

COPY

BENCH WARRANT

FAULKNER COUNTY CIRCUIT COURT

3RD DIVISION

STATE OF ARKANSAS)
COUNTY OF FAULKNER)

ss. 2302-14-978

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

You are hereby commanded forthwith to arrest:

MELANIE RAY KOONE MCCARTY
#6 Coyote Drive
Conway, AR 72032

SEX : FEMALE
RACE : W
DOB : 08/24/1986
ATN :

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 :

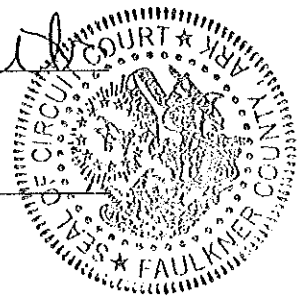
Code #	Offense	A/C /S	Offense Date	Cou nts	F/ M	Cla ss
5-55-111	CRIMINAL ACTS CONSTITUTING MEDICAID FRAUD		1/1/11-7/31/13	6	F	B
5-28-101	EXPLOITATION		6/7/2013	2	F	B

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: [Signature]
D.C.



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 FILED
TWENTIETH JUDICIAL DISTRICT

3RD DIVISION

2014 NOV 6 PM 12 57

STATE OF ARKANSAS

RHONDA PLAINTIFF CLK

VS

CR 14-978

BY BD CC

MELANIE RAY KOONE MCCARTY

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 MELANIE RAY KOONE MCCARTY 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 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 less than \$2,500.00 but more than \$200.00, 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 MELANIE RAY KOONE MCCARTY 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 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 less than \$2,500.00 but more than \$200.00, 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 MELANIE RAY KOONE MCCARTY 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 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 less than \$2,500.00 but more than \$200.00, 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 MELANIE RAY KOONE MCCARTY 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 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 less than \$2,500.00 but more than \$200.00, 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 MELANIE RAY KOONE MCCARTY 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 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 less than \$2,500.00 but more than \$200.00, 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 MELANIE RAY KOONE MCCARTY 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 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 less than \$2,500.00 but more than \$200.00, 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 MELANIE RAY KOONE MCCARTY 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 June 7, 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 less than \$2,500.00 but more than \$200.00, 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 MELANIE RAY KOONE MCCARTY 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 June 7, 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 less than \$2,500.00 but more than \$200.00, against the peace and dignity of the State of Arkansas.

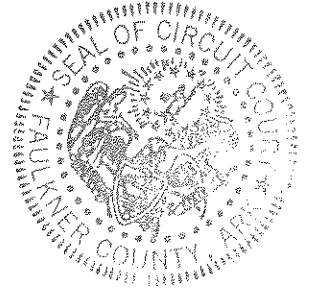
CODY HILAND
PROSECUTING ATTORNEY

By: [Signature]

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

RHONDA WHARTON
Circuit Clerk

By: [Signature]
Deputy Circuit Clerk



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

Based upon the sworn testimony of Senior 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.

[Signature]
JUDGE

Prosecutor Number:

INFORMATION OF DEFENDANT

Melanie McCarty 08/24/86

6 Chipmunk 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>Melanie Ray Koone McCarty</u>	<u>W</u>	<u>F</u>	<u>08/24/1986</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) 733-5607</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 less than \$2,500.00 but more than \$200.00 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 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 the 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 beneficiary is required to have a plan of care. The plan of care will be explained below.

Each Medicaid waiver program provider is required to employ or contract with a case manager for each beneficiary served. Case management services are a separate entity from and paid in addition to the Medicaid waiver program. The case manager is to assist beneficiaries in gaining access to needed waiver services as well as other Medicaid services such as needed medical, social, educational and other generic services. Case management services include guidance and support in all life activities. Case management services are billed separate from the other waiver programs and must also conform to the Medicaid requirement of billing only after services are documented and rendered. The maximum reimbursement limit is \$117.70 per beneficiary per month and \$1,412.40 per person per year.

Section 700 of the DDS Waiver Program, item 702 states "Certified Case Management (CM) providers must demonstrate evidence of the following personnel requirements:

A. CM staff must meet all of the following minimum requirements prior to working with consumers:

1. Hold a Bachelor's degree in a human services related field OR
Have two (2) years of advanced education in the field of human services plus two (2) years experience as a case manager working with individuals with developmental disabilities or a related field. Four (4) years experience working as a case manager with individuals with a developmental disability, or four (4) years experience as a case manager in a related field may be substituted for education.
OR
Have two (2) years verifiable satisfactory experience with individuals with developmental disabilities prior to employment and is mentored by a certified CM for the first two (2) years of employment.
Note: This standard applies to those Case Managers hired after 11/01/07.
2. Have satisfactorily passed a criminal background check, and adult and child maltreatment registry checks. Criminal background and adult maltreatment checks must be repeated every five (5) years, and child maltreatment checks must be repeated every two (2) years.
3. Have completed a drug screen in accordance with the organization's policies and procedures. Documentation shall be maintained for review by DDS."

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, Medicaid Program Integrity Unit of DHS, Independent Case Management, Inc. and Arkansas Adult Protective Services that My House, Inc. and Kathy Hall billed and received payment from Medicaid for services that were not rendered.

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 DDS Medicaid 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 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.

In 2004, My House, Inc. and Kathy Hall employed Melanie McCarty (daughter of Kathy Hall) initially to be an assistant to the director. In 2010, Melanie McCarty became the case manager for My House, Inc. A review of the personnel records of Melanie McCarty revealed she did not have and never received a Bachelor's degree from any university. There is no documentation that Melanie McCarty ever worked or was employed as a case manager in any related field. The training records for Melanie McCarty revealed she never received the required training or was mentored by a certified case manager as required by Section 702 A-1 of the ACS (Alternative Community Services) Waiver Service Provider Manual. Melanie McCarty did not meet the minimum requirements to be a case manager.

A review of the documentation available from My House, Inc. revealed that Melanie McCarty wrote and signed case management notes indicating that she had face to face meetings with beneficiaries of My House, Inc. at Work Force in Conway. Work Force is the adult component of the Faulkner County Day School. The program provides an environment where persons with developmental disabilities can meet, interact, study, and work with others sharing similar goals and aspirations. Work Force contracts with local businesses and industries for work which the companies need to have completed, and which Medicaid beneficiaries (people with developmental disabilities) can do. The beneficiaries are paid for the work they do. All visitors of the beneficiaries are required to sign in and out of the Work Force centers.

Section 706 of the ACS (Alternative Community Services) waiver service provider manual requires case management notes which include a specific date and time of service, summary of the visit and signature of the provider and recipient. Case management notes are used to verify services and billing to Medicaid. Affiant determined Melanie McCarty was not present at Work Force on the dates she noted in her case management notes. Affiant further determined through interviews and documentation she never visited her clients at Work Force. Affiant interviewed the executive director of Work Force who advised that everyone who visits Work Force must sign in and out of the building. The sign in/sign out policy is strictly adhered to. The director further stated she and her employees are familiar with Melanie McCarty, and after inquiring with staff, found that none of her employees ever remembered Melanie McCarty visiting any of the My House, Inc. beneficiaries at Work Force.

On July 8, 15, and 27, 2011, Melanie McCarty signed one case management note stating that she went to see beneficiary C.R. at his house and at Work Force. According to the notes, McCarty observed C.R. for a few minutes while C.R. was in class. There is no documentation in the personal care logs to indicate that Melanie McCarty ever visited beneficiary C.R. at his home or ever signed into or out of Work Force of Faulkner County. Medicaid was billed and paid \$117.70. Personal Care logs are required by the Waiver Program to verify services conform to the certified pan of care and for verification of services provided. Each personal care provider is to make notes of their interaction and progress with each recipient.

On August 12, 17, and 30, Melanie McCarty signed case management notes stating that she went to see beneficiary C.R. at his house and at Work Force. According to the notes,

McCarty observed C.R. for a period of time before entering Work Force. There are no notes by care providers that she ever visited the home and Work Force reports she never visited any of the My House clients at Work Force and never signed into or out of Work Force as required. Medicaid was billed and paid \$117.70.

On November 11, and 17, 2011, Melanie McCarty signed case management notes indicating she visited with beneficiary C.R. at his house and Work Force. Again, she never signed into or out of Work Force and there were no notations by care providers that she ever visited his home during this time period. Medicaid was billed and paid \$117.70.

On December 8, 16, and 19, 2011, Melanie McCarty signed case management notes that she went to visit beneficiary C.R. at his house and Work Force. There are no sign-in records of her visit to Work Force and the care provider never notes a visit to C.R.'s home. Medicaid was billed and paid \$117.70.

On January 10, 19, and 31, 2012, Melanie McCarty signed case management notes stating that she went to see beneficiary C.R. at his house and Work Force. There are no records of Melanie McCarty signing into or out of Work Force for that time period and no notation by care providers that she ever visited him at home. Medicaid was billed and paid \$117.70.

On February 2, 17, and 28, 2012 Melanie McCarty signed case management notes stating that she went to see beneficiary C.R. at his house and at work. According to the notes, she observed him for a few minutes in his class before she went in. There is no documentation in the personal care logs to indicate that Melanie McCarty ever visited beneficiary C.R. at his home or ever signed into or out of Work Force. Medicaid was billed and paid \$117.70.

The total case management fraudulent billings for beneficiary C.R. is \$706.20.

On December 8, 16, and 19, 2011, Melanie McCarty signed case management notes stating that she went to see beneficiary E.R. at his house and at Work Force. She observed him for a few minutes in his class before she went in. There is no documentation in the personal care logs to indicate that Melanie McCarty ever visited beneficiary E.R. at his home or ever signed into or out of Work Force. Medicaid was billed and paid \$117.70.

The same was found to have occurred March 9 and 13, 2012; May 11, 18 and 30, 2012; June 8 and 20, 2012; and August 10, 21 and 29, 2012. Medicaid was billed and paid a total of \$588.50 for those months.

On October 21, 2010, Melanie McCarty signed case management notes stating that she went to see beneficiary M.S. at Work Force due to UCA (M.S.'s normal work place) being closed. There are no records of McCarty ever visiting beneficiary M.S. at Work Force. Medicaid was billed and paid \$117.70. On November 5, 2010, Melanie McCarty signed case management notes that she saw beneficiary M.S. at Work Force. There are no records of Ms. McCarty ever signing in or out of Work Force for that time period. Medicaid was billed and paid \$117.70. On December 17, 2010; May 17 and 25, 2011; June 1 and 21, 2011; July 20 and 28, 2011; August 9 and 31, 2011; September 8 and 9, 2011; and February 17 and 24, 2012, Melanie McCarty signed case management notes stating that she went to Work Force of Faulkner County to talk with beneficiary M.S. There are no records of her ever signing into or out of Work Force. Medicaid was billed and paid \$117.70 on each of these occasions for a total of \$1,059.30 in fraudulent bills.

On February 9, 24, and 29, 2012, Melanie McCarty made and signed case management notes stating she talked to beneficiary J.K. to encourage him to go back to Faulkner County Day School. A review of the sign-in logs for Faulkner County Day school reveals beneficiary J.K. was already attending classes and working at Faulkner County Day school. Medicaid was billed and paid a total of \$117.70. On March 9, 13, and 30, 2012, Melanie McCarty signed case management notes stating that she talked with beneficiary J.K. to encourage him to go back to

Work Force because "Medicaid wanted him to". Beneficiary J.K. had been continuously attending classes at Work Force since February 13, 2012. Medicaid was billed and paid \$117.70.

On May 11, 18, and 31, 2012, Melanie McCarty signed case management notes stating that she went to Work Force and visited with beneficiary J.K. There is no record of Melanie McCarty ever signing into or out of Work Force during that time period. Medicaid was billed and paid a total of \$117.70.

On June 6, 20, 21, and 22, 2012, Melanie McCarty signed case management notes stating that she visited with beneficiary J.K. at Work Force. She also indicated she had talked to beneficiary J.K. about some problems at Work Force that caused him to be sent home from Work Force. Affiant reviewed all Work Force records of attendance along with the sign-in and sign-out logs and no record of Melanie McCarty ever visiting Work Force could be found. The records revealed that beneficiary J.K. was never sent home early or barred from attending Work Force. Medicaid was billed and paid \$117.70.

On December 9 and 14, 2011, Melanie McCarty signed case management notes stating that she talked with beneficiary J.K. in reference to a visit he had with his family at Christmas time and that the occasion was depressing because of the death of his sister. These notes were written and signed prior to Christmas. Medicaid was billed and paid \$117.70 for these fraudulent services. Medicaid was billed and paid a total of \$117.70.

Medicaid was billed a total of \$588.50 in fraudulent billings for services not rendered to J.K.

On January 10 and 27, 2012, Melanie McCarty made and signed case management notes stating that she talked to beneficiary D.A. at Work Force. There is no record of Melanie McCarty ever signing into or out of Work Force on those dates. Medicaid was billed and paid \$117.70.

On April 9 and 26, 2012, Melanie McCarty signed case management notes stating that she talked with beneficiary D.A. at Work Force. There is no record of Melanie McCarty signing into or out of the facility on those dates or any other date. Medicaid was billed \$117.70.

On June 20, 21 and 27, 2012, Melanie McCarty signed case management notes stating that she talked with beneficiary D.A. on these dates and that he went to Work Force on those dates. Affiant reviewed the sign-in logs for those dates and discovered that Melanie McCarty did not sign in or out of Work Force on those dates. It was further revealed beneficiary D.A. was absent from Work Force on June 20 and 21. The Medicaid program was billed and paid \$117.70.

On August 16, 2012, Melanie McCarty signed case management notes stating she talked with beneficiary D.A. at Work Force on that date. Affiant reviewed the sign in and out logs for Work Force for August 16, 2012 and discovered that Melanie McCarty never signed in or out of Work Force on that date. D.A. was absent from Work Force on that date. Medicaid was billed and paid \$117.70.

On September 5 and 26, 2012, Melanie McCarty signed case management notes stating that she talked with beneficiary D.A. at Work Force. A review of the sign in/sign out logs maintained by Work Force revealed Melanie McCarty did not sign in or out of Work Force on those dates. Medicaid was billed and paid \$117.70.

A total of \$588.50 in fraudulent billings for case management services was billed to Medicaid for services not rendered to D.A.

On January 13 and 18, 2012, Melanie McCarty signed case management notes stating she talked with beneficiary W.D. at Work Force. Affiant reviewed the sign in/sign out logs for that date which revealed that Melanie McCarty did not visit W.D. on that date. Medicaid was billed \$117.70.

On March 15 and 23, 2012, Melanie McCarty signed case management notes stating that she met with beneficiary W.D. at Work Force. Affiant reviewed the sign in/sign out logs from Work Force and discovered that Melanie McCarty did not sign in or out of Work Force on either date. Medicaid was billed and paid \$117.70.

On April 12 and 27, 2012, Melanie McCarty signed case management notes stating that she met with beneficiary W.D. at Work Force and watched him in class for a few minutes. Affiant reviewed the sign in/sign out logs for Work Force which revealed that Melanie McCarty did not sign in or out of Work Force on those dates. Medicaid was billed and paid \$117.70.

On May 22, 2012, Melanie McCarty signed case management notes stating that she met and talked with beneficiary W.D. at Work Force. Affiant reviewed the sign in/sign out logs maintained by Work Force and discovered Melanie McCarty did not sign in or out of Work Force on that date. Medicaid was billed and paid \$117.70.

On June 20, 21, and 27, 2012, Melanie McCarty signed case management notes stating that she talked with beneficiary W.D. and met with Work Force staff on those dates. Affiant reviewed the sign in/sign out logs maintained by Work Force which revealed that Melanie McCarty did not sign in or out of Work Force on those dates. Medicaid was billed and paid \$117.70.

On July 10 and 23, Melanie McCarty signed case management notes stating that she met with beneficiary W.D. at Work Force on those dates. Affiant reviewed the sign in/sign out logs maintained by Work Force and discovered that Melanie McCarty never signed in or out of Work Force on those dates. Medicaid was billed and paid \$117.70.

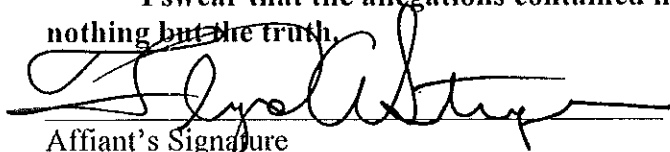
On August 6 and 16, 2012, Melanie McCarty signed case management notes stating that she met with and talked to beneficiary W.D. while he was at Work Force on those dates. Affiant reviewed the sign in/sign out logs maintained by Work Force which revealed that Melanie McCarty never signed in or out of Work Force on those dates. Medicaid was billed and paid \$117.70.

On September 19 and 28, 2012, Melanie McCarty signed case management notes stating that she met with beneficiary W.D. at Work Force on those dates. Affiant reviewed the sign in/sign out logs maintained by Work Force for those dates and determined that Melanie McCarty did not sign in or out of Work Force on those dates. Medicaid was billed and paid \$117.70.

Medicaid was billed a total of \$588.50 for case management services for beneficiary W.D.

Affiant found a total of \$4,119.50 in verifiable fraudulent billings to the Medicaid Program which were caused by Melanie McCarty falsifying case management notes.

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

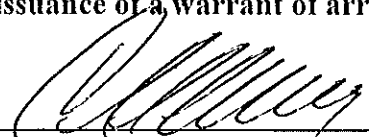
Little Rock, AR 72201

(501) 682-6070

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

District Court Clerk By: 
(Deputy Clerk) *Circuit Clerk*

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.

Circuit 
District Judge
Faulkner County District Court,
Conway, Arkansas

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>Melanie Ray Koone McCarty</u>	<u>W</u>	<u>F</u>	<u>08/24/1986</u>
Potential Defendant's Name	Race	Sex	DOB

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

 D 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, when the value of the property, asset or resource was an amount less than \$2,500.00 but more than \$200.00, 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. My House, Inc. was a licensed provider of Medicaid waiver program services 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 were Medicaid beneficiaries 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. and employed her daughter Melanie Koone McCarty as the case manager.

Affiant reviewed documents, bank records, photographs, 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.

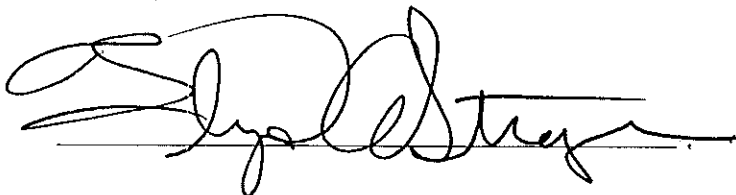
The Medicaid Fraud Control Unit of the Arkansas Attorney General's Office was notified by the Prosecuting Attorney's Office of the 20th Judicial District, the Faulkner County Sheriff's Office, the Medicaid Program Integrity Unit of DHS, Independent Case Management, Inc. and Arkansas Adult Protective 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. Affiant reviewed bank records from Centennial Bank North in Conway, Arkansas and found two transactions on June 7, 2013 on the accounts of recipient C.S. and B.S. for \$400.00 each for a total of \$800.00. The first transaction was made at 17:34 and the second at 17:36 hours on June 7, 2013. A photograph was taken of the person making the transactions and was provided to the Medicaid Fraud Control Unit under subpoena. A review of the photograph of the person using the card revealed Melanie McCarty behind the wheel of a white compact automobile. The photograph was shown to officials of the Faulkner County Sheriff's Office, who also identified the subject as Melanie McCarty.

Affiant found Melanie Koone McCarty unlawfully misappropriated the money of impaired adult long term care facility residents in the amount of \$800.00.

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

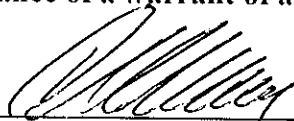


Affiant's Signature
Floyd A. Strayer
Investigator
Medicaid Fraud Control Unit
Attorney General's Office
323 Center Street
200 Catlett-Prien Building
Little Rock, AR 72201
(501) 682-6070

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

District Court Clerk By: 
(Deputy Clerk) Circuit Clerk

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 CINCO
Faulkner County District Court,
Little Rock, Arkansas