

NEWS RELEASE

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FOR IMMEDIATE RELEASE

JURY CONVICTS MEDICAL SUPPLY OWNER OF 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 in Kansas City, Mo., was convicted by a federal jury 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, 28, a citizen of Nigeria, was found guilty of health care fraud as well as multiple counts of illegally structuring currency transactions and money laundering.

“This collusion of crooked business owners and bribed physicians resulted in a massive fraud that involved millions of dollars and nearly 1,000 Medicare recipients,” Schlozman said.

“Medicare fraud is an issue of national importance, because this kind of criminal abuse undermines a vital public program and impacts the cost of health care for all Americans,” Schlozman added. “We are committed to aggressively prosecuting those who greedily exploit the public health care system for their own selfish gain.”

Following the presentation of evidence, the jury in U.S. District Court in Kansas City deliberated less than an hour before returning the guilty verdicts to U.S. District Judge Gary A. Fenner, ending a trial that began Monday, Aug. 28.

Igbokwe, who owns and operates Cardinal Healthcare at 1105 E. 47th St., in Kansas City, bribed two physicians to falsely verify that Medicare beneficiaries were so

physically disabled that they needed motorized wheelchairs. **Igbokwe** then submitted numerous fraudulent claims to Medicare for power wheelchairs. After receiving approximately \$4,000 from Medicare for each of these false and fraudulent claims, however, **Igbokwe** provided some Medicare beneficiaries with a less expensive scooter instead. In some instances, **Igbokwe** would not provide the Medicare beneficiary with any type of power wheelchair or scooter.

Between January 2002 and September 2005, **Igbokwe** and co-defendants submitted more than \$5 million worth of false and fraudulent claims to Medicare, resulting in their actual receipt of more than \$2 million from Medicare.

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.

Igbokwe also was convicted of a forfeiture count that requires forfeiture of \$500,000 and all the funds in a bank account.

Under federal statutes, **Igbokwe** could be subject to a sentence of up to 145 years in federal prison without parole, plus a fine up to \$6 million (or no more than twice the amount of criminally derived property for each of the four money laundering counts) and an order of restitution. A sentencing hearing will be scheduled after the completion of a presentence investigation by the United States Probation Office.

Four 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.

Kenneth Agugua, 47, with addresses in both Kansas City, Mo., and Houston, Texas, a permanent resident alien from Nigeria, pleaded guilty on Aug. 23, 2006, 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.

Godwin Iloka, 38, a naturalized U.S. citizen from Nigeria residing in Lee's Summit, Mo., pleaded guilty on July 12, 2006. **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** admitted that he was involved in a scheme to defraud Medicare by means of false and fraudulent pretenses 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 of this fraud scheme.

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

Iloka admitted that he 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 admitted that he 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 admitted that he 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.

By pleading guilty, **Iloka** agreed 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** also acknowledged that his admitted criminal activities violated the terms of his probation in an unrelated federal case for which the government is seeking to revoke his probation. 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** consented to the revocation of his probation and the imposition of a six-month term of imprisonment to run consecutively to the term of imprisonment imposed in this case.

Two former physicians pleaded guilty to their role in the Medicare wheelchair fraud. Co-defendant **Amazair McAllister**, 48, of Blue Springs, pleaded guilty on July 10, 2006, to health care fraud. **McAllister** agreed to surrender his medical licenses within 45 days of his guilty plea and cease practicing medicine. **McAllister** will also forfeit \$100,000 to the government, which represents the proceeds of his criminal activities. Co-

defendant **Ambrose Wotorson**, 70, 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.

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.

McAllister and **Wotorson** also acknowledged that the loss associated with the scheme to defraud Medicare was in excess of \$1 million and could be more than \$2.5 million.

Under federal statutes, each of **Igbokwe's** co-defendants who have pleaded guilty could be subject to a sentence of up to 10 years in federal prison without parole, plus a fine up to \$250,000 and an order of restitution. Sentencing hearings will be scheduled after the completion of presentence investigations by the United States Probation Office.

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.