



NEWS RELEASE

From New York State Inspector General
Catherine Leahy Scott

FOR IMMEDIATE RELEASE: November 23, 2015
Contact [John Milgrim](#): 518-474-1010

BUSINESS BILKED STATE INSURANCE PLAN FOR MORE THAN \$1.6 MILLION BY SELLING PUBLIC EMPLOYEES EARBUDS AND BILLING AS IF THEY WERE MEDICALLY NECESSARY HEARING AIDS

Fraudulent Hearing Aid Sales Made to Hundreds of State Prison Employees and Their Families, and Central New York Hospital Staff

Insurance Plan Unwittingly Paid \$3,000 Each for Earbuds Marketed for Gaming and Music, and Which “Provide Pure Listening Enjoyment,” but Did Not Qualify For Coverage

SYRACUSE – New York State Inspector General Catherine Leahy Scott and Onondaga County District Attorney William J. Fitzpatrick today announced the arrest of a Syracuse business owner on charges that he operated a criminal scheme that stole more than \$1.6 million by selling public employees hi-fidelity custom fit earbuds and sound suppression ear plugs while billing the State insurance plan as if they were medically necessary hearing aids worth three to ten times as much.

The criminal charges accuse the business owner of operating a scheme, fronted by Syracuse Hearing Aid Centers LLC, in which he paid a State corrections officer about \$70,000 in referral fees to solicit hundreds of State employees with promises of hi-tech gadgets with no out of pocket expenses. The business owner then billed the State employees’ insurance plan – the Empire Plan – \$3,000 for each customer served as if he had provided them medically necessary hearing aids. Most of the State employees targeted were prison corrections officers from across the State and hospital workers in Central New York. The earbuds the State employees ultimately received were ineligible for coverage under the Empire Plan.

The investigation is continuing and further arrests are expected of those who were knowingly involved in this criminal scheme.

Joshua Miller, 37, of 116 Norbert Place, Minoa, a State licensed hearing aid dispenser and owner of Syracuse Hearing Aid Centers LLC with operations in Cicero, Pulaski and Oneida, was charged by grand jury indictment with Grand Larceny in the First- and Second-Degree and Health Care Fraud in the First Degree, all felonies.

“This business owner’s scheme lured hundreds of State employees into his criminal enterprise which was breathtaking in its scope, duration and pretense,” said Inspector General Leahy Scott. “I will continue this investigation into the theft of State funds, follow the evidence wherever it leads, and pursue and hold accountable anyone who uses their State position or State resources in furtherance of a criminal scheme. I thank District Attorney Fitzpatrick and his office for their efforts and dedication in prosecuting this matter.”

“This investigation, indictment and arrest demonstrates what happens when government agencies work together to root out crime,” said District Attorney Fitzpatrick. “This is a substantial fraud and theft perpetrated on the taxpaying citizens of the State of New York. As I have made clear on numerous occasions, stealing from taxpayers will be met with aggressive investigation and prosecution to the fullest extent of the law.”

Inspector General Leahy Scott’s investigation found that between May 2012 and December 2014, Miller solicited hundreds of State employees with a promise of either high quality earbuds or hearing protection devices meant for shooters – at no out-of-pocket expense. The customers were offered either “Tunz Custom Audio Monitor” earbuds that are advertised as “Ideal for mp3 players, gaming devices, computers and more,” and “provide pure listening enjoyment,” or they were offered Audibel “SoundGear” or “Magnum Ear” hearing protection marketed to hunters, industrial workers and law enforcement. Miller, in turn, then billed United HealthCare, administrator of the Empire Plan, as if the State employees were receiving medically required hearing aids for which the insurance company paid \$3,000 each, the maximum amount for a hearing aid covered under the plan.

Most of the prospective customers were solicited by the corrections officer who would recruit coworkers in the State run prison system and the Upstate Medical University hospital. Miller first met the corrections officer at the New York State Fair in 2013 where Syracuse Hearing Aid Centers LLC maintained a booth that included signage promising no out-of-pocket expense for State employee members of the Empire Plan. Ultimately, with the corrections officer’s referrals, the scheme targeted corrections officers from facilities across the State, including the Auburn, Cayuga, Five Points, Mohawk, Riverview, Coxsackie, Franklin and Mid-State correctional facilities, as well as the Willard Drug Treatment Campus and hospital staff at Upstate Medical University.

The investigation found that the vast majority of Miller’s business at Syracuse Hearing Aid Centers LLC was through billings to United HealthCare through the Empire Plan, and that more than 90 percent of those billings for hearing aids were found to be fraudulent. The investigation also found that Syracuse Hearing Aid Centers LLC would bill United HealthCare as if Miller provided hearing aids to some relatives of the State employees, who were also covered by the Empire Plan, but provided no devices whatsoever for those relatives.

In total, the investigation found Miller made 575 allegedly fraudulent claims through United HealthCare amounting to \$1.65 million in hearing aid billings where no hearing aids were provided. Of those claims, approximately 500 involved State prison and hospital workers, while other claims included members of the State Police as well as other State agencies.

Miller was arraigned on the indicted charges today by Onondaga County Court Judge Joseph E. Fahey and sent to Onondaga County Jail in lieu of \$50,000 cash or \$100,000 bond bail pending further court action.

The defendant is presumed innocent until and unless proven guilty in a court of law.

Inspector General Leahy Scott thanked Onondaga District Attorney William J. Fitzpatrick and his office for prosecuting this matter and their assistance with the investigation, and United HealthCare for their assistance with the investigation as well.

For a downloadable audio file of Inspector General Leahy Scott’s remarks, click [HERE](#).

###