



FOR IMMEDIATE RELEASE
Thursday, December 18, 2014

For Information Contact:

Public Affairs

(202) 252-6933

<http://www.justice.gov/usao/dc/index.html>

**Former Defense Department Employee Sentenced
To 40 Months in Prison for \$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, was sentenced today to 40 months in prison on 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 sentencing was announced by Ronald C. Machen Jr., U.S. Attorney for the District of Columbia; Robert E. Craig, Jr., 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, 42, formerly of Germany, pled guilty on Sept. 8, 2014, 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. He was sentenced by the Honorable Senior Judge Paul L. Friedman. Upon completion of his prison term, Hargett will be placed on three years of supervised release. The plea agreement also 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.

“Jonathan Hargett is headed to prison because he ripped off more than \$2 million from the American taxpayer,” said U.S. Attorney Machen. “His bogus medical claims drained resources from a

program designed to serve wounded veterans. Defending the integrity of federal health care programs is a top priority because it protects the funds needed to provide medical services to our veterans and other deserving citizens.”

“Protecting the integrity of the Department of Defense's programs and resources, to include health care funding, is of critical importance to the Defense Criminal Investigative Service (DCIS),” said Special Agent in Charge Craig. “When government personnel display a blatant disregard for the law and intentionally divert taxpayer money to enrich themselves, DCIS and our law enforcement partners will aggressively investigate, work to ensure prosecution to the fullest extent possible, and seek to recover all available funds so they may be returned to proper use.”

“The purpose of the Federal Employees Health Benefits Program is to provide for the health and well-being of Federal employees, retirees, and their families,” said Inspector General McFarland of the OPM. “Through his unscrupulous actions, Mr. Hargett not only stole from enrollees and the American taxpayers, he also violated their trust. We are all gratified to see that he will be held accountable.”

“The VA's Foreign Medical Program is extremely important to veterans who need medical care while residing or traveling abroad,” said Special Agent in Charge Hirstein. “Today's sentencing reaffirms the VA Office of Inspector General's commitment to bring to justice those who steal from such programs which promote the health and well-being of our nation's deserving veterans.”

We applaud Mr. Hargett's sentencing and are pleased that he has been brought to justice for fraud and stealing from the American taxpayer,” said Director Robey of the U.S. Army Criminal Investigation Command's Major Procurement Fraud Unit. “We cannot emphasize enough that if you attempt to steal and commit fraud against the DOD and U.S. Army, you will be caught and brought to justice. Mr. Hargett is a prime example.”

According to a statement of offense submitted to the Court at the time of the guilty plea, 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 Hargett 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, and admitted creating many of the false invoices on his government computer at the U.S. Army base in Heidelberg, Germany.

All told, Hargett submitted more than \$2.5 million in false claims to the two government health care programs, for items and services Hargett never received and never paid for. As a result, Hargett wrongfully obtained 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; U.S. Army Europe (USAREUR) Legal Office; former Assistant U.S. Attorney Courtney G. Saleski; Paralegal Specialist Donna Galindo, and former Paralegal Specialist Nicole Wattelet.

The case was 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.