

**IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL CIRCUIT
IN AND FOR MIAMI-DADE COUNTY, FLORIDA**

**IN RE: APPLICATION FOR ARREST WARRANT FOR:

 KARL BLAINE ALDERMAN**

AFFIDAVIT IN SUPPORT OF ARREST WARRANT

BEFORE ME, _____, Judge of the Circuit Court, in and for Dade County, Florida, personally appeared Investigator GHENZ KOSOVA of the Florida Attorney General’s Medicaid Fraud Control Unit, who being first duly sworn, deposes and says that he has reason to believe that certain laws of the State of Florida have been violated, in particular: Florida Statutes section 817.034(4)(a)1, Organized Fraud, and that the facts tending to establish probable cause for this application are as follows:

Your Affiant is an Investigator with the Florida Attorney General’s Medicaid Fraud Control Unit who was previously employed as a police officer with the Boca Raton Police Department for thirty (30) years, serving as a Patrol Officer for nine (9) years and an Investigator for twenty-one (21) years. Your Affiant holds a Bachelor of Science Degree in Business Administration and has attended numerous career development courses including polygraph and computer voice stress school and is a member of the American Polygraph Association and the American Association of Police Polygraphists. Over the years, your Affiant has conducted and participated in all types of criminal investigations addressing crimes against persons and property. Your Affiant has participated in surveillance and undercover operations and has obtained and executed numerous search and arrest warrants.

Pursuant to Florida Statutes section 16.59, the Medicaid Fraud Control Unit (MFCU) is authorized to investigate all violations of Florida Statutes section 409.920 (Medicaid provider fraud) and any criminal violations discovered during the course

Affiant’s Signature _____

Judge’s Initials _____

of those investigations.

The Agency for Health Care Administration (AHCA) is the State agency that oversees the Medicaid Program which provides health care services to the indigent. Affiliated Computer Systems (ACS), formerly Consultec, is the fiscal agent for the State of Florida that administers program funds to the providers.

The Developmental Disabilities Waiver Services Program (DDWSP) is a federally approved Medicaid program operated by the Florida Department of Children and Families (DCF) which underwrites the cost of services provided by qualified group homes to Medicaid recipients.

In June, 2004, MFCU received a complaint from AHCA alleging that KARL and ELIZABETH ALDERMAN, the owners/operators of two group homes, Heavenly Angels, located at 5100 SW 198th Terrace in Southwest Ranches, Broward county and Angel Wings located at 8328 NW 201st Terrace in Miami, Dade county, had over-billed Medicaid through DDWSP in the amount of \$745,336.30.

Your Affiant determined that KARL and ELIZABETH ALDERMAN ran the group homes through a Florida corporation, Alderman Group Home, Inc., (AGH) of which they were the president and vice-president respectively. Further investigation revealed that KARL ALDERMAN completed the application for the Medicaid provider number issued AGH in 2000 and that ELIZABETH ALDERMAN completed the Medicaid Waiver Services Agreement which authorized AGH to bill the state-funded program under AGH's provider number for services rendered in the group homes.

In May, 2004, Julie Griffith, a Senior Management Analyst Supervisor with the Agency for Persons with Disabilities (APD) discovered a claim submitted by AGH for services at Angel Wings, KARL and ELIZABETH ALDERMAN's Dade County group home, far exceeded the amount authorized. A subsequent audit conducted by DCF, which consisted of comparing the amounts authorized for each recipient with the amounts billed by KARL and ELIZABETH ALDERMAN through AGH uncovered over-billing between July, 2003 and April, 2004 in the amount of \$350,950.82 for services at Angel Wings, the Dade County group home, and \$394,385.48 for services

Affiant's Signature _____

Judge's Initials _____

at Heavenly Angels, the Broward County group home, for a total of \$745,336.30. Group homes are authorized to bill a certain amount for each recipient pursuant to a Service Authorization Form that establishes the rate per day. KARL and ELIZABETH ALDERMAN billed more than double the amount authorized for each recipient. Your Affiant determined that in the last six (6) months of 2003, Medicaid paid AGH more than double what it had paid them in 2002 for housing and servicing the same number of Medicaid recipients, four in the Dade County home, and six in the Broward County home. The audit by DCF of the 2003 and 2004 Medicaid billings by AGH shows that in July, 2003 claims for the same number of recipients nearly doubled that month, increasing thereafter on a monthly basis until reaching a peak of \$200,238.08 for the month of March, 2004.

AHCA paid AGH in accordance with an Authorization Agreement for Electronic Funds Transfer executed by KARL and ELIZABETH ALDERMAN in 2002. Funds were deposited directly to AGH's corporate checking account on which KARL and ELIZABETH ALDERMAN are the only signatories. KARL ALDERMAN, when confronted with the results of the audit, acknowledged AGH had over-billed and claimed it was a mistake by his 14-year-old son, who was in charge of the billing. When asked about the huge influx of Medicaid funds to his account, he said his wife, ELIZABETH ALDERMAN, was responsible for tracking the cash flow in their bank accounts. Further investigation revealed KARL and ELIZABETH ALDERMAN both transferred and withdrew thousands of dollars from the AGH account for personal use, that they significantly increased their AGH salaries in 2004, and paid themselves cash bonuses from the AGH account totaling \$131,553.52 each in April, 2004.

The investigation as outlined above has established that from June, 2003 through June, 2004, KARL and ELIZABETH ALDERMAN engaged in a systematic, ongoing course of conduct with intent to defraud one or more persons, or with intent to obtain property from one or more persons, by false or fraudulent pretenses, representations, or promises or willful misrepresentations of a future act,

Affiant's Signature _____

Judge's Initials _____

specifically by submitting false and inflated claims for payment to the State of Florida Medicaid Program and/or its fiscal agent(s) the Affiliated Computer Systems Corporation (ACS) and by engaging in this scheme to defraud KARL and ELIZABETH ALDERMAN did thereby endeavor to obtain and did obtain property, to wit: U.S. currency, with an aggregate value of \$50,000.00 or more.

WHEREFORE, your Affiant prays that an Arrest Warrant be issued commanding the Sheriffs of the State of Florida, all and singular, their Deputies, the Commissioner of the Florida Department of Law Enforcement, any of his duly constituted agents, the Attorney General's Director of Medicaid Fraud and his duly appointed Law Enforcement Investigators and all Florida police officers with the proper and necessary assistance, to arrest KARL ALDERMAN.

INVESTIGATOR GHENZ KOSOVA, AFFIANT

Sworn to and subscribed before me this ____ day of _____, 2006.

CIRCUIT JUDGE IN AND FOR MIAMI-DADE COUNTY

Affiant's Signature _____

Judge's Initials _____

**IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL CIRCUIT
IN AND FOR MIAMI-DADE COUNTY, FLORIDA**

**IN RE: APPLICATION FOR ARREST WARRANT FOR:

 ELIZABETH LYDIA ALDERMAN**

AFFIDAVIT IN SUPPORT OF ARREST WARRANT

BEFORE ME, _____, Judge of the Circuit Court, in and for Dade County, Florida, personally appeared Investigator GHENZ KOSOVA of the Florida Attorney General’s Medicaid Fraud Control Unit, who being first duly sworn, deposes and says that he has reason to believe that certain laws of the State of Florida have been violated, in particular: Florida Statutes section 817.034(4)(a)1, Organized Fraud, and that the facts tending to establish probable cause for this application are as follows:

Your Affiant is an Investigator with the Florida Attorney General’s Medicaid Fraud Control Unit who was previously employed as a police officer with the Boca Raton Police Department for thirty (30) years, serving as a Patrol Officer for nine (9) years and an Investigator for twenty-one (21) years. Your Affiant holds a Bachelor of Science Degree in Business Administration and has attended numerous career development courses including polygraph and computer voice stress school and is a member of the American Polygraph Association and the American Association of Police Polygraphists. Over the years, your Affiant has conducted and participated in all types of criminal investigations addressing crimes against persons and property. Your Affiant has participated in surveillance and undercover operations and has obtained and executed numerous search and arrest warrants.

Pursuant to Florida Statutes section 16.59, the Medicaid Fraud Control Unit (MFCU) is authorized to investigate all violations of Florida Statutes section 409.920 (Medicaid provider fraud) and any criminal violations discovered during the course of those investigations.

The Agency for Health Care Administration (AHCA) is the State agency that

Affiant’s Signature _____

Judge’s Initials _____

oversees the Medicaid Program which provides health care services to the indigent. Affiliated Computer Systems (ACS), formerly Consultec, is the fiscal agent for the State of Florida that administers program funds to the providers.

The Developmental Disabilities Waiver Services Program (DDWSP) is a federally approved Medicaid program operated by the Florida Department of Children and Families (DCF) which underwrites the cost of services provided by qualified group homes to Medicaid recipients.

In June, 2004, MFCU received a complaint from AHCA alleging that KARL and ELIZABETH ALDERMAN, the owners/operators of two group homes, Heavenly Angels, located at 5100 SW 198th Terrace in Southwest Ranches, Broward county and Angel Wings located at 8328 NW 201st Terrace in Miami, Dade county, had over-billed Medicaid through DDWSP in the amount of \$745,336.30.

Your Affiant determined that KARL and ELIZABETH ALDERMAN ran the group homes through a Florida corporation, Alderman Group Home, Inc., (AGH) of which they were the president and vice-president respectively. Further investigation revealed that KARL ALDERMAN completed the application for the Medicaid provider number issued AGH in 2000 and that ELIZABETH ALDERMAN completed the Medicaid Waiver Services Agreement which authorized AGH to bill the state-funded program under AGH's provider number for services rendered in the group homes.

In May, 2004, Julie Griffith, a Senior Management Analyst Supervisor with the Agency for Persons with Disabilities (APD) discovered a claim submitted by AGH for services at Angel Wings, KARL and ELIZABETH ALDERMAN's Dade County group home, far exceeded the amount authorized. A subsequent audit conducted by DCF, which consisted of comparing the amounts authorized for each recipient with the amounts billed by KARL and ELIZABETH ALDERMAN through AGH uncovered over-billing between July, 2003 and April, 2004 in the amount of \$350,950.82 for services at Angel Wings, the Dade County group home, and \$394,385.48 for services at Heavenly Angels, the Broward County group home, for a total of \$745,336.30. Group homes are authorized to bill a certain amount for each recipient pursuant to a Service Authorization Form that establishes the rate per day. KARL and ELIZABETH ALDERMAN billed more than double the amount

Affiant's Signature _____

Judge's Initials _____

authorized for each recipient. Your Affiant determined that in the last six (6) months of 2003, Medicaid paid AGH more than double what it had paid them in 2002 for housing and servicing the same number of Medicaid recipients, four in the Dade County home, and six in the Broward County home. The audit by DCF of the 2003 and 2004 Medicaid billings by AGH shows that in July, 2003 claims for the same number of recipients nearly doubled that month, increasing thereafter on a monthly basis until reaching a peak of \$200,238.08 for the month of March, 2004.

AHCA paid AGH in accordance with an Authorization Agreement for Electronic Funds Transfer executed by KARL and ELIZABETH ALDERMAN in 2002. Funds were deposited directly to AGH's corporate checking account on which KARL and ELIZABETH ALDERMAN are the only signatories. KARL ALDERMAN, when confronted with the results of the audit, acknowledged AGH had over-billed and claimed it was a mistake by his 14-year-old son, who was in charge of the billing. When asked about the huge influx of Medicaid funds to his account, he said his wife, ELIZABETH ALDERMAN, was responsible for tracking the cash flow in their bank accounts. Further investigation revealed KARL and ELIZABETH ALDERMAN both transferred and withdrew thousands of dollars from the AGH account for personal use, that they significantly increased their AGH salaries in 2004, and paid themselves cash bonuses from the AGH account totaling \$131,553.52 each in April, 2004.

The investigation as outlined above has established that from June, 2003 through June, 2004, KARL and ELIZABETH ALDERMAN engaged in a systematic, ongoing course of conduct with intent to defraud one or more persons, or with intent to obtain property from one or more persons, by false or fraudulent pretenses, representations, or promises or willful misrepresentations of a future act, specifically by submitting false and inflated claims for payment to the State of Florida Medicaid Program and/or its fiscal agent(s) the Affiliated Computer Systems Corporation (ACS) and by engaging in this scheme to defraud KARL and ELIZABETH ALDERMAN did thereby endeavor to obtain and did obtain property, to wit: U.S. currency, with an aggregate value of \$50,000.00 or more.

WHEREFORE, your Affiant prays that an Arrest Warrant be issued commanding the Sheriffs of the State of Florida, all and singular, their Deputies, the Commissioner of the

Affiant's Signature _____

Judge's Initials _____

Florida Department of Law Enforcement, any of his duly constituted agents, the Attorney General's Director of Medicaid Fraud and his duly appointed Law Enforcement Investigators and all Florida police officers with the proper and necessary assistance, to arrest ELIZABETH ALDERMAN.

INVESTIGATOR GHENZ KOSOVA, AFFIANT

Sworn to and subscribed before me this ____ day of _____, 2006.

CIRCUIT JUDGE IN AND FOR MIAMI-DADE COUNTY

Affiant's Signature_____

Judge's Initials_____