



NEWS RELEASE

From New York State Inspector General
Catherine Leahy Scott

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BUSINESS OWNER SENTENCED TO PRISON FOR 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

Sentence Includes \$1.65 Restitution and at Least Four Years in State Prison

SYRACUSE – New York State Inspector General Catherine Leahy Scott and Onondaga County District Attorney William J. Fitzpatrick announced that the Syracuse business owner convicted of stealing \$1.65 million from the State employees' health insurance plan was sentenced today to a minimum of four years in prison and full restitution for his crime.

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, was sentenced in Onondaga County Court today to 4-to-12 years in State prison and he was ordered to repay \$1.65 million, the amount he stole. Miller pleaded guilty in June to one count each of Grand Larceny in the First- and Second-Degrees, both felonies, for 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.

"This defendant manipulated hundreds of State workers to tap into their health benefits so he could brazenly and criminally enrich himself at taxpayer expense," said **Inspector General Leahy Scott**. "I will continue to use the resources of my office to relentlessly pursue anyone who uses State resources in furtherance of a criminal scheme. I also thank and appreciate District Attorney Fitzpatrick and his office for their partnership seeking justice in this case."

"State prison is an appropriate sentence for this defendant," said **District Attorney Fitzpatrick**. "Unfortunately, we do not have all the money he stole from taxpayers in hand, but the Court's restitution order will allow us to continue to collect until it is paid back, however long it takes."

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 in May 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 was sentenced today before Onondaga County Court Judge Anthony F. Aloia.

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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