



NEWS RELEASE

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FOR IMMEDIATE RELEASE

NIGERIAN NATIONAL SENTENCED FOR MEDICARE FRAUD

KANSAS CITY, Mo. – Bradley J. Schlozman, United States Attorney for the Western District of Missouri, announced that the owner of a medical supply business was sentenced in federal court today for his role in a scheme to defraud Medicare of millions of dollars through a program that provides motorized wheelchairs to patients.

Kennedy Igbokwe, 29, a citizen of Nigeria, was sentenced by U.S. District Judge Gary A. Fenner this morning to five years and three months in federal prison without parole. The court also ordered **Igbokwe** to pay \$750,000 in restitution and to forfeit to the government \$500,000 and all the funds in a bank account. Schlozman noted that today's sentence is the harshest penalty provided under the federal sentencing guidelines.

“After being welcomed as a guest in this country, the defendant plundered the Medicare program in an outrageously bold and rapacious health care fraud scheme,” Schlozman said. “Every dollar he stole from the Medicare program is a dollar deprived from elderly Americans who depend on Medicare for their health care needs.”

On Aug. 30, 2006, **Igbokwe** was convicted by a federal jury of health care fraud as well as multiple counts of illegally structuring currency transactions and money laundering. Between January 2002 and September 2005, **Igbokwe** and co-defendants submitted more than \$5 million worth of false and fraudulent claims to Medicare on behalf of nearly 1,000 Medicare recipients, resulting in their actual receipt of more than \$2 million from Medicare.

Igbokwe, who owns and operates Cardinal Healthcare at 1105 E. 47th St., in Kansas City, bribed two physicians, who were charged as co-defendants in the federal indictment, to falsely verify that Medicare beneficiaries were so physically disabled that they needed motorized wheelchairs. **Igbokwe** then billed Medicare for 423 power wheelchairs totaling more than \$2.5 million (Medicare actually paid **Igbokwe** approximately \$1.5 million). The physicians have admitted that at least half of those claims were fraudulent. After receiving approximately \$4,000 from Medicare for each of these false and fraudulent claims, **Igbokwe** provided some Medicare beneficiaries with a less expensive scooter instead. In some instances, **Igbokwe** did not provide the Medicare beneficiary with any type of power wheelchair or scooter.

Igbokwe was also found guilty of 19 counts of structuring currency transactions so as to evade the federal reporting requirements. **Igbokwe** made a series of cash withdrawals of \$10,000 or less between March 21 and Nov. 18, 2005, in order to evade the federal requirement for filing a Currency Transaction Report.

Igbokwe was also found guilty of four counts of money laundering. **Igbokwe** caused a series of wire transfers of funds derived from the health care fraud to be sent from an account he controlled at U.S. Bank to another bank account. On Oct. 14, 2005, \$33,400 was wired from the Cardinal Healthcare account. On Nov. 14, 2005, \$47,500 was wired from the Cardinal Healthcare account. On Nov. 15, 2005, \$56,000 was wired from the Cardinal Healthcare account. On Dec. 1, 2005, \$73,400 was wired from the Cardinal Healthcare account.

Four additional co-defendants, including the owners of two medical supply companies and two former physicians, have pleaded guilty to their roles in the health care fraud scheme.

Co-defendant **Godwin Iloka**, 39, a naturalized U.S. citizen from Nigeria residing in Lee's Summit, Mo., was sentenced on Nov. 20, 2006, to three years in federal prison without parole. The court also ordered **Iloka** to forfeit to the government his residence in Lee's Summit, a 2003 Ford Explorer, a 2004 Honda Accord, a 2004 Chevrolet van, and all funds in two bank accounts, all of which represent the proceeds of his criminal activities. **Iloka** owns and operates Xcellent Medical Service at 9500 E. 63rd St. in Raytown, Mo., and Xcellent Medical Services at 4403 Blue Parkway in Kansas City.

Iloka's sentence includes a two-year term of incarceration for the Medicare fraud and a consecutive one-year term of incarceration on a revocation of **Iloka's** supervised release in an unrelated federal case. On Aug. 9, 2004, **Iloka** pleaded guilty to credit card fraud and was sentenced to five years of probation and ordered to pay \$34,882 in restitution. **Iloka's** criminal activities violated the terms of his supervised release, which was therefore revoked.

On July 12, 2006, **Iloka** pleaded guilty to his role in a scheme to defraud Medicare between Jan. 24, 2002, and Sept. 15, 2005. **Iloka** submitted claims to Medicare for power wheelchairs, then after Medicare paid those claims, he provided beneficiaries with a less expensive motorized scooter instead of the power wheelchair. Medicare sustained a loss of \$84,000 as a result.

Iloka also admitted that he engaged in three additional fraud schemes that resulted in a total loss of \$331,162.

Iloka engaged in a similar scheme to defraud Medicare during the same time frame, from Jan. 24, 2002, to Sept. 15, 2005. **Iloka** submitted claims to Medicare for custom-molded diabetic shoes, then after Medicare paid those claims, he provided Medicare beneficiaries with much less expensive standard diabetic shoes instead of the more expensive custom-molded diabetic shoes he had billed to Medicare. Medicare sustained a loss of \$165,000 as a result of this fraud scheme.

Iloka engaged in a scheme to commit Social Security disability fraud in which he fraudulently applied for and received Social Security disability benefits while engaged in the medical equipment supply business. The United States sustained a loss of \$67,162 as a result of this fraud scheme.

Iloka engaged in a credit card fraud scheme in which he used the personal information of another person, without authorization, to obtain an American Express credit card and line of credit, after which he fraudulently accessed the line of credit to obtain \$15,000.

Kenneth Agugua, 48, with addresses in both Kansas City, Mo., and Houston, Texas, a permanent resident alien from Nigeria, was sentenced on Jan. 4, 2007, to two years and nine months in federal prison without parole. The court also ordered **Agugua** to pay \$361,811 in restitution.

On Aug. 23, 2006, **Agugua** pleaded guilty to health care fraud. **Agugua** owns and operates Primecare Management, Inc., a durable medical equipment company at 1734 E. 63rd St., in Kansas City. **Agugua** admitted that he engaged in an "upcoding scheme" to defraud Medicare in which he submitted claims to Medicare for power wheelchairs. After Medicare paid those claims, however, he provided Medicare beneficiaries with a less expensive motorized scooter

instead of the power wheelchair he had billed to Medicare. **Agugua** also admitted that the Medicare program sustained a loss of \$561,000 as a result of his scheme.

Two former physicians pleaded guilty to their role in the Medicare wheelchair fraud.

Co-defendant **Amazair McAllister**, 49, of Blue Springs, was sentenced on Nov. 21, 2006, to one year and one day in federal prison without parole. The court also ordered **McAllister** to pay \$1 million in restitution and to forfeit \$100,000 to the government, which represents the proceeds of his criminal activities. **McAllister** pleaded guilty on July 10, 2006, to health care fraud and agreed to surrender his medical licenses and cease practicing medicine.

Co-defendant **Ambrose Wotorson**, 71, a naturalized U.S. citizen from Liberia residing in Kansas City, pleaded guilty on Feb. 24, 2006 to health care fraud. **Wotorson** was a licensed osteopathic physician and surgeon during the time of the fraud scheme, but has surrendered his medical license and no longer practices medicine. **Wotorson** is scheduled to be sentenced on March 5, 2007.

McAllister and **Wotorson** admitted that they falsely and fraudulently signed Certificates of Medical necessity for Medicare beneficiaries, certifying that the beneficiaries were eligible to receive a motorized wheelchair from Medicare when, as they knew, those beneficiaries were not medically eligible. Other members of the fraud scheme provided **McAllister** and **Wotorson** with cash payments and kickbacks that they took in exchange for providing the false and fraudulent Certificates of Medical Necessity.

This case is being prosecuted by Senior Litigation Counsel Gene Porter. It was investigated by the Federal Bureau of Investigation and the Office of Investigations for the Health and Human Services Inspector General.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at
www.usdoj.gov/usao/mow/index.html