

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF BRONX

LETITIA JAMES,  
Attorney General of the State of New York,

Plaintiff-Claiming Authority,

- and -

STATE OF NEW YORK,

Co-Plaintiff,

- against -

LESLIE MONTGOMERY, individually and d/b/a  
HEALTHY LIVING COMMUNITY CENTER a/k/a  
HEALTHY LIVING, a sole proprietorship and LESLIE  
MONTGOMERY, individually and d/b/a LCM  
MANAGEMENT, a sole proprietorship, and LCM  
LIVERY P/U, INC.,

Criminal Defendants,

COMPREHENSIVE PAIN, INC., LCM HOME  
HEALTH AID, LLC, and LSM DME, LLC

Non-Criminal Defendants.

Index No.: 811219/2021E

**SUMMONS**


TO THE ABOVE-NAMED DEFENDANTS:

**YOU ARE HEREBY SUMMONED** and required to serve upon Plaintiffs' attorneys a Verified Answer to the Summons and Verified Complaint in this action within twenty (20) days after the service of this Summons, exclusive of the day of service. If this summons is not personally served upon you, or if this summons is served upon you outside of the State of New York, then your Answer must be served within thirty (30) days. In case of your failure to answer, judgment will be taken against you by default for the relief demanded in the Verified Complaint.

The basis of venue designated is the place where the criminal trial may be conducted pursuant to CPLR Article 13-A.

Dated: New York, New York  
August 18, 2021

LETITIA JAMES  
Attorney General of the State of New York  
Claiming Authority and  
Attorney for the Co-Plaintiff State of New York

By:   
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**VERIFIED COMPLAINT**

Plaintiffs, the State of New York, by Letitia James, Attorney General of the State of New York, and Letitia James, as Plaintiff-Claiming Authority under Civil Practice Laws and Rules (“CPLR”) Article 13-A, complaining of the above-named Defendants, allege upon information and belief, that:

**PRELIMINARY STATEMENT**

1. This asset forfeiture and civil recovery action seeks to restrain the dissipation of assets and recover damages amounting to at least \$4,053,117.00, exclusive of statutory trebling, suffered as a result of Criminal Defendant Leslie Montgomery’s unlawful scheme to enrich herself

at the expense of vulnerable New Yorkers by stealing public funds from the New York State Medical Assistance Program (referred to hereinafter, at times, as “Medicaid” or the “Medicaid Program”).

2. Pursuant to her scheme, which is the subject of an ongoing criminal prosecution, Criminal Defendant Leslie Montgomery (“Montgomery”) and her company Healthy Living Community Center a/k/a Healthy Living (“Healthy Living”), a purported medical and community center, systematically stole millions from the Medicaid Program by submitting fraudulent insurance claims to MetroPlus Health Plan, Inc. (“MetroPlus”), a Medicaid-funded Managed Care Organization.

3. As set forth in greater detail below, between September 1, 2018 and November 2, 2019 (the “Operative Time Period”), Montgomery used online advertisements to lure Medicaid recipients to Healthy Living locations with the promise of affordable housing assistance. This promise, however, was a ruse. When Medicaid recipients responded to the advertisements, they were told that to be eligible for housing assistance, they would have to provide certain personal identifying information, including their Medicaid Client Identification Numbers (“CINs”).

4. None of the Medicaid recipients who responded to Montgomery’s ads received housing assistance. Instead, Montgomery and Healthy Living used the recipients’ Medicaid CINs to submit fraudulent reimbursement claims to MetroPlus for expensive orthotic back braces that were either provided without medical need, or not provided at all. To the extent Montgomery and Healthy Living provided back braces, they billed MetroPlus at falsely inflated reimbursement rates that did not reflect the true value of the goods actually provided.

5. Indeed, Montgomery, acting by and through Healthy Living, routinely dispensed generic “off-the-shelf” back braces ordered and mailed directly from Amazon.com (“Amazon”),

costing approximately \$20.00 each, and then submitted claims for reimbursement to MetroPlus for two different highly specialized, custom-molded models for which Medicaid reimbursed at rates of approximately \$1,550.00 and \$750.00 each. Montgomery, acting by and through Healthy Living, consistently billed at these higher rates, regardless of whether any product was dispensed.

6. Healthy Living is not enrolled in the Medicaid Program. Such enrollment, is required to dispense Durable Medical Equipment (“DME”). Similarly, such enrollment is a prerequisite to submitting reimbursement claims for DME, including back braces, to Medicaid or to any Medicaid-funded MCO. Thus, even if Healthy Living’s reimbursement claims were based on true medical necessity, those claims would be fraudulent nonetheless.

7. Montgomery profited handsomely from her scheme, as Healthy Living received over \$4 million in reimbursements for back braces during the Operative Time Period. Montgomery dispersed the stolen funds to herself and to a network of companies that she owns and controls. Additionally, she used stolen Medicaid money to purchase two houses.

8. Plaintiffs bring this action against Montgomery individually, and d/b/a as Healthy Living Community Center a/k/a Healthy Living, a sole proprietorship; against Montgomery, individually and d/b/a LCM Management, a sole proprietorship; and against LCM Livery P/U, Inc., pursuant to Article 13-A of the CPLR seeking a judgment of forfeiture of the proceeds of the crimes for which these Criminal Defendants are expected to be charged by way of indictment. Plaintiffs also name Comprehensive Pain, Inc., LCM Home Health Aid, LLC and LSM DME, LLC as Non-Criminal Defendants pursuant to CPLR Article 13-A, seeking proceeds, substituted proceeds and instrumentalities of crimes committed by Criminal Defendants.

9. Furthermore, Plaintiffs bring additional causes of action under the New York State False Claims Act, State Finance Law §188, *et seq.*, Social Services Law § 145-b, Executive Law § 63 (12), Executive Law § 63-c, and for common law unjust enrichment.

10. The allegations set forth herein are alleged upon information and belief based on information obtained during the course of the investigation conducted by the Office of the New York State Attorney General's Medicaid Fraud Control Unit ("MFCU") into the matters described herein (the "Investigation").

## **THE PARTIES**

### **The Plaintiffs**

11. Plaintiff-Claiming Authority Letitia James is the Attorney General of the State of New York ("Claiming Authority"), and was at all times relevant to this action, a person authorized by CPLR § 1310 (11) to commence a forfeiture action under CPLR Article 13-A.

12. Plaintiff State of New York (hereinafter, the "State") was, at all times relevant to this action, a sovereign state of the United States of America.

### **Criminal Defendants<sup>1</sup>**

13. Criminal Defendant Leslie Montgomery, is an individual, who upon information and belief, last resided at 1770 Westchester Avenue, Bronx, New York 10472.

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<sup>1</sup> The Criminal Defendants, Leslie Montgomery, individually and d/b/a Healthy Living Community Center a/k/a Healthy Living, a sole proprietorship and d/b/a LCM Management, a sole proprietorship, and LCM Livery P/U, are designated "Criminal Defendants" pursuant to CPLR Article 13-A; they have been charged with various felonies, upon which the forfeiture cause of action brought by the Attorney General as Claiming Authority is predicated. The Criminal Defendants are also ordinary civil defendants as to the other causes of action. The term "Criminal Defendant" is a statutory term based upon the party's procedural status in this civil litigation and does not reflect any determination as to criminal liability or lack of criminal liability.

14. Upon information and belief, Healthy Living Community Center, a/k/a Healthy Living, is a New York sole proprietorship, owned and operated by Montgomery. At various times, Healthy Living has listed its principal place of business at 2114 Williamsbridge Road Suite 114 and at 1430 Parkchester Road, 12B, Bronx, NY 10462.

15. Upon information and belief, LCM Management (“LCM Management”) is a New York sole proprietorship, owned and operated by Montgomery. At various times, LCM Management has listed its principal place at 615 E. 189<sup>th</sup> Street #6, Bronx, New York, 10458 and 1466 Beach Avenue, Apt. 12A, Bronx, NY 10460.

16. LCM Livery P/U, Inc. (“LCM Livery”) is a New York corporation, owned and operated by Montgomery. At various times, LCM Livery has listed its principal place at 1430 Parkchester Road, Apt. 12B, Bronx, New York 10462, and 1466 Beach Avenue, Apt. 12A, Bronx, NY 10460, which is LCM Livery’s stated address for service of process via the New York Secretary of State. LCM Livery’s stated address for service of process via the Secretary of State is 1466 Beach Avenue, Apt. 12A, Bronx, NY 10460.

**Non-Criminal Defendants**

17. Non-Criminal Defendant Comprehensive Pain, Inc. (“Comprehensive”) is a New York corporation, owned and operated by Montgomery. At various times, Comprehensive has listed its principal place of business at 1430 Parkchester Road, Apt. 12B, Bronx, New York 10462, and 1466 Beach Avenue, Apt. 12A, Bronx, NY 10460, which is Comprehensive’s stated address for service of process via the New York Secretary of State.

18. Non-Criminal Defendant LCM Home Health Aid, LLC (“LCM Home Health”) is a limited liability company organized under the laws of the State of New York, and is owned and

operated by Montgomery. Upon information and belief, LCM Home Health maintained a business addresses at 1466 Beach Avenue, Apt. 12A, Bronx, New York 10460.

19. Non-Criminal Defendant LSM DME, LLC (“LSM DME”) is a limited liability company organized under the laws of the State of New York, and is owned and operated by Montgomery. Upon information and belief, LSM DME has maintained business addresses at 1466 Beach Avenue, Apt. 12A, Bronx, New York 10460 and 1430 Parkchester Road, Apt. 12B, Bronx, New York 10462.

### **JURISDICTION**

20. Pursuant to Executive Law § 63 (3), the Attorney General of the State of New York has criminal jurisdiction over the offenses underlying the instant civil forfeiture action and is an appropriate claiming authority as that term is defined in CPLR § 1310 (11).

### **VENUE**

21. Venue is proper in this County pursuant to CPLR § 1311(10)(b), in that Criminal Defendant Montgomery, individually, and d/b/a Healthy Living and d/b/a LCM Management, is expected to be charged, by way of indictment, in Bronx County, with the crimes of (1) Grand Larceny in the First Degree in violation of Penal Law § 155.42, Health Care Fraud in the First Degree in violation of Penal Law § 177.25, Money Laundering in the First Degree in violation of Penal Law § 470.20[1][b][ii][A][iii] and multiple counts of Identity Theft in the First Degree in violation of Penal Law § 190.80.<sup>2</sup> It is similarly anticipated that Criminal Defendant LCM Livery P/U, Inc., will be charged with Money Laundering in the First Degree in violation of Penal Law § 470.20[1][b][ii][A][iii].

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<sup>2</sup> On October 8, 2020, Montgomery was arrested and arraigned on a criminal complaint in Bronx County Criminal Court.



22. The conduct described in this action is grounded upon criminal activity arising from a common scheme or plan, and is therefore not limited to the crimes to be charged. Rather, the conduct described in this action both pre- and post-dates the crimes to be charged, and includes fraudulent conduct for which the Criminal Defendants are civilly liable to the State of New York independently of their criminal liability.

### **THE MEDICAID PROGRAM**

#### **Medicaid Generally**

23. Medicaid is a joint state and federal program designed to provide medical care to those who would not otherwise be able to afford it. It is funded by New York State and Federal funds. The Medicaid Program provides no-cost medical services and goods to eligible needy persons (referred to at times hereinafter as “beneficiaries,” “enrollees” or “recipients”), including DME. Medicaid beneficiaries must meet defined income thresholds to be eligible for Medicaid.

24. Under Medicaid, healthcare providers may receive reimbursement for “medical assistance,” supplied to Medicaid recipients, including the provision of DME.

25. In New York State, Medicaid service providers are reimbursed either directly, on a fee-for-service basis (“FFS”), where healthcare providers and pharmacies bill New York State directly for Medicaid services, or through claims submitted to Managed Care Organizations.

27. 18 NYCRR § 504.6 (d) requires that a provider submit Medicaid claims for reimbursement only for services provided in compliance with Title 18 of the Official Compilation of Codes, Rules and Regulations of New York State.

#### **Medicaid Billing Regulations**

28. Medicaid in New York State is administered by the New York State Department of Health (“DOH”) pursuant to statutes, rules, and regulations.

29. Through regulations, provider and policy manuals, and periodic Medicaid Updates, DOH sets the rules and regulations for services and reimbursement requests that are applicable to all Medicaid providers statewide. All providers expressly certify familiarity and compliance with all such updates.

30. Under the supervision of the Attorney General and under the authority of law, MFCU investigates, prosecutes and recovers funds from persons who commit fraud against the Medicaid Program and its providers, and who otherwise violate New York penal and civil laws.

31. Enrollment as a Medicaid provider is voluntary. A provider must be enrolled in the Medicaid Program to receive Medicaid funds for items billed directly to Medicaid (*See* 18 NYCRR § 504.1; *see also* 18 NYCRR § 504.6 (procedures upon acceptance and restrictions upon the provider’s use of their identifying number).)

32. A provider is required to be familiar with the Medicaid Program’s rules and regulations specific to that provider’s services as well as the published monthly Medicaid Updates (*See generally*, DOH Medicaid Provider Manual “Information for All Providers – Keeping Current with Policy Information”).

33. 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 can 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.

34. Medicaid providers submit an annual certification to Medicaid affirming their compliance with all program rules and regulations. (*See generally* “Information for all Providers

– General Billing” available on the DOH website, eMedNY.org; *see also* 18 NYCRR §§ 504.3,

540.7.) The statement says:

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.

Medicaid certifications remain in effect until a new certification is signed by the provider.

#### **Medicaid Services Paid Through Managed Care Organizations**

35. New York State also makes Medicaid services available to recipients through healthcare plans provided by MCOs under contract with the State. In New York, an MCO receives a monthly capitation payment—essentially an insurance premium—from the State to provide a bundle of services to Medicaid recipients enrolled in the plan. Each managed care plan maintains its own list of covered services. MCOs enter into contracts with various service providers to furnish these services. Services provided by various MCOs depend on the medical needs of their members.

36. Under Managed Care, the MCO provides Medicaid reimbursement payments to healthcare providers enrolled with or pre-approved by that MCO. MCOs require their providers to abide by the rules and regulations of the Medicaid Program, even if the provider itself is not an enrolled Medicaid provider.

37. The monies used to pay for Medicaid Managed Care services are paid under the New York State Medicaid Program from taxpayer funds. Under the Penal Law, a payment made

by a Medicaid MCO is explicitly “deemed a payment by the state’s medical assistance program (Medicaid)” (Penal Law §177.00 [1]).

### **Unacceptable Practices in the Medicaid Program**

38. An “unacceptable practice” is “conduct by a person which conflicts with any of the policies, standards or procedures of the State of New York as set forth in the Official Codes, Rules and Regulations of the Department of Health or any other State or Federal statute or regulation that relates to the quality of care, services and supplies or the fiscal integrity of the Medicaid Program” (New York State Medicaid Program, Information for All Providers – General Policy Manual, page 64 (Version 2011-2)).

39. More specifically, “an unacceptable practice is conduct which constitutes fraud or abuse,” and includes “false claims, [such as] submitting or causing to be submitted, a claim or claims for unfurnished medical care, services or supplies.” (18 N.Y.C.R.R. § 515.2 (b)(1)(i)).

40. Similarly unacceptable and fraudulent is the practice of submitting or causing to be submitted, a claim or claims for “medical care, services or supplies provided at a frequency or in an amount not medically necessary.” (18 N.Y.C.R.R. § 515.2 (b)(1)(i)).

41. An unacceptable practice further includes “making, or causing to be made any false, fictitious or fraudulent statement or misrepresentation of material fact in claiming a medical assistance payment, or for use in determining the right to payment.” (18 NYCRR § 515.2 (b)(2)(i).)

42. Further, pursuant to 18 NYCRR § 518.1 (c), an “overpayment includes any amount not authorized to be paid under the medical assistance program, whether paid as the result of inaccurate or improper cost reporting, improper claiming, unacceptable practices, fraud, abuse or mistake.”

43. Similarly, “[n]o payment will be made for medical care, services, or supplies ordered or prescribed by any person while that person is excluded, nor for any medical care, services or supplies ordered or prescribed in violation of any condition of participation in the program.” (18 NYCRR § 515.5 (b).)

44. Accordingly, the Medicaid Program will not knowingly pay claims resulting from unacceptable practices, and all claims for payment submitted to Medicaid resulting from unacceptable practices are in violation of a material condition of payment of the New York State Medicaid Program.

#### **Durable Medical Equipment Provider Rules and Regulations**

45. As noted above, in addition to the general obligations of Medicaid providers, the Medicaid Program also requires a provider to be aware of and comply with the rules and regulations that are specific to the provider’s services. Accordingly, beyond the rules by which all Medicaid providers must abide, DOH imposes additional requirements on the providers of DME.

46. The most basic requirement attendant to DME providers is enrollment. Specifically, before a provider can supply or prescribe any DME products, such as back braces, that provider must be enrolled in the Medicaid Program as a medical equipment dealer (*see* Medicaid Provider Manual for DME Equipment available at <https://www.emedny.org/ProviderManuals/DME/PDFS/DMEPolicySection.pdf>). If the provider has multiple locations, each location must be separately enrolled, have site-specific approval, and must have a separate National Provider Identifier (NPI) number (*Id.* at 8).<sup>3</sup>

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<sup>3</sup>The National Provider Identifier (NPI) is a Health Insurance Portability and Accountability Act (HIPAA) Administrative Simplification Standard. The NPI is a unique identification number for covered health care providers. Covered health care providers and all health plans and health care clearinghouses must use the NPIs in the administrative and financial transactions adopted under HIPAA. The NPI is a 10-position, intelligence-free numeric identifier (10-digit number).

47. DME providers are expected to be knowledgeable about the items they dispense, and are required to provide information to the beneficiary about the use and care of the item as well as provide the necessary fittings and adjustments (*Id.*). For billing purposes, providers must know the Medicaid Program's coverage criteria, frequency limits of each product, and the correct billing codes. Knowingly submitting a claim for reimbursement for same/similar, unfurnished or inappropriate services or items, or for unnecessary equipment is considered an unacceptable practice (*Id.* at 9 and 13).

48. As set forth below, Montgomery, acting by, through, and in concert with Healthy Living, flouted the foregoing rules and regulations, submitted false claims for services not rendered, and in so doing, stole millions of dollars from the Medicaid Program.

### **THE CRIMINAL CONDUCT**

49. Though Montgomery held Healthy Living out as a legitimate medical practice and community center, its sole purpose was to line her pockets.

#### ***Healthy Living's Ownership and Operations***

50. At all relevant times herein, Healthy Living has been exclusively owned and operated by Montgomery. Indeed, for all practical and legal purposes, Healthy Living and Montgomery are one and the same.

51. On or about December 13, 2018, Montgomery opened a bank account in the name of Healthy Living at TD Bank (the "Healthy Living TD Account").

52. When opening the Healthy Living TD Account, Montgomery completed paperwork wherein she described Healthy Living as a sole proprietorship and confirmed that she conducts business "as Healthy Living." Moreover, Montgomery is the sole signatory on this account, and the sole point of contact for bank communications with Healthy Living. Significantly,

Montgomery listed the email address leslieg\*\*\*\*\*e@gmail.com as the contact email address for Healthy Living.<sup>4</sup> As set forth below, Montgomery used this email address to carry out her criminal scheme.

53. While there can be no question as to Montgomery's relationship with Healthy Living, the purported nature of Healthy Living's business is considerably more opaque. In response to inquiries made by TD Bank when opening Healthy Living's bank account, Montgomery alternately described the company's business as a "Health and Wellness Center," and a "Medical, Dental and Hospital Equipment and Supplies Merchant."

54. However, on promotional materials distributed to the public, Montgomery significantly broadened the scope of services purportedly provided by Healthy Living, describing the business, in a remarkable jumble of words, as a "Medical and Psych Community Center" which specializes in: "Auto Accidents, Sports Injury, Work Injuries, Transportation, Durable Medical Equipment, Pain Management Services, Physicals, Family Planning (Birth Control), Immigration, Family Medicine (PCP), Diabetes Management, Hypertension Management, Cholesterol Management, Weight Loss Program, Pap Test, Home Health Aide, Personal Care, Services (Babysitting), and Physical Therapy."

55. The varied descriptions of Healthy Living are unsurprising, and indeed irrelevant, for the simple truth is that Healthy Living has never conducted any legitimate business – healthcare or otherwise.

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<sup>4</sup> For the interests of confidentiality, as well as fact that MFCU's Investigation is ongoing, the full e-mail address, which is known to MFCU, will not appear in this pleading.

56. Despite having no less than five purported business locations, NYS Department of Labor records indicate that Healthy Living has no employees.<sup>5</sup>

57. Surveillance conducted by MFCU Investigators of five purported Healthy Living business locations on multiple dates in 2018 and 2019, during Healthy Living's stated business hours, revealed a lack of any activity consistent with a legitimate, functioning medical practice. MFCU investigators failed to find an operating business at any of the locations. In almost all instances, the locations appeared closed, in that metal gates covered the entrances and very little, if any, foot traffic was observed going into or out of the locations.

58. Moreover, as set forth in greater detail below, a review of the Healthy Living TD Account revealed a lack of any transactions associated with a legitimate medical practice.

59. Thus, while Montgomery held Healthy Living out as a full-purpose "Medical and Psych Community Center," the business's sole true purpose was to serve as the vehicle through which millions of dollars in stolen money was funneled from the Medicaid Program to Montgomery.

#### ***Healthy Living Enrolls With MetroPlus***

60. On or about September 1, 2018, Healthy Living became an enrolled provider with MetroPlus, a Managed Care Organization/Health Maintenance Organization wholly owned and operated by the New York City Health and Hospitals Corporation and funded by Medicaid.<sup>6</sup>

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<sup>5</sup> Upon information and belief, the five purported business locations for Healthy Living are 2114 Williamsbridge Road, Suite 114, Bronx, New York; 1873 Wood Avenue, Bronx, New York; 1435 Beach Avenue, Bronx, New York; 1828 Archer Street, Bronx, New York; and 1466 Beach Avenue, Apt 12A, Bronx, New York.

<sup>6</sup> MetroPlus is a wholly owned subsidiary of the New York City Health and Hospitals Corporation, organized and operated as a health maintenance organization under the laws of the State of New York.



61. Healthy Living's enrollment with MetroPlus was effectuated by way of a written contract, which Montgomery executed in her capacity as Healthy Living's owner.

62. The enrollment materials provide further confirmation that Montgomery was, and is the sole driving force behind Healthy Living, as these materials included documents signed by Montgomery on behalf of the company, and documents that list Healthy Living's business and pay-to address as Montgomery's home address, and its telephone number as her own number.

63. Indeed, in all known communications with MetroPlus, Montgomery identifies herself as the owner or manager of Healthy Living. Notably, on January 1, 2019, a few weeks after opening the Healthy Living TD Account, Montgomery completed an Electronic Funds Transfer (EFT) Request that enabled MetroPlus to deposit reimbursements directly into the Healthy Living TD Account. In completing the EFT Request, Montgomery listed herself as the "Payee Contact" and gave the same email address she used to open the Healthy Living TD Account, leslieg\*\*\*\*\*e@gmail.com. She also listed the same phone number that was used to open the Healthy Living TD Account.

64. The MetroPlus provider contract required Healthy Living to enroll in the Medicaid Program.

65. The provider contract similarly required Healthy Living to execute and deliver the Medicaid certification described in ¶34, above. Specifically, the contract required Healthy Living to "have an officer, director or partner execute and deliver to DOH a certification using a form provided by DOH through the [Office of the Medicaid Inspector General] website..." stating that:

- the Provider is subject to the statutes, rules, regulations and applicable Medicaid Updates of the Medicaid program and of DOH related to the furnishing of care, services or supplies provided directly by, or under the supervision of, or ordered, referred or prescribed by the Provider. This includes 18 NYCRR 515.2...;"

- all claims submitted for payment by the Provider are for care, services or medical supplies that have been provided; and
- Payment requests are submitted in accordance with applicable law.<sup>7</sup>

66. Compliance with these contractual provisions was a prerequisite to obtaining payment from MetroPlus.

67. Tellingly however, Healthy Living did not become enrolled in the Medicaid Program, nor did it submit the requisite certification of compliance with Medicaid rules and regulations as required by its contract with MetroPlus.

68. Compliance with program rules meant nothing to Montgomery because she had no intention of actually operating a medical practice. Instead, she enrolled Healthy Living with MetroPlus so as to obtain access to a virtually limitless source of Medicaid money to steal.

***Montgomery Steals Medicaid Recipients' Identifying Information and Uses That Information to Submit Fraudulent Claims for Reimbursement***

69. Having secured a source of money, Montgomery needed the means to orchestrate and effectuate her theft. To this end, Montgomery, through flyers, recruiters, and most notably, Craigslist advertisements, enticed Medicaid recipients to provide critical personal information to Healthy Living by promising them affordable housing.

70. Despite having no apparent connection to the New York real estate market, or to any housing assistance programs or advocates, Montgomery placed numerous advertisements for housing on Craigslist during the Operative Time Period. The substance of these ads, which targeted low-income New Yorkers, varied. Some offered “apartment[s] for rent,” or “voucher

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<sup>7</sup> September 1, 2018 MetroPlus Contract with Healthy Living, NYSDOH Standard Clauses Appendix, New York State Department of Health Standard Clauses for Managed Care Providers/IPAs/ACOs Contracts.

apartments,”<sup>8</sup> while others offered participation in a “housing assistance program,” and promised “assistance in finding housing and paying back rent.” Some advertised for housing in a “medical group home,” while others cited a vague requirement that applicants “register with the program,” without identifying the program at issue.

71. Significantly, multiple ads for purportedly available apartments referenced a company called “LCM Management Company” (*i.e.*, LCM Management). As set forth in greater detail below, LCM Management is but one of several shell companies owned and operated by Montgomery, which were used to dissipate criminal proceeds (*see*, ¶¶108-130, *infra*).

72. Although the ads varied in text and substance, they all shared two critical features: they were all posted to Craigslist by Montgomery, and they were all bogus.

73. MFCU’s Investigation confirmed that the contact e-mail submitted to Craigslist in connection with posting the ads is the same e-mail address – [leslieg\\*\\*\\*\\*\\*e@gmail.com](mailto:leslieg*****e@gmail.com) – that Montgomery used to open the Healthy Living TD Account, and to enroll Healthy Living in the MetroPlus EFT system.

74. The promise of housing assistance offered by Montgomery was a ruse designed to entice Medicaid recipients into divulging personal information that would allow her to submit reimbursement claims through Healthy Living.

75. During the course of the Investigation, MFCU Investigators interviewed multiple Medicaid recipients who responded to Montgomery’s Craigslist ads and in so doing, fell victim to her promise of affordable housing in exchange for their Medicaid information. Their experiences were all similar.

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<sup>8</sup> Upon information and belief, this is a reference to one of several housing voucher subsidy programs available to low-income New Yorkers.

76. In some instances, recipients responded to the ads via telephone, at which time they were told to provide their Medicaid numbers over the phone to qualify for the “program,” while others were instructed to report to Healthy Living locations to complete the application/evaluation process. Montgomery, through Healthy Living, regularly offered recipients transportation to Healthy Living locations in the form of livery cabs, which the recipients ultimately paid for out-of-pocket. Upon arriving at Healthy Living locations, the recipients were “evaluated.” In some instances, the evaluation consisted of answering questions, while other recipients reported having an electric massager applied to parts of their bodies, by purported Healthy Living “staffers” who were not medical professionals. Upon information and belief, some recipients dealt directly with Montgomery either on the phone or in person at a Healthy Living location.

77. Some recipients were told that to “qualify” for the “program,” they would have to submit to further examination by a physician. In those instances, Montgomery, who is not a licensed medical professional, referred those recipients to doctors with whom she has a financial relationship.

78. Regardless of the nature of the purported evaluation, the recipients all had their Medicaid CINs collected through deceit, and Defendants used those CINs to submit reimbursement claims to MetroPlus for highly specialized back braces that were allegedly delivered to those recipients. In many cases, back braces were never provided. To the extent back braces were delivered to recipients, they were provided without any valid medical necessity. Indeed, multiple recipients reported receiving back braces they neither needed, nor asked for, after interacting with defendants.

79. MFCU's Investigation revealed that when recipients contacted Healthy Living to question why they received the braces, Montgomery would tell them that they were "discharged" from the program.

80. MFCU's Investigation further confirmed that Montgomery was solely responsible for the submission of Healthy Living's reimbursement claims to MetroPlus.

81. Montgomery was similarly responsible for ordering the back braces. MFCU's Investigation uncovered numerous e-mails between Amazon and Montgomery at the [leslieg\\*\\*\\*\\*\\*e@gmail.com](mailto:leslieg*****e@gmail.com) address, confirming that Montgomery purchased and shipped braces, often directly to the home addresses of Medicaid recipients. According to e-mail records, Montgomery received purchase and shipping confirmation e-mails from Amazon several times a week, and often several times a day.

82. Montgomery's ruse was not limited to Craigslist ads. MFCU's Investigation has uncovered evidence that Montgomery also employed recruiters to solicit Medicaid recipients at welfare offices. Moreover, in addition to advertising for non-existent housing, Montgomery also enticed people with the false promise of employment.

83. In addition to recipients who responded to Healthy Living's enticements, MFCU's Investigation identified recipients who had no contact with Montgomery or Healthy Living at all, but inexplicably received back braces in the mail and had reimbursement claims submitted "on their behalf," using their CINs.

84. The experiences described by the above-mentioned recipients were not isolated incidents; rather, they were part and parcel of a widespread fraud scheme. Indeed, during the Operative Time Period, reimbursement claims for back braces were submitted on behalf of virtually *every* Healthy Living "patient," including recipients who had never been to a Healthy

Living location, or otherwise seen by healthcare professionals purportedly affiliated with Healthy Living. None of these recipients received any form of housing assistance, while Montgomery, through her companies, on the other hand, was paid over \$4 million in Medicaid reimbursements from MetroPlus.

85. During the Operative Time Period, MetroPlus paid Healthy living approximately \$4,476,468.52 in reimbursements. Approximately 90.5% of those reimbursements – an amount totaling \$4,053,117.00 – were for fraudulent back brace claims.

86. Even if Healthy Living's reimbursement claims were based on medical need, they would nonetheless be fraudulent as Healthy Living had none of the governmental approvals required to dispense and bill for back braces.

***Healthy Living Is Not an Enrolled DME Provider***

87. As set forth above, there are multiple DOH rules and regulations that must be adhered to before a provider can seek reimbursement for durable medical equipment. Healthy Living complied with none of these regulations.

88. Healthy Living is not enrolled with Medicaid as a DME provider. Indeed, as noted above, Healthy Living is not enrolled with Medicaid *at all* – a violation of Medicaid Program regulations and Healthy Living's contract with MetroPlus. Similarly, while Healthy Living purports to operate several locations, each of which must be separately enrolled and maintain separate Provider Identification Numbers, Healthy Living has only one NPI number.

89. Because each of these regulatory requirements is a prerequisite to payment, Healthy Living's failure to obtain the necessary approvals renders *every* back brace reimbursement claim submitted impermissible and fraudulent. Accordingly, defendants were not entitled to *any* of the \$4,053,117.00 in back brace reimbursements they received from MetroPlus.

*Montgomery Grossly Inflated the Value of Healthy Living's Fraudulent Reimbursement Claims*

90. Apparently unsatisfied with merely billing for back braces – without the requisite approvals – that were never delivered, or if delivered, were not medically necessary, Montgomery “doubled down” on her fraud by billing MetroPlus for back braces at grossly inflated rates, thereby maximizing the ill-gotten gains realized by her and Healthy Living.

91. There are numerous types of orthotic back braces, each with its own corresponding product/billing code. Medicaid reimburses suppliers of orthotic appliances at rates reflective of the level of customization and specialization attendant to each model. For example, HCPCS code L0625, which describes a simple Velcro, off-the-shelf, lumbar support back brace, has a Medicaid reimbursement rate of \$43.27, while more specialized models, such as those billed under HCPCS codes L0631 and L0700, are reimbursed at rates of approximately \$750 and \$1550, respectively.<sup>9</sup> HCPCS code L0700 denotes a highly supportive brace for the back, neck, and spine, which is not prefabricated or “off the shelf,” but rather, must be custom molded to the patient, usually by means of a plastic cast or melted plastic. HCPCS code L0631 denotes a back brace model for lumbar support that is prefabricated but still requires custom molding or fitting to a patient by a professional.

92. Defendants consistently submitted claims for reimbursement using the expensive HCPCS codes L0631 and L0700, regardless of whether any product was actually dispensed. However, when they actually provided back braces to recipients, those braces were simple “off-

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<sup>9</sup> “HCPCS” refers to the Healthcare Common Procedure Coding System, which is a set of health care procedure codes based on the American Medical Association’s Current Procedural Terminology. The System was established to provide a standardized coding system for describing the specific items and services provided in the delivery of health care. Such coding is necessary for health insurance programs, including Medicaid, to ensure that insurance claims are processed in an orderly and consistent manner.

the-shelf' models that Montgomery ordered from Amazon and had shipped directly to the recipients which should have been billed at the much lower reimbursement rate code L0625.

93. According to records obtained from Amazon, between January 2018 and June 2019, Montgomery purchased 1,221 back braces, the majority of which were Mueller branded braces, from Amazon for a total cost of \$24,669.46.

94. The back brace model routinely purchased by Montgomery, the Mueller 255 Lumbar Support Back Brace with Removable Pad, consists of a single elastic band pulled around the wearer's waist and secured in the front with Velcro; individual fitting and customization is not possible. Accordingly, the manufacturer's suggested HCPCS Code for this brace is L0625, which, as noted above, corresponds to a simple Velcro, off-the-shelf, lumbar support back brace, and has a Medicaid reimbursement rate of \$43.27.

95. MFCU's Investigation, which included a review of Montgomery's business and personal bank accounts, credit cards, and Amazon purchase records, revealed no purchases of any back braces of the type needed to justify a submission of CPT codes L0700 and L0631. Nonetheless, during the Operative Time Period, Montgomery submitted claims for reimbursement using these highly lucrative CPT codes, pursuant to which Healthy Living received \$4,053,117.00 from MetroPlus.

96. If MetroPlus reimbursed each of the 1,221 braces Montgomery purchased from Amazon at a rate of \$1,550.00 for HCPCS Code L0700, Healthy Living would have been paid \$1,892,550.00; if reimbursed at \$750 under HCPCS Code L0631, the total would have been \$915,750.00. Both of these reimbursement amounts reveal the staggering profit Montgomery and Healthy Living enjoyed by falsely billing at the higher rate codes when compared to the \$24,669.46 Montgomery actually paid for the braces.



97. In addition to fraudulently billing for unnecessary back braces at falsely inflated reimbursement rate codes, Defendants also billed these codes at a frequency that exceeded permissible Medicaid guidelines.

98. The Medicaid provider manual on DME places restrictions on how often providers can submit claims for reimbursement under HCPCS codes L0631 and L0700. For example, a claim for L0631 cannot be submitted more than once every three years for a single patient, while a claim under L0700 may only be submitted twice in a patient's lifetime.<sup>10</sup> If a Medicaid recipient exceeds the limit on an item, prior approval must be requested with accompanying medical documentation as to why the limits need to be exceeded. Despite these restrictions, MFCU's Investigation reveals that Healthy Living submitted claims for these back braces for virtually every patient regardless of medical need and without regard for their frequency limits.

99. For example, between September 1, 2018 and November 2, 2019, Healthy Living submitted claims for reimbursement for L0631 and/or L0700 for 1,098 out of 1,113 total Medicaid recipients, or 98.65% of their patient population, regardless of the patients' medical histories or diagnoses. Of those 1,098 recipients, 527 individuals had three or more back brace claims submitted for reimbursement on their behalf. Some recipients had claims submitted for both codes on more than one date. One recipient was billed for *eight* back braces (under both L0631 and L0700) on four different dates within four months totaling \$9,052.97 in claims.

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<sup>10</sup>Medicaid Provider Manual for DME Equipment available at [https://www.emedny.org/ProviderManuals/DME/PDFS/DME\\_Procedure\\_Codes.pdf](https://www.emedny.org/ProviderManuals/DME/PDFS/DME_Procedure_Codes.pdf).

100. Healthy Living submitted no medical documentation to justify these excessive claims. MetroPlus representatives have advised that they do not possess any prior approval or preauthorization documentation from Healthy Living or for the claims associated with its patients.

101. The brazenness of Montgomery's scheme is laid bare by the fact that Healthy Living, a company that isn't approved to dispense DME and has no full-time staff, is one of the highest billers of custom back braces in the state.

102. Based on the claims data, Healthy Living started billing for the L0700 and L0631 codes in or around September 2018, and quickly became a top biller for those codes in New York State in 2018 and 2019. Specifically, for HCPCS Code L0631, Healthy Living was responsible for 48.7% of all claims submitted using that code in New York State during the Operative Time Period. As to HCPCS Code L0700, Healthy Living's billings accounted for approximately 95.1% of all billings by all providers in New York State during the Operative Time Period. Indeed, a total of only three providers in all of New York State submitted claims for code L0700 during the Operative Time Period.

***Montgomery, Acting By and Through Healthy Living, Defrauded Government Programs by Intentionally Presenting or Causing to be Presented False Claims to MetroPlus Health Plan, Inc., a Medicaid-funded Managed Care Organization***

103. During the Operative Time Period, Montgomery and Healthy Living submitted reimbursement claims to MetroPlus for the aforementioned custom-molded back braces that were never provided, or provided without medical need or proper licensing. Relying on the accuracy of these claims, MetroPlus paid Defendants over \$4,053,117.00 to which they were not entitled. This conduct resulted in the Criminal Defendants' theft of public funds.

104. As a result of the conduct described above, the Criminal Defendants should forfeit \$4,053,117.00 under CPLR Article 13-A. In addition, Healthy Living is liable to the State for

treble damages for the fraudulent Medicaid claims paid pursuant to the fifth, sixth, and seventh causes of action below.

**DISSIPATION OF CRIMINAL PROCEEDS AND SUBSTITUTED PROCEEDS OF THE  
CRIMINAL CONDUCT**

105. MFCU's Investigation has uncovered compelling evidence that Montgomery, acting by, through Healthy Living, engaged in sham financial and real estate transactions designed to hide and dissipate the criminal proceeds of her scheme. Montgomery owns and operates several companies in addition to Healthy Living. These companies, like Healthy Living, are ostensibly health care providers, but in actuality serve only to facilitate the transfer, concealment and dissipation of stolen Medicaid money through an intricate web of bank accounts. Indeed, two of these companies were the vehicles through which Montgomery used stolen Medicaid money to purchase real property in excess of \$1.4 million.

106. At all relevant times, Healthy Living maintained a known bank account, the aforementioned Healthy Living TD Account, to which Montgomery is the sole signatory.

107. MFCU's Investigation revealed that MetroPlus reimbursements account for the vast majority of the deposits made to the Healthy Living TD Account. Indeed, MetroPlus reimbursements were the only "income" credited to the Healthy Living TD Account, and account for approximately 74% of all credits to the account during the Operative Time Period. The remaining 26% of the funds credited to the account came in the form of sham transfers from other companies owned by Montgomery. Accordingly, the Healthy Living TD Account was funded almost exclusively by illicit funds.

***Montgomery Engages in Sham Inter-company Transfers***

108. In addition to Healthy Living, Montgomery owns and operates the following entities: LCM Management, LCM Livery, LCM Home Health Aid, Comprehensive and LSM DME. (LCM Management, LCM Livery, LCM Home Health, Comprehensive and LSM DME, shall be referred to collectively as the “Montgomery Companies.”)

109. These companies, like Healthy Living, are no more than alter egos for Montgomery.

110. LCM Management is a sole proprietorship owned and operated by Montgomery. On or about June 20, 2016, Montgomery opened a bank account for LCM Management. Bank account opening documents list LCM Management’s business as “property management.”

111. LCM Livery was incorporated on January 18, 2018. Montgomery, as incorporator, filed the articles incorporation with the New York Department of State, and listed her address at the time, 1466 Beach Avenue, 12A, Bronx, NY 10460 (the “Beach Avenue Address”). Tellingly, the New York Department of State filing receipt for LCM Livery’s article of incorporation was e-mailed to Montgomery at [leslieg\\*\\*\\*\\*\\*e@gmail.com](mailto:leslieg*****e@gmail.com), the same e-mail address that was used to post the above-described Craigslist ads and to order back braces from Amazon.

112. Two days later, on January 20, 2018, Montgomery opened a bank account in the name of LCM Livery. Bank account opening documents list Montgomery as the corporation’s point of contact – again, at the [leslieg\\*\\*\\*\\*\\*e@gmail.com](mailto:leslieg*****e@gmail.com) address, and the Beach Avenue Address – and describe LCM Livery’s business as “taxi service.”

113. Articles of Organization for LCM Home Health were filed with the New York Department of State on or about October 21, 2016. These articles listed Leslie Montgomery, at the Beach Avenue address, as the contact for service of process via the Secretary of State.

114. On November 14, 2016, Montgomery opened a bank account in the name of LCM Home Health, using the “[leslieg\\*\\*\\*\\*\\*e@gmail.com](mailto:leslieg*****e@gmail.com)” email address and the Beach Avenue

Address as points of contact. LCM Home Health's stated line of business was "home health care services."

115. Comprehensive was incorporated by Montgomery on or about January 23, 2017. The following day she opened a bank account in Comprehensive's name, once again using the "leslieg\*\*\*\*\*e@gmail.com" email address and the Beach Avenue Address as points of contact. Comprehensive's stated line of business was "home health care services."

116. Articles of Organization for LSM DME were filed with the New York Department of State on or about November 14, 2016. These articles similarly listed Montgomery, at the Beach Avenue Address, as the contact for service of process via the Secretary of State.

117. Upon information and belief, in or about July 2018, Montgomery opened a bank account in the name of LSM DME at Bank of America. Bank documents describe LSM DME as a single member/sole proprietorship and list the Beach Avenue Address. Montgomery signed account documents in her capacity as "Owner" and "Member" of the LLC.

118. Montgomery is the sole signatory for all of the bank accounts maintained by the Montgomery Companies.

119. Upon information and belief, all of the Montgomery Companies are shell companies that conduct no legitimate business and serve no legitimate function.

120. NYS Department of Labor records indicate that none of the Montgomery Companies have any employees.

121. Similarly, an analysis of the Montgomery Companies' bank records revealed virtually no transactions consistent with the companies' stated lines of business. Indeed, the bank records of Healthy Living and the Montgomery Companies are largely devoid of any transactions

indicative of legitimate business operations. Rather, bank records reviewed to date reflect a series of suspicious inter-company transfers.

122. Between December 13, 2018 and October 16, 2019, \$2,603,053.24 in MetroPlus reimbursements was deposited into the Healthy Living TD Account. During this time period, there were virtually no payments or debits from this account that one would associate with a viable, legitimate medical practice, such as payments for rent, medical supplies and utilities. Instead, during this time period, at least \$3,403,797.66 was transferred from the Healthy Living TD Bank Account to other accounts held by Montgomery or the Montgomery Companies. The following examples, while not exhaustive, are illustrative:

- \$1,245,470 was transferred from the Healthy Living TD Account to the TD Bank account of LCM Management;
- \$1,392,000.00 was transferred from the Healthy Living TD Account to the TD Bank account of LCM Livery;
- Healthy Living transferred \$229,768.00 to the account of LCM Home Health;
- Healthy Living transferred \$246,559.00 to Comprehensive's account;
- Healthy Living transferred \$40,000.00 to LSM DME;

123. In addition to suspicious transfers from Healthy Living, the bank records also reveal curious transfers to Healthy Living. During the Operative Time Period, the Montgomery Companies transferred a total of \$936,608.10 to the Healthy Living TD Account.

124. The suspicious transfers were not limited to transactions between Healthy Living and the Montgomery Companies. For example, between December 13, 2018 and October 16, 2019, a total of \$4,493,952.00 was transferred between LCM Management and LCM Livery, while

\$550,027.63 was transferred between LCM Management and LCM Home Health. Indeed, the analysis revealed similar questionable transactions between all of the Montgomery Companies.

125. These inter-company transfers are indicative of financial fraud, as there appears to have been no valid consideration given for these payments.

126. In addition to inter-company transfers, between October 22, 2018 and December 4, 2018, MetroPlus reimbursement checks totaling \$402,058.46, which were made out to Healthy Living, were inexplicably deposited into LCM Management's account.

127. Similarly, during the Operative Time, Period MetroPlus checks made out to Healthy Living totaling \$899,391.80 were deposited into a separate account that Montgomery maintained at Bank of America. This account was maintained by Montgomery d/b/a "Healthy Living Community Center," a sole proprietorship.

128. Unsurprisingly, the bank records for the various Montgomery Companies revealed large cash outlays directly to Montgomery herself.

129. Between September 1, 2018 and October 16, 2019, Montgomery wrote five checks to herself from the Healthy Living TD Account totaling \$250,000.00 and withdrew \$91,441 from LCM Management's account. LCM Management also transferred \$405,300.00 into a Bank of America account held by Montgomery. Moreover, during this time period, there was at least \$191,955.00 in ATM and cash withdrawals made against the accounts of Healthy Living, LCM Management, LCM Livery, Comprehensive and LCM Home Health.<sup>11</sup>

130. The foregoing lays bare the true nature and purpose of Healthy Living's business – to provide Montgomery with a way to enrich herself.

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<sup>11</sup>MFCU's Investigation is ongoing and it is anticipated that further payments to Montgomery will be uncovered.

***Montgomery Used Stolen Money to Make Real Property Purchases***

131. As set forth above, Montgomery, acting by, through, and in concert with Healthy Living, stole over of \$4 million from Medicaid. Montgomery used two of her companies to funnel stolen money into the purchase of two homes in cash for a total amount of \$1,431,000.00.

**2754 Colden Avenue, Bronx, New York**

132. On or about April 2, 2019, Leslie Montgomery purchased 2754 Colden Avenue, a home located in Bronx County for \$571,000. According to documents maintained by the New York City Department of Finance (“DOF”), this was an “all-cash” purchase as there is no record of a mortgage being taken out in connection with the transaction. Indeed, MFCU’s Investigation confirms that the property was purchased with criminal proceeds.

133. As set forth above, bank records reviewed to date confirm that between December 14, 2018 and October 7, 2019, \$2,603,053.24 in MetroPlus reimbursements were deposited into Healthy Living’s TD Bank Account. Simultaneously, between January 29, 2019 and September 25, 2019, \$1,392,000 was transferred from the Healthy Living TD Account to the TD Bank account maintained by LCM Livery. On April 1, 2019, two bank checks totaling \$571,000.00 were drawn against the LCM Livery account and used to purchase the Colden Avenue residence.

134. As set forth above, the Healthy Living TD Bank Account, and the LCM Livery account were both funded almost exclusively by fraudulently procured reimbursements from MetroPlus.

135. Notably, on February 25, 2021, well after the Criminal Defendants had been arrested and arraigned in Bronx County Criminal Court upon a felony complaint, and were aware of MFCU’s Investigation and the likelihood of a concomitant civil lawsuit, Montgomery sold 2754



Colden Avenue for the stated price of \$430,000.00, further dissipating criminal proceeds and effectively forestalling MFCU's ability to recover or otherwise encumber the property.

**4317 Boyd Avenue, Bronx, New York**

136. On or about October 9, 2019, Leslie Montgomery purchased 4317 Boyd Avenue, a multi-family residence located in Bronx County for \$860,000.00, in what appears to have been another "all-cash" purchase, as there is no record of a mortgage in the publicly available DOF documents.

137. Consistent with her purchase of the Colden Avenue residence, Montgomery's purchase of 4317 Boyd Avenue appears to have been funded entirely by criminal proceeds.

138. As noted above, between October 22, 2018 and December 4, 2018, MetroPlus reimbursement checks totaling \$402,058.46 were deposited directly into the bank account maintained in the name of LCM Management, while \$1,205,470 was transferred from the Healthy Living TD Account to LCM Management's account in the months that followed. The last transfer from Healthy Living to LCM Management occurred on September 10, 2019.

139. Thereafter, on October 8, 2019, five bank checks totaling \$866,098.22 were drawn against LCM Management's TD Bank account and used to fund Montgomery's purchase of 4317 Boyd Avenue and related costs.

140. Based on the foregoing, 4317 Boyd Avenue constitutes the substituted proceeds of a crime under CPLR Art. 13-A, and as such, is subject to forfeiture.

141. Alternatively, this property is forfeitable under CPLR § 1311 (1) to satisfy any money judgment that the State obtains against a Criminal Defendant.

**FIRST CAUSE OF ACTION**

(Forfeiture of the Proceeds/Instrumentalities of a Crime Pursuant to CPLR Article 13-A Relating to Criminal Defendants Leslie Montgomery individually and d/b/a Healthy Living Community Center a/k/a Healthy Living, a sole proprietorship, Leslie Montgomery d/b/a LCM Management, a sole proprietorship, and LCM Livery P/U, Inc.)

142. The Claiming Authority repeats and realleges the foregoing paragraphs of this Complaint as if fully set forth herein.

143. By reason of the foregoing, Leslie Montgomery, individually and d/b/a Healthy Living Community Center a/k/a Healthy Living, a sole proprietorship, and Leslie Montgomery d/b/a LCM Management, a sole proprietorship, and LCM Livery P/U, Inc. are Criminal Defendants as defined by CPLR § 1310 (9) who possess an interest in the proceeds of a crime, the substituted proceeds of a crime or in an instrumentality of a crime.

144. Upon a conviction of the Criminal Defendants for the crimes specified above, all Defendants named above would be liable to forfeit to the Claiming Authority the proceeds, substituted proceeds, or instrumentalities of a crime, to wit, the proceeds from the Grand Larceny and related crimes, up to the amount of \$4,053,117.00.

145. In the alternative, pursuant to CPLR Article 13-A, Claiming Authority is entitled to recover a money judgment against the Criminal Defendants in an amount to be determined, at trial and to forfeit the proceeds, substituted proceeds, and instrumentalities of crimes.

**SECOND CAUSE OF ACTION**

(Forfeiture of the Proceeds/Instrumentalities of a Crime Pursuant to CPLR Article 13-A Relating to Non-Criminal Defendant LCM Home Health Aid, LLC)

146. The Claiming Authority repeats and realleges the foregoing paragraphs of this Complaint as if fully set forth herein.

147. Non-Criminal Defendant LCM Home Health Aid, LLC knew or should have known that the proceeds it received from the Grand Larceny and related crimes were obtained through the commission of a crime.

148. By reason of the foregoing, LCM Home Health Aid, LLC is a Non-Criminal Defendant as defined by CPLR § 1310(10), who possesses an interest in the proceeds of a crime, the substituted proceeds of a crime or in an instrumentality of a crime, to wit, the proceeds from the Grand Larceny and related crimes for which the Criminal Defendants are expected to be charged by way of indictment, as set forth in ¶21, above.

149. Upon a conviction of the Criminal Defendants for the crimes specified above, Non-Criminal Defendant LCM Home Health Aid, LLC would be liable to forfeit to the Claiming Authority the proceeds, substituted proceeds, or instrumentalities of a crime, to wit, the proceeds from the Grand Larceny and related crimes, up to the amount of \$229,768.00.

### **THIRD CAUSE OF ACTION**

(Forfeiture of the Proceeds/Instrumentalities of a Crime Pursuant to CPLR Article 13-A Relating to Non-Criminal Defendant Comprehensive Pain, Inc.)

150. The Claiming Authority repeats and realleges the foregoing paragraphs of this Complaint as if fully set forth herein.

151. Non-Criminal Defendant Comprehensive Pain, Inc. knew or should have known that the proceeds it received from the Grand Larceny and related crimes were obtained through the commission of a crime.

152. By reason of the foregoing, Comprehensive Pain, Inc., is a Non-Criminal Defendant as defined by CPLR § 1310(10), who possesses an interest in the proceeds of a crime, the substituted proceeds of a crime or in an instrumentality of a crime, to wit, the proceeds from the

Grand Larceny and related crimes for which the Criminal Defendants will likely be indicted, as set forth in ¶21, above.

153. Upon a conviction of the Criminal Defendants for the crimes specified above, Non-Criminal Defendant Comprehensive Pain, Inc. would be liable to forfeit to the Claiming Authority the proceeds, substituted proceeds, or instrumentalities of a crime, to wit, the proceeds from the Grand Larceny and related crimes, up to the amount of \$246,559.00.

**FOURTH CAUSE OF ACTION**

(Forfeiture of the Proceeds/Instrumentalities of a Crime Pursuant to CPLR Article 13-A Relating to Non-Criminal Defendant LSM Durable Medical Equipment, LLC)

154. The Claiming Authority repeats and realleges the foregoing paragraphs of this Complaint as if fully set forth herein.

155. Non-Criminal Defendant LSM Durable Medical Equipment, LLC knew or should have known that the proceeds it received from the Grand Larceny and related crimes were obtained through the commission of a crime.

156. By reason of the foregoing LSM Durable Medical Equipment, LLC is a Non-Criminal Defendant as defined by CPLR § 1310(10), who possesses an interest in the proceeds of a crime, the substituted proceeds of a crime or in an instrumentality of a crime, to wit, the proceeds from the Grand Larceny and related crimes for which the Criminal Defendants will likely be indicted, as set forth in ¶21, above.

157. Upon a conviction of the Criminal Defendants for the crimes specified above, Non-Criminal Defendant LSM Durable Medical Equipment, LLC would be liable to forfeit to the Claiming Authority the proceeds, substituted proceeds, or instrumentalities of a crime, to wit, the proceeds from the Grand Larceny and related crimes, up to the amount of \$40,000.00.

**FIFTH CAUSE OF ACTION**

(Presentation of False Claims Under the New York False Claims Act,  
State Finance Law § 189 (1)(a))

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

159. During the periods of time described in this Complaint, the Criminal Defendants Leslie Montgomery, individually and d/b/a Healthy Living Community Center a/k/a Healthy Living a sole proprietorship, and Leslie Montgomery d/b/a LCM Management, a sole proprietorship, knowingly, or acting in deliberate ignorance or reckless disregard for the truth, presented, caused to be presented, or conspired together to present, to agents of the State of New York false or fraudulent claims for payment or approval.

160. The New York State Medicaid Program paid such false or fraudulent claims because of the acts or conduct of these Criminal Defendants.

161. By virtue of the false or fraudulent claims made and caused to be made by these Criminal Defendants, the State suffered damages and therefore is entitled to treble damages under the New York State False Claims Act, in an amount to be determined at trial.

**SIXTH CAUSE OF ACTION**

(Making or Using False Records or Statements to Cause Claims to be Paid Under  
the New York False Claims Act, State Finance Law § 189 (1)(b))

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

163. During the periods of time described in this Complaint, the Criminal Defendants Leslie Montgomery, individually and d/b/a Healthy Living Community Center a/k/a Healthy Living a sole proprietorship, and Leslie Montgomery d/b/a LCM Management, a sole proprietorship knowingly, or acting in deliberate ignorance or reckless disregard for of the truth,

made or used, caused to be made or used, or conspired together to do so, false records or statements—including, but not limited to, false certifications and representations made and caused to be made by these Criminal Defendants — to get false or fraudulent Medicaid claims paid or approved by the State.

164. The New York State Medicaid Program paid such false or fraudulent claims because of the acts or conduct of these Criminal Defendants.

165. By virtue of the false records or false statements made and caused to be made by these Criminal Defendants, the State suffered damages and therefore is entitled to treble damages under the New York State False Claims Act, in an amount to be determined at trial, plus a civil penalty in an amount to be determined at trial.

#### **SEVENTH CAUSE OF ACTION**

(Recovery of Statutory Damages Pursuant to Social Services Law § 145-b)

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

167. During the periods of time described in this Complaint, Criminal Defendants Leslie Montgomery, individually and d/b/a Healthy Living Community Center a/k/a Healthy living, a sole proprietorship, and Leslie Montgomery d/b/a LCM Management, a sole proprietorship, acting in their own capacity and on behalf of each other, 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 in an amount yet to be proven at trial, for services purportedly furnished pursuant to the laws of the State of New York, including the rules and regulations of the Medicaid Program.

168. By reason of the foregoing, these Criminal 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.

**EIGHTH CAUSE OF ACTION**  
(Fraud and Intentional Misrepresentation)

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

170. In reliance upon the claims presented and caused to be presented by the Criminal Defendants Leslie Montgomery, individually and d/b/a Healthy Living Community Center a/k/a Healthy living, a sole proprietorship, and Leslie Montgomery d/b/a LCM Management, a sole proprietorship, and persons acting in concert with these Criminal Defendants, Medicaid paid unauthorized reimbursement to these Criminal Defendants in an amount to be proven at trial. Proceeds from these payments were ultimately distributed to accounts held by Criminal Defendant LCM Livery P/U, Inc. and the Non-Criminal Defendants. By reason of the foregoing, the State is entitled to recover from all Defendants an amount to be proven at trial in compensatory damages and is also entitled to recover exemplary damages, plus interest at the highest legal rate.

**NINTH CAUSE OF ACTION**  
(Unjust Enrichment)

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

172. Criminal Defendants Leslie Montgomery, individually and d/b/a Healthy Living Community Center a/k/a Healthy living, a sole proprietorship, and Leslie Montgomery d/b/a LCM Management, a sole proprietorship, were not entitled to present and cause to be presented claims to Medicaid or other insurers, or to receive payment for services in violation of Medicaid Program

regulations and other insurance program regulations. In reliance on these claims, Medicaid paid unauthorized reimbursement to these Criminal Defendants in an amount to be proven at trial. Proceeds from these payments were ultimately distributed to accounts held by Criminal Defendant LCM Livery P/U, Inc. and the Non-Criminal Defendants. By reason of the foregoing, the State is entitled to recover from all Defendants an amount to be proven at trial.

173. By reason of the foregoing, Defendants have been unjustly enriched to the detriment of the State and are liable to the State in an amount yet to be proven at trial.

**TENTH CAUSE OF ACTION**  
(Overpayment of Public Funds)

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

175. The acts and practices of all Defendants complained of herein constitute a misappropriation of public property by the Defendants, in violation of Executive Law § 63-c. By reason of the foregoing, the State is entitled to restitution in an amount to be proven at trial from Defendants.

**ELEVENTH CAUSE OF ACTION**  
(Fraud Under Executive Law § 63 (12) due to Fraud and Illegality)

176. The State repeats and re-alleges the foregoing paragraphs of this Complaint as if fully set forth herein.

177. Defendants, individually or through their agents and employees, have engaged in repeated fraudulent or illegal acts or otherwise demonstrated persistent fraud or illegality in the carrying on, conducting or transaction of business.



178. Defendants, through their agents and employees, repeatedly and persistently made false representations to the both consumers and the State that they were rendering health services in compliance with applicable federal and state laws and regulations, knowing this to be false.

179. By engaging in the conduct described above, Defendants repeatedly and persistently claimed and received moneys from Medicaid as reimbursement for unlawful services, and falsely claimed that such services had been lawfully provided to Medicaid recipients.

180. Defendants thereby engaged in repeated fraudulent acts and persistent fraud in the carrying on, conducting, and transaction of business, in violation of Executive Law § 63 (12).

**TWELFTH CAUSE OF ACTION**  
(Money Had and Received)

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

183. Criminal Defendants Leslie Montgomery, individually and d/b/a Healthy living Community Center a/k/a Healthy Living, a sole proprietorship and Leslie Montgomery d/b/a LCM Management, a sole proprietorship, were not entitled to present or cause to be presented to Medicaid or receive the proceeds from the billing of Medicaid or other insurance programs for services rendered in violation of the Rules and Regulations governing the Medicaid Program or such other insurance programs. Accordingly, these Criminal Defendants were not entitled to receive payment for services that were not properly billable.

184. By reason of the foregoing, these Criminal Defendants have damaged the State in an amount yet to be proven at trial, and are liable to the State therefore.

**WHEREFORE**, the State and the Claiming Authority demand judgment as follows:

A. Under the First Cause of Action, the Claiming Authority demands judgment:

1. Against Criminal Defendants Leslie Montgomery, individually and d/b/a Healthy Living Community Center a/k/a Healthy Living, a sole proprietorship, Leslie Montgomery d/b/a LCM Management, a sole proprietorship, and LCM Livery P/U, Inc.:
  - a. For the forfeiture of the proceeds, substituted proceeds, and instrumentalities of their crimes, in an amount to be determined at trial, but at least \$4,053,117.00; or
  - b. For a money judgment in an amount to be determined at trial; and
- B. Under the Second Cause of Action, the Claiming Authority demands judgment:
  1. Against Non-Criminal Defendant LCM Home Health Aid, LLC for the forfeiture of the proceeds, substituted proceeds, and instrumentalities of crimes, in an amount to be determined at trial, but at least \$229,768.00; and
- C. Under the Third Cause of Action, the Claiming Authority demands judgment:
  1. Against Non-Criminal Defendant Comprehensive Pain, Inc. for the forfeiture of the proceeds, substituted proceeds, and instrumentalities of crimes, in an amount to be determined at trial, but at least \$246,559.00; and
- D. Under the Fourth Cause of Action, the Claiming Authority demands judgment:
  1. Against Non-Criminal Defendant LSM Durable Medical Equipment, LLC for the forfeiture of the proceeds, substituted proceeds, and instrumentalities of crimes, in an amount to be determined at trial, but at least \$40,000.00; and

- E. Under the Fifth and Sixth Causes of Action, the State demands judgment against Criminal Defendants Leslie Montgomery, individually and d/b/a Healthy Living Community Center a/k/a Healthy Living, a sole proprietorship, and Leslie Montgomery d/b/a LCM Management, a sole proprietorship, in an amount to be determined at trial, including actual and statutory treble damages and penalties in an amount to be determined at trial; and
- F. Under the Seventh Cause of Action, the State demands judgment against Criminal Defendants Leslie Montgomery individually and d/b/a Healthy Living community Center a/k/a Healthy Living, a sole proprietorship, and Leslie Montgomery d/b/a LCM Management, a sole proprietorship in an amount to be determined at trial, including actual and statutory treble damages in an amount to be determined at trial; and
- G. Under the Eighth Cause of Action, the State demands judgment against all Defendants in an amount to be determined at trial, plus exemplary damages; and
- H. Under the Ninth and Tenth Causes of Action, the State demands judgment against all Defendants in an amount to be determined at trial; and
- I. Under the Eleventh Cause of Action, the State demands judgment against all Defendants in an amount to be determined at trial, including punitive and exemplary damages; and
- J. Under the Twelfth Cause of Action, the State demands judgment against Criminal Defendant Leslie Montgomery, individually and d/b/a Healthy living Community Center a/k/a Healthy Living, a sole proprietorship and Leslie Montgomery d/b/a LCM Management, a sole proprietorship in an amount to be determined at trial;

and

- K. Under all Causes of Action, the State also demands:
1. Interest from the date of Defendants' receipt of the overpayments, as provided in Social Services Law § 145-b;
  2. The costs and disbursements of this action;
  3. Attorney's fees; and
  4. Such other relief as this Court deems just and reasonable.

Dated: New York, New York  
August 18, 2021

LETITIA JAMES  
Attorney General of the State of New York,  
Claiming Authority; and  
Attorney for Co-Plaintiff, the State of New  
York

By:

  
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Civil Enforcement Division  
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SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF BRONX

LETITIA JAMES,  
Attorney General of the State of New York,

Plaintiff-Claiming Authority,

- and -

STATE OF NEW YORK,

Co-Plaintiff,

- against -

LESLIE MONTGOMERY, individually and d/b/a  
HEALTHY LIVING COMMUNITY CENTER a/k/a  
HEALTHY LIVING, a sole proprietorship and LESLIE  
MONTGOMERY, individually and d/b/a LCM  
MANAGEMENT, a sole proprietorship, and LCM  
LIVERY P/U, INC.,

Criminal Defendants,

COMPREHENSIVE PAIN, INC., LCM HOME  
HEALTH AID, LLC, and LSM DME, LLC

Non-Criminal Defendants.

Index No.: 811219/2021 E

**VERIFICATION**

Konrad F. Payne, an attorney duly admitted to practice before the Courts of the State of New York, affirms the following under penalty of perjury:

I am Senior Counsel 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 Plaintiffs 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 criminal 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 State of New York is a body politic.

Dated: New York, New York  
August 18, 2021

  
KONRAD F. PAYNE