



U.S. Department of Justice

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PRESS RELEASE

FOR IMMEDIATE RELEASE

Friday, July 13, 2012

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Maryland Woman Convicted Of Health Care Fraud, Other Charges for Defrauding D.C. Medicaid Program By Submitting Over \$7 Million in Phony Claims

- Defendant Billed Some Patients For More Than 24 Hours of Therapy In A Single Day -

WASHINGTON – Jacqueline Wheeler, 54, the chief executive officer and owner of two health care companies, was convicted today by a federal jury in the District of Columbia of one count of health care fraud and 34 counts of false statements for submitting more than \$7 million in fraudulent claims to the D.C. Medicaid program.

The guilty verdicts were announced by U.S. Attorney Ronald C. Machen Jr., James W. McJunkin, Assistant Director in Charge of the FBI's Washington Field Office, Daniel R. Levinson, Inspector General of the U.S. Department of Health and Human Services, and Charles J. Willoughby, Inspector General for the District of Columbia.

Wheeler, of Chevy Chase, Md., was convicted following a trial in the U.S. District Court for the District of Columbia. She faces a maximum sentence of 10 years in prison and a \$250,000 fine for the health care fraud conviction and five years in prison and a \$250,000 fine for each of the false statements convictions. Wheeler is scheduled to be sentenced on Oct. 5, 2012, before the Honorable Ellen S. Huvelle. The judge ordered that Wheeler be jailed pending sentencing.

According to the government's evidence at trial, Wheeler was the chief executive officer of the Health Advocacy Center, Inc., which was located in the 900 block of Sheridan Street, NW. She was also the owner of Sheridan Rehabilitative and Wellness Centers, Inc., a private company located at the same Sheridan Street NW address. Beginning in January 2006 and continuing through April 2008, Wheeler, through the Health Advocacy Center, submitted false claims for services that were not provided. She collected at least \$2.6 million before the activities were detected. Evidence showed that she used the proceeds of her fraud to support the purchase of four luxury vehicles, two beachfront properties in Florida, and her home.

“This CEO stole millions trying to get rich off a program designed to provide health care for our most vulnerable citizens,” said U.S. Attorney Machen. “The dozens of guilty verdicts reached today demonstrate the success of our efforts to protect American taxpayers from health care fraud, which drives up costs and threatens the integrity of our health care system. I want to congratulate the prosecutors and investigators who worked so hard to hold this business owner accountable for ripping off the taxpayer.”

“Today’s sentencing demonstrates that those who steal from Medicaid and exploit the system for their own benefit will be vigorously pursued,” said Assistant Director in Charge McJunkin. “The FBI will continue to work with our partners at HHS-OIG, the D.C. OIG and the U.S. Attorney’s office to bring to justice those who commit health care fraud.”

“The verdict today demonstrates again how the Office of the Inspector General, in this instance the Medicaid Fraud Control Unit, works constructively with its federal partners in protecting the interests of the District government, its residents and the District treasury, a task that is all the more important in these financially and otherwise difficult times,” said Inspector General Willoughby. “The District government and its residents can take pride in the legal and investigative role played by the Office of the Inspector General in the achievement of this verdict.”

The Health Advocacy Center was purportedly engaged in serving as an advocate for improved health care delivery to the community. It also provided management support, as well as financial advice and assistance to other health care providers. It was a registered District of Columbia Medicaid provider.

Sheridan Rehabilitative and Wellness Centers was purportedly engaged in providing rehabilitative services to the mentally and physically disabled community. It also purportedly provided housing to mentally and physically challenged individuals. The company was not an authorized D.C. Medicaid provider.

Wheeler was a registered naturopath with the District of Columbia Department of Health, Health Professional Licensing Administration. However, she was not a licensed medical doctor. Wheeler did work with a licensed medical doctor, who was a part-owner of the Health Advocacy Center. This doctor’s specialty was physical medicine and rehabilitation.

Because Sheridan Rehabilitative and Wellness Centers was not authorized as a D.C. Medicaid provider, it was unable to submit bills to D.C. Medicaid. From January 2006 through April 2008, Wheeler prepared and submitted all of the billing for the Health Advocacy Center, and handled all financial matters for both the Health Advocacy Center and Sheridan.

During that time period, Wheeler submitted over 600 claims to D.C. Medicaid for manual therapy services that the Health Advocacy Center purportedly provided to approximately 22 District of Columbia Medicaid beneficiaries. In these claims, she maintained that the Health Advocacy Center provided in excess of 20 continuous hours of manual therapy for each patient in a single 24-hour period, and sought over \$6.5 million from D.C. Medicaid for manual therapy

services.

In performing therapeutic procedures such as manual therapy, the health care provider is required to bill in 15-minute intervals or units. There are only 1,440 minutes in a day. However, Wheeler routinely billed D.C. Medicaid from 1,440 continuous minutes of manual therapy for a single patient in a 24-hour period to as many as 2,910 continuous minutes (or 48.5 hours) of manual therapy for a single patient in a 24-hour period.

D.C. Medicaid paid the Health Advocacy Center in excess of \$2.5 million for manual therapy services that were not provided to the patients. The payments were deposited in bank accounts controlled by Wheeler.

In announcing the guilty verdicts, U.S. Attorney Machen, Assistant Director in Charge McJunkin, Inspector General Levinson, and Inspector General Willoughby commended the outstanding investigative work of agents of the Health Care Fraud Squad of the FBI's Washington Field Office, the Office of the Inspector General of the U.S. Department of Health and Human Services, and the D.C. Office of the Inspector General's Medicaid Fraud Control Unit. U.S. Attorney Machen also praised the efforts of members of the U.S. Attorney's Office, including Paralegals Tasha Harris, Krishawn Graham, and Diane Hayes; and Legal Assistants Nicole Wattelet and Lenisse Edloe.

Finally, U.S. Attorney Machen acknowledged the efforts of Assistant U.S. Attorney Diane Lucas, who handled asset forfeiture issues in the case, and Assistant U.S. Attorney Lionel Andre and Special Assistant U.S. Attorney Dangkhua Nguyen, who prosecuted the case.

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