

State of Alaska
Department of Law
Press Release

Good Faith Personal Care Attendant and Two Recipients Get Jail Time for Fraudulently Billing Medicaid

May 6, 2015

(Anchorage, AK) – The State of Alaska, Department of Law, Medicaid Fraud Control Unit (MFCU) announced today the successful prosecution of 31 year old Miki Kim for falsely billing Medicaid over \$44,000 over a three year period for personal care attendant (PCA) services that she never actually provided.

MFCU investigators initiated an investigation in April 2012 into Medicaid fraud being conducted by employees, management and owners of Good Faith Services, LLC (Good Faith). Since the investigation was initiated, the State has filed criminal charges, civil sanctions, or both on 58 individuals associated with Good Faith, including the corporation, all three owners, both office billers and 10 of 13 client managers. Miki Kim worked for Good Faith as both a client manager and a PCA. As a client manager, Kim was responsible for advocating on behalf of Medicaid recipients to ensure they were receiving necessary services from their PCA.

Kim also worked as a PCA for numerous Medicaid recipients. The recipients informed MFCU investigators that Kim never provided any of the services that she billed Medicaid for providing. Moreover, the investigation revealed that Kim would move the recipients from one agency to another based upon offers of higher wages. This move would result in a disruption of services for the recipients and an opportunity for Kim to increase her fraudulent billing.

Based on the aforementioned evidence, Kim was convicted on May 4, 2015 for one count of Medical Assistance Fraud, a class C felony offense, for knowingly submitting claims to Medicaid with a reckless disregard that she was entitled to the payment. Kim was sentenced to serve 24 months in jail with 15 months suspended (9 months to serve), 10 years of probation and a restitution judgment of \$29,000. The balance of restitution due will be ordered as part of the Good Faith sentencing. Kim will be barred from providing Medicaid related services for a minimum of 20 years based upon this judgment.

The MFCU also successfully prosecuted 85 year old Medicaid recipient Santos Vallangca and 72 year old Medicaid recipient Rema Vallangca for knowingly assisting in fraudulently billing Medicaid. The initial investigation into Good Faith revealed that Mr. and Mrs. Vallangca both signed timesheets claiming to have received Medicaid services in Alaska when their PCA was travelling internationally. Follow-up investigations revealed that the couple intentionally downplayed their physical abilities while being assessed by DHSS for PCA services in order to increase the number of hours and services provided. Mr. Vallangca then threatened his PCAs (his daughter and grandson) with deportation if they refused to submit false bills to Medicaid alleging to be providing care to both he and Mrs. Vallangca. The PCAs

were then required to give the money received from Medicaid to Mr. Vallangca. The PCAs admitted that they did not provide the majority of services billed to Medicaid for the Vallangcas and video evidence demonstrated that they did not need the authorized services. Based upon the statements of the defendants, witnesses and video evidence in this case, the total fraud committed by the Vallangcas could go as high as \$150,000.

Santos Vallangca was convicted on May 6, 2015 for one count of Medical Assistance Fraud, a class C felony, for knowingly assisting another person in the submission of a false Medicaid claim. He was sentenced to serve 24 months in jail with 22 months suspended, \$10,000 in restitution and five years of probation with special conditions prohibiting him from receiving consumer directed PCA services. Rema Vallangca was convicted on May 6, 2015 for one count of Medical Assistance Fraud, a class A misdemeanor, for knowingly assisting another person in the submission of a false Medicaid claim. She was sentenced to serve 180 days in jail with 160 days suspended, \$10,000 in restitution (joint and several) and five years of probation with special conditions prohibiting her from receiving consumer directed PCA services. The balance of restitution due will be ordered as part of the Good Faith judgment. Sentencing in the Good Faith case is set for June 30, 2015.

The Alaska MFCU is part of the Attorney General's Office. The MFCU is responsible for investigating and prosecuting Medicaid fraud and abuse, neglect or financial exploitations of patients in any facility that accepts Medicaid funds. Information about the Kim and Vallangca cases filed by the Department of Law can be found on the MFCU website. The Good Faith, Kim and Vallangca cases were jointly investigated by the Alaska MFCU, DHSS, DHSS Agents with the Office of Inspector General, the FBI and Homeland Security Investigations Agents.

CONTACT: Assistant Attorney General Andrew Peterson at 907-269-6292. For more information about these cases or other cases handled by the Alaska MFCU, go to the MFCU website.

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