



# NEWS RELEASE

From New York State Inspector General  
**Catherine Leahy Scott**

FOR IMMEDIATE RELEASE: June 29, 2016  
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## **BUSINESS OWNER PLEADS GUILTY TO BILKING STATE INSURANCE PLAN OF \$1.65 MILLION BY SELLING PUBLIC EMPLOYEES AUDIOPHILE EARBUDS AND EAR PLUGS AND BILLING AS IF THEY WERE MEDICALLY NECESSARY HEARING AIDS**

*Business Owner Ordered To Pay \$1.65 Million Restitution And To Serve At Least Four Years In State Prison*

*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 felony guilty plea of a Syracuse business owner who stole \$1.65 million from the State employees’ health insurance plan health by selling public employees hi-fidelity custom fit earbuds and sound suppression ear plugs while billing as if they were medically necessary hearing aids worth three to ten times as much.

Joshua Miller, 37, of Norbert Place, Minoa, a State licensed hearing aid dispenser and owner of Syracuse Hearing Aid Centers LLC with operations in Cicero, Pulaski and Oneida, pleaded guilty in Onondaga County Court today to one count each of Grand Larceny in the First- and Second-Degrees, both felonies. As part of the plea agreement, Miller was ordered to repay \$1.65 million in restitution and is expected to serve a prison sentence of four to 12 years.

“This defendant’s fraud on the State grew increasingly brazen and breathtaking in scope, ultimately luring hundreds of public employees into his scheme to illicitly enrich himself at taxpayer expense,” said **Inspector General Leahy Scott**. “I will continue to vigorously investigate any thefts of State funds, follow the evidence wherever it leads, and pursue anyone who uses their State position or State resources in furtherance of a criminal scheme. I thank and appreciate District Attorney Fitzpatrick and his office for their partnership and dedication in prosecuting this matter.”

“This is another excellent example of our two agencies working together to root out fraud against the taxpayers and holding the perpetrator accountable. In addition to paying back over \$1.6 million in restitution to the state, this guy is going to state prison. I hope that sends a message, loud and clear, to those who steal from the taxpayers of New York State,” said **District Attorney Fitzpatrick**. “We will eventually catch you.”

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. The earbuds the State employees ultimately received were ineligible for coverage under The Empire Plan.

Miller operated the scheme, fronted by Syracuse Hearing Aid Centers LLC, in which he paid State Corrections Officer Joshua Powers about \$72,000 in referral fees to solicit hundreds of State employees with promises of hi-tech gadgets with no out of pocket expenses. Most of the State employees targeted were prison corrections officers from across the State and hospital workers in Central New York.

Most of the prospective customers were solicited by Powers who would recruit coworkers in the State run prison system and the Upstate Medical University hospital. Miller first met Powers 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 referrals from Powers, 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.

Powers, who was assigned to the Auburn Correctional Facility and Upstate Medical Center, was arrested and pleaded guilty last month to Petit Larceny, a misdemeanor, for his role in the scheme. As part of his plea, he paid \$72,000 restitution, was sentenced to one year conditional discharge and paid a \$500 fine.

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 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 pleaded guilty today before Onondaga County Court Judge Anthony F. Aloï. He is due to reappear August 24 for sentencing.

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

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