



THE UNITED STATES ATTORNEY'S OFFICE
DISTRICT *of* COLUMBIA

**Former Defense Department Employee Indicted on Charges In Alleged \$2.5 Million Health Care Fraud
*Veteran is Accused of Submitting Fraudulent Claims for Medical Expenses***

FOR IMMEDIATE RELEASE

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WASHINGTON – Jonathan M. Hargett, a former civilian employee of the Department of Defense, was indicted today by a federal grand jury on charges alleging that he collected more than \$2.2 million after submitting fraudulent claims for federal health care benefits.

The indictment 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); John Brooks, 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, now in Germany, faces charges in a 15-count indictment returned by a grand jury in the U.S. District Court in the District of Columbia, including: one count of health care fraud; four counts of making false statements relating to health care matters; four counts of wire fraud, and six counts of engaging in monetary transactions in property derived from illegal activity. The indictment also seeks the forfeiture of all illegal proceeds from the scheme.

According to the indictment, Hargett worked from 1996 through 2012 in various positions as a civilian employee for the Department of Defense in Germany. Most recently, 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, the indictment alleges, 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 submitted forged invoices and other fraudulent paperwork, the indictment alleges.

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

“This indictment charges a former Defense Department employee with ripping off the American taxpayer to the tune of \$2.5 million through fraudulent medical claims,” said U.S. Attorney Machen. “This alleged fraud is particularly galling because it robbed precious resources from a program intended to serve our wounded veterans. Protecting the integrity of

federal health care programs is an essential part of making affordable health care available to the vulnerable citizens who need it most.”

“Today's indictment reminds federal employees that they must meet the highest standards of ethical and professional behavior in all their dealings with the government, not just their dealings in the workplace,” said Inspector General McFarland. “Defrauding the Federal Employees Health Benefits Program, the program that provides insurance benefits for federal employees, is simply unacceptable.”

“Special Agents assigned to VA’s Office of Inspector General are committed to aggressively investigating fraud against the Department of Veterans Affairs and the taxpayers of this nation,” said Special Agent-in-Charge Brooks “Addressing major fraud within the VA's Foreign Medical Program has become a high priority. The dollars stolen from VA in this scheme could have benefitted many veterans with service-connected conditions needing medical treatment while residing or traveling abroad.”

If convicted of the various offenses, Hargett faces a statutory maximum of 10 years in prison on the health care fraud charge, five years of incarceration for each of the false statements charges, 20 years on each of the wire fraud counts, and 10 years on each of the charges involving the monetary transactions. He also faces financial penalties.

An indictment is merely a formal charge that a defendant has committed a violation of criminal laws and every defendant is presumed innocent until, and unless, proven guilty.

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, and Paralegal Specialists Nicole Wattlelet and Donna Galindo. The case is being prosecuted by Assistant U.S. Attorney Ted Radway, 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.