

STATE OF NEW YORK

OFFICE OF THE ATTORNEY GENERAL LETITIA JAMES

-----X

In the Matter of:

SHAMROCK TRANSPORTATION, INC. and;

JAMES LYNCH, owner of SHAMROCK
TRANSPORTATION, INC.

-----X

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the “Agreement”) reached the ____ day of February 2025, is by and among the State of New York (the “State”) by the Office of the Attorney General through the Medicaid Fraud Control Unit (“MFCU”) and Shamrock Transportation, Inc. (“Shamrock Transportation”) and James Lynch, as the owner and operator of Shamrock Transportation (“Lynch”). The State, Shamrock Transportation, and Lynch shall be collectively referred to as the “Parties.”

WHEREAS, Shamrock Transportation, a New York corporation with its principal place of business located at 306 Curry Cross Road, New Windsor, New York (Orange County) is a transportation company, owned and operated by Lynch, and is an enrolled provider in the Medical Assistance Program (“Medicaid”) with a provider identification number of 04439236; and as such, provides transportation services for Medicaid recipients traveling to or from medical services paid for by Medicaid;

WHEREAS, Lynch is the sole owner and operator of Shamrock Transportation;

WHEREAS, Shamrock Transportation and Lynch submitted and caused to be submitted claims for reimbursement to Medicaid under 42 U.S.C §§ 1396 -1396w-5, and Medicaid relied on such claims to pay Shamrock Transportation for transportation services;

WHEREAS, MFCU conducted an investigation of Shamrock Transportation and Lynch and determined that between August 23, 2016 through June 25, 2018 (hereinafter the “Relevant Period”), Shamrock Transportation and Lynch presented claims for payment for transportation services to which it was not entitled, and Medicaid relied upon such claims to pay Shamrock Transportation;

WHEREAS, pursuant to 18 NYCRR § 505.10 and the New York State Medicaid Program Transportation Manual Policy Guidelines (2023 Version at 28-29) (2019 Version at 46) (2016 Version at 46), Shamrock Transportation and Lynch were only entitled to submit claims for reimbursement for the actual amount of toll payments made in the course of providing transportation service to Medicaid recipients;

WHEREAS, the State has determined that Shamrock Transportation and Lynch engaged in the following conduct (the “Covered Conduct”) during the Relevant Period:

- a. Shamrock Transportation and Lynch submitted Three Thousand Six Hundred and Nine (3,609) toll reimbursement requests for tolls that Shamrock Transportation did not in fact incur (“Overcharged Tolls”); and
- b. As a result of the foregoing, Shamrock Transportation and Lynch received payments to which they were not entitled;

WHEREAS, as a result of the Covered Conduct, Shamrock Transportation and Lynch caused the State to suffer damages of at least the amount to be repaid under this Agreement; and

WHEREAS, Shamrock Transportation and Lynch wish to resolve their civil liability for the Covered Conduct.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, the Parties agree as follows:

1. Shamrock Transportation and Lynch admit, acknowledge and accept responsibility for the Covered Conduct.

2. As repayment to the State for the Covered Conduct and to resolve any claims related to the Covered Conduct, Shamrock Transportation and Lynch shall pay the State the sum of One Hundred Forty-Seven Thousand Six Hundred Eighty Dollars (\$147,680.00) (the “Settlement Amount”), to be paid according to the conditions set forth below.

3. The Settlement Amount shall constitute a debt immediately due and owing to the State subject to the terms of this Agreement and shall be paid as follows: Upon execution of this agreement, Shamrock Transportation and Lynch shall pay to the State by certified check, bank check, attorney escrow check, money order, or wire transfer the sum of One Hundred Forty-Seven Thousand Six Hundred Eighty Dollars (\$147,680.00). This amount is in satisfaction of the Settlement Amount.

4. The entire Settlement Amount constitutes restitution.

RELEASES

5. Subject to the provisions of Paragraph 6 (concerning excluded claims) below, and conditioned upon the State’s receipt of the Settlement Amount, the State releases Shamrock Transportation and Lynch and all predecessors, successors, members, assigns, and corporations, from any civil monetary cause of action that the State has for the Covered Conduct under New York Executive Law § 63-c, and the common law theories of payment by unjust enrichment, and breach of contract.

6. Notwithstanding the releases given in Paragraph 5 above, the State specifically does

not release any person or entity from any of the following liabilities:

- a. Any civil, criminal, or administrative liability arising under State tax codes;
- b. Any criminal liability;
- c. Any administrative liability, including mandatory or permissive exclusion from the State's Medicaid Program;
- d. Any civil or administrative liability that Shamrock Transportation and/or Lynch have or may have to the State or to individual consumers or State program payors under any statute, regulation, or rule not expressly covered by the releases given in Paragraph 5 below, including but not limited to, any and all claims involving unfair and/or deceptive acts and practices and/or violations of consumer protection laws;
- e. Any liability pursuant to the New York False Claims Act, New York State Financial Law § 189, et seq.; Executive Law § 63(12); Social Services Law § 145-b; or fraud;
- f. Any liability to the State (or its agencies) for any conduct other than the Covered Conduct;
- g. Any liability for personal injury, patient abuse or neglect, arising from the Covered Conduct;
- h. Any liability of individuals other than Lynch;
- i. Any liability that may be asserted by or on behalf of any payor or insurer paid by the State's Medicaid Program on a capitated basis, other than liability of Shamrock Transportation and Lynch to the State for the Covered Conduct; and
- j. Any liability based upon obligations created by this Agreement.

7. Shamrock Transportation and Lynch waive and shall not assert any defenses they may have to criminal prosecution or administrative action for the Covered Conduct, which

defenses may be based in whole or in part upon a contention under the Double Jeopardy Clause of the Fifth Amendment of the Constitution or the Excessive Fines Clause of the Eighth Amendment of the Constitution and assent that this Agreement bars a remedy sought in such criminal prosecution or administrative action.

8. Shamrock Transportation, including any and all predecessors, successors, and members, together with their current and former officers, directors, trustees, servants, employees, and assigns, and Lynch, fully and finally release the State, its agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Shamrock Transportation and/or Lynch have asserted, could have asserted, or may assert in the future against the State, its agencies, officers, agents, employees, and servants, related to the Covered Conduct, and the State's investigation and prosecution thereof.

INTEGRITY OBLIGATION

9. The Parties acknowledge that a primary purpose of this Agreement is to promote compliance with the statutes, regulations, and written directives of the Medicaid Program. To further that objective, Shamrock Transportation and Lynch acknowledge that they have reviewed, and are required to comply with the rules and regulations of the Medicaid Program, including but not limited to, those applicable to transportation providers as set forth in 18 NYCRR § 505.10 and the New York State Medicaid Program Transportation Manual Policy Guidelines, and Medicaid Updates. Shamrock Transportation and Lynch further agree that they shall not engage, or attempt to engage, in violations of any applicable law, regulation, or Medicaid guidelines, including but not limited to 18 NYCRR § 515.2 and 18 NYCRR §§ 504.3, 517.3(b), 505.10(e)(4), 510.10(6)(iii), and those provisions of the Transportation Manual Policy Guidelines governing the submission of claims for reimbursement for mileage incurred, tolls incurred, and group rides. Shamrock

Transportation and Lynch further acknowledge that, should they engage in the conduct described in the Covered Conduct, above, or otherwise engage in conduct violative of the laws, rules and regulations referenced in this paragraph, they may be subject to criminal prosecution.

OTHER PROVISIONS

10. Shamrock Transportation and Lynch agree to the following:

- a) Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395kkk and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Shamrock Transportation and Lynch or any of their present or former officers, directors, trustees, employees, shareholders, and agents in connection with:
 - i. the matters covered by this Agreement;
 - ii. the State's audit(s) and civil and any criminal investigation(s) of the matters covered by this Agreement;
 - iii. Shamrock Transportation and Lynch's investigation, defense, and corrective actions undertaken in response to the State's audit(s) and civil and any criminal investigation(s) in connection with the matters covered by this Agreement (including attorney's fees);
 - iv. the negotiation and performance of this Agreement; and
 - v. the payments Shamrock Transportation and Lynch made relating to this Agreement including costs and attorney's fees, are unallowable costs for government contracting purposes and under the Medicaid Program (hereinafter referred to as "Unallowable Costs").

- b) Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for in non-reimbursable cost centers by Shamrock Transportation and Lynch and Shamrock Transportation and Lynch shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States or any State Medicaid program, or seek payment for such Unallowable Costs through any Consolidated Fiscal Report (“CFR”), cost report, cost statement, information statement, or payment request submitted by either Shamrock Transportation or Lynch, or any of their affiliates to the Medicaid Programs.
- c) Treatment of Unallowable Costs Previously Submitted for Payment: Shamrock Transportation and Lynch further agree that within ninety (90) days of the Effective Date of this Agreement, they shall identify to applicable Medicaid fiscal agents, any Unallowable Costs (as defined in Paragraph 10(a)) included in payments previously sought from any State Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by Shamrock Transportation and/or Lynch or any affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the Unallowable Costs. Shamrock Transportation and Lynch agree that the State, at a minimum, shall be entitled to recoup from Shamrock Transportation and/or Lynch any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted cost reports, information reports, cost statements, appeals, or requests for payment. Any payments due after the adjustments have

been made shall be paid to the State. The State reserves its rights to disagree with any calculations submitted by Shamrock Transportation and/or Lynch or any of their affiliates on the effect of inclusion of Unallowable Costs (as defined in this Paragraph) on Shamrock Transportation's and/or Lynch's or any of their affiliates' CFRs, cost reports, cost statements, or information reports, appeals, or other payment requests.

- d) Nothing in this Agreement shall constitute a waiver of the rights of the State to audit, examine, or re-examine the books and records of Shamrock Transportation and Lynch to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

11. This Agreement is binding on Shamrock Transportation's and/or Lynch's successors, transferees, heirs, and assigns.

12. This Agreement constitutes the complete and full agreement between the Parties with respect to this matter, and it may not be changed in any respect, except by a writing duly executed by the Parties or their authorized representatives.

13. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

14. Except as otherwise stated in this Agreement, this Agreement is intended to be for the benefit of the Parties only, and by this instrument the Parties do not release any liability against any other person or entity.

15. Shamrock Transportation agrees that it waives and shall not seek payment for any of the billings based upon claims defined as Covered Conduct from any individual health care beneficiaries or their parents, sponsors, legally responsible individuals, or third-party payors.

16. Shamrock Transportation and Lynch agree not to submit any further claim or to resubmit to any state payor any previously denied claims or cause any further claim or adjustment to be submitted or resubmitted, related to the Covered Conduct, and agree not to appeal any such denials of claims.

17. Shamrock Transportation and Lynch waive any claim for any tax rebate or refund, or other governmental payment, from the State, until the Settlement Amount is satisfied. In the State's sole discretion, the State may recoup or offset any such payment without further notice to Shamrock Transportation and/or Lynch for credit toward the Settlement Amount.

18. Shamrock Transportation and/or Lynch agree not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any finding in this Agreement or creating the impression that this Agreement is without factual basis. Nothing in this Paragraph affects Shamrock Transportation's and/or Lynch's: (a) testimonial obligations, or (b) right to take legal or factual positions in defense of litigation or other legal proceedings to which the State is not a party.

19. All payments due to the State hereunder shall be made by certified check, bank check, money order, or wire transfer payable to the "New York State Medicaid Fraud Control Unit Restitution Fund." All non-electronic payments shall be delivered to the Medicaid Fraud Control Unit, Finance Department, 13th Floor, 28 Liberty Street, New York, New York 10005.

20. Any notices pursuant to this Agreement shall be in writing and shall, unless expressly provided otherwise herein, be given by hand delivery or express courier, followed by postage-prepaid mail, and shall be addressed as follows:

a) IF TO THE STATE:

New York State Attorney General
Medicaid Fraud Control Unit
Attn: Chief of Civil Enforcement
28 Liberty Street
New York, NY 10005
MFCUNotices@ag.ny.gov

b) IF TO SHAMROCK TRANSPORTATION and LYNCH:

Alvin L. Spitzer, Esq.
22 S. Main St. Suite 101
New City, NY 10956
alslaw275@gmail.com

21. The effective date of this Agreement shall be the date of the signature of the last signatory to this Agreement (“Effective Date”).

22. This Agreement shall be deemed to have been mutually prepared by the Parties hereto and shall not be construed against any of them solely by reason of authorship.

23. Shamrock Transportation and Lynch acknowledge that they have entered this Agreement freely, voluntarily, and upon due deliberation, with the advice of counsel and without coercion or duress.

24. Lynch acknowledges that he understands the terms and conditions of this Agreement, which he has read completely and discussed with his undersigned counsel.

25. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without regard to choice of law or conflict of laws principles. The Parties consent to the jurisdiction of the Supreme Court of the State of New York, Orange County, and any other county in which Shamrock Transportation conducts business, in any action brought by the State to enforce or interpret this Agreement.

26. Any failure by the State to insist upon the strict performance of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and the State, notwithstanding that failure, shall have the right thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

27. The undersigned represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

28. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which shall constitute one and the same Agreement.

WHEREFORE, the Parties have read the foregoing Agreement and accept and agree to the provisions contained herein and hereby have caused this Agreement to be signed as of the day and date adjacent to their signature.

STIPULATED AND AGREED TO:

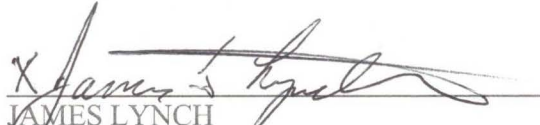
LETITIA JAMES
Attorney General for the State of New York

Dated: February __, 2025 By:



Todd Pettigrew
Special Assistant Attorney General
Medicaid Fraud Control Unit
One Blue Hill Plaza
Pearl River, New York 10965

Dated: February 21, 2025 By:



JAMES LYNCH
Individually and as owner/operator of Shamrock
Transportation LLC

Sworn to before me
this 21 day of February 2025



NOTARY PUBLIC

ALVIN L. SPITZER
NOTARY PUBLIC-STATE OF NEW YORK
No. 02SP6326374
Qualified in Rockland County
My Commission Expires June 15, 2026

Approved as to Form

By: 

Alvin L. Spitzer, Esq.
22 S. Main St., Suite 101
New City, NY 10956
As Attorney for Shamrock Transportation LLC & Randolph Lynch