundreds of individuals. He then electronically filed fraudulent benefit claims in his own name and the names of other individuals supposedly employed by the fictitious entities, causing hundreds of UI debit cards to be mailed to various locations in Maryland, New York, the District of Columbia, Virginia and Pennsylvania. Akala used personal identifiable information of individuals who had given permission to have their information used, as well as stolen identities from various sources. Mendez personally used numerous fraudulently obtained UI debit cards authorized by both DLLR and DLI, keeping a portion of the proceeds and returning the balance to co-conspirators. Akala also took steps to begin similar schemes in Connecticut and Massachusetts.

This is a joint investigation with the United States Postal Inspection Service (USPIS). *United States v. Diameter Akala, et al.* (D. Maryland)

### **Sacramento Dentist Sentenced to More Than 3 Years in Prison for Health Care Fraud Scheme**

On May 5, 2016, David Lewis, a Sacramento dentist, was sentenced to 46 months in prison and ordered to pay a \$75,000 fine.

Lewis defrauded the Northern California General Teamsters Security Fund of at least \$220,000 by submitting false statements regarding the health of his patients' teeth and billing for services not rendered. Lewis would routinely drill patients' healthy teeth and perform unwarranted root canals in order to bill the fund for the work. Lewis's criminal conduct resulted in injury to his patients, whose teeth sustained protracted and obvious disfigurement as a result of unnecessary dental procedures. As part of

the scheme, Lewis recruited United Parcel Service employees, who had 100 percent coverage with no annual limits, to use his dental practice by offering cash and other incentives.

This is a joint investigation with the Employee Benefits Security Administration (EBSA) and the California Dental Board. *United States v. David M. Lewis* (E.D. California)

### **Former Virginia Postal Worker Sentenced to Prison for OWCP Fraud**

On May 3, 2016, former postal employee Ronald Henderson was sentenced to 13 months in prison and ordered to pay restitution of more than \$163,000 to DOL.

Henderson sustained a shoulder injury in 2011 while engaged in activity outside the scope of his official duties. However, Henderson fraudulently claimed that the injury occurred at work. As a result, he fraudulently received at least \$163,000 in wage loss compensation and payment for medical treatment and related travel costs.

This was a joint investigation with the USPS-OIG. *United States v. Ronald Henderson* (E.D. Virginia)

### **Illinois Doctor Pleads Guilty to Health Care Fraud Charges**

On May 11, 2016, Bridget Brasfield pled guilty to health care fraud charges for her role in a scheme to submit approximately \$500,000 in false and fraudulent bills to various public and private health care benefit plans. As part of the scheme, Brasfield also admitted to transferring \$12,000 in criminally derived proceeds in violation of money laundering statutes.

Brasfield, a chiropractic physician, operated a physical medicine practice known as Physical Medicine Clinic of Granite City Ltd. (PMC), located in Granite City, Illinois. Brasfield employed various individuals at PMC, including a medical doctor whose presence and services allowed the clinic to submit claims for higher reimbursement rates than would have been provided without the presence of a medical doctor. Brasfield fraudulently utilized the medical doctor's billing number to submit claims as if the doctor had performed services, knowing that reimbursement from benefit plans would be substantially higher if a doctor had performed the services. Brasfield did so even when the doctor was not in the building and in many instances when the doctor was out of the country.

This is a joint investigation with HHS–OIG, the Illinois State Police–Medicaid Fraud Control Bureau, USPIS, OPM–OIG, USPS–OIG, the FBI, DCIS, EBSA, and the U.S. Railroad Retirement Board–OIG. *United States v. Bridget Brasfield* (S.D. Illinois)

### **A Doctor, a Chiropractor and Co-conspirators Plead Guilty to Health Care Fraud**

On April 21, 2016, Dr. Eguert Nagaj and Igor Sher pled guilty to committing health care fraud. On May 4, 2016, medical biller Igor Filatov pled guilty to making a false statement related to a health care benefit program. Maricela Hernandez and Vera Smolyansky pled guilty to theft or embezzlement in connection with a health care benefit program on May 19, 2016, and May 24, 2016, respectively.

Nagaj and Sher are the owners of Advanced Arlington Sports Medicine, Advanced Arlington Medical Center, and North Suburban Chiropractic Center, which are located in Buffalo Grove, Illinois. Nagaj, Sher, and Filatov submitted fraudulent health care claims to health insurance companies for services that were not performed. Filatov provided billing services for the three companies and charged Nagaj and Sher two percent of all fraudulent proceeds they received. Patients, including Hernandez and Smolyansky, also received a portion of the fraudulent insurance payments Nagaj and Sher received in exchange for allowing them to use their insurance information. As a result of the scheme, Nagaj and Sher caused the loss of approximately \$2.9 million in fraudulent insurance payments. Some of the customers of the defrauded insurance companies are union-affiliated welfare plans.

This is a joint investigation with the FBI and USPIS. *United States v. Igor Sher, Eguert Nagaj, Igor Filatov, Maricela Hernandez, and Vera Smolyansky (N.D. Illinois)*

### **Illinois Tax Preparer Pleads Guilty to Identity Theft Scheme**

On April 26, 2016, Leticia Williams-English, a former tax preparer, pled guilty to wire fraud for her role in a UI and identity theft scheme. From approximately August 2010 through October 2014, Williams-English filed more than 60 fraudulent UI claims and received approximately \$315,000 in UI benefits using stolen identities.

Williams-English used personal identifiable information, including names and Social Security numbers, of individuals who did not consent to or have knowledge of the UI claims submitted under their identities. Williams-English obtained many of the individuals' identifying information through her employment at a tax preparation service.

This is a joint investigation with the USPIS. *United States v. Leticia Williams-English (N.D. Illinois)*

### **California Clothing Factory Manager Found Guilty of Offering Bribe to Wage and Hour Investigator**

On April 26, 2016, Howard Quoc Trinh, the manager of Seven-Bros. Enterprises, was found guilty by a federal jury of offering to pay bribes to a DOL Wage and Hour Division (WHD) investigator in exchange for the investigator closing an investigation into wage violations at Seven Bros. Enterprises.

The WHD investigation, initiated in March 2015, found that Seven-Bros. underpaid its employees approximately \$100,000 during the period May 2012 through March 2015. Evidence presented at trial established that Trinh offered to pay a \$10,000 bribe, and actually paid \$3,000, to the investigator during a recorded meeting monitored by DOL-OIG agents. As part of the bribery scheme, Trinh promised to pay the balance after the investigation was closed with no finding of any wrongdoing.

*This was a joint investigation with WHD. United States v. Howard Quoc Trinh (C.D. California)*