



*United States Attorney
Southern District of New York*

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FORMER EXECUTIVE DIRECTOR OF PEEKSKILL NON-PROFIT
INDICTED FOR STEALING MORE THAN
\$300,000 IN MEDICAID FUNDS

PREET BHARARA, the United States Attorney for the Southern District of New York, announced the indictment of JOSEPH AKUMU, formerly the Executive Director of Guest House Community Services, Inc. ("Guest House"), a non-profit entity in Peekskill funded by Medicaid.

According to the Indictment, on which AKUMU was arraigned yesterday in White Plains federal court, and a criminal Complaint previously filed in this matter:

Guest House 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 provides in-home assistance with life skills. From 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. AKUMU was a founder of Guest House and its executive director until 2010, and as such was paid a regular salary.

From July 2005 through December 2009, AKUMU obtained more than \$300,000 in Medicaid funds belonging to Guest House by misappropriating Medicaid checks payable to Guest House and by using Guest House funds for personal expenditures. AKUMU diverted Medicaid checks totaling approximately \$132,000, payable to Guest House, to himself, and concealed the diversion in Guest

House's records. In addition, AKUMU used approximately \$168,000 of Guest House funds for personal expenditures, for example, by using a Guest House debit card to withdraw cash from ATMs in Kenya.

The Indictment charges AKUMU with embezzlement from an organization that receives funds under a federal program. If convicted, AKUMU faces a maximum sentence of 10 years in prison and a maximum fine of \$250,000 or twice the gross gain or loss from the offense.

The case has been assigned to United States District Judge KENNETH M. KARAS.

The Indictment is the result of exemplary investigative work by the New York State Commission on Quality of Care and Advocacy for Persons with Disabilities ("CQC"), and the cooperative efforts of CQC, the Health and Human Services Office of Inspector General ("HHS OIG"), and Immigration and Customs Enforcement ("ICE") in the Department of Homeland Security.

Mr. BHARARA praised the investigative work of and the federal-state partnership between CQC, HHS OIG, and ICE.

The prosecution is being handled by the Office's White Plains Division. Assistant United States Attorney BENJAMIN ALLEE is in charge of the prosecution.

The charge contained in the Indictment is merely an accusation, and the defendant is presumed innocent unless and until proven guilty.

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