

COPY

BENCH WARRANT

FAULKNER COUNTY CIRCUIT COURT

3RD DIVISION

STATE OF ARKANSAS)
COUNTY OF FAULKNER)

) ss. 2302 14977

TO ANY SHERIFF, CORONER, JAILER, CONSTABLE, MARSHALL, OR POLICEMAN IN THE STATE:

You are hereby commanded forthwith to arrest:

KATHY KOONE HALL
#6 Coyote Drive
Conway, AR 72032

SEX : Female
RACE : W
DOB : 2/16/1966
ATN : 0

and bring him or her before the FAULKNER County Circuit Court, to answer an Information in that court against him or her for VIOLATION OF ARKANSAS CRIMINAL CODE :

Code #	Offense	A/CIS	Offense Date	Counts	F/M	Class
5-55-111	CRIMINAL ACTS CONSTITUTING MEDICAID FRAUD		1/1/11-7/31/13	6	F	B
5-28-101	EXPLOITATION		1/1/11-7/31/13	12	F	B
5-55-104	FAILURE TO MAINTAIN MEDICAL RECORDS		1/1/11-7/31/13	1	F	B

or if the court be adjourned for that term, that you deliver him or her to the custody of the jailer of FAULKNER County.

Given under my hand and seal of said court this 6 day of November, 2014.

Rhonda Wharton
Rhonda Wharton, Circuit Clerk

By: Bravele



STATE OF ARKANSAS)
COUNTY OF FAULKNER)

) ss.

I have this _____ day of _____, A.D. 20____ duly served the within, by _____

Sheriff

By: _____ D.S.

IN THE CIRCUIT COURT OF FAULKNER COUNTY, ARKANSAS
TWENTIETH JUDICIAL DISTRICT

FILED
2014 NOV 6 PM 12 57
RHONDA BENTLEY CLERK
PLAINTIFF
BY BDO 06

STATE OF ARKANSAS

3RD DIVISION

VS

CR 14-977

KATHY KOONE HALL

DEFENDANT

FELONY INFORMATION
COUNT 1

Cody Hiland, Prosecuting Attorney of the Twentieth Judicial District of Arkansas, in the name, by the authority, and on behalf of the State of Arkansas, charges KATHY KOONE HALL with the crime of violating A.C.A. § 5-55-111 CRIMINAL ACTS CONSTITUTING MEDICAID FRAUD committed as follows, to wit: The said defendant, in Faulkner County, on or about January 1, 2011 through July 31, 2013, unlawfully, feloniously did commit Medicaid fraud when she purposely made or caused to be made any false statement or representation of a material fact regarding Medicaid recipient D.A. in application for benefit or payment in violation of the rules, regulations, and provider agreements issued by the Arkansas Medicaid Program or its fiscal agents, valued over \$2,500.00, against the peace and dignity of the State of Arkansas.

FELONY INFORMATION
COUNT 2

Cody Hiland, Prosecuting Attorney of the Twentieth Judicial District of Arkansas, in the name, by the authority, and on behalf of the State of Arkansas, charges KATHY KOONE HALL with the crime of violating A.C.A. § 5-55-111 CRIMINAL ACTS CONSTITUTING MEDICAID FRAUD committed as follows, to wit: The said defendant, in Faulkner County, on or about January 1, 2011 through July 31, 2013, unlawfully, feloniously did commit Medicaid fraud when she purposely made or caused to be made any false statement or representation of a material fact regarding Medicaid recipient C.S. in application for benefit or payment in violation of the rules, regulations, and provider agreements issued by the Arkansas Medicaid Program or its fiscal agents, valued over \$2,500.00, against the peace and dignity of the State of Arkansas.

FELONY INFORMATION
COUNT 3

Cody Hiland, Prosecuting Attorney of the Twentieth Judicial District of Arkansas, in the name, by the authority, and on behalf of the State of Arkansas, charges KATHY KOONE HALL with the crime of violating A.C.A. § 5-55-111 CRIMINAL ACTS CONSTITUTING

MEDICAID FRAUD committed as follows, to wit: The said defendant, in Faulkner County, on or about January 1, 2011 through July 31, 2013, unlawfully, feloniously did commit Medicaid fraud when she purposely made or caused to be made any false statement or representation of a material fact regarding Medicaid recipient C.R. in application for benefit or payment in violation of the rules, regulations, and provider agreements issued by the Arkansas Medicaid Program or its fiscal agents, valued over \$2,500.00, against the peace and dignity of the State of Arkansas.

**FELONY INFORMATION
COUNT 4**

Cody Hiland, Prosecuting Attorney of the Twentieth Judicial District of Arkansas, in the name, by the authority, and on behalf of the State of Arkansas, charges KATHY KOONE HALL with the crime of violating A.C.A. § 5-55-111 CRIMINAL ACTS CONSTITUTING MEDICAID FRAUD committed as follows, to wit: The said defendant, in Faulkner County, on or about January 1, 2011 through July 31, 2013, unlawfully, feloniously did commit Medicaid fraud when she purposely made or caused to be made any false statement or representation of a material fact regarding Medicaid recipient E.R. in application for benefit or payment in violation of the rules, regulations, and provider agreements issued by the Arkansas Medicaid Program or its fiscal agents, valued over \$2,500.00, against the peace and dignity of the State of Arkansas.

**FELONY INFORMATION
COUNT 5**

Cody Hiland, Prosecuting Attorney of the Twentieth Judicial District of Arkansas, in the name, by the authority, and on behalf of the State of Arkansas, charges KATHY KOONE HALL with the crime of violating A.C.A. § 5-55-111 CRIMINAL ACTS CONSTITUTING MEDICAID FRAUD committed as follows, to wit: The said defendant, in Faulkner County, on or about January 1, 2011 through July 31, 2013, unlawfully, feloniously did commit Medicaid fraud when she purposely made or caused to be made any false statement or representation of a material fact regarding Medicaid recipient W.D. in application for benefit or payment in violation of the rules, regulations, and provider agreements issued by the Arkansas Medicaid Program or its fiscal agents, valued over \$2,500.00, against the peace and dignity of the State of Arkansas.

**FELONY INFORMATION
COUNT 6**

Cody Hiland, Prosecuting Attorney of the Twentieth Judicial District of Arkansas, in the name, by the authority, and on behalf of the State of Arkansas, charges KATHY KOONE HALL with the crime of violating A.C.A. § 5-55-111 CRIMINAL ACTS CONSTITUTING MEDICAID FRAUD committed as follows, to wit: The said defendant, in Faulkner County, on or about January 1, 2011 through July 31, 2013, unlawfully, feloniously did commit Medicaid fraud when she purposely made or caused to be made any false statement or representation of a material fact regarding Medicaid recipient C.E. in application for benefit or payment in violation of the rules, regulations, and provider agreements issued by the Arkansas Medicaid Program or its fiscal agents, valued over \$2,500.00, against the peace and dignity of the State of Arkansas.

**FELONY INFORMATION
COUNT 7**

Cody Hiland, Prosecuting Attorney of the Twentieth Judicial District of Arkansas, in the name, by the authority, and on behalf of the State of Arkansas, charges KATHY KOONE HALL with the crime of violating A.C.A. §5-28-101 EXPLOITATION committed as follows, to wit: The said defendant, in Faulkner County, on or about January 1, 2011 through July 31, 2013, unlawfully, feloniously did commit Exploitation when she misappropriated property of adult long-term care facility resident W.D., which means the deliberate misplacement, exploitation, or wrongful, temporary, or permanent use of an adult long term care facility resident's belongings or money without the adult long-term care facility resident's consent, when the value of the property, asset, or resource was \$2,500.00 or more, against the peace and dignity of the State of Arkansas.

**FELONY INFORMATION
COUNT 8**

Cody Hiland, Prosecuting Attorney of the Twentieth Judicial District of Arkansas, in the name, by the authority, and on behalf of the State of Arkansas, charges KATHY KOONE HALL with the crime of violating A.C.A. §5-28-101 EXPLOITATION committed as follows, to wit: The said defendant, in Faulkner County, on or about January 1, 2011 through July 31, 2013, unlawfully, feloniously did commit Exploitation when she misappropriated property of adult long-term care facility resident J.K., which means the deliberate misplacement, exploitation, or wrongful, temporary, or permanent use of an adult long term care facility resident's belongings or money without the adult long-term care facility resident's consent, when the value of the property, asset, or resource was \$2,500.00 or more, against the peace and dignity of the State of Arkansas.

**FELONY INFORMATION
COUNT 9**

Cody Hiland, Prosecuting Attorney of the Twentieth Judicial District of Arkansas, in the name, by the authority, and on behalf of the State of Arkansas, charges KATHY KOONE HALL with the crime of violating A.C.A. §5-28-101 EXPLOITATION committed as follows, to wit: The said defendant, in Faulkner County, on or about January 1, 2011 through July 31, 2013, unlawfully, feloniously did commit Exploitation when she misappropriated property of adult long-term care facility resident T.L., which means the deliberate misplacement, exploitation, or wrongful, temporary, or permanent use of an adult long term care facility resident's belongings or money without the adult long-term care facility resident's consent, when the value of the property, asset, or resource was \$2,500.00 or more, against the peace and dignity of the State of Arkansas.

**FELONY INFORMATION
COUNT 10**

Cody Hiland, Prosecuting Attorney of the Twentieth Judicial District of Arkansas, in the name, by the authority, and on behalf of the State of Arkansas, charges KATHY KOONE HALL with the crime of violating A.C.A. §5-28-101 EXPLOITATION committed as follows, to wit: The said defendant, in Faulkner County, on or about January 1, 2011 through July 31, 2013, unlawfully, feloniously did commit Exploitation when she misappropriated property of adult long-term care facility resident C.P., which means the deliberate misplacement, exploitation, or wrongful, temporary, or permanent use of an adult long term care facility resident's belongings or money without the adult long-term care facility resident's consent, when the value of the property, asset, or resource was \$2,500.00 or more, against the peace and dignity of the State of Arkansas.

**FELONY INFORMATION
COUNT 11**

Cody Hiland, Prosecuting Attorney of the Twentieth Judicial District of Arkansas, in the name, by the authority, and on behalf of the State of Arkansas, charges KATHY KOONE HALL with the crime of violating A.C.A. §5-28-101 EXPLOITATION committed as follows, to wit: The said defendant, in Faulkner County, on or about January 1, 2011 through July 31, 2013, unlawfully, feloniously did commit Exploitation when she misappropriated property of adult long-term care facility resident C.R., which means the deliberate misplacement, exploitation, or wrongful, temporary, or permanent use of an adult long term care facility resident's belongings or money without the adult long-term care facility resident's consent, when the value of the property, asset, or resource was \$2,500.00 or more, against the peace and dignity of the State of Arkansas.

**FELONY INFORMATION
COUNT 12**

Cody Hiland, Prosecuting Attorney of the Twentieth Judicial District of Arkansas, in the name, by the authority, and on behalf of the State of Arkansas, charges KATHY KOONE HALL with the crime of violating A.C.A. §5-28-101 EXPLOITATION committed as follows, to wit: The said defendant, in Faulkner County, on or about January 1, 2011 through July 31, 2013, unlawfully, feloniously did commit Exploitation when she misappropriated property of adult long-term care facility resident C.S., which means the deliberate misplacement, exploitation, or wrongful, temporary, or permanent use of an adult long term care facility resident's belongings or money without the adult long-term care facility resident's consent, when the value of the property, asset, or resource was \$2,500.00 or more, against the peace and dignity of the State of Arkansas.

**FELONY INFORMATION
COUNT 13**

Cody Hiland, Prosecuting Attorney of the Twentieth Judicial District of Arkansas, in the name, by the authority, and on behalf of the State of Arkansas, charges KATHY KOONE HALL with the crime of violating A.C.A. §5-28-101 EXPLOITATION committed as follows, to wit: The said defendant, in Faulkner County, on or about January 1, 2011 through July 31, 2013,

unlawfully, feloniously did commit Exploitation when she misappropriated property of adult long-term care facility resident J.S.(I), which means the deliberate misplacement, exploitation, or wrongful, temporary, or permanent use of an adult long term care facility resident's belongings or money without the adult long-term care facility resident's consent, when the value of the property, asset, or resource was \$2,500.00 or more, against the peace and dignity of the State of Arkansas.

**FELONY INFORMATION
COUNT 14**

Cody Hiland, Prosecuting Attorney of the Twentieth Judicial District of Arkansas, in the name, by the authority, and on behalf of the State of Arkansas, charges KATHY KOONE HALL with the crime of violating A.C.A. §5-28-101 EXPLOITATION committed as follows, to wit: The said defendant, in Faulkner County, on or about January 1, 2011 through July 31, 2013, unlawfully, feloniously did commit Exploitation when she misappropriated property of adult long-term care facility resident J.S.(II), which means the deliberate misplacement, exploitation, or wrongful, temporary, or permanent use of an adult long term care facility resident's belongings or money without the adult long-term care facility resident's consent, when the value of the property, asset, or resource was \$2,500.00 or more, against the peace and dignity of the State of Arkansas.

**FELONY INFORMATION
COUNT 15**

Cody Hiland, Prosecuting Attorney of the Twentieth Judicial District of Arkansas, in the name, by the authority, and on behalf of the State of Arkansas, charges KATHY KOONE HALL with the crime of violating A.C.A. §5-28-101 EXPLOITATION committed as follows, to wit: The said defendant, in Faulkner County, on or about January 1, 2011 through July 31, 2013, unlawfully, feloniously did commit Exploitation when she misappropriated property of adult long-term care facility resident B.S., which means the deliberate misplacement, exploitation, or wrongful, temporary, or permanent use of an adult long term care facility resident's belongings or money without the adult long-term care facility resident's consent, when the value of the property, asset, or resource was \$2,500.00 or more, against the peace and dignity of the State of Arkansas.

**FELONY INFORMATION
COUNT 16**

Cody Hiland, Prosecuting Attorney of the Twentieth Judicial District of Arkansas, in the name, by the authority, and on behalf of the State of Arkansas, charges KATHY KOONE HALL with the crime of violating A.C.A. §5-28-101 EXPLOITATION committed as follows, to wit: The said defendant, in Faulkner County, on or about January 1, 2011 through July 31, 2013, unlawfully, feloniously did commit Exploitation when she misappropriated property of adult long-term care facility resident C.E., which means the deliberate misplacement, exploitation, or wrongful, temporary, or permanent use of an adult long term care facility resident's belongings or money without the adult long-term care facility resident's consent, when the value of the

property, asset, or resource is less than \$2,500.00 but more than \$200.00, against the peace and dignity of the State of Arkansas.

**FELONY INFORMATION
COUNT 17**

Cody Hiland, Prosecuting Attorney of the Twentieth Judicial District of Arkansas, in the name, by the authority, and on behalf of the State of Arkansas, charges KATHY KOONE HALL with the crime of violating A.C.A. §5-28-101 EXPLOITATION committed as follows, to wit: The said defendant, in Faulkner County, on or about January 1, 2011 through July 31, 2013, unlawfully, feloniously did commit Exploitation when she misappropriated property of adult long-term care facility resident D.A., which means the deliberate misplacement, exploitation, or wrongful, temporary, or permanent use of an adult long term care facility resident's belongings or money without the adult long-term care facility resident's consent, when the value of the property, asset, or resource is less than \$2,500.00 but more than \$200.00, against the peace and dignity of the State of Arkansas.

**FELONY INFORMATION
COUNT 18**

Cody Hiland, Prosecuting Attorney of the Twentieth Judicial District of Arkansas, in the name, by the authority, and on behalf of the State of Arkansas, charges KATHY KOONE HALL with the crime of violating A.C.A. §5-28-101 EXPLOITATION committed as follows, to wit: The said defendant, in Faulkner County, on or about January 1, 2011 through July 31, 2013, unlawfully, feloniously did commit Exploitation when she misappropriated property of an adult long-term care facility resident which means the deliberate misplacement, exploitation, or wrongful, temporary, or permanent use of an adult long term care facility resident's belongings or money without the adult long-term care facility resident's consent, valued \$1,878.00, against the peace and dignity of the State of Arkansas.

**FELONY INFORMATION
COUNT 19**


Cody Hiland, Prosecuting Attorney of the Twentieth Judicial District of Arkansas, in the name, by the authority, and on behalf of the State of Arkansas, charges KATHY KOONE HALL with the crime of violating A.C.A. §5-55-104 FAILURE TO MAINTAIN MEDICAL RECORDS committed as follows, to wit: The said defendant, in Faulkner County, on or about January 1, 2011 through July 31, 2013, unlawfully, feloniously did fail to complete, retain, provide, and/or maintain all records for the past five (5) years, pertaining to the billed services as required by the Arkansas Medicaid Program, making those records unavailable, and did impair or obstruct the prosecution of a felony, against the peace and dignity of the State of Arkansas.

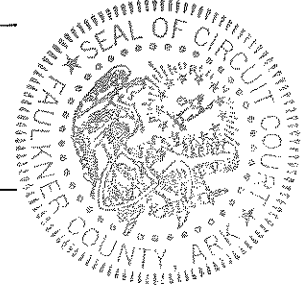
CODY HILAND
PROSECUTING ATTORNEY

By:  _____

Subscribed and sworn to before me this 6 day of Nov, 2014

RHONDA WHARTON
Circuit Clerk

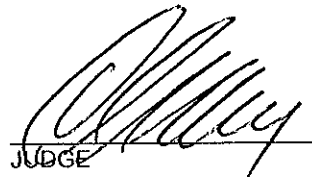
By:  _____
Deputy Circuit Clerk



TO THE CLERK OF THE CIRCUIT COURT OF FAULKNER COUNTY, ARKANSAS

Based upon the sworn testimony of Investigator Strayer and other materials presented therewith, I am satisfied that there is probable cause to believe that the offense alleged in the above Felony Information was committed by the person above described and that there exist probable cause for the issuance of a Warrant for Arrest.

Dated this 4 day of November, 2014.



JUDGE

Prosecutor Number:

INFORMATION OF DEFENDANT

Kathy Deann Koone Hall 02/16/66

6 Coyote Drive
Conway, AR 72032

Custody Status :
Bond Recommended :
Bond Amount :
Bond Type :
SID # :
Arrest Tracking # :
Race : W
Gender : Female

Prosecuting Attorney's Form Affidavit

Form supplied by _____

Date: _____

IN THE DISTRICT COURT OF FAULKNER COUNTY, ARKANSAS

AFFIDAVIT FOR WARRANT OF ARREST FOR THE FOLLOWING PERSON:

<u>Kathy Koone Hall</u>	<u>W</u>	<u>F</u>	<u>02/16/1966</u>
<i>Potential Defendant's Name</i>	<i>Race</i>	<i>Sex</i>	<i>DOB</i>

<u>#6 Coyote Drive, Conway, Arkansas 72032</u>	<u>(501) 450-7615</u>
<i>Address</i>	<i>Phone Number</i>

 B Felony _____ Misdemeanor _____ Violation

Pursuant to Rule 7.1 of the Arkansas Rules of Criminal Procedure, the undersigned affiant being duly sworn, deposes and says that he has reason to believe that the above-named person has committed the offense of violating Ark. Code Ann. §5-55-111 (10), Medicaid Fraud over a period of time from January 1, 2011 through July 31, 2013, committed by unlawfully, feloniously and purposely making or causing to be made any false statement or representation of a material fact in application for benefit or payment in violation of the rules, regulations, and provider agreements issued by the Arkansas Medicaid Program or its fiscal agents, valued over \$2,500, in Faulkner County, Arkansas, against the peace and dignity of the State of Arkansas.

FACTS CONSTITUTING REASONABLE CAUSE

I, Floyd A. Strayer, an experienced investigator for the Medicaid Fraud Control Unit (MFCU) of the Arkansas Attorney General's Office, swear and affirm the following is based upon my investigation.

The Department of Human Services (DHS) and Arkansas Medicaid have a specific program entitled Developmental Disabilities Service (DDS) Community Program – Alternative Community Services (ACS) Waiver Program for persons with developmental disabilities. The program offers certain patient services as an alternative to confining individuals in the state hospital or a human development center. These services are available to individuals age 21 through 64 who receive Supplemental Security Income (SSI) or are Medicaid eligible by virtue of their disability, and who, without the provision of the waiver program would need institutionalization.

Each Medicaid waiver program provider is required to maintain the operation of their business or corporation in accordance with the Medicaid Provider Manual. Each Medicaid waiver program provider must execute a contract with DHS and abide by that contract. The contract specifically states that no service should be billed to Medicaid until after the service has been provided. Medicaid provider contracts require the following specific documentation to be maintained by the provider: 1) a copy of each client's plan of care; 2) a description of the service

provided; 3) the signature and title of the person rendering the service; 4) the beneficiary's signature or mark; 5) the exact date(s) and time(s) the service was rendered. Each Medicaid recipient is required to have a plan of care. The plan of care will be explained below.

The Medicaid Fraud Control Unit of the Arkansas Attorney General's Office was notified by the Prosecuting Attorney's Office of the 20th Judicial District, the Faulkner County Sheriff's Office, the Medicaid Program Integrity Unit of DHS, Independent Case Management Inc. and Arkansas Adult Protective Services that My House, Inc. and Kathy Hall billed Medicaid and received payment for services that were not provided.

Affiant reviewed documents previously filed with the DHS and learned that My House, Inc. of P.O. Box 125, 760 Highway 365 South, Mayflower, Arkansas 72106, contracted with the Arkansas Medicaid Program to provide waiver program services. My House, Inc. contracted to provide supportive living (Community Experiences and Transportation), integrated support, and case management services. Their Medicaid provider numbers are 133127774, 133128775, 133126767, and 133165782.

Affiant reviewed documents previously filed with DHS/DDS and learned that Ms. Kathy Koone Hall was the executive director of My House, Inc., a licensed provider of the Medicaid waiver program for mentally and physically disabled individuals. Kathy Hall was the responsible party and signed all Medicaid contracts for all applicable Medicaid and DHS/DDS Community ACS waiver participation requirements. My House, Inc. is a legal corporation and is registered to do business in the State of Arkansas. Kathy Hall and My House, Inc. contracted to provide staff training, verify and submit claims to Medicaid for payment, and develop plans of care for beneficiaries. The plans of care were designed to provide services specific to each Medicaid beneficiary and tailored to help each beneficiary improve skills necessary to reside successfully in the home and in a community based setting. Kathy Hall and My House, Inc. contracted to provide services according to each beneficiary's approved plan of care. Kathy Hall and My House, Inc. were allowed to bill Medicaid for services in the amount and frequency detailed in the plan of care and only after services were rendered.

My House, Inc. and Kathy Hall contracted to submit a plan of care to DHS/DDS directly related to the needs of each beneficiary along with projected costs of those services, plus an additional twenty percent. The twenty percent is included in the daily rate which will be explained. The amount billed for each beneficiary served by the waiver program varied by individual and by the extent of assistance required. Kathy Hall and My House, Inc. submitted a total amount of dollars that would be needed to care for a beneficiary for a specific time, usually one year. The submissions were made annually to DHS/DDS. Once approved by DHS/DDS, total dollar amounts for the plans of care were divided by the number of days in the contract period resulting in the daily rate for that beneficiary. The contracts excluded payment for days that the Medicaid beneficiaries spent away from My House, Inc., meaning that Medicaid will not pay for every day during the time period of the contract. Kathy Hall was permitted to bill Medicaid for the daily rate for each client only after services were provided.

My House, Inc. permanently closed on May 31, 2013. Documentation revealed that prior to May 31, 2013, Kathy Hall billed Medicaid for providing services to beneficiaries after the date My House, Inc. permanently closed. Therefore, Kathy Hall billed Medicaid for services that were never rendered. Services that were "pre-billed" for dates after May 31, 2013 were never provided because My House, Inc. permanently closed on May 31, 2013. This type of pre-billing is specifically prohibited by the rules and regulations of the Arkansas Medicaid program and by the contract between Kathy Hall as a representative of My House, Inc. and the Arkansas Department of Human Services. Records reveal that Kathy Hall and My House, Inc. had been pre-billing in the months leading up to the closure of My House, Inc. Pre-billing is a specific

violation of the contract that Kathy Hall and My House, Inc. had with DHS/DDS. Thus, all pre-bills to Medicaid for payment are fraudulent because no service had been provided at the time that Kathy hall billed Medicaid.

On June 1, 2013, the beneficiaries under the care of My House, Inc. were transferred to other providers. At the time that My House, Inc. closed, there were still time periods remaining on the contract for the beneficiary's plans of care, but Kathy Hall had already billed Medicaid for the total amount that Medicaid would pay for that beneficiary during the contract's time. Because of Kathy Hall's fraudulent bills, the new providers were unable to gain financial compensation from Medicaid for caring for the beneficiaries that had been with Kathy Hall and My House, Inc. prior to May 31, 2013 until each beneficiary's contract was to be renewed. When the new providers made contact with the beneficiaries on June 1, 2013, they found that the beneficiaries did not have cleaning supplies, nutritious food and some of them did not have beds large enough for them to sleep in.

Altogether, My House Inc. fraudulently billed \$90,566.49 among six Medicaid recipients during 2012 and 2013. Though these recipients received daily in-home supportive care, in some cases Kathy Hall exhausted their Medicaid disbursements with over six months of service remaining to be performed under the contract. Coupled with the transfer of care to other providers after the closure of My House, Inc., the exhaustion of these funds prevented Medicaid from compensating the new healthcare providers, as My House, Inc. had already collected the funds slated to be used for care throughout the entire year.

My House, Inc. and Kathy Hall contracted with Medicaid to provide services to beneficiary D.A. from July 9, 2012 to July 8, 2013. DDS authorized a daily rate of \$106.36 for 365 days amounting to a total of \$38,819.58. As of January 5, 2013, Kathy Hall and My House, Inc. had billed Medicaid \$39,165, exhausting the disbursement 184 days in advance of the contracted 365 days, as there are 184 days between January 5, 2013 and July 8, 2013. Affiant multiplied the daily rate and the remaining days left on the contract to calculate the amount of pre-billing fraud. Affiant calculated that Kathy Hall's fraudulent pre-billing amounted to \$19,570.24 ($184 \times 106.36 = 19,570.24$).

My House, Inc. and Kathy Hall contracted with Medicaid to provide services to beneficiary W.D. from July 8, 2012 to July 7, 2013. DDS authorized a daily rate of \$78.89 for 335 days amounting to a total of \$26,428.15. As of December 7, 2012, Kathy Hall and My House, Inc. had billed Medicaid \$31,419.54, exhausting the disbursement 182 days in advance of the contract termination. There are 212 days between December 7, 2012 and July 7, 2013, but in order to arrive at the number of remaining contract days, affiant subtracted 30 days from that number to reflect the number of contract days at the outset (335). Affiant multiplied the daily rate and the remaining days left on the contract to calculate the amount of pre-billing fraud. Affiant calculated that Kathy Hall's fraudulent pre-billing amounted to \$14,357.98 ($182 \times 78.89 = 14,357.98$).

My House, Inc. and Kathy Hall contracted with Medicaid to provide services to beneficiary C.E. from March 1, 2012 to January 14, 2013. DDS authorized a daily rate of \$176.00 for 320 days amounting to a total of \$56,870.60. As of November 30, 2012, Kathy Hall and My House, Inc. had billed Medicaid \$56,870.60, exhausting the disbursement 45 days in advance of January 14, 2013. Affiant multiplied the daily rate and the remaining days left on the contract to calculate the amount of pre-billing fraud. Affiant calculated that Kathy Hall's fraudulent pre-billing amounted to \$7,920.00 ($45 \times 176 = 7920$).

My House, Inc. and Kathy Hall contracted with Medicaid to provide services to beneficiary C.R. from July 7, 2012 to July 6, 2013. DDS authorized a daily rate of \$133.01 for 365 days amounting to a total of \$48,547.30. As of March 7, 2013, Kathy Hall and My House,

Inc. had billed Medicaid \$50,242.49, exhausting the disbursement 120 days in advance of July 6, 2013. Affiant multiplied the daily rate and the remaining days left on the contract to calculate the amount of pre-billing fraud. Affiant calculated that Kathy Hall's fraudulent pre-billing amounted to \$15,961.20 ($133.01 \times 120 = 15,961.20$).

My House, Inc. and Kathy Hall contracted with Medicaid to provide services to beneficiary C.R. from July 7, 2012 to July 6, 2013. DDS authorized a daily rate of \$133.01 for 365 days amounting to a total of \$48,547.30. As of March 7, 2013, Kathy Hall and My House, Inc. had billed Medicaid \$52,322.54, exhausting the disbursement 113 days in advance of July 6, 2013. Affiant multiplied the daily rate and the remaining days left on the contract to calculate the amount of pre-billing fraud. Affiant calculated that Kathy Hall's fraudulent pre-billing amounted to \$15,030.13 ($113 \times 133.01 = 15030.13$).

My House, Inc. and Kathy Hall contracted with Medicaid to provide services to beneficiary C.S. from August 7, 2012 to July 5, 2013. DDS authorized a daily rate of \$89.53 for 293 days amounting to a total of \$26,232.29. As of November 10, 2012, Kathy Hall and My House, Inc. had billed Medicaid \$26,435, exhausting the disbursement 198 days in advance of July 5, 2013. Affiant multiplied the daily rate and the remaining days left on the contract to calculate the amount of pre-billing fraud. Affiant calculated that Kathy Hall's fraudulent pre-billing amounted to \$17,726.94 ($89.53 \times 198 = 17726.94$).

Recipient	Daily Rate	Contract Days Remaining	Amount Fraudulently Billed
D.A.	\$106.36	184	\$19,570.24
W.D.	\$78.89	182	\$14,357.98
C.E.	\$176.00	45	\$7,920.00
C.R.	\$133.01	120	\$15,961.20
E.R.	\$133.01	113	\$15,030.13
C.S.	\$89.53	198	\$17,726.94
TOTAL			\$90,566.49

As stated above, on May 31, 2013, My House, Inc. ceased operations and all clients were transferred to other care providers. Kathy Hall and My House, Inc. had pre-billed Medicaid \$90,566.49 for services to clients that were not provided. Because Kathy Hall "pre-billed" for services in direct violation of Arkansas state law and the rules and regulations of the Medicaid waiver program, these clients were left without Medicaid funding for the time period remaining on each individual contract.

Affiant reviewed Kathy Hall's electronic billings submitted to the Medicaid program by My House, Inc. for the dates of service and time period of January 1, 2011 through May 31, 2013. Affiant compared the claims with contracts for service, personal service plans and the approved supportive living plans of care approved for reimbursement by DDS. The care provider notes are required to outline what required services were provided and should be signed by both the provider as well as that of the beneficiary. The documentation reviewed by affiant did not conform to the Medicaid waiver program and the provider notes were not signed by the Medicaid beneficiary as required.

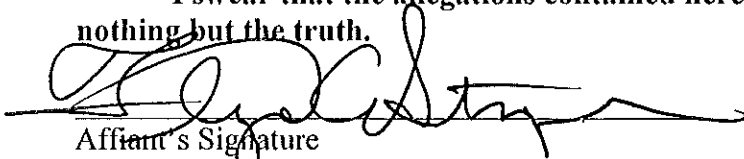
Affiant interviewed past employees, family and some recipients who advised Kathy Hall supervised all operations, and personally handled all mail, Medicaid contracts, payments, collections, billings, trust accounts, and all of the bank accounts of My House, Inc. My House, Inc. was required to be registered with the Office of the Secretary of State and to provide updates of changes made in the structure of the board of directors. Members of the My House, Inc. board

of directors were contacted and stated they had not been included in a board of directors meeting for several years and never received any communication from My House, Inc. or Kathy Hall.

Affiant reviewed the financial records of My House, Inc. and Kathy Hall. The review of the financial records indicated Medicaid payments were made electronically to a My House Inc. designated U.S. Bank account ending in 6410. Once the Medicaid dollars were deposited in that account, within several minutes, the money was transferred from that account into another My House, Inc. account at U.S. Bank ending in 2495. The funds were then transferred from that account to another My House, Inc. account at Centennial Bank (First State Bank) ending in 9929. All accounts were in the name of My House, Inc. The only authorized signee on all of the accounts was identified as Kathy Hall. In some cases, the money was withdrawn in cash and in some cases through the use of a cashier's check. Kathy Hall had complete control of the money paid by Medicaid. The only signature found on any and all checks associated with these accounts was the signature of Kathy Hall.

Affiant found Kathy Koone Hall purposely made fraudulent payment claims to Medicaid for services not provided in an amount of at least \$90,566.49.

I swear that the allegations contained here in are the truth, the whole truth and nothing but the truth.



Affiant's Signature
Floyd A. Strayer
Investigator
Medicaid Fraud Control Unit
Attorney General's Office
323 Center Street
200 Catlett-Prien Building
Little Rock, AR 72201
(501) 682-6070

Subscribed and sworn to before me this 4 day of November, 2014.

District Court Clerk By: _____



(Deputy Clerk)
Circuit Judge

I hereby find that this sworn affidavit demonstrates reasonable and probable cause for the issuance of a warrant of arrest for the above-named individual for the above-stated offense.

District Judge



Faulkner County District Court,
Conway, Arkansas
Circuit

Prosecuting Attorney's Form Affidavit

Form supplied by _____

Date: _____

IN THE DISTRICT COURT OF FAULKNER COUNTY, ARKANSAS

AFFIDAVIT FOR WARRANT OF ARREST FOR THE FOLLOWING PERSON:

<u>Kathy Koone Hall</u>	<u>W</u>	<u>F</u>	<u>02/16/1966</u>
<i>Potential Defendant's Name</i>	<i>Race</i>	<i>Sex</i>	<i>DOB</i>

<u>#6 Coyote Drive, Conway, Arkansas 72032</u>	<u>(501) 450-7615</u>
<i>Address</i>	<i>Phone Number</i>

 B Felony Misdemeanor Violation

Pursuant to Rule 7.1 of the Arkansas Rules of Criminal Procedure, the undersigned affiant being duly sworn, deposes and says that he has reason to believe that the above-named person has committed the offense of violating Ark. Code Ann. §5-28-101 (5)(B) Exploitation. Over a period of time from January 1, 2011 through July 31, 2013, committed by unlawfully misappropriating property of an adult in long term care facility resident which means the deliberate misplacement, exploitation, or wrongful, temporary, or permanent use of an adult long term care facility resident's belongings or money without the adult long-term care facility resident's consent, in an amount greater than \$2,500, against the peace and dignity of the State of Arkansas.

FACTS CONSTITUTING REASONABLE CAUSE

I, Floyd A. Strayer, an experienced investigator for the Medicaid Fraud Control Unit (MFCU) of the Arkansas Attorney General's Office, swear and affirm the following is based upon my investigation.

The Department of Human Services (DHS) and Arkansas Medicaid have a specific program entitled Developmental Disabilities Service (DDS) Community Program – Alternative Community Services (ACS) Waiver Program for persons with developmental disabilities. The program offers certain services as an alternative to confining individuals in the state hospital or a human development center. These services are available to individuals age 21 through 64 who receive Supplemental Security Income (SSI) or are Medicaid eligible by virtue of their disability, and who, without the provision of the waiver program would need institutionalization.

Affiant reviewed documents previously filed with DHS/DDS and learned that Ms. Kathy Koone Hall was the executive director of My House, Inc., a licensed provider of the Medicaid waiver program for mentally and physically disabled individuals. My House, Inc. provided long term personal care services. The individuals who received the services were all impaired adults, and all but one of them was a Medicaid beneficiary meaning that Medicaid paid My House, Inc. to provide waiver program services. Kathy Hall was the responsible party and signed all Medicaid contracts for all applicable Medicaid and DDS Community ACS waiver participation

requirements. My House, Inc. is a legal corporation and is registered to do business in the State of Arkansas. During the period in question, Kathy Hall was the executive director of My House, Inc.

Affiant reviewed documents, bank records, expense sheets, receipts and records associated with the trust fund accounts of beneficiaries served by Kathy Hall and My House, Inc. My House, Inc. was located at P.O. Box 125, 760 Highway 365 South, Mayflower, Arkansas 72106. Affiant also interviewed witnesses, including employees and past employees of My House, Inc. in relation to My House, Inc. and Kathy Hall. As the executive director, Kathy Hall established checking accounts for all beneficiaries at various banking institutions in and around Conway, Arkansas. Kathy Hall was a co-signer on all of the accounts and maintained control of all checks and banking cards associated with those accounts. Kathy Hall was required by the Medicaid contract and Rules 405 (D) and (E) of the DDS waiver program Provider Manual to ensure the personal funds and assets of each beneficiary cared for by My House, Inc. were safeguarded, protected and adequately managed.

The Medicaid Fraud Control Unit of the Arkansas Attorney General's Office was notified by the Prosecuting Attorney's Office of the 20th Judicial District, the Faulkner County Sheriff's Office, the Medicaid Program Integrity Unit of DHS, Independent Case Management, Inc. and Arkansas Adult Protective Services that My House, Inc. and Kathy Hall were not maintaining the trust accounts of the beneficiaries of My House, Inc. properly and that the beneficiaries' money was not being used for their benefit.

Kathy Hall handled all of the trust fund accounts for all of My House, Inc.'s beneficiaries. Kathy Hall maintained on her person or in a locked desk drawer the automated teller machine (ATM) cards and check books for each beneficiary's bank account. Affiant found numerous cash withdrawals for hundreds of dollars and checks written from the beneficiaries' accounts with no receipts, records or documentation as to what the money was used for.

My House, Inc. went out of business on May 31, 2013. All of the beneficiaries were transferred to other providers as June 1, 2013. When the new providers made contact with the beneficiaries on June 1, 2013, they found that the beneficiaries did not have cleaning supplies; nutritious food and some of them did not have beds large enough for them to sleep in.

Kathy Hall withdrew cash from various First Security Bank ATMs in Conway, Arkansas using the debit card of beneficiary C.E. twenty-eight (28) separate times totaling \$1,960.00 between April 15, 2011 and June 7, 2013. These withdrawals ranged from \$40.00 to \$90.00. On June 7, 2013, Kathy Hall withdrew \$80.00 from the First Security Bank North ATM in Conway. As My House, Inc. had already closed on May 31, 2013, this withdrawal occurred after her fiduciary duty on behalf of C.E. had ended. In each instance, and in violation of her duties as a Medicaid service provider, Kathy Hall failed to document any justification or purpose for any of these cash withdrawals. During the time period that C.E. was supposed to be cared for by My House, Inc., Kathy Hall agreed to make mortgage payments on a house that C.E. was purchasing because she was in control of C.E.'s account. Even though Kathy Hall made withdrawals from the account totaling \$1,960.00, she did not make timely mortgage payments and allowed his mortgage to be eighteen months in arrears.

Kathy Hall withdrew cash from Regions Bank ATMs in Conway, Arkansas and Branson, Missouri using the debit card of beneficiary D.A. six (6) separate times totaling \$1,200.00 between November 25, 2012 and February 15, 2013. These withdrawals ranged from \$100.00 to \$400.00. On November 25, 2012, Kathy Hall withdrew \$100.00 at a Regions ATM in Branson, Missouri. There is no indication that this served any reasonable purpose for D.A. or that he was in or around Branson, Missouri on the date in question. In each instance, and in violation of her

duties as a Medicaid service provider, Kathy Hall failed to document any justification or purpose for any of these cash withdrawals.

Kathy Hall withdrew cash from various Regions Bank ATMs in Conway, Arkansas using the debit card of beneficiary W.D. seventeen (17) separate times totaling \$6,336.80 between January 17, 2012 and February 15, 2013. These withdrawals ranged from \$100.00 to \$400.00. In each instance, and in violation of her duties as a Medicaid service provider, Kathy Hall failed to document any justification or purpose for these cash withdrawals.

Kathy Hall withdrew cash from various First Security/Centennial Bank ATMs in Conway and Vilonia, Arkansas using the debit card of beneficiary J.K. thirty (30) separate times totaling \$5,448.00 between January 13, 2011 and May 14, 2013. These withdrawals ranged from \$30.00 to \$400.00. In each instance, and in violation of her duties as a Medicaid service provider, Kathy Hall failed to document any justification or purpose for any of these cash withdrawals.

Kathy Hall withdrew cash from various Regions Bank ATMs in Conway, Arkansas using the debit card of beneficiary T.L. thirteen (13) separate times totaling \$4,240.00 between January 27, 2012 and February 15, 2013. These withdrawals ranged from \$60.00 to \$400.00. On January 27, 2012, Kathy Hall withdrew \$580.00 over two (2) separate transactions. In each instance, and in violation of her duties as a Medicaid service provider, Kathy Hall failed to document any justification or purpose for any of these cash withdrawals.

Kathy Hall withdrew cash from various First Security/Centennial Bank ATMs in Conway, Arkansas and Branson, Missouri using the debit card of beneficiary C.P. fifteen (15) separate times totaling \$3,834.00 between January 13, 2012 and December 15, 2012. These withdrawals ranged from \$100.00 to \$400.00. On April 6, 2012, Kathy Hall withdrew \$800.00 over two separate transactions. On December 15, 2012, Kathy Hall withdrew \$203.00 in Branson, Missouri. There is no indication that this served any reasonable purpose for C.P. or that he was in or around Branson, Missouri on the date in question. In each instance, and in violation of her duties as a Medicaid service provider, Kathy Hall failed to document any justification or purpose for these cash withdrawals.

Kathy Hall withdrew cash from various First Security/Centennial Bank ATMs in Conway, Arkansas using the debit card of beneficiary C.R. twenty-one (21) separate times totaling \$5,728.00 between January 13, 2011 to February 15, 2013. These withdrawals ranged from \$80.00 to \$400.00. On May 14, 2012, Kathy Hall withdrew \$902.00 over two (2) separate transactions. In each instance, and in violation of her duties as a Medicaid service provider, Kathy Hall failed to document any justification or purpose for any of these cash withdrawals.

Kathy Hall withdrew cash from various First Security/Centennial Bank ATMs in Conway, Arkansas, Vilonia, Arkansas, and Branson, Missouri using the debit card of beneficiary C.S. fifty-seven (57) separate times totaling \$19,231.00 between January 17, 2011 and June 7, 2013. These withdrawals ranged from \$40.00 to \$500.00. On November 25, 2011, Kathy Hall withdrew \$403.00 in Branson, Missouri. There is no indication that this served any reasonable purpose for C.S. or that he was in or around Branson, Missouri on the date in question. On June 3, 2013 Kathy Hall withdrew \$802.00 over two separate transactions. On June 7, 2013, Kathy Hall withdrew \$400.00. My House Inc. closed on May 31, 2013. These withdrawals occurred after the closure and when Kathy Hall had no authorization to make any withdrawal. In each instance, and in violation of her duties as a Medicaid service provider, Kathy Hall failed to document any justification or purpose for any of these cash withdrawals.

Kathy Hall withdrew cash from various First Security/Centennial Bank ATMs in Conway and Vilonia, Arkansas using the debit card of beneficiary J.S.1 (two beneficiaries have the initials J.S.) twenty-four (24) separate times totaling \$4,216.00 between January 13, 2011 and October 19, 2012. These withdrawals ranged from \$40.00 to \$402.00. In each instance, and in

violation of her duties as a Medicaid service provider, Kathy Hall failed to document any justification or purpose for any of these cash withdrawals.

Kathy Hall withdrew cash from various Regions Bank ATMs in Conway, Arkansas using the debit card of beneficiary J.S.2 sixteen (16) separate times totaling \$3,700.00 between January 6, 2012 and February 15, 2013. These withdrawals ranged from \$40 to \$400.00. In each instance, and in violation of her duties as a Medicaid service provider, Kathy Hall failed to document any justification or purpose for any of these cash withdrawals.

Kathy Hall withdrew cash from various First Security/Centennial Bank ATMs in Conway, Arkansas and Branson, Missouri using the debit card of beneficiary B.S. thirty-nine (39) separate times totaling \$9,973.00 between January 13, 2011 and June 7, 2013. These withdrawals ranged from \$20.00 to \$500.00. On November 25, 2011, Kathy Hall withdrew \$103.00 from an ATM in Branson, Missouri. There is no indication that this served any reasonable purpose for B.S. or that he was in or around Branson, Missouri on the date in question. On June 7, 2013, Kathy Hall withdrew \$400.00. My House Inc. closed on May 31, 2013. These withdrawals occurred after the closure and when Kathy Hall had no authorization to make any withdrawal. In each instance, and in violation of her duties as a Medicaid service provider, Kathy Hall failed to document any justification or purpose for any of these cash withdrawals.

Beneficiary	Amount Fraudulently Withdrawn
D.A.	\$1,200.00
W.D.	\$6,336.80
C.E.	\$1,960.00
J.K.	\$5,448.00
T.L.	\$4,240.00
C.P.	\$3,834.00
C.R.	\$5,728.00
C.S.	\$19,231.00
J.S. (I)	\$4,216.00
J.S. (II)	\$3,700.00
B.S.	\$9,973.00
TOTAL	\$65,866.80

The total dollar amount taken from the beneficiaries' accounts equaled \$65,866.80. Kathy Hall's failure to perform routine accountings on each account resulted in numerous overdraft charges, insufficient fund fees and late fees for these beneficiaries which caused \$1,878.00 in unnecessary fees and fines.

Affiant's review of the banking records for the beneficiaries of My House, Inc. and the review of the accounts showed that after the transfer of all beneficiaries to other providers, Kathy Hall used the beneficiaries' ATM cards at various locations in and around Conway, Arkansas to unlawfully obtain cash from the accounts. Affiant further discovered checks written out of the accounts to My House, Inc. just prior to the closure of the business with no accounting of how the money was used. Based on the condition of the residents on June 1, 2013, this money was not used for the benefit of the beneficiaries.

Affiant interviewed past employees, family and some recipients who advised Kathy Hall supervised all operations, and personally handled all mail, Medicaid contracts, payments, collections, billings, trust accounts, and all My House, Inc. bank accounts. My House, Inc. was required to be registered with the Secretary of State's Office providing updates of changes made

in the structure of the board of directors. Members of the My House, Inc. board of directors were contacted and stated they had not been included in a board of directors meeting for several years and never received any communication from My House, Inc. or Kathy Hall.

Affiant found Kathy Koone Hall unlawfully misappropriated the money of impaired adult long term care facility residents in the amount of \$65,866.80. Kathy Koone Hall's mismanagement of the beneficiaries' accounts caused \$1878.00 in unnecessary costs, penalties and fees. Because of the actions of Kathy Koone Hall, these eleven beneficiaries were exploited out of \$67744.80.

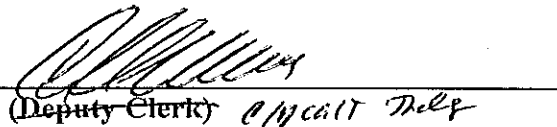
I swear that the allegations contained herein are the truth, the whole truth and nothing but the truth.



Affiant's Signature
Floyd A. Strayer
Investigator
Medicaid Fraud Control Unit
Attorney General's Office
323 Center Street
200 Catlett-Prien Building
Little Rock, AR 72201
(501) 682-6070

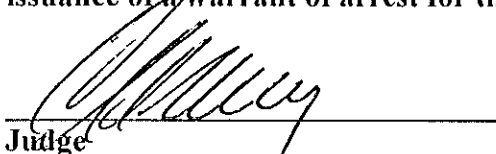
Subscribed and sworn to before me this 4 day of November, 2014.

District Court Clerk By: _____



(Deputy Clerk) *apcait Delg*

I hereby find that this sworn affidavit demonstrates reasonable and probable cause for the issuance of a warrant of arrest for the above-named individual for the above-stated offense.



Judge
Faulkner County District Court,
Conway, Arkansas