

Massachusetts woman pleads guilty in \$100 Million home health care fraud, kickback scheme

"A Lowell woman has pleaded guilty in federal court in Boston in connection with a \$100 million home health care fraud scheme.

Winnie Waruru, 42, of Lowell, pleaded guilty on Sept. 8, 2022 to one count of conspiracy to commit health care fraud; one count of health care fraud – aiding and abetting; one count of conspiracy to pay and receive kickbacks; two counts of making false statements; and one count of making a false statement in a health care matter. U.S. Senior District Court Judge George A. O'Toole Jr. scheduled sentencing for Jan. 12, 2023. Waruru was arrested and charged along with co-defendant Faith Newton in February 2021. Newton has pleaded not guilty and is pending trial.

According to the indictment, from January 2013 to January 2017, Newton was part owner and operator of Arbor Homecare Services LLC. Waruru was a Licensed Practical Nurse employed as a home health nurse at Arbor. Waruru and, allegedly, Newton engaged in a conspiracy to use Arbor to defraud MassHealth and Medicare of at least \$100 million by committing health care fraud and paying kickbacks to induce referrals. Newton then allegedly laundered the ill-gotten gains.

Specifically, it is alleged that Arbor, through Newton and others, including Waruru, failed to train staff, billed for home health services that were never provided or were not medically necessary and billed for home health services that were not authorized. Arbor, through Newton and others,

developed employment relationships as way to pay kickbacks for patient referrals, regardless of medical necessity requirements. They also allegedly entered sham employment relationships with patients' family members to provide home health aide services that were not medically necessary and routinely billed for fictitious visits that did not occur. As alleged in the civil complaint, Newton either directly or through Arbor, targeted particularly vulnerable patients who were low-income, on disability and/or suffering from depression and/or addiction.

Waruru and Arbor billed MassHealth for Waruru's skilled nursing visits, many of which she did not perform, were medically unnecessary, or were not approved by a physician. Waruru was personally responsible for causing Arbor to bill MassHealth for over \$1.2 million in skilled nursing visits, much of which was fraudulent. Waruru also passed cash payments allegedly from Newton to two Arbor patients to retain those patients.

The charges of health care fraud, conspiracy to commit health care fraud, money laundering conspiracy and money laundering each provide for a sentence of up to 10 years in prison, three years of supervised release and a fine of up to \$250,000 or twice the amount of the money involved in the laundering. The conspiracy to pay kickbacks, make false statements and make false statement in health care matter each provide for a sentence of up to five years in prison, three years of supervised release and a fine of up to \$250,000. Sentences are imposed by a federal district court judge based upon the U.S. Sentencing Guidelines and statutes which govern the determination of a sentence in a criminal case.

United States Attorney Rachael S. Rollins; Phillip M. Coyne, Special Agent in Charge of the U.S. Department of Health and Human Services, Office of Inspector General, Office of Investigations; Joleen D. Simpson, Special Agent in Charge of the Internal Revenue Service's Criminal Investigation in

Boston; and Joseph R. Bonavolonta, Special Agent in Charge of the Federal Bureau of Investigation, Boston Division made the announcement. Assistant U.S. Attorneys Rachel Y. Hemani of Rollins' Health Care Fraud Unit, David G. Tobin of Rollins' Major Crimes Unit and Carol Head, Chief of Rollins' Asset Recovery Unit are prosecuting the case.

The details contained in the court documents are allegations. The remaining defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law." - Massachusetts Department of Justice.