



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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Contact: \*CI-HQ-COMMUNICATIONSEDUCATION@ci.irs.gov  
IRS – Criminal Investigation

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### **Owner of Two New York Medical Clinics Pleads Guilty to Role in \$55 Million Health Care Fraud Scheme**

*Defendant Laundered Millions through Sham Vendors, Generating Cash to Pay Illegal Kickbacks*

The owner of two medical clinics in Brooklyn, New York, pleaded guilty today to her role in a \$55 million health care fraud and money laundering conspiracy.

Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division, U.S. Attorney Robert L. Capers of the Eastern District of New York, Special Agent in Charge Scott Lampert of the U.S. Department of Health and Human Services-Office of Inspector General's (HHS-OIG's) Office of Investigations, Special Agent in Charge Shantelle P. Kitchen of Internal Revenue Service-Criminal Investigation (IRS-CI) New York and Inspector General Dennis Rosen of New York State Medicaid made the announcement.

Valentina Kovalienko, 46, pleaded guilty before U.S. District Judge Roslynn R. Mauskopf of the Eastern District of New York to conspiracy to commit health care fraud and conspiracy to commit money laundering. Her sentencing date has not yet been scheduled. Pursuant to her plea agreement, Kovalienko agreed to forfeit \$29,336,497.27, which amount she admitted is traceable to her criminal conduct.

According to admissions made in connection with her plea, from approximately February 2008 to February 2011, Kovalienko and others executed a scheme in which patients were paid cash kickbacks to subject themselves to medically unnecessary physical and occupational therapy, diagnostic tests and office visits that were not performed by licensed professionals, and for which the clinics billed Medicare and Medicaid. Kovalienko also admitted that, to support the fraudulent claims, she paid occupational and physical therapists to falsify patient charts and billing records.

In connection with her guilty plea, Kovalienko admitted that she diverted funds deposited into the clinics' bank accounts by Medicare and Medicaid to herself and her co-conspirators and to the patients to whom kickbacks were paid. Kovalienko admitted that she did so by writing checks from the clinics' bank accounts to an elaborate network of sham third-party vendors, purportedly in the business of providing "consulting," "advertising" and "computer support" services, which checks she and her co-conspirators cashed for their own benefit and to perpetuate the scheme by paying kickbacks to patients.

To date, at least 10 other individuals have pleaded guilty to participating in the scheme, including the former medical directors of both clinics, three former occupational therapists, a former physical therapist, three ambulette drivers, the owner of several of the sham vendors used to launder the money and a former patient who received illegal kickbacks.

In July and August 2014, three additional clinic managers and one ambulette driver were also charged with crimes arising from the scheme. A trial date has not yet been set.

The case was investigated by HHS-OIG, IRS-CI and the New York State Office of the Medicaid Inspector General, and was brought as part of the Medicare Fraud Strike Force, under the supervision by the Criminal Division's Fraud Section and the U.S. Attorney's Office of the Eastern District of New York. The case is being prosecuted by Trial Attorneys Bryan D. Fields, A. Brendan Stewart and F. Turner Buford of the Criminal Division's Fraud Section.

Since its inception in March 2007, the Medicare Fraud Strike Force, now operating in nine cities across the country, has charged more than 2,300 defendants who have collectively billed the Medicare program for more than \$7 billion. In addition, HHS's Centers for Medicare and Medicaid Services, working in conjunction with HHS-OIG, is 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](http://www.stopmedicarefraud.gov).

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