

**UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT OF MISSOURI**



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NEWS RELEASE

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For Immediate Release

**CATHEDRAL ROCK NURSING HOMES AND A NURSING HOME OPERATOR RESOLVE
CRIMINAL AND CIVIL HEALTH CARE FRAUD ALLEGATIONS RELATED TO FAILURE
OF CARE AND
AGREE TO PAY THE UNITED STATES OVER \$1.6 MILLION**

St. Louis MO: Five nursing homes operated by Cathedral Rock, a Texas corporation, pled guilty to felony health care fraud related to the failure to provide adequate care to the Medicare and Medicaid residents living in those homes, announced Acting United States Attorney Michael W. Reap.

The majority owner of Cathedral Rock, C. Kent Harrington, also entered into a criminal deferred prosecution agreement for a period of two years. Under the plea and deferred prosecution agreement, the five nursing homes and Harrington will jointly pay \$1 million in criminal fines and penalties. Cathedral Rock entities and Harrington will pay an additional \$628,000 to resolve the civil allegations that they submitted false and fraudulent claims to Medicare and Missouri Medicaid.

The nursing homes admitted in their plea agreements that:

- At various times staffing at the nursing homes was not sufficient to provide adequate nursing care
- At various times wound care was not provided at the nursing home
- residents often did not receive their medication as prescribed
- medical records were falsified and a "charting party" occurred at SpringPlace to fill in medical records so that it appeared that all medication had been properly given, regardless of whether the medication was actually given or not
- the nursing homes submitted fraudulent claims to Medicare and Missouri Medicaid for services that were not provided or were worthless

Entering pleas today:

CATHEDRAL ROCK OF ST. LOUIS, INC., d/b/a SpringPlace Care Center (Springplace), formerly located at 3450 Russell Boulevard, St. Louis, Missouri 63104. Springplace closed on June 30, 2004.

CATHEDRAL ROCK OF BADEN, INC., d/b/a McLaran Care Center (McLaran), formerly located at 1265 McLaran, St. Louis, Missouri 63147. On May 31, 2005, Cathedral Rock ceased operating the facility at this location.

CATHEDRAL ROCK OF BALLWIN, INC., d/b/a Oak Forest Skilled Care, located at 1441

Charic Drive, Ballwin, Missouri 63021. On December 31, 2009, Cathedral Rock ceased operating the facility at this location.

CATHEDRAL ROCK OF NORTH ST. LOUIS, INC., d/b/a Cathedral Gardens Care Center, located at 2600 Redman Road, St. Louis, Missouri 63136. On December 31, 2009, Cathedral Rock ceased operating the facility at this location.

CATHEDRAL ROCK OF ST. CHARLES, INC., d/b/a Blanchette Place Care Center Blanchette located at 2840 West Clay, St. Charles, Missouri 63301. On December 31, 2009, Cathedral Rock ceased operating the facility at this location.

In addition to the corporate guilty pleas, **C. KENT HARRINGTON**, of Ft. Worth, Texas, has been charged in a criminal complaint with defrauding Medicare and Medicaid by submitting false statements and claims for the grossly deficient care provided to residents of the Cathedral Rock nursing homes. Harrington has entered a two-year deferred prosecution agreement with the United States Attorney's Office and has agreed that he will implement a rigorous compliance program in the facilities that he owns or operates to insure that residents receive quality care. If Harrington complies with the conditions in the deferred prosecution agreement, the criminal felony complaint will be dismissed on January 7, 2012.

These five nursing homes and Harrington now face criminal fines and penalties totaling \$1,000,000.

In addition to the criminal pleas, the United States also today entered into a civil settlement with these same defendants, and other related Cathedral Rock entities, including Cathedral Rock of Rolla, d/b/a Heritage Park Skilled Care. The civil settlement will resolve allegations that the civil defendants violated the False Claims Act by submitting fraudulent claims to Medicare and Missouri Medicaid for care that was not provided to the nursing home residents.

In the civil case, the United States alleged that due to the lack of adequate and properly trained staff at the nursing homes and the widespread falsification of residents' medical records, numerous residents suffered from malnutrition, dehydration, preventable pressure sores and preventable side effects from not receiving their medications. Some residents simply wandered away from the homes, sometimes with Cathedral Rock staff not noticing that the residents were gone until many hours later. One resident was almost hit by a car after leaving a Cathedral Rock facility while using a walker. Other residents underwent amputations of feet and legs because pressure sores formed and were left untreated, and in some cases the pressure sores had become infested with maggots. The United States alleged that basic needs of the residents, such as feeding and toileting those who needed assistance, turning bed-ridden residents and bathing were not met.

The civil settlement will include the dismissal of a qui tam complaint that was filed by whistleblowers Michele Kimball and Anna Juelfs, both former employees of Springplace. *United States of America ex rel., Michele Kimball and Anna Juelfs v. Cathedral Rock Corporation, Cathedral Rock Management I, Inc., Cathedral Rock of St. Louis, Inc. d/b/a SpringPlace Care Center, et al.*, Case No. 4:03CV1090-HEA (E.D.Mo.). Under the False Claims Act, the whistleblowers, also known as Relators, are entitled to a share of the civil settlement and will receive \$94,200.

"Today's five guilty pleas and civil settlement agreement demonstrate this office's continuing commitment to fight health care fraud, especially when it involves the vulnerable and elderly. This office has shown, through this prosecution and prior prosecutions, that it will continue to work with its state and federal law enforcement

partners to pursue civil and criminal prosecution of nursing homes and their operators when they fail to provide care that is being paid for by the taxpayers," said Reap.

As part of the civil settlement, the Office of Inspector General of the Department of Health and Human Services (OIG) required Cathedral Rock, Harrington and other related corporate entities to enter into a five-year Corporate Integrity Agreement (CIA) that includes extensive quality-of-care provisions. Under the CIA, Cathedral Rock must, at its own expense, retain an independent monitor appointed by OIG to assess and monitor the effectiveness of Cathedral Rock's internal quality control systems, which will allow for close monitoring of all of the nursing homes that Cathedral Rock continues to operate, none of which are in Missouri.

"Protecting the Federal health care programs is about more than financial recoveries, it is also about protecting beneficiaries from substandard care. As a result of the investigation, Cathedral Rock has ceased operations in Missouri and, under the CIA, must improve the quality of care provided in its remaining nursing facilities," said Lewis Morris, Chief Counsel to the HHS Inspector General.

Gary M. Holst, Special Agent in Charge of the Kansas City Regional Office of Investigations for HHS, noted, "These investigations and their outcomes not only protect the taxpayers from waste, fraud and abuse, but more importantly serve to protect the most vulnerable and precious in our society: the elderly. We will continue to aggressively pursue quality of care cases to insure that our Medicare beneficiaries receive the care that they need."

Reap commended the work performed on this case by the Office of Investigation for the Inspector General of the United States Department of Health and Human Services, the Federal Bureau of Investigation, the United States Postal Inspection Service, the Medicaid Fraud Control Unit of the Missouri Attorney General's Office and the Missouri Department of Health and Senior Services.