

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ERIE

PEOPLE OF THE STATE OF NEW YORK,
by LETITIA JAMES, Attorney General of
the State of New York

Plaintiff,

- against -

BUFFALO TAXI SERVICES INC. d/b/a AMERICAN
TRANSPORTATION and AWS ALMAFRACHI,

Defendants.

VERIFIED COMPLAINT

Index No.: _____

The People of the State of New York (the “State”), by its attorney Letitia James, Attorney General of the State of New York, allege the following upon information and belief:

PRELIMINARY STATEMENT

1. Between April 1, 2020 and December 31, 2020 (the “Relevant Period”), Buffalo Taxi Services Inc. d/b/a American Transportation (“Buffalo Taxi”) and its owner Aws Almafrachi (“Almafrachi”) (collectively, “Defendants”), submitted false claims to the New York State Medical Assistance Program (the “Medicaid Program” or “Medicaid”), 42 U.S.C. §§ 1396 *et seq.*, and accepted payment on those false claims, purporting to provide non-emergency transportation services to Medicaid recipients traveling to or from healthcare services paid for by Medicaid. However, Defendants repeatedly and persistently submitted false claims for transportation services that Defendants did not provide.

PARTIES, JURISDICTION, AND VENUE

2. Letitia James is the Attorney General of the State of New York, and as such, is authorized on behalf of Plaintiff, the State, to bring a civil action against those who violate the New York False Claims Act (“FCA”), N.Y. State Fin. Law §§ 187–94; to enjoin and seek restitution for repeated fraudulent or illegal acts or repeated or persistent fraudulent or illegal practices in the

conduct of a business pursuant to N.Y. Exec. Law 63(12); and to recover government funds without right obtained pursuant to N.Y. Exec. Law § 63-c and other causes of action under New York State laws.

3. The Medicaid Fraud Control Unit (“MFCU”) in the Office of the Attorney General of the State of New York (“OAG”) is responsible for investigating and prosecuting, through criminal and civil proceedings, *inter alia*, healthcare providers and persons who assist and facilitate providers’ fraudulent schemes and illegal billing of the Medicaid and Medicare programs. Based upon MFCU’s investigation of Defendants’ conduct, the State has filed this action pursuant to the well-established authority vested in OAG by the Executive Law, Medicaid rules and regulations, and that vested in MFCU by its federal grant of authority under the Social Security Act and its Medicaid and Medicare program regulations to investigate and prosecute provider fraud. *See* Executive Law § 63(12); 42 U.S.C. § 1396b(q); 42 C.F.R. § 1007.11(a)(2).

4. Defendant Buffalo Taxi is a New York corporation with its principal place of business at 199 Glenhaven Drive, Amherst, New York 14228.

5. Defendant Almafrachi last resided at an address known to MFCU in Amherst, New York, and, during the Relevant Period, was an owner and high managerial agent of Buffalo Taxi.

6. Venue is proper in Erie County pursuant to CPLR 503(a) and (c) because Almafrachi is a resident of Erie County and Buffalo Taxi’s principal office is located in Erie County.

THE MEDICAID PROGRAM

7. The Medicaid Program, administered by the New York State Department of Health (“DOH”), is authorized by Title XIX of the Social Security Act and Title 42 of the Code of Federal Regulations. Medicaid is a joint federal-state program that provides health care benefits for certain groups, including the poor and disabled. Medicaid is funded by both federal and state tax dollars.

8. By enrolling as a Medicaid provider, a healthcare provider must agree to abide by all rules and regulations of the Medicaid Program pursuant to Title 18 of the Official Compilation of Codes, Rules, and Regulations of New York State, Section 504.3. *See* 18 NYCRR § 504.3(i); *see also* 18 NYCRR § 515.2(a)(1). Further, 18 NYCRR § 504.6(d) requires that a provider submit Medicaid claims only for services provided in compliance with Title 18 of the Official Compilation of Codes, Rules and Regulations of New York State.

9. As part of Medicaid, providers are required to submit an annual certification affirming their compliance with all program rules and regulations. *See* 18 NYCRR §§ 504.1(b)(1), 504.9; *see generally* current and archived versions (2021-1, 2018-2, 2018-1, 2016-1) of the New York State Medicaid Program, *Information for all Providers General Billing, Archive*, at https://www.emedny.org/ProviderManuals/AllProviders/PDFS/Information_for_All_Providers-General_Billing.pdf. The certification states:

I (or the entity) have furnished or caused to be furnished the care, services, and supplies itemized and done so in accordance with applicable federal and state laws and regulations . . . In submitting claims under this agreement, I understand and agree that I (or the entity) shall be subject to and bound by all rules, regulations, policies, standards, fee codes and procedures of the New York State Department of Health and the Office of the Medicaid Inspector General as set forth in statute or Title 18 of the Official Compilation of Codes, Rules and Regulations of New York State and other publications of the Department, including eMedNY Provider Manuals and other official bulletins of the Department.

eMedNY, *Certification Statement for Provider Billing Medicaid*, https://www.emedny.org/info/providerenrollment/ProviderMaintForms/490501_ETIN_CERT_Certification_Statement_Cert_Instructions_for_Existing_ETINs.pdf.

10. Medicaid providers are prohibited from engaging in certain “unacceptable practices.” 18 NYCRR § 515.2. As relevant here, these practices include violating DOH rules and regulations

and participating in conduct that constitutes fraud and abuse, including making or causing to be made a false claim for an improper amount or unfurnished services; ordering or furnishing improper, unnecessary, or excessive services; making false statements or failing to disclose events that affect the right to payment; failing to maintain or make available for audit or investigation records necessary to fully disclose the extent of the services provided; and soliciting, receiving, offering, or agreeing to make a bribe or kickback, including making any payment for the purpose of influencing a Medicaid recipient to use or refrain from using any particular source of services. *See* 18 NYCRR § 515.2(b).

11. The Medicaid Program will not knowingly pay claims resulting from unacceptable practices. All claims for payment submitted to Medicaid resulting from unacceptable practices are in violation of a material condition of payment of the Medicaid Program, and Defendants are liable for repayment of such overpayments. *See* 18 NYCRR § 518.3.

Non-Emergency Transportation for Medical Care and Services

12. To ensure access to health care for Medicaid enrollees, the Medicaid Program provides recipients with modes of transportation to necessary medical care and services covered by the Medicaid Program. The Medicaid Program covers transportation by ambulance, ambulette, taxi, livery, public transit, and personal vehicle. This action involves Buffalo Taxi acting under the rules for “Non-Emergency Transportation”—the lowest level of transportation service in ordinary taxi vehicles licensed under the rules of the county or city of operation.

13. To operate as a medical taxi or livery service under the Medicaid Program, a company must enroll as a provider in the Medicaid Program; provide an ownership disclosure; execute annual notarized certifications; agree to follow Medicaid rules and regulations; and, in fact, comply with those Medicaid rules and regulations, as well as with local regulations governing taxi or livery

vehicles in its county of operation and the New York State Department of Motor Vehicles regulations. *See* 18 NYCRR § 510.10(e)(6)(iii).

14. Among the Medicaid rules and regulations with which a provider must comply is the requirement that a transportation provider may only bill for mileage actually driven and tolls actually incurred and must take the most direct route possible. When the transportation provider simultaneously carries more than one recipient in the same vehicle, the provider can only claim the mileage once for the recipient who was transported the furthest distance. Medicaid will only pay a transportation provider where a recipient “is actually being transported in the vehicle.” 18 NYCRR § 505.10(e)(5).

15. Upon completing a trip, a transportation provider attests that the trip took place in a computerized system operated by DOH’s third-party transportation manager. The transportation manager then issues a “prior approval,” which dictates the procedure codes (*e.g.*, mileage; tolls), modifiers, units/quantities (*e.g.*, how many legs of a trip, mileage), and monetary amounts for which the provider is authorized to bill. The provider uses the information on the prior approval to bill Medicaid directly.

FACTUAL BACKGROUND

16. During the Relevant Period, Buffalo Taxi and Almafrachi were enrolled in the Medicaid Program under Provider ID # 04709835. In 2019 and 2020, Almafrachi signed Medicaid annual certifications certifying Buffalo Taxi’s compliance during the relevant period with the New York law and the rules and regulations of the Medicaid Program.¹

17. Almafrachi is the sole owner and high managerial agent of Buffalo Taxi. During the Relevant Period, Defendants submitted and/or caused to be submitted false and fraudulent claims

¹ *See* Exhibit A, 2019 and 2020 Medicaid Provider Annual Certification Statements.

for payment from Medicaid for providing Medicaid recipients with transportation services that Buffalo Taxi did not actually provide.

18. Specifically, Defendants submitted 2,261 claims during the Relevant Period for trips that they did not conduct. In these instances, Defendants attested to having transported Medicaid recipients to medical visits at the addresses of substance abuse treatment clinics, when the particular Medicaid recipients did not attend treatment or medical appointments at those locations, and thus, Buffalo Taxi did not actually provide transportation services to such recipients. Not only do the records of the treatment/medical providers show that that these recipients did not attend on the days when Buffalo Taxi claimed to have transported them, but this is further corroborated by those providers not having filed their own claims for payment by Medicaid for a service related to the particular recipient. Buffalo Taxi's false claims totaled \$563,904.68.² Medicaid payments for transports are only made when they are for necessary medical care and services covered by the Medicaid Program.

19. Some examples of this fraudulent practice include, but are not limited to:

- a. Buffalo Taxi allegedly picked up Medicaid Recipient A at their residence in Salamanca, NY and transported the recipient to a clinic located in Buffalo, NY on 166 different occasions. However, a review of the clinic's records revealed that on those same specific occasions, Recipient A did not have any corresponding medical claims for visiting or receiving treatment at the clinic.

² See Exhibit B for a summarized chart of the claims at issue in this case. Throughout this pleading and its attachments, the State has anonymized the Medicaid recipients due to concerns about releasing their Personal Health Information ("PHI") and Personal Identifying Information ("PII"). Upon request, the State will provide the Court and Defendants with a legend identifying each Medicaid recipient whose claims are at issue, *in camera* and, if the Court deems appropriate, subject to a protective order. Exhibit B sets forth the dollar value and number of false claims submitted by, and paid to, Buffalo Taxi for claims where Buffalo Taxi submitted a false pickup address, sorted by the alleged recipient receiving transportation, during the Relevant Period. The false claims set forth on Exhibit B are incorporated in the allegations of this Complaint by reference.

- b. Buffalo Taxi allegedly picked up Medicaid Recipient B at their residence in Perrysburg, NY and transported the recipient to a clinic located in Buffalo, NY on 162 different occasions. However, a review of the clinic's records revealed that on those same specific occasions, Recipient B did not have any corresponding medical claims for visiting or receiving treatment at the clinic.

**FIRST CAUSE OF ACTION
PURSUANT TO N.Y. STATE FIN. LAW § 189(1)(a-c):
VIOLATION OF THE FCA**

As Against All Defendants

1. The State repeats and realleges the foregoing paragraphs of this Complaint as if fully set forth herein.
2. The New York State False Claims Act, Fin. Law § 189(1) prohibits any person from knowingly: (a) presenting or causing to be presented a false or fraudulent claim for payment or approval; (b) making, using, or causing to made or used, a false record or statement material to a false or fraudulent claims; and (c) conspiring to commit a violation of subsections (a) and (b).
3. Defendants, acting with actual knowledge or with deliberate ignorance or reckless disregard of the truth, presented false claims to Medicaid for payment approval including those for having transported Medicaid recipients when they did not actually provide such transportation.
4. Defendants, acting with actual knowledge or with deliberate ignorance or reckless disregard of the truth, made or used false records or statements material to a false or fraudulent claim, including using fictitious documentation representing recipient transportation provided to Medicaid covered medical services.
5. Defendants acting with actual knowledge or with deliberate ignorance or reckless disregard of the truth engaged in a conspiracy to commit acts under subsections 189(1)(a) and 189(1)(b).

6. Because of Defendants' conduct, the State has sustained damages in a substantial amount to be determined at trial and is entitled to treble damages plus a civil penalty for each violation, pursuant to the Fin. Law § 189(1)(h).

**SECOND CAUSE OF ACTION
PURSUANT TO N.Y. EXEC. LAW § 63(12):
VIOLATIONS OF THE FCA
REPEATED AND PERSISTENT ILLEGALITY**

As Against All Defendants

1. The State repeats and realleges the foregoing paragraphs of this Complaint as if fully set forth herein.

2. Defendants have engaged in repeated and persistent illegal acts and/or illegality in the carrying on, conducting, or transaction of business, in violation of N.Y. Exec. Law § 63(12) by:

- a. Repeatedly and persistently presenting false claims to Medicaid for payment approval including those for having transported Medicaid recipients when they did not actually provide such transportation as stated in the claims, in violation of Fin. Law § 189(1)(a); and
- b. Repeatedly and persistently making or using false records or statements material to a false or fraudulent claim, including using fictitious documentation representing recipient transportation provided to Medicaid covered medical services, in violation of Fin. Law § 189(1)(b).

**THIRD CAUSE OF ACTION
PURSUANT TO N.Y. EXEC. LAW § 63-c:
OVERPAYMENT OF PUBLIC FUNDS**

As Against All Defendants

1. The State repeats and realleges the foregoing paragraphs of this Complaint as if fully set forth herein.

2. Defendants directly and/or indirectly obtained, received, converted, or disposed of Medicaid funds to which they were not entitled, as alleged in the foregoing paragraphs of this Complaint.

3. The acts and practices of Defendants complained of herein constitute a misappropriation of public property, in violation of the Tweed Law, N.Y. Exec. Law § 63-c.

**FOURTH CAUSE OF ACTION
PURSUANT TO N.Y. EXEC. LAW § 63(12):
VIOLATIONS OF N.Y. EXEC. LAW § 63-c
REPEATED AND PERSISTENT ILLEGALITY**

As Against All Defendants

1. The State repeats and realleges the foregoing paragraphs of this Complaint as if fully set forth herein.

2. Defendants have also engaged in repeated and persistent illegal acts and/or illegality in the carrying on, conducting, or transaction of business, in violation of N.Y. Exec. Law § 63(12) by:

- a. Repeatedly and persistently obtaining, receiving, converting, or disposing of Medicaid funds, directly and/or indirectly, to which they were not entitled, in violation of the Tweed Law, N.Y. Exec. Law § 63-c, as alleged in the foregoing paragraphs of this Complaint.

**FIFTH CAUSE OF ACTION
PURSUANT TO N.Y. EXEC. LAW § 63(12):
REPEATED AND PERSISTENT FRAUD**

As Against All Defendants

1. The State repeats and realleges the foregoing paragraphs of this Complaint as if fully set forth herein.

2. N.Y. Exec. Law § 63(12) authorizes the New York Attorney General to seek injunctive and other equitable relief whenever an individual or entity engages in repeated or persistent fraudulent conduct.

3. N.Y. Exec. Law § 63(12) defines fraud and fraudulent conduct broadly to include “any device, scheme or artifice to defraud and any deception, misrepresentation, concealment, suppression, false pretense, false promise or unconscionable contractual provisions.” Defendants, repeatedly and persistently committed fraud by, to wit:

- a. Repeatedly and persistently presenting false claims to Medicaid for payment approval including those for having transported Medicaid recipients when they did not actually provide such transportation as stated in the claims; and
- b. Repeatedly and persistently making or using false records or statements material to a false or fraudulent claim, including using fictitious documentation representing recipient transportation provided to Medicaid covered medical services.

4. By reason of the acts and practices alleged herein, Defendants have engaged in repeated and persistent fraud in violation of N.Y. Exec. Law § 63(12).

**SIXTH CAUSE OF ACTION
PURSUANT TO SOCIAL SERVICES LAW § 145-b:
FALSE STATEMENTS**

As Against All Defendants

1. The State repeats and realleges the foregoing paragraphs of this Complaint as if fully set forth herein.

2. Defendants knowingly by means of false statements or representations, or by deliberate concealment of material facts or by other fraudulent schemes or devices, obtained payment for

themselves and others for services purportedly furnished pursuant to the laws of the State of New York, including the rules and regulations of the Medicaid Program.

3. By reason of the foregoing, Defendants are liable to the State pursuant to Social Services Law § 145-b for actual damages and three times the amounts falsely submitted, plus interest at the highest legal rate.

**SEVENTH CAUSE OF ACTION
PURSUANT TO N.Y. EXEC. LAW § 63(12):
VIOLATIONS OF SOCIAL SERVICES LAW § 145-b
REPEATED AND PERSISTENT ILLEGALITY**

As Against All Defendants

1. The State repeats and realleges the foregoing paragraphs of this Complaint as if fully set forth herein.

2. Defendants have also engaged in repeated and persistent illegal acts and/or illegality in the carrying on, conducting, or transaction of business in violation of N.Y. Exec. Law § 63(12) by:

- a. Repeatedly and persistently, by means of false statements or representations, or by deliberate concealment of material facts or by other fraudulent schemes or devices, obtaining payment for themselves and others for services purportedly furnished pursuant to the laws of the State of New York, including the rules and regulations of the Medicaid Program, in violation of Social Services Law § 145-b, as alleged in the foregoing paragraphs of this Complaint.

**EIGHTH CAUSE OF ACTION
UNJUST ENRICHMENT**

As Against All Defendants

1. The State repeats and realleges the foregoing paragraphs of this Complaint as if fully set forth herein.

2. Defendants have been unjustly enriched to the detriment of Medicaid by diverting Medicaid payments intended to provide Medicaid recipients transportation to essential services to themselves, and it is against equity and good conscience to permit them to retain those payments.

PRAYER FOR RELIEF

WHEREFORE, as a result of the conduct described herein, the State respectfully requests that this Court grant the relief set forth below against each of the Defendants, pursuant to the FCA, N.Y. Exec. Law § 63(12), N.Y. Exec. Law § 63-c, Social Services Law § 145-b, and the theory of common law Unjust Enrichment, by issuing an order and judgment:

1. Declaring that:

- a. Defendants have engaged in repeated and persistent fraud in the carrying on, conducting, and transaction of business, in violation of Executive Law § 63(12); and
- b. Defendants have repeatedly and persistently engaged in illegal acts in the carrying on, conducting, and transaction of business, in violation of Executive Law § 63(12) by engaging in fraud in operating Buffalo Taxi by submitting claims for services not rendered; and
- c. Defendants have by means of a false statement or representation, obtained payment from Medicaid funds for services or supplies purportedly furnished; and
- d. Defendants have obtained, received, converted, and/or disposed of Medicaid funds, directly or indirectly, to which they were not entitled.

2. Permanently enjoining Defendants from:

- a. Further violating healthcare regulations and Medicaid guidelines relating to transportation services in New York State; and

- b. Further engaging in fraudulent and illegal acts and practices relating to reimbursement by the Medicaid Program.
3. Awarding, under Executive Law §§ 63(12) and 63-c, a money judgment in favor of the State against Defendants, jointly and severally, in an amount to be determined at trial but at least \$563,904.68, said sum being the total amount of restitution owed to the Medicaid Program known at the time of the service of the Complaint, set forth in Exhibit 2.
4. Awarding, under the False Claims Act and Social Services Law § 145-b, a money judgment in favor of the State against Defendants, jointly and severally, in an amount to be determined at trial but at least \$1,691,714.04, said sum representing treble damages, less the amount of any money judgment ordered pursuant to Paragraph 3, above.
5. Awarding interest from the date of each payment to Defendants at the maximum legal rate in effect on the date each payment was made.
6. Directing Defendants to pay civil penalties in the amount of \$12,000.00 per violation pursuant to the FCA and Social Services Law § 145-b.
7. Awarding the State reasonable attorneys' fees.
8. Awarding Plaintiff statutory costs against each Defendant in the amount of \$2,000.00 pursuant to CPLR § 8303(a)(6); and
9. Granting the State such other and further relief as this Court deems just and proper.

Dated: Buffalo, New York
June 25, 2025

LETITIA JAMES

Attorney General of the State of New York

BY:



Thomas N. Schleif
Special Assistant Attorney General
Medicaid Fraud Control Unit
Office of the Attorney General of the
State of New York
350 Main Street, Suite 300-B
Buffalo, New York 14202
Telephone: (716) 853-8505
thomas.schleif@ag.ny.gov

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ERIE

PEOPLE OF THE STATE OF NEW YORK,
by LETITIA JAMES, Attorney General of
the State of New York

Plaintiff,

- against -

BUFFALO TAXI SERVICES INC. d/b/a AMERICAN
TRANSPORTATION and AWS ALMAFRACHI

Defendants.

VERIFICATION

Index No.: _____

Thomas N. Schleif, an attorney duly admitted to practice before the Courts of the State of New York, affirms the following under penalty of perjury:

I am a Special Assistant Attorney General in the New York State Attorney General's Medicaid Fraud Control Unit, of Counsel to Attorney General of the State of New York Letitia James, attorney for Plaintiff in this action. I am acquainted with the facts set forth in the foregoing Complaint, based on my review of the files of the Medicaid Fraud Control Unit and information provided by Special Assistant Attorneys General and auditors and investigators participating in the investigation of this matter, and said Complaint is true to my knowledge, except as to matters which were therein stated to be upon information and belief, as to those matters I believe them to be true. The reason I make this verification is that Plaintiff the People of the State of New York is a body politic.

Dated: Buffalo, NY
June 25, 2025

LETITIA JAMES
Attorney General of the State of New York



Thomas N. Schleif
Special Assistant Attorney General
Medicaid Fraud Control Unit
Office of the Attorney General of the
State of New York
350 Main Street, Suite 300-B
Buffalo, New York 14202
Telephone: (716) 853-8505
thomas.schleif@ag.ny.gov



NYSCEF Confirmation Notice

Erie County Supreme Court



The NYSCEF website has received an electronic filing on 06/25/2025 02:53 PM. Please keep this notice as a confirmation of this filing.

Index Number NOT assigned

People of the State of New York, by Letitia James, Attorney General of the State of New York v. Buffalo Taxi Services Inc. d/b/a American Transportation et al

Assigned Judge: None Recorded

Documents Received on 06/25/2025 02:53 PM

Doc #	Document Type
1	SUMMONS
2	COMPLAINT
3	EXHIBIT(S) A (Redacted per 202.5(e) or 206.5(e))
4	EXHIBIT(S) B
5	NO FEE AUTHORIZATION (LETTER/ORDER/AFFIRMATION)

Filing User

THOMAS NICHOLAS SCHLEIF | thomas.schleif@ag.ny.gov

E-mail Service Notifications

An email regarding this filing has been sent to the following on 06/25/2025 02:53 PM:

THOMAS NICHOLAS SCHLEIF - thomas.schleif@ag.ny.gov

Michael P. Kearns, Erie County Clerk

Website: <http://www.erie.gov/clerk>

NYSCEF Resource Center, nyscef@nycourts.gov

Phone: (646) 386-3033 | Fax: (212) 401-9146 | Website: www.nycourts.gov/efile



NYSCEF Confirmation Notice

Erie County Supreme Court



Index Number NOT assigned

People of the State of New York, by Letitia James, Attorney General of the State of New York v. Buffalo Taxi Services Inc. d/b/a American Transportation et al

Assigned Judge: None Recorded

Email Notifications NOT Sent

Role	Party	Attorney
Defendant / Respondent	Buffalo Taxi Services Inc. d/b/a American	No consent on record.
Defendant / Respondent	Aws Almafrachi	No consent on record.

* Court rules require hard copy service upon non-participating parties and attorneys who have opted-out or declined consent.

Michael P. Kearns, Erie County Clerk

Website: <http://www.erie.gov/clerk>

NYSCEF Resource Center, nyscef@nycourts.gov

Phone: (646) 386-3033 | Fax: (212) 401-9146 | Website: www.nycourts.gov/efile