



NEWS RELEASE

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

FOR IMMEDIATE RELEASE: July 13, 2017
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THE OWNERS OF A SOUTHERN TIER MEDICAL TRANSPORT COMPANY PLEAD GUILTY TO FALSIFYING WORKERS COMP CERTIFICATIONS AND STEALING HUNDREDS OF THOUSANDS FROM MEDICAID

BINGHAMTON – New York State Inspector General Catherine Leahy Scott and Attorney General Eric T. Schneiderman today announced guilty pleas of the owners of Binghamton's Yellow Medi-Van and Taxi, Inc., for failing to provide workers' compensation coverage for their employees, misleading regulators about their business's qualifications, and receiving Medicaid funds to which they were not entitled.

Kenneth Cohn and Yellow Medi-Van and Taxi, Inc., pled guilty to Grand Larceny in the Second Degree and Effect of Failure to Secure Compensation, felonies. Sharon Cohn pled guilty to Offering a False Instrument for Filing in the Second Degree, a misdemeanor. As part of their plea, the Cohns agreed to forfeit and release, to the New York State Medicaid Fraud Control Unit, \$455,604.39 of the funds received from Medicaid. They also entered into a settlement agreement for an additional \$50,000.00.

"This husband and wife's theft from taxpayers was enabled through a trail of fraud and deceit that purposefully misled regulators and left their own employees exposed and vulnerable," said Inspector General Leahy Scott. "I will continue to vigorously pursue and hold accountable any individual or business that violates the Workers' Compensation Law and defrauds government."

"The Medicaid Program relies on service providers' compliance with licensing, safety and insurance laws," said Attorney General Schneiderman. "Companies that try to profit by illegally cutting those costs will be brought to justice."

Inspector General Leahy Scott's investigation found the Cohns' Workers' Compensation Insurance coverage for Yellow Medi-Van and Taxi lapsed in 2012. They were denied coverage due to previous nonpayment of premiums. Since then, the Cohns repeatedly certified to Broome County taxi license regulators that they in fact had the required Workers' Compensation coverage. On the certifications, they listed insurance carriers that do not provide Workers' Compensation coverage.

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

A subsequent investigation found the Cohns, while operating without requisite insurance coverage, improperly filed numerous Medicaid claims for reimbursement for its medical transporting services, thereby acquiring large sums of Medicaid payments to which it was not entitled.

The Cohns pleaded guilty before the Hon. Joseph F. Cawley, Broome County Court Judge. The case was adjourned to September 29, 2017 for sentencing.

Inspector General Leahy Scott thanked the Broome County Government Security Division and the New York State Workers Compensation Board Enforcement Unit for their assistance in this investigation, and Attorney General Eric T. Schneiderman and his staff for prosecuting the case.

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