



For Immediate Release
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MADIGAN: WOMAN, CORPORATION FOUND GUILTY OF DEFRAUDING MEDICAID FOR MILLIONS OF DOLLARS

Chicago – Attorney General Lisa Madigan today said a Lake County woman and the Illinois corporation she operated were found guilty recently of three felony counts based on a scheme to defraud the state’s Medicaid program for more than \$2.9 million.

In separate bench trials on April 18 and 19, Cook County Circuit Court Judge James Linn found Irit Gutman and Universal Public Transportation, Inc., guilty of Public Aid Vendor Fraud, Theft in excess of \$100,000 and Money Laundering, all Class 1 felonies. In November 2004, co-defendant Ilya Lubenskiy pled guilty to Vendor Fraud.

In January 2001, Universal Public Transportation applied to the Illinois Department of Healthcare and Family Services (DHFS) to provide transportation services to Medicaid recipients. According to DHFS, however, the application listed another person’s name as the sole owner of Universal when, in fact, the corporation was operated by Gutman and Lubenskiy. The Illinois Medicaid program had previously permanently excluded Gutman and Lubenskiy following a 1999 civil settlement that resolved a federal investigation into three transportation companies that they operated.

Upon the approval of Universal’s application, the corporation began to illegally bill Medicaid and submit false claims using methods that Gutman and Lubenskiy developed while operating the companies that had been the target of the earlier federal investigation. A majority of the bills submitted were for services that were never provided. In the cases where services were provided, fraudulent invoices were submitted that included excessive mileage charges or improperly charged higher “medicar” rates when “service cars” had been utilized. To further disguise the true ownership of Universal, Gutman laundered money through various personal and corporate accounts and received laundered funds indirectly from Universal. Additionally, Gutman also used corporation funds to pay various personal expenses.

“These are significant victories for the taxpayers of Illinois,” Madigan said. “Dishonest vendors determined to scam the system will be prosecuted.”

The court will hear post trial motions filed by Universal on May 16, and post trial motions filed by Gutman on June 5. The court will hold Gutman’s sentencing hearing on June 5. Judge Linn revoked Gutman’s bond and ordered

her held in the Cook County Jail pending the sentencing hearing. The court also entered an order freezing Gutman's assets and Universal's assets.

For his role in the scheme, Lubenskiy is scheduled to be sentenced on June 4 to 63 months in the Illinois Department of Corrections and time served in the Cook County Jail and federal custody. Lubenskiy also will be ordered to pay restitution of a sum not exceeding \$335,000.

The case was investigated by the Illinois State Police Medicaid Fraud Control Unit and prosecuted by Assistant Bureau Chief Frederick Crystal and Senior Assistant Attorney General June Acton of Madigan's Medicaid Fraud Bureau.

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