



Department of Justice

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HOGSETT ANNOUNCES CHARGES AGAINST INDIANAPOLIS MAN FOR HEALTH CARE FRAUD

PRESS RELEASE

INDIANAPOLIS -- Joseph H. Hogsett, the United States Attorney, announced today that Ronald Reed, age 46, has been charged with conspiring to commit health care fraud in a scheme that involved the sale of electric wheelchairs and scooters and the potential loss of hundreds of thousands in taxpayer dollars. This comes as Hogsett's office has continued an effort to crack down on white collar fraud in Indiana's business community.

"This alleged scheme not only defrauded taxpayers, but also victimized some of the most vulnerable in this community," Hogsett said. "This case embodies a culture of corruption that is unacceptable, and together with our law enforcement partners, we're going to put a stop to it."

According to a federal indictment announced today, Reed was the controlling owner of the Indianapolis-based business Benchmark Mobility Corporation, which sold medical equipment including powered wheelchairs, scooters, lift chairs and hospital beds. As part of these sales, Benchmark would often bill various state and federal health care programs for reimbursement, including Medicare and Indiana Medicaid.

The indictment alleges that beginning in March 2007, Benchmark began having difficulty obtaining operating capital. In response, Reed allegedly began submitting claims to Medicare and Medicaid for used equipment that he had purchased online, refurbished, and was selling as "new." These used pieces of equipment were often purchased on websites such as eBay and Craigslist, and employees were allegedly directed to change serial numbers and take other actions to hide the fraud.

All told, it is alleged that between March 2007 and March 2011, Reed submitted and was reimbursed for \$388,872 in claims to Indiana's Medicaid program, and \$53,816 in claims to Medicare. Reed is also charged with thirteen counts of aggravated identity theft for allegedly using a Medicaid recipient's identification without permission as part of the scheme.

According to Assistant U.S. Attorney Bradley P. Shepard, who is prosecuting the case for the government, this case was the result of a joint investigation by the Department of Health and

Human Services and the Federal Bureau of Investigation. Reed faces up to 10 years in federal prison if convicted, as well as significant fines.

An indictment is only a charge and is not evidence of guilt. A defendant is presumed innocent and is entitled to a fair trial at which the government must prove guilt beyond a reasonable doubt.

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