



NEWS RELEASE

From New York State Workers' Compensation Fraud Inspector General
Catherine Leahy Scott

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BINGHAMTON TAXI COMPANY OWNER CHARGED WITH SIX-FIGURE MEDICAID THEFT AND WORKERS' COMPENSATION FRAUD SCHEME

BINGHAMTON – New York State Inspector General Catherine Leahy Scott and Attorney General Eric T. Schneiderman today announced the arrest of the owner of a Binghamton taxi company on multiple charges alleging a years-long scheme in which he stole more than \$105,000 in public health care benefits while operating a business without providing Workers' Compensation coverage to its employees as required by law, and without a valid license to operate a taxi company in Broome County.

Garabed Kachadourian, 64, of Binghamton, owner of BC Cab in Binghamton, was charged today with Grand Larceny in the Second Degree, Grand Larceny in the Third Degree, Grand Larceny in the Fourth Degree, six counts of Offering a False Instrument for Filing in the First Degree and the Workers' Compensation crime of Effect of Failure to Secure Compensation, all felonies.

“This business owner’s brazen scheme of subterfuge and fraudulent filings enabled him to pocket six-figures worth of illicitly obtained government benefits while shortchanging his own employees out of critical Workers’ Compensation coverage,” said **Inspector General Leahy Scott**. “I will continue dedicating the resources of my office to protect the benefits meant to assist honest, hard-working New Yorkers.”

“Business owners cannot shirk their obligations in order to line their pockets – but that’s exactly what this defendant did, shamelessly stealing government benefits from taxpayers while putting employees at risk,” said **Attorney General Schneiderman**. “My office will continue to enforce these vital laws to protect New York’s workers and taxpayers.”

An investigation by Inspector General Leahy Scott and Attorney General Eric Schneiderman’s Medicaid Fraud Control Unit found that from late 2012 until summer of 2015, Kachadourian either operated BC Cab without Workers Compensation coverage for its employees or without a valid taxi license from Broome County as required by law. During that period, BC Cab billed for and received more than \$105,000 in Medicaid funds for allegedly transporting Medicaid recipients to medical appointments and repeatedly certifying the company had both Workers’ Compensation coverage and a taxi license at various times throughout that period.

The charges also allege Kachadourian repeatedly filed documents with the State asserting that he had Workers’ Compensation coverage for employees when he did not, that he held a valid taxi operating license when he did not, and that he submitted a letter to the State Workers’ Compensation Board asserting that he had no Workers’ Compensation coverage because he had no employees, when he in fact had at least six employees.

Under State law, employers are required to maintain Workers’ Compensation coverage for their employees.

Kachadourian was arraigned on the charges in Binghamton City Court and released on his own recognizance pending his reappearance in court at a later date.

Inspector General Leahy Scott thanked the Workers' Compensation Board Enforcement Unit for their assistance with the investigation and New York State Attorney General Eric T. Schneiderman and his office for their assistance investigating and for prosecuting this case.

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The New York State Office of the Workers' Compensation Fraud Inspector General investigates fraud, abuse and/or illegal acts against the New York State Workers' Compensation system, including fraud by medical service providers, employers seeking to evade appropriate Workers' Compensation charges, and employees who fabricate injuries to fraudulently receive system benefits. Complaints and referrals are kept confidential. We can be reached by calling toll free: 1-800-367-4448, utilizing our online complaint form at <http://www.ig.ny.gov> or sending an email to: inspector.general@ig.ny.gov. You also can write to our office at: Office of the Workers' Compensation Fraud Inspector General, Empire State Plaza, Agency Building 2, 16th Floor, Albany, New York 12223