



Office of Inspector General for the U.S. Department of Labor

OIG Investigations Newsletter

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The Office of Inspector General (OIG) for the U.S. Department of Labor (DOL) is pleased to present the *OIG Investigations Newsletter*, containing a bimonthly summary of selected investigative accomplishments.

The OIG conducts criminal, civil, and administrative investigations into alleged violations of federal laws relating to DOL programs, operations, and personnel. In addition, the OIG conducts criminal investigations to combat the influence of labor racketeering and organized crime in the nation's labor unions in three areas: employee benefit plans, labor-management relations, and internal union affairs.

North Miami Beach Resident Sentenced for His Role in an Unemployment Insurance Identity Theft Fraud Scheme

On April 28, 2020, Johnson Augustin was sentenced to 24 months in prison for his involvement in an identity theft scheme to defraud the Florida Unemployment Insurance (UI) program.

Augustin utilized fraudulently obtained personally identifiable information to file numerous Florida UI claims. Augustin directed the funds received from the scheme to several bank accounts and pre-paid debit cards he controlled. Augustin was captured on video utilizing the debit cards and also used the stolen unemployment funds to make online purchases.

This was a joint investigation with the State of Florida Department of Economic Opportunity and the North Miami Beach Police Department. *United States v. Johnson Augustin*, (S.D. Florida)

Former Union President Sentenced to 16 Months in Prison for Theft of Union Funds

On May 14, 2020, Rhondalyn Cornett was sentenced to 16 months in prison and ordered to pay restitution of more than \$150,000. Cornett was also debarred per 29 U.S.C. §1111 from serving and being permitted to serve in certain capacities involving employee welfare and pension benefit plans for a period of 13 years. From November 2013 until her resignation in November 2018, Cornett was the president of the Indianapolis Education Association, the union that represents Indianapolis Public School teachers. While in that role, Cornett used her position and authority to write checks from the union's bank account and use the union's debit card for personal expenses and to withdraw cash of more than \$150,000.

This is a joint investigation with the FBI and U.S. Department of Labor, Office of Labor-Management Standards. *United States v. Rhondalyn Cornett* (S.D. Indiana)

Florida Reference Laboratory, Pain Clinic, and Two Individuals Agree to Pay \$41 Million to Resolve Allegations of Unnecessary Urine Drug Testing

On April 15, 2020, Logan Laboratories Inc. (Logan Labs), a reference laboratory in Tampa, Florida; Tampa Pain Relief Centers Inc. (Tampa Pain), a pain clinic also based in Tampa; and two of their former executives, Michael T. Doyle and Christopher Utz Toepke (collectively, “Defendants”) agreed to pay a total of \$41 million to resolve alleged violations of the False Claims Act for numerous federal health programs, including OWCP, for medically unnecessary Urine Drug Testing (UDT).

The government alleged, from 2010 through 2017, the Defendants knowingly submitted or caused the submission of false claims to federal health care programs for presumptive and definitive UDT, in circumstances wherein such testing was not medically reasonable or necessary. Presumptive UDT are tests that screen for the presence of drugs, and definitive UDT are tests that identify the amounts of those drugs in a patient’s system. The government alleged that Defendants developed and implemented a policy and practice of automatically ordering both presumptive and definitive UDT for all patients at every visit, without any physician’s making an individualized determination that either test was medically necessary for the patients for whom the tests were ordered.

The claims resolved by this settlement are allegations only and there has been no determination of liability.

This is a joint investigation with the U.S. Department of Health and Human Services—OIG, U.S. Postal Service (USPS)—OIG, and the Office of Personnel Management—OIG. *United States ex rel. Ashton v. Logan Laboratories, LLC, et al.* (E.D. Pennsylvania) and *United States ex rel. Cho v. Surgery Partners Inc., et al.* (M.D. Florida)

Husband and Wife Duo and Business Debarred After Previous Conviction of Conspiracy to Receive Health Care Kickbacks in Connection to the Office of Workers Compensation Program—Federal Employee Compensation Act Conviction

On April 13, 2020, DOL’s Suspension and Debarment Official issued a Debarment Notice to Desiree Mitchell, Vernon Mitchell, and his affiliate, Garner Medical, Inc., to protect the government’s interests. The debarment is for a period of 3 years and is effective for all covered transactions and contracts that are subject to the Federal Acquisition Regulation.

These debarments follow a 10-day trial that took place in December 2019, during which a Fort Lauderdale-based jury convicted Elizabeth Peters Young, owner and president of Young Surgical, LLC, of one count of conspiracy to pay health care kickbacks and four counts of payments of kickbacks in connection to a federal health care program. The trial evidence revealed that Young orchestrated a scheme with husband and wife duo, Desiree Mitchell and Vernon Mitchell, in which over \$1,500,000 in kickbacks were solicited and received from various pharmacies in return for the referral of Federal Employees’ Compensation Act beneficiaries’ prescriptions to the Office of Workers’ Compensation Programs.

The investigation revealed that Desiree Mitchell, who worked at Atlanta Spine Institute as a surgery coordinator and back office supervisor, was responsible for the referral of prescription drugs from Atlanta Spine Institute to several participating pharmacies in question. At Young’s direction, Vernon Mitchell, created Garner Medical, Inc., a shell corporation represented as a marketing company, to

receive more than \$400,000 in kickback proceeds from Young Surgical, LLC. The proceeds were a direct result of prescription drug referrals sent by Desiree Mitchell.

Previously, Desiree and Vernon “Tim” Mitchell each pled guilty to one count of conspiracy to receive health care kickbacks, and on January 2, 2020, were subsequently sentenced, to 12 months and 1 day in prison.

This investigation is currently ongoing and is being worked jointly with USPS—OIG. *United States v. Desiree Mitchell* (SDFL), *United States v. Vernon Timothy Mitchell* (SDFL)