

STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL LETITIA JAMES
-----X

In the Matter of:

VIC AND BAY CAR SERVICE, INC. and;

KASHIF MAHMOOD
-----X

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the “Agreement”) is entered into among the State of New York (the “State”), by the Office of the Attorney General, through the Medicaid Fraud Control Unit (“MFCU”), and VIC AND BAY CAR SERVICE, INC. (“VIC AND BAY”) and KASHIF MAHMOOD (“MAHMOOD”), as the owner and operator of VIC AND BAY. The State, VIC AND BAY, and MAHMOOD shall be collectively referred to herein as the “Parties.”

WHEREAS, VIC AND BAY is a corporation organized under the laws of the State of New York with its principal place of business at 337 Van Duzer Street, Staten Island, New York 10304;

WHEREAS, VIC AND BAY is enrolled as a provider of medical services in the New York State Medical Assistance Program (the “Medicaid Program” or “Medicaid”), 42 U.S.C. §§ 1396 *et seq.*, under Provider ID #03467503 and NPI No. #1629326616; and as such, provides transportation services for Medicaid recipients traveling to or from providers furnishing medical services paid for by Medicaid;

WHEREAS, MAHMOOD is the sole owner of VIC AND BAY;

WHEREAS, during all times relevant to this Agreement, VIC AND BAY and MAHMOOD executed annual Certification Statements For Provider Billing Medicaid through the

State's Medicaid Fiscal Agent ("Certification Statements"), pursuant to 18 NYCRR §§ 504.1 (b)(1), 504.9, certifying that all claims that VIC AND BAY and MAHMOOD submitted for reimbursement to Medicaid were made in full compliance with applicable federal and state laws and regulations and pertinent provisions of the eMedNY Provider Manual and all revisions thereto, and that VIC AND BAY and MAHMOOD understood and agreed that they would be subject to and bound by all rules, regulations, policies, standards, fee codes, and procedures of NYSDOH and the Office of the Medicaid Inspector General ("OMIG") 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 NYSDOH, including eMedNY Provider Manuals and other official bulletins of NYSDOH;

WHEREAS, pursuant to 18 NYCRR §§ 505.10, 510.10(6)(iii), and § 515.2 (b)(6); 35 RCNY § 59B-20; and the New York State Medicaid Program Transportation Manual Policy Guidelines (Versions 2017-2; 2017-3; 2017-4; 2017-5; 2018-1; 2018-2; 2018-3; 2018-4; 2018-5; 2019-1; 2019-2; 2019-3; 2019-4; 2019-5; 2020-1; 2020-2; 2020-3; 2020-4; 2020-5; 2021-1; 2021-2; 2021-3; 2021-4; 2021-5; 2022-1; 2022-2; 2022-3; 2022-4; 2022-5; 2023-1; 2023-2), VIC AND BAY and MAHMOOD were only entitled to submit claims for reimbursement for trips actually conducted.

WHEREAS, MFCU conducted an investigation of VIC AND BAY and MAHMOOD and determined that between May 18, 2017, and June 29, 2023 (hereinafter the "Relevant Period"), VIC AND BAY and MAHMOOD presented claims for payment for transportation services to which VIC AND BAY was not entitled, and Medicaid relied upon such claims to pay VIC AND BAY;

WHEREAS, MFCU has determined that VIC AND BAY and MAHMOOD engaged in the following conduct (the "Covered Conduct") during the Relevant Period:

- a. VIC AND BAY and MAHMOOD submitted claims for transportation services that that did not in fact incur;
- b. As a result of the foregoing, VIC AND BAY and MAHMOOD received payments to which they were not entitled;

WHEREAS, as a result of the Covered Conduct, VIC AND BAY and MAHMOOD caused the State to suffer damages of at least the amount to be repaid under this Agreement;

WHEREAS, the State has civil claims against VIC AND BAY and MAHMOOD as a result of the Covered Conduct, including under N.Y. Executive Law § 63-c, and the common law;

WHEREAS, VIC AND BAY and MAHMOOD 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:

TERMS AND CONDITIONS

1. VIC AND BAY and MAHMOOD 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, VIC AND BAY and MAHMOOD shall pay to the State, within fourteen (14) calendar days of the Effective Date (as defined in Paragraph 30) of this Agreement, a total of Two Hundred Fifty Thousand Dollars (\$250,000) (the “Settlement Amount”).

3. In consideration of permitting VIC AND BAY and MAHMOOD to delay paying the Settlement Amount for fourteen (14) days, as set forth in Paragraph 2, VIC AND BAY and MAHMOOD shall provide the State with an Affidavit of Confession of Judgment (“COJ”) in the form attached hereto as Exhibit 1 at the time of the execution of this Agreement. VIC AND BAY

and MAHMOOD consent to the filing of said Confession of Judgment and entry of judgment thereon thirty (30) days after the Effective Date, if they have not paid in full the Settlement Amount described in Paragraph 2.

4. VIC AND BAY and MAHMOOD shall be jointly and severally liable for the Settlement Amount, plus applicable interest, and all payments due pursuant to this Agreement.

5. Subject to the provisions in Paragraph 6 below (concerning reserved claims), and conditioned upon the State's receipt of the full Settlement Amount, by VIC AND BAY and MAHMOOD, the State releases VIC AND BAY and all predecessors, successors, members, assigns, and affiliates and MAHMOOD from any civil monetary claim against VIC AND BAY and MAHMOOD 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, or any other term of this Agreement, the State specifically does not release:

- a. Any liability arising under state tax law;
- b. Any criminal liability;
- c. Any administrative liability, including mandatory or permissive exclusion from the State's Medicaid Program;
- d. Any liability that VIC AND BAY and/or MAHMOOD 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 in Paragraph 2 above, 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 New York State Finance Law §§ 187, *et seq.*; Executive Law § 63(12); Social Services Law § 145-b; disgorgement; 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 MAHMOOD;
- 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 VIC AND BAY and MAHMOOD to the State for the Covered Conduct; and
- j. Any liability based upon obligations created by this Agreement.

7. In consideration of the obligations of the State set forth in this Agreement, VIC AND BAY, including any and all predecessors, successors, and members, together with their current and former officers, directors, trustees, servants, employees, and assigns, and MAHMOOD, 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 VIC AND BAY and/or MAHMOOD 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.

8. VIC AND BAY and MAHMOOD waive and shall not assert any defenses that 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

to the Constitution and assent that this Agreement bars a remedy sought in such criminal prosecution or administrative action.

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, VIC AND BAY and MAHMOOD 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, as well as Social Services Law § 363-D, which requires that Medicaid providers (as defined in Social Services Law § 363-D(4)) adopt and implement an effective compliance program. VIC AND BAY and MAHMOOD further agree that they will keep current with all revisions to the foregoing rules and regulations relevant to non-emergency medical transportation and ensure all employees are trained upon hire and annually as to such obligations. VIC AND BAY and MAHMOOD further agree that they shall not engage, or attempt to engage, in violations of any applicable law, regulation, or Medicaid guideline, 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, as well as documentation transportation providers are required to maintain, and local regulations transportation providers must follow. VIC AND BAY and MAHMOOD further acknowledge that they will fully and promptly cooperate with MFCU with respect to any investigation by MFCU, and/or related proceedings and actions, including but not limited to, producing requested documentation.

OTHER PROVISIONS

10. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by the State Medicaid Program, or any other state payor, for the Covered Conduct, and VIC AND BAY and MAHMOOD agree not to resubmit to the State Medicaid Program, or any other state payor, any previously denied claims, which denials were based upon the Covered Conduct, and agree not to appeal or cause the appeal of any such denials of claims.

11. VIC AND BAY and/or MAHMOOD shall not seek payment for any claims for reimbursement to the State Medicaid Program covered by this Agreement from any healthcare beneficiaries or their parents, sponsors, legally responsible individuals, or third-party payors.

12. In exchange for valuable consideration provided in this Agreement, VIC AND BAY and MAHMOOD acknowledge the following:

- a. VIC AND BAY and MAHMOOD warrant that they have reviewed VIC AND BAY's financial situation, and that VIC AND BAY is solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I) and shall remain solvent following payment to the State of the Settlement Amount.
- b. In evaluating whether to execute this Agreement, the Parties intend that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to VIC AND BAY and/or MAHMOOD, within the meaning of 11 U.S.C. § 547(c)(1), and the Parties conclude that these mutual promises, covenants, and obligations do, in fact, constitute such contemporaneous exchange.

- c. The mutual promises, covenants, and obligations set forth herein are intended by the Parties to and do, in fact, represent a reasonably equivalent exchange of value.
- d. The Parties do not intend to hinder, delay, or defraud any entity to which VIC AND BAY and/or MAHMOOD is or became indebted to on or after the date of any transfer contemplated in this Agreement, within the meaning of 11 U.S.C. § 548(a)(1).
- e. If VIC AND BAY's and/or MAHMOOD's obligations under this Agreement are avoided for any reason (including but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code), or if, before the Settlement Amount is paid in full, VIC AND BAY and/or MAHMOOD commence a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking any order for relief of VIC AND BAY's and/or MAHMOOD's debts, or to adjudicate VIC AND BAY and/or MAHMOOD as bankrupt or insolvent; or seeking appointment of a receiver, trustee, custodian, or other similar official for VIC AND BAY and/or MAHMOOD or for all or any substantial part of VIC AND BAY's and/or MAHMOOD's assets, (i) the State may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against VIC AND BAY and/or MAHMOOD for the claims that would otherwise be covered by the releases provided above; and (ii) the State has an undisputed, noncontingent, and liquidated allowed claim against VIC AND BAY and MAHMOOD in the amount of Settlement Amount Balance

(including interest, as described in Par. 2), less any payments received pursuant to this Agreement, provided, however, that such payments are not otherwise avoided and recovered from the State by VIC AND BAY and/or MAHMOOD, a receiver, trustee, custodian, or other similar official for VIC AND BAY and/or MAHMOOD.

- f. VIC AND BAY and MAHMOOD agree that any civil and/or administrative claim, action, or proceeding brought by the State under this Paragraph is not subject to an “automatic stay” pursuant to 11 U.S.C. § 362(a) because it would be an exercise of the State’s police and regulatory power. VIC AND BAY and MAHMOOD shall not argue or otherwise contend that the State’s claim, action, or proceeding is subject to an automatic stay and, to the extent necessary, consent to relief from the automatic stay for cause under 11 U.S.C. § 362(d)(1). VIC AND BAY and MAHMOOD waive and shall not plead, argue, or otherwise raise any defenses under the theories of statutes of limitations, laches, estoppel, or similar theories, to any such civil or administrative claim, action, or proceeding brought by the State, except to the extent such defenses were available as of the date of execution of this Agreement.

13. VIC AND BAY and MAHMOOD 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. §§ 1395-1395lll and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of VIC AND BAY, or any of its present or former officers, directors,

trustees, employees, shareholders, and agents, and/or MAHMOOD, in connection with:

- i. the matters covered by this Agreement;
- ii. the State's audit and any civil and/or criminal investigation of the matters covered by this Agreement;
- iii. the investigation, defense, and corrective actions undertaken by VIC AND BAY and/or MAHMOOD in response to the State's audit and any civil and/or criminal investigation in connection with the matters covered by this Agreement (including attorneys' fees);
- iv. the negotiation and performance of this Agreement; and
- v. the payments that VIC AND BAY and MAHMOOD make relating to this Agreement, including costs and attorneys' fees,

are unallowable costs for government contracting purposes and under the Medicaid Program ("Unallowable Costs").

- b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for in non-reimbursable cost centers by VIC AND BAY and MAHMOOD, and VIC AND BAY and MAHMOOD shall not charge such Unallowable Costs directly or indirectly to any contracts with the Medicaid Program or seek payment for such Unallowable Costs through any Consolidated Fiscal Report, cost report, cost statement, information statement, or payment request submitted by VIC AND BAY and MAHMOOD to the Medicaid Program.

- c. Treatment of Unallowable Costs Previously Submitted for Payment: VIC AND BAY and MAHMOOD further agree that, within ninety (90) days of the Effective Date of this Agreement, it shall identify to applicable Medicaid fiscal agents any Unallowable Costs that were included in payments previously sought from the Medicaid Program, including but not limited to payments sought in any cost reports, cost submissions, information reports, or payment requests already submitted by VIC AND BAY and MAHMOOD 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. VIC AND BAY and MAHMOOD agree that the State, at a minimum, shall be entitled to recoup from VIC AND BAY and MAHMOOD any overpayment, plus applicable interest and penalties, as a result of the inclusion of such Unallowable Costs on previously submitted cost reports, cost statements, information reports, appeals, or requests for payment. Any payments due after the adjustments have been made shall be paid to the State. The State reserves its right to disagree with any calculations submitted by VIC AND BAY and MAHMOOD on the effect of inclusion of Unallowable Costs on VIC AND BAY's and MAHMOOD's Consolidated Fiscal Reports, 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 VIC AND BAY and

MAHMOOD to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

14. VIC AND BAY and MAHMOOD will not assert any claim for any tax rebate or refund, or other government payment from the State, until the Settlement Amount (including applicable interest) is satisfied. In the State's sole discretion, the State may recoup or offset any such payment, without further notice to VIC AND BAY and MAHMOOD, for credit towards the Settlement Amount plus applicable interest.
15. No provision of this Agreement constitutes an agreement by the State concerning the characterization of the Settlement Amount for purposes of New York Tax Law. VIC AND BAY and MAHMOOD shall not deduct or discharge the Settlement Amount as part of their New York State tax obligations.
16. VIC AND BAY and MAHMOOD will not submit any insurance claims for the Covered Conduct.
17. VIC AND BAY and MAHMOOD 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 VIC AND BAY's and MAHMOOD's (a) testimonial obligations, if any, or (b) right to take any good faith legal or factual positions in defense of litigation or other proceedings to which the State is not a party.
18. 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 Supreme Court, New York County, in any action brought by the State to enforce or interpret this Agreement.

19. 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.
20. The undersigned represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.
21. 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.
22. The Parties each acknowledge and represent that they have entered into this Agreement freely, voluntarily, and upon due deliberation, with the advice of counsel and without any degree of coercion, duress, or compulsion whatsoever.
23. This Agreement shall be binding on all successors, transferees, heirs, and assigns of VIC AND BAY and MAHMOOD.
24. 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.
25. Each Party to this Agreement shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.
26. All notices pursuant to this Agreement shall be in writing and shall, unless expressly provided otherwise herein, be given by e-mail, followed by hand delivery, overnight delivery by any nationally recognized overnight courier service, or first-class U.S. mail, addressed as follows:

TO THE STATE:

Chief, Civil Enforcement Division
Medicaid Fraud Control Unit
New York State Office of the Attorney General
28 Liberty Street, 13th Floor
New York, NY 10005
Telephone: (212) 417-5300
MFCUNotices@ag.ny.gov

TO VIC AND BAY CAR SERVICE, INC.:

Richard Weinberg, Esq.
271-10 Grand Central Parkway
Suite 12-0
Floral Park, NY 11005
Telephone: (718) 468-2501
Taxilawman2@aol.com

27. The effective date of this Agreement shall be the date of the signature of the last signatory to this Agreement (“Effective Date”).
28. This Agreement constitutes the complete agreement between the Parties with respect to VIC AND BAY’s and MAHMOOD’s civil liability under the provisions released above, relating to the Covered Conduct, and it may not be changed in any respect, except by a writing duly executed by the Parties or their authorized representatives.
29. Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.
30. 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 date adjacent to their signatures

LETITIA JAMES
Attorney General of the State of New York

Page 15 of 15

EXHIBIT A

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF RICHMOND

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

- against -

VIC AND BAY CAR SERVICE, INC. and
KASHIF MAHMOOD,

Defendant.

**AFFIDAVIT OF CONFESSION
OF JUDGMENT**

STATE OF NEW YORK)
) ss.:
COUNTY OF RICHMOND)

KASHIF MAHMOOD, being duly sworn, deposes and says:

1. I am the individual named above, and I reside in Richmond County, New York.
2. I am doing business as Vic and Bay Car Service, Inc. and as such, I am authorized to execute this Affidavit of Confession of Judgment on behalf of Vic and Bay Car Service, Inc.
3. I hereby confess judgment, individually and on behalf of Vic and Bay Car Service, Inc., pursuant to CPLR § 3218, in favor of Plaintiff, State of New York, against myself and authorize entry thereof in Richmond County, and in any county in which I own property, in the sum of Two Hundred and Fifty Thousand Dollars (\$250,000.00), plus interest at a rate of 9% per annum from 5/27, 2025.
4. This confession of judgment is for a debt justly due to Plaintiff, the State of New York, arising out of the acts set forth in the attached Settlement Agreement, which I executed on 5/27, 2025 in my individual capacity, and on behalf of Vic and Bay Car Service, Inc. As a result of the conduct described in the Settlement Agreement, I caused claims to be submitted to the New York State Medicaid Program for which I received, or caused others to receive, amounts that were not legally due. As a result, the New York State Medicaid Program was harmed.
5. I authorize entry of judgment against Vic and Bay Car Service, Inc., and me, individually, in Richmond County, jointly and severally, in the State of New York, and in any county in which I own property, in the amount of Two Hundred and Fifty Thousand Dollars (\$250,000.00), less any payments paid pursuant to the Settlement Agreement, plus interest as described in Paragraph 3, above, without further notice at any time.

Kashif
KASHIF MAHMOOD

STATE OF NEW YORK, COUNTY OF Richmond ss.:

On 27th May, 2025, before me personally came KASHIF MAHMOOD, to me known, and known to me to be the individual described in, and who executed the above instrument, and acknowledged to me that he executed same.

CHRISTINE MARIE RODRIGUEZ
Notary Public, State of New York
Reg. No. 01RO0026202
Qualified in Richmond County
Commission Expires 06/26/2028

Christine Marie Rodriguez
NOTARY PUBLIC

STATE OF NEW YORK, COUNTY OF Richmond ss.:

On 27th May, 2025, before me personally came KASHIF MAHMOOD to me known, who being by me duly sworn, did depose and say that he resides in _____ County, New York; that he is the owner of Vic and Bay Car Service, Inc., the company that is described in and that executed the above instrument; and that he is duly authorized to sign his name thereto and did so in such capacity.

Christine Marie Rodriguez
NOTARY PUBLIC

CHRISTINE MARIE RODRIGUEZ
Notary Public, State of New York
Reg. No. 01RO0026202
Qualified in Richmond County
Commission Expires 06/26/2028