

**IN THE CIRCUIT COURT OF THE NINETEENTH JUDICIAL CIRCUIT
IN AND FOR ST. LUCIE COUNTY, FLORIDA**

**IN RE: APPLICATION FOR ARREST WARRANT FOR:

 DANIEL PARADOA**

MFCU CASE NO.: 06-02-0080

AFFIDAVIT IN SUPPORT OF ARREST WARRANT

BEFORE ME, _____, Judge of the Circuit Court, in and for St. Lucie County, Florida, personally appeared LAW ENFORCEMENT INVESTIGATOR II LAWRENCE SIBLEY 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: FS § 838.016(1), Unlawful Compensation or Reward for Official Behavior, and that the facts tending to establish probable cause for this application are as follows:

Your Affiant has been employed as a Law Enforcement Investigator II with the Office of the Attorney General, Department of Legal Affairs, State of Florida, currently assigned to the Medicaid Fraud Control Unit (MFCU) since February 15, 2000. Prior to being with the MFCU, your Affiant was a police officer with the New York City Police Department for over 22 years. For 12 years your Affiant held the position of Detective in the Crimes Against Persons and Robbery units. Your Affiant has supervised (as lead investigator), conducted and/or participated in all types of criminal investigations, including Homicides, Sexual Assaults, Robberies, Burglaries, Child Abuse, and Fraud.

The MFCU exists to investigate and uncover Medicaid fraud that occurs in the State of Florida. The MFCU may investigate any criminal violations discovered during the course of those investigations, pursuant to Florida Statutes §16.59 and § 409.920(8)(a). The MFCU is under the authority and supervision of the Office of the Attorney General of the State of Florida.

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BACKGROUND

Medicaid is the state and federal partnership that provides health coverage for selected categories of people with low incomes. Its purpose is to improve the health of people who might otherwise go without medical care for themselves and their children. The Agency for Health Care Administration (AHCA) is the State of Florida Agency that oversees the Medicaid Program to provide medical services for indigent recipients.

Medicaid is different from Medicare. Medicare is a federal health insurance program for people who are age 65 or older or disabled. It is administered by the federal Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS). Eligibility for Medicare is not based on the person's income or assets.

The State of Florida purchases health care services from commercially licensed Health Maintenance Organizations (HMOs). The goal of HMOs is to provide prepaid health services and place emphasis on preventive health care through effective quality and cost controls.

Florida's commercial HMOs are dually regulated by AHCA's Bureau of Managed Health Care and the Department of Financial Services (DFS). AHCA is tasked with monitoring the quality of care-related issues and DFS monitors financial and contractual issues. In order to become a commercially licensed HMO, an organization must receive a health care provider certificate from AHCA and a certificate of authority from DFS.

America's Health Choice Medical Plans, Inc. (AHC), provides health insurance programs to residents of Florida, including over 15,000 Medicaid and Medicare recipients. AHC was incorporated in Florida on November 23, 1998. It was licensed by AHCA on February 1, 2004, as an HMO and issued a Medicaid provider number. AHC was licensed by DFS on March 31, 2004, as an HMO. AHC's main administrative office is located at 1175 S US Highway 1, Vero Beach, Indian River county, Florida.

ALLEGATION

This investigation was predicated on a letter received by MFCU from corporate legal counsel for AHC, alleging that two AHC employees were improperly providing

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cash to an employee from the Department of Children and Families (DCF). The complaint alleged that an internal investigation conducted by AHC found that during the five (5) month period from July through November 2005, AHC employees Daniel Paradoa and Kasie Salenetri paid DCF employee Christopher Tan a total of \$800 in exchange for information regarding the eligibility and approval of dual-eligible (Medicaid / Medicare) recipients. This affidavit details your Affiant's investigation of Christopher Tan, Daniel Paradoa and Kasie M. Salenetri.

INVESTIGATION

In furtherance of the investigation, your Affiant interviewed Terry Wong, AHC's compliance officer, Juan Jimenez, AHC's previous manager of the social services department, Jason Maniewicz, an AHC employee, and subjects Paradoa, Salenetri and Tan.

Statements taken from these witnesses revealed that Paradoa and Salenetri were employed by AHC in the social services department and were responsible for assisting Medicaid and Medicare beneficiaries enroll in dual-eligible programs. As an HMO, every new beneficiary enrolled by AHC generates additional income for the company because AHC is paid a fixed dollar amount per enrollee per month (a "capitated" rate) by the relevant federal and state government programs.

In July of 2005, AHC initiated a commission plan to give Salenetri and Paradoa an incentive to work more efficiently and, consequently, generate more income for AHC. Under the plan, Salenetri and Paradoa would submit a monthly report to AHC indicating how many dual-eligible applicants had been approved by DCF for services. Paradoa and Salenetri were paid on a tiered commission program wherein they would receive escalating payments per approved applicant per month. (For example, they would receive \$5 per approved applicant per month for the first ten (10); then \$10 per approved applicant per month between ten (10) and twenty (20); and so on). As a result of how the tiered commission program was structured, it was in Paradoa and Salenetri's financial interest to receive notification of the applicants' approval from DCF as quick as possible, so as to generate higher commissions.

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In order to receive their commissions from AHC, Paradoa and Salenetri had to first confirm that the applicants' eligibility for dual-eligible programs had been approved by DCF. According to Jimenez, it could take weeks or months before Paradoa or Salenetri learned if an applicant was approved or denied by DCF. In this regard, they relied on Tan who, because of his position at DCF, had access to the required information. Moreover, the investigation revealed that he was willing and able to provide Paradoa and Salenetri with this information within a day or in some cases hours of them inquiring.

Tan was employed by DCF as an economic self-sufficiency specialist. He worked at DCF's district 15 office which is located in Fort Pierce, St. Lucie county, Florida. His job was to work directly with individuals and families to determine their initial and/or continuing eligibility for public assistance programs such as cash assistance, job training, food stamps, Medicaid, childcare and other services. During the period in question, Tan was a public servant as defined in Florida Statutes § 838.014(6) ("... 'public servant' means any officer or employee of a state, county, municipal, or special district agency or entity...").

Between July and November 2005, Paradoa and Salenetri met with Tan on approximately four (4) separate occasions. During these meetings, they would have lunch at different restaurants in St. Lucie county, Florida, including but not limited to Sonny's Real Pit Bar-B-Q and Norris's Famous Ribs, both located in Ft. Pierce, Florida. At the conclusion of the lunches, Paradoa and Salenetri would hand Tan an envelope with \$200 cash. Paradoa and Salenetri would later call Tan and provide him with a list of names and/or social security numbers of dual-eligible applicants who had been submitted to DCF for approval. Tan would then access his computer at DCF and advise Paradoa and Salenetri of the applicants' approval status. As a result of Tan providing Paradoa and Salenetri with DCF's approval information in an expeditious manner, Paradoa and Salenetri were able to generate higher commissions from AHC.

Maniewicz advised that around the beginning of December 2005, Salenetri called him and told him that she was giving money to an employee from DCF. The next day Maniewicz called AHC's chief operating officer and advised him of what he was told

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by Salenetri. Thereafter, Wong conducted an internal investigation at AHC which confirmed that Paradoa and Salenetri had in fact paid Tan for recipient approval information. As part of her investigation, Wong obtained admissions from both Paradoa and Salenetri as to the aforementioned allegations of unlawful compensation of/by a public servant.

Paradoa, when questioned by your Affiant, admitted that he met with Tan on four separate occasions between July and November 2005. Paradoa stated that on two of the occasions the envelopes contained \$200. On one occasion the envelope contained \$300, two hundred from him and one hundred from Salenetri. Paradoa confirmed that the payments were made to Tan for applicant approval information and that both Paradoa and Salenetri were involved in the scheme. Paradoa advised that Tan was singled out because Paradoa, who was formerly employed by DCF, personally knew Tan. Paradoa further advised that he and Salenetri paid Tan in order to get their approval information in a more timely manner and consequently secure larger commissions from AHC.

During your Affiant's interview of Salenetri, she admitted that she paid Tan \$400 for applicant approval information. She further advised that she knew her conduct was improper. She also implicated Paradoa in the scheme. According to Salenetri, she and Paradoa paid Tan \$100 each during four lunches between July and November 2005, totaling \$800. Tan would subsequently use his position at DCF to supply her with approval status of numerous dual-eligible program applicants.

Tan's interview by your Affiant likewise yielded admissions that he accepted \$800 from Paradoa and Salenetri. Tan stated that he started with DCF in 1998 and at his training he met Paradoa. Tan advised that he and Paradoa had separated, but kept in touch when Paradoa left DCF in May 2005 and started working at AHC.

Tan advised your Affiant that Paradoa called Tan at work and set up a lunch at Sonny's Real Pit Bar-B-Q. Paradoa brought Salenetri with him to the lunch. Tan advised that Paradoa handed Tan a white envelope containing \$200. Tan admitted that between July and November 2005, a total of four lunches were set up by Paradoa and Salenetri where a white envelope was given to Tan containing US currency. After each

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lunch Paradoa and Salenetri would call Tan at DCF. They would then supply him with dual-eligible applicants' social security numbers and Tan in return would look the information up on DCF's computer system and tell Paradoa and Salenetri whether the dual-eligible applicants were approved by DCF. Tan admitted he took the money. Tan further stated that he provided Paradoa and Salenetri with hundreds of approved names.

SUMMARY

Florida Statutes § 112.311 provides that it is essential to the proper conduct and operation of government that public officials be independent and impartial and that public office not be used for private gain other than the remuneration provided by law. Your Affiant's investigation has shown that in the instant-matter, Paradoa and Salenetri unlawfully compensated Tan, a public servant, for his, their own and consequently, AHC's, financial gain.

Based upon the totality of the circumstances, your Affiant has probable cause to believe and does believe that on or between July 1, 2005 and November 30, 2005, DANIEL PARADOA did commit the offense of: Unlawful Compensation or Reward for Official Behavior, in that he gave, offered or promised to Christopher Tan, a public servant, U.S. currency, which was of value, benefit, or advantage to Christopher Tan not authorized by law, corruptly made for the past, present, or future performance, nonperformance, or violation of any act or omission of Christopher Tan that Christopher Tan represented as being within his official discretion, in violation of his public duty or in performance of his public duty, or that Daniel Paradoa believed to be within Christopher Tan's official discretion, in violation of his public duty or in performance of his public duty, in violation of Florida Statutes § 838.016(1) and against the peace and dignity of the State of Florida.

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

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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 DANIEL PARADOA.

INVESTIGATOR LAWRENCE SIBLEY, AFFIANT

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

CIRCUIT JUDGE IN AND FOR ST. LUCIE COUNTY

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