

Eli's Hospice Insider

Fraud & Abuse: 2 Hospices Involved In COVID Aid Fraud

Owners of shuttered hospices aren't getting away with raking in pandemic relief funds.

The feds weren't kidding when they said they were keeping an eagle eye on COVID relief monies, as two recent fraud cases show.

For example: Gurgen Israyelyan owned Saint Christopher Hospice Inc. in North Hollywood, which closed around September 2019, the Department of Justice says in a release. "SCH, which was never operational during the COVID-19 pandemic, received approximately \$89,162 designated for the medical treatment and care of COVID-19 patients," the DOJ says. "Israyelyan admitted he stole the funds by spending them for his personal use and by transferring them to family members, including a family member in Armenia."

Israyelyan also admitted to submitting five fraudulent Economic Injury Disaster Loan (EIDL) applications to the Small Business Administration on behalf of SCH and four other entities he controlled. As a result, the SBA disbursed about \$428,100 of EIDL funds to Israyelyan, "all of which were proceeds that Israyelyan knew he was not entitled to and which [he] used for his own personal benefit," the DOJ notes.

Israyelyan is just one of many fraudsters that have taken advantage of COVID relief, say recent reports from the feds.



"When the COVID-19 pandemic began, federal agencies acted swiftly to establish emergency programs and deliver financial relief to the American people," notes the Government Accountability Office in a summary issued for a March 17 report on emergency relief funds. "Many agencies were able to distribute funds quickly, but the tradeoff was that they did not have systems in place to prevent and identify payment errors and fraud," the GAO criticizes.

"The Justice Department remains committed to using every available federal tool - including criminal, civil, and administrative actions - to combat and prevent COVID-19 related fraud," Attorney General **Merrick B. Garland** says in a release. "We will continue to hold accountable those who seek to exploit the pandemic for personal gain, to protect vulnerable populations, and to safeguard the integrity of taxpayer-funded programs," Garland says.

In another hospice-related COVID fraud case, **Raymond Earl Vallier**, former owner and operator of North Delta Hospice and Palliative Services in Tennessee, "was indicted with theft of government property and aggravated identity theft in connection with a scheme to unlawfully convert CARES Act Provider Relief Fund monies," the DOJ says.

On April 10, 2020, North Delta Hospice received \$107,568.03 from the PRF, although the agency had ceased seeing patients and billing Medicare and Medicaid by the end of September 2019, the DOJ says. Rather than returning the funds deposited, Vallier "used the name of the deceased owner of North Delta Hospice to falsely attest to the terms and conditions of the PRF... and wrote a check to himself and made a payment on one of his other company's credit card accounts with the funds," according to Justice.

Note: The GAO report is at <https://www.gao.gov/products/gao-22-105715>. See more about the DOJ's COVID-19 fraud response at <https://www.justice.gov/coronavirus>.

