



U.S. Department of Justice

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PRESS RELEASE

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Former Defense Department Employee Pleads Guilty To Carrying Out \$2.5 Million Health Care Fraud -Veteran Admits Submitting Fraudulent Claims for Medical Expenses-

WASHINGTON – Jonathan M. Hargett, a former civilian employee of the Department of Defense, pled guilty today to a charge of health care fraud stemming from a scheme in which he collected over \$2.2 million after submitting fraudulent claims for federal health care benefits.

The guilty plea was announced by Ronald C. Machen Jr., U.S. Attorney for the District of Columbia; Robert E. Craig, Special Agent in Charge of the Mid-Atlantic Field Office of the Defense Criminal Investigative Service (DCIS); Patrick E. McFarland, Inspector General for the Office of Personnel Management (OPM); Gregg Hirstein, Special Agent-in-Charge of the U.S. Department of Veterans Affairs (VA) Office of Inspector General, Central Field Office of Investigations, and Frank Robey, Director of the U.S. Army Criminal Investigation Command's Major Procurement Fraud Unit.

Hargett, 41, formerly of Germany, pled guilty in the U.S. District Court for the District of Columbia. He was indicted in October 2013, extradited from Germany, and returned to the United States in July 2014. The Honorable Senior Judge Paul L. Friedman scheduled sentencing for Nov. 18, 2014. The charge carries a statutory maximum of 10 years in prison and financial penalties. Under federal sentencing guidelines, Hargett faces a likely prison term of 46 to 57 months and a fine between \$10,000 and \$100,000. The plea agreement calls for Hargett to pay over \$2.2 million in restitution to the United States. He also is subject to a forfeiture money judgment in the same amount. The government has seized more than \$704,000 from Hargett's bank accounts, and German authorities have seized or frozen over \$500,000.

According to a statement of offense submitted to the Court today, and signed by the government and the defendant, Hargett worked from 1996 through 2012 in various positions as a civilian employee for the Department of Defense in Germany. From January 2011 through May

2012, he was an intelligence analyst stationed in Heidelberg. Previously, he had served in the U.S. Army from 1992 to 1996.

As a federal employee stationed overseas, Hargett was enrolled since 2002 in the Foreign Service Benefit Plan (FSBP) a health care benefit program. Because of his service in the Army, he also was eligible for health care coverage from the U.S. Department of Veterans Affairs. For veterans working or residing abroad, the VA provides this coverage through its Foreign Medical Program (VA-FMP).

From January 2007 through April 2012, according to the statement of offense, Hargett carried out a scheme to submit fraudulent claims and invoices to the FSBP and the VA-FMP. The claims falsely represented that he bought prescription medications and other pharmaceutical items from a pharmacy in Germany. They also falsely represented that he had received and paid for various health care items and services from a doctor in Germany. Hargett also created and submitted forged invoices and other fraudulent paperwork.

All told, Hargett admitted submitting more than \$2.5 million in false claims to the two programs. He was paid more than \$2.2 million, including about \$943,519 from the FSBP and \$1,261,512 from the VA-FMP.

This case was investigated by the Defense Criminal Investigative Service, the Office of the Inspector General for the Office of Personnel Management, the Office of the Inspector General for the Department of Veterans Affairs, and the U.S. Army Criminal Investigation Command. Assistance was provided by the Office of International Affairs in the Justice Department's Criminal Division; the Department of Defense; former Assistant U.S. Attorney Courtney G. Saleski; Paralegal Specialist Donna Galindo, and former Paralegal Specialist Nicole Wattlelet.

The case is being prosecuted by Assistant U.S. Attorneys Ted Radway and Peter Lallas, of the Fraud and Public Corruption Section of the U.S. Attorney's Office for the District of Columbia, with assistance from Assistant U.S. Attorney Diane Lucas, of the office's Asset Forfeiture and Money Laundering Section.

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