



U.S. Department of Justice

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**HOME HEALTH CARE ADMINISTRATOR SENTENCED TO 20 MONTHS
IN FEDERAL PRISON FOR HEALTH CARE FRAUD AND KICKBACK SCHEME**

ROCKFORD — An Elmhurst, Ill., woman was sentenced today in federal court to 20 months in federal prison on her conviction for health care fraud and a kickback scheme. Merigrace Orillo, 45, co-owned and operated Chalice Home Healthcare Services, Inc., with her husband Virgilio Orillo. Chalice had offices in Chicago, Freeport, and Morris, Illinois.

Medicare is a national healthcare program which provides free or below-cost health care to eligible beneficiaries, primarily persons who are 65 years of age or older. Chalice was an enrolled provider with the Medicare program since 2004.

According to a written plea agreement, Chalice's nurses, nurses aids, physical therapists, and occupational therapists provided services to patients in their homes. Chalice was usually paid for these services through the Medicare program. Orillo admitted that from January 2007 through April 2010, she and her husband falsified documents in order to increase the payments Chalice received from Medicare. The falsifications made Chalice's patients appear to be sicker than they actually were and in need of greater care than they actually required.

Orillo also admitted that she knowingly assisted her husband in paying cash kickbacks to a Chicago doctor. The kickbacks were paid in return for the doctor referring patients to Chalice for home healthcare services. Orillo admitted that she withdrew cash from Chalice's bank account and

provided that cash to her husband to be used to pay these kickbacks. At the sentencing hearing, the court found that Orillo's scheme caused a loss of more than \$700,000 to the Medicare program.

The indictment, which was filed on February 15, 2011, charged both Orillo and her husband Virgilio with healthcare fraud. The charges against Virgilio Orillo were dismissed after he died on August 30, 2011.

Today's sentencing hearing was conducted by United States District Judge Frederick J. Kapala. In addition to the 20 month federal prison sentence, Judge Kapala also ordered Orillo to pay \$744,481 in restitution to the Medicare Trust Fund. Orillo will not be eligible for parole on her prison sentence.

The investigation was conducted by the Medicare Fraud Strike Force, which expanded to the Northern District of Illinois in 2011, and is part of the Health Care Fraud Prevention & Enforcement Action Team (HEAT), a joint initiative between the Justice Department and HHS to focus their efforts to prevent and deter fraud and enforce anti-fraud laws around the country.

The sentencing was announced by Gary S. Shapiro, Acting United States Attorney for the Northern District of Illinois; Robert D. Grant, Special Agent-in-Charge of the Chicago Office of Federal Bureau of Investigation; and Lamont Pugh, III, Special Agent-in-Charge of the U.S. Department of Health and Human Services, Office of Inspector General in Chicago.

The government was represented by Assistant U.S. Attorney Scott A. Verseman.

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