

Approved: BA
BENJAMIN ALLEE
Assistant United States Attorney

Before: HONORABLE PAUL E. DAVISON
United States Magistrate Judge
Southern District of New York

- - - - - X
UNITED STATES OF AMERICA : COMPLAINT
- v. - : Violation of
JOSEPH AKUMU, : 18 U.S.C. §
 : 666(a) (1) (A)
Defendant. : COUNTY OF OFFENSE:
 : WESTCHESTER
- - - - - X

SOUTHERN DISTRICT OF NEW YORK, ss.:

HEATHER TUCCI, being duly sworn, deposes and says that she is a Special Agent with the Health and Human Services ("HHS") Office of Inspector General ("OIG"), and charges as follows:

COUNT ONE

From in or about January 2004 through in or about December 2009, in the Southern District of New York and elsewhere, JOSEPH AKUMU, the defendant, being an agent of an organization that received, in a one year period, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, to wit, Guest House Community Services, Inc. ("Guest House"), did embezzle, steal and obtain by fraud, and otherwise without authority knowingly convert to the use of a person other than the rightful owner and intentionally misapply, property that was valued at \$5,000 and more that was owned by and was under the care, custody, and control of such organization, to wit, AKUMU, as executive director of Guest House, obtained approximately \$300,000 belonging to Guest House, which funds were deposited into AKUMU's personal account and/or used for personal expenditures.

(Title 18, United States Code, Section 666(a) (1) (A).)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

1. I am currently employed as a Special Agent with HHS OIG and have participated in the investigation of this case. This affidavit is based upon my personal knowledge, my conversations with other law enforcement officers and other people, and my review of documents, including my conversations with investigators with the State of New York Commission on Quality of Care and Advocacy for Persons with Disabilities (the "CQC Commission"). I understand that the CQC Commission is a New York state agency that investigates fraud, waste, and abuse by Medicaid recipients in the mental hygiene field. In or about June 2010, the CQC Commission completed an investigation of Guest House, during which it obtained records from Guest House and conducted interviews, and issued a final report, which I have reviewed. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of my investigation. Where the contents of documents and the actions and statements of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

2. According to records obtained by the CQC Commission, and to Guest House's purported website www.ghcservices.org ("Guest House's website"), Guest House is a not-for-profit agency that serves children and adults with developmental disabilities, by providing programs and services aimed at improving quality of life of the disabled and their families. For example, Guest House goes to clients' homes and assists them with life skills. Guest House's primary source of funding is Medicaid. According to an analysis of Medicaid disbursements done by investigators with CQC, from in or about January 2004 through in or about December 2009, Guest House received more than \$6 million in Medicaid funds as payments for services provided to individuals with developmental disabilities.

3. According to records obtained by the CQC Commission and to Guest House's website, JOSEPH AKUMU, the defendant, was a founder and initial director of Guest House in or about 1994, and from at least in or about 2004 through in or about 2010 was the Executive Director of Guest House.

4. According to investigators with the CQC Commission and to bank records and Guest House records, Guest House regularly recorded in a daily log the receipt of Medicaid checks, but approximately 98 Medicaid checks issued to Guest House from in or about January 2004 through in or about December 2009, totaling approximately \$132,000, were not recorded by Guest House (the "Missing Medicaid Checks"). The Missing Medicaid Checks,

however, were negotiated, and JOSEPH AKUMU, the defendant, ultimately obtained the Medicaid funds through a series of bank transactions undertaken for each of the Missing Medicaid Checks, typically as follows:

a. the Missing Medicaid Check was deposited into one of Guest House's bank accounts;

b. on or about the same day that the Missing Medicaid Check was deposited, often an additional sum was also deposited into Guest House's account, in some instances this sum came in the form of a personal check signed in the name of AKUMU;

c. on or about the same day that the Missing Medicaid Check was deposited, a withdrawal in the amount of the sum of the deposits described in paragraphs 4(a) and (b) was made from another of Guest House's bank accounts, in a bank counter transaction, using a withdrawal slip signed in the name of AKUMU;

d. on or about the same day that the withdrawal described in the previous paragraph was made, a deposit was made into Akumu's personal bank account, often in the same amount as the withdrawal from Guest House's account, and sometimes in a lesser amount.

5. According to investigators with the CQC Commission and to Guest House records, Guest House's accounting records did not show that the Missing Medicaid Checks were deposited or that a withdrawal was made from Guest House's bank accounts. Rather, Guest House's accounting records showed a "transfer," in which funds from one Guest House bank account were simply transferred to another Guest House account.

6. For example, on or about May 31, 2007, a Medicaid check in the amount \$2,201.83 was deposited into a bank account of Guest House ("Bank Account 1"). This check was not recorded as received by Guest House. On or about the same day, cash in the amount of approximately \$298.17 was also deposited into Bank Account 1, which, combined with the Medicaid check, resulted in a total amount of \$2,500 deposited. On or about the same day, cash in the amount of \$2,500 was withdrawn from another Guest House bank account ("Bank Account 2"). The withdrawal slip submitted to Bank Account 2 was signed in the name of AKUMU. On or about the same day, \$2,500 was deposited into the personal bank account of AKUMU. Guest House's accounting records show, however, that on or about the same day as the bank transactions, \$2,500 was transferred from Bank Account 2 to Bank Account 1.

7. In addition, according to investigators with the CQC Commission and to Guest House records and bank records, from in or about January 2004 through in or about December 2008, approximately 321 disbursements, totaling approximately \$168,000, were made from Guest House's bank accounts that lacked any documented business-related purpose. The disbursements included the following:

a. approximately 8 debit card transactions made in Kenya;

b. approximately 151 additional out-of-state debit card transactions, the majority of which were at retail stores and gas stations in eastern Pennsylvania, including at Home Depot and Wal-Mart;

c. numerous ATM withdrawals of cash;

d. numerous checks payable to JOSEPH AKUMU, the defendant, and to "Cash."

8. According to investigators with the CQC Commission, JOSEPH AKUMU, was interviewed by the investigators. AKUMU stated, in part and in substance, that he lived in eastern Pennsylvania, and that he alone had access to Guest House's debit card. AKUMU also stated, in part and in substance, that supporting documentation of several disbursements was lost or misplaced. With respect to several disbursements, AKUMU offered explanations for the disbursement that failed to show the funds were used as payments for services provided to individuals with developmental disabilities. For example, AKUMU said, in part and in substance, that he used Guest House funds to refuel his car with gas in Pennsylvania, and that he had made four withdrawals in Kenya to purchase a computer for Guest House.

WHEREFORE, deponent respectfully requests that JOSEPH AKUMU, the defendant, be imprisoned, or bailed, as the case may be.

Heather Tucci

HEATHER TUCCI
Special Agent
Health and Human Services
Office of Inspector General

Sworn to before me this
___ day of June 2010

HONORABLE PAUL E. DAVISON
UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF NEW YORK