

## Mother-Daughter Co-Conspirators Sentenced in \$20M Medicare Fraud Case



A stunning Medicare fraud case that perhaps exemplifies “truth is

stranger than fiction” has just come to a close.

### **\$2.5M can buy plenty of diapers and wipes**

The catalyst for an investigation by the FBI, the U.S. Secret Service, and the U.S. Department of Health and Human Services-Office of Inspector General (HHS-OIG) was the apprehension by Customs and Border Protection of a Florida mother and daughter at a Miami airport last summer.

Returning home from a trip to the Dominican Republic, the women were questioned by airport officials as to the amount of currency they were carrying. It's a safe bet they didn't respond with the truth, which, after a search of their luggage by Customs, came in at nearly \$2.5 million, cash hidden among makeup bags, baby wipes and diapers.

The source of all this tucked-away cash? A Medicare fraud scheme of a six-year duration that lined the defendants' pockets (and suitcases) with \$20 million.

### **Defendants sentenced to more than ten years in prison**

In March, Mildrey Gonzalez, 61, pleaded guilty in U.S. District Court to one count of conspiracy to commit healthcare fraud and one count of healthcare fraud. Her daughter Milka Alfaro, 39, pleaded guilty to one count of conspiracy to commit healthcare fraud and one count of wire fraud. U.S. District Judge Jose E. Martinez of the Southern District of Florida recently sentenced the pair to 135 and 151 months in prison, respectively, as well as nearly \$22 million in restitution.

According to a [press release](#) by the U.S. Department of Justice (DOJ), the Miami mother-daughter team secretly owned seven home health agencies and engaged in paying illegal bribes and kickbacks to recruiters to get them to send Medicare beneficiaries their way. Additionally, many of the patients Gonzalez and Alfaro billed the government for were not legitimately qualified for home health services in the first place, which meant that all the money they received for them is fraudulent.

### **Imposter owners. shell corporations. witness tampering**

The two also admitted to paying bribes and kickbacks to doctors for home health referrals, and to instructing co-conspirators to set up shell corporations for the purpose of diverting and concealing the fraudulently-gained monies.

Not only was the women's ownership of the health agencies kept secret, but the fact that they were mother-daughter. Their attempts to hide their activity from the authorities allegedly included hiring people who passed themselves off as owners of home healthcare agencies called Finetech, Homestead, and Golden Home Health Care, among others. The DOJ further asserts that the defendants interfered with the investigation when they attempted to manipulate their co-conspirator (and court witness) Luis Luzardo into perjuring himself about the money he received from the women, encouraging him to claim he only saw loans from them, not payments.

At the time of sentencing, Gonzalez was already in the process of serving a three-year sentence for the smuggling of bulk cash in or out of the U.S. The cash uncovered by Customs in June of 2016 was found in both mother's and daughter's luggage, but Gonzalez took lone responsibility for that charge. The women told agents that the cash had originated in the U.S., and they had shifted it to the Dominican Republic in February of 2016. There are only theories as to why Gonzalez and Alfaro were smuggling the money back into the States, one of which is that they were anticipating a need for legal fees.

## The DOJ serious about rooting out fraud

Acting Assistant Attorney General Kenneth Blanco of the Criminal Division spoke at the American Bar Association's Annual Institute of Health Care Fraud in May. He said, "As we all know, there is a lot of money in the health care industry." He reported that national healthcare spending in 2015 was \$3.2 trillion, which amounts to approximately 18 percent of the total U.S. gross domestic product. "We see time and time again that industries with large amounts of money are susceptible to high levels of fraud," he added. "Health care is no exception."

With that said, the DOJ is doing anything but turning a blind eye to fraudulent behavior.

From the DOJ press release on this case: "Since its inception in March 2007, the Medicare Fraud Strike Force, now operating in nine cities across the country, has charged nearly 2,300 defendants who have collectively billed the Medicare program for more than \$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."

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