



Department of Justice

**Timothy M. Morrison, United States Attorney
Southern District of Indiana**

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CONTACT: MARY BIPPUS
(317) 229-2403
Fax: (317) 226-5002
Cell: (317) 590-7928

MAN SENTENCED TO TEN YEARS IN PRISON FOR HEALTH CARE FRAUD SCAM

PRESS RELEASE

Timothy M. Morrison, United States Attorney for the Southern District of Indiana, and Steve Carter, Indiana Attorney General, announced that VARNADOR SUTTON, 43, Atlanta, Georgia, was sentenced to 120 months imprisonment late yesterday by U.S. District Judge Larry J. McKinney following his conviction at trial March 11, 2008 for health care fraud. This case was the result of a investigation by the U.S. Health and Human Services Inspector General, Indiana Attorney General Medicaid Fraud Control Unit, and the Federal Bureau of Investigation.

In May 2005, SUTTON, while a resident of Indianapolis, enrolled as a provider of counseling services with the Indiana Medicaid program. He subsequently billed Indiana Medicaid for over \$9 million in services, and was paid over \$3 million, including billing for over 84,000 individual counseling sessions, virtually none of which were provided. The government analyzed SUTTON's financial records and traced every expense that could be related to the providing of services and found no more than a few thousand dollars worth of business related expenses. Several counselors purportedly employed by SUTTON, were interviewed, including one who had relocated to Turkey but returned to Indianapolis to testify at trial, and found documentation of only a few dozen services actually provided by SUTTON and his business. After extensive investigation, over \$2 million in assets, including funds from various certificates of deposit in the total amount of \$1.1 million dollars, five parcels of real estate, and three motor vehicles, including a 2006 VW Phaeton, a 2007 Lincoln MKX, and a 2006 Jaguar, were seized from SUTTON and forfeited to the United States. The forfeited assets will be liquidated and used to partially reimburse Indiana Medicaid for its losses.

"There were deliberate efforts to defraud state and federal programs of funds intended to assist our most vulnerable population." Carter said. "Investigators are to be commended for uncovering the billing fraud that allowed justice to be served by this sentence."

In sentencing SUTTON to the statutory maximum sentence of ten years, the judge emphasized the importance of deterring future frauds on the Medicaid program, a public health care program for the most needy in our society. The judge also found particularly aggravating the 84,000 services SUTTON falsely claimed to have provided, each of which constituted a separate act of fraud, and the 2,500 separate Medicaid recipients' identities and benefits that were used by SUTTON to steal the money from Medicaid.

According to Assistant U.S. Attorney Winfield D. Ong, who prosecuted the case for the government, Judge McKinney also imposed 3 years supervised release following SUTTON's release from imprisonment. During the period of supervised release, SUTTON was ordered to make restitution in the amount of \$3,288,347.94.

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