

Press Release

FORT LAUDERDALE-AREA HALFWAY HOUSE OWNERS PLEAD GUILTY TO KICKBACK SCHEME

November 10, 2011

FOR IMMEDIATE RELEASE

The two managers and operators of a Fort Lauderdale, Fla.-area halfway house company pleaded guilty today for their role in a Medicare fraud kickback scheme that funneled patients through a fraudulent mental health company, American Therapeutic Corporation (ATC), announced the Department of Justice, FBI and Department of Health and Human Services (HHS).

Robert Jenkins, 36, and **Nikki Jenkins**, 36, each pleaded guilty before Chief U.S. District Judge Federico A. Moreno in the Southern District of Florida to one count of conspiracy to solicit and receive health care kickbacks. Robert and Nikki Jenkins, who are married, were the managers and operators of Life 4 Life Inc., which operated several halfway houses in Fort Lauderdale.

According to court documents, Robert and Nikki Jenkins agreed to refer Medicare beneficiaries who resided at Life 4 Life halfway houses to ATC for partial hospitalization program (PHP) services. A PHP is a form of intensive treatment for severe mental illness. ATC purported to operate PHPs in seven different locations throughout south Florida and Orlando. The Jenkins admitted that they recruited Medicare beneficiaries for their halfway houses whom they could refer to ATC in exchange for health care kickbacks. The Jenkins knew that ATC would bill the Medicare program for PHP services provided to the beneficiaries they referred to ATC, and they knew receiving such kickbacks was illegal.

According to court filings, ATC's owners and operators paid kickbacks to owners and operators of assisted living facilities and halfway houses and to patient brokers in exchange for delivering ineligible patients to ATC and its related company, the American Sleep Institute (ASI). In some cases, the patients received a portion of those kickbacks. Throughout the course of the ATC conspiracy, millions of dollars in kickbacks were paid in exchange for Medicare beneficiaries who did not qualify for PHP services. The ineligible beneficiaries attended treatment programs that were not legitimate so that ATC and ASI could bill Medicare more than \$200 million in medically unnecessary services.

According to the plea agreement, the Jenkins's participation in the fraud resulted in more than \$157,980 in fraudulent payments from the Medicare program. At sentencing, scheduled for Dec. 19, 2011, Robert and Nikki Jenkins each face a maximum of five years in prison and a \$250,000 fine.

ATC, its management company Medlink Professional Management Group Inc., and various owners, managers, doctors, therapists, patient brokers and marketers of ATC, Medlink and ASI, were charged with various health care fraud, kickback, money laundering and other offenses in two indictments unsealed on Feb. 15, 2011. ATC, Medlink and nine of the individual defendants have pleaded guilty or have been convicted at trial. Other defendants are scheduled to begin trial on April 9, 2012, before U.S. District Judge Patricia A. Seitz.

Today's guilty plea was announced by Assistant Attorney General Lanny A. Breuer of the Justice Department's Criminal Division; U.S. Attorney Wifredo A. Ferrer of the Southern District of Florida; John V. Gillies, Special Agent-in-Charge of the FBI's Miami field office; and Special Agent-in-Charge Christopher B. Dennis of the HHS Office of Inspector General (HHS-OIG), Office of Investigations

Miami office.

The case is being prosecuted by Trial Attorneys Steven Kim and Jennifer L. Saulino of the Criminal Division's Fraud Section. The case was investigated by the FBI and HHS-OIG and was brought as part of the Medicare Fraud Strike Force, supervised by the Criminal Division's Fraud Section and the U.S. Attorney's Office for the Southern District of Florida.

Since its inception in March 2007, the Medicare Fraud Strike Force operations in nine locations have charged more than 1,140 defendants that collectively have billed the Medicare program for more than \$2.9 billion. In addition, HHS's Centers for Medicare and 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.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.

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