



NEWS

From the Office of the New York State Inspector General
Ellen N. Biben

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OCFS Aide Sentenced in \$709,000 Insurance Fraud *Inspector General to Help Boost Fraud Detection*

Inspector General Ellen N. Biben and U.S. Attorney Richard S. Hartunian announced the sentencing today of a former state Office of Children and Family Services (OCFS) youth aide who defrauded the state health plan in a \$709,000 scheme to obtain narcotics. His sentencing followed a joint investigation by the Inspector General's Office with the U.S. Attorney's Office and the Department of Health and Human Services' Inspector General.

Lee Ballard, 55, of Middletown, was sentenced to six months home detention, 400 hours community service and five years probation and ordered to pay \$709,000 in restitution and to continue substance abuse treatment by Senior U.S. District Judge Lawrence Kahn in Albany. He was also ordered to continue substance abuse treatment. Ballard pleaded guilty in federal court in August to making false statements related to health care matters and acquiring a controlled substance by misrepresentation, fraud, forgery, deception, or subterfuge.

Ballard admitted that he engaged in a fraudulent scheme beginning in 1999 to feed his prescription addiction and that he faked ailments at more than 75 hospital emergency rooms, using his Empire Plan benefits, to acquire an array of drugs including morphine, Demerol and oxycodone, according to a report released today by Inspector General Biben. Ballard was assigned as a youth division aide at the Goshen Secure Residential Center to monitor youthful offenders until he resigned in 2010 as a result of this investigation.

"Fraud by any state employee, particularly those working with young people, will not be tolerated, and will be investigated to the fullest," Inspector General Ellen N. Biben said. "My office is working with the agencies involved to ensure that systems are put in place to prevent these types of frauds."

The investigation determined that Ballard:

1. Filed more than 2,200 insurance claims from 2000 to 2010 to defraud the state's Empire Plan and doctors in a \$709,000 scheme to obtain narcotics. He also kept \$52,000 in medical reimbursement checks but never paid the providers.

2. Visited hospital emergency rooms in New York, New Jersey, Connecticut, Pennsylvania and Vermont, often several times a day, and frequently absconded once he was medicated.
3. On one day, for example, was able to obtain oxycodone, hydromorphone, Demerol, Toradol, as well as Vicodin and Percocet prescriptions from three Orange County hospitals. He told investigators, "I have spun out of control."

The state Department of Civil Service, which administers the Empire Plan, reported this case to the Inspector General after noticing a possible pattern of improper use of hospital emergency rooms to obtain narcotics. Upon further investigation, the Inspector General's Office determined that Ballard had been disciplined by OCFS as a chronic time abuser.

As a result, the Inspector General has communicated with the Department of Civil Service, and OCFS, and will work with those agencies to establish better systems to identify and prevent further abuse.

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