

# United States Attorney James T. Jacks Northern District of Texas

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## **OWNERS/OPERATORS OF NEW HORIZONS MENTAL HEALTH FACILITIES PLEAD GUILTY TO FEDERAL CHARGES**

### **Defendants Admit Defrauding Texas Medicaid Program of More than \$1.8 Million**

**DALLAS** — Joanna Jones Ellis Kemp, 68, and her husband, Peter A. Kemp, 67, both of Plano, Texas, each appeared in federal court this morning before U.S. Magistrate Judge Irma C. Ramirez and pleaded guilty to one count of conspiracy to commit false statements relating to health care matters, announced U.S. Attorney James T. Jacks of the Northern District of Texas. They each face a maximum statutory sentence of five years in prison and a \$250,000 fine. In addition, restitution could be ordered. Sentencing is set for December 21, 2011, before U.S. District Judge Ed Kinkeade.

According to documents filed in the case, Joanna Kemp, a licensed psychologist, and Peter Kemp were general partners and operators of New Horizons General Partnership. Joanna Kemp served as New Horizons' Director and Qualified Mental Retardation Professional (QMRP) and Peter Kemp served as the Administrator. New Horizons consisted of three intermediate care facilities for persons with mental retardation or a related condition (ICF/MR) that were located on Redbird Lane in Granbury, Texas and on Kenshire Drive and Sunridge Drive in Benbrook, Texas. These residential facilities provided 24-hour supervision for disabled persons with mental retardation or a related condition, such as cerebral palsy.

Joanna Kemp was also a contract employee for the Bureau of Prisons at the Federal Correctional Institution located in Seagoville, Texas (FCI-Seagoville).

Joanna and Peter Kemp admitted that from at least January 1999 through April 2010, they conspired to unlawfully enrich themselves by defrauding the Texas Medicaid program. As part of their scheme, Joanna Kemp, during her contract employment as the special education diagnostician at FCI-Seagoville, obtained the names and social security numbers of at least 12 inmates and other persons and used this stolen information to create "ghost" employees for New Horizons. They also created false time sheets for these ghost employees and their CPA unwittingly relied on these false representations to process the payroll, issue payroll checks and prepare cost reports for New Horizons. Joanna and Peter Kemp opened three bank accounts, which were never disclosed to the CPA, which they used to deposit the ghost employees' pay checks after Joanna forged endorsement signatures. They then transferred the monies from the

secret accounts to other bank and investment accounts they used for their own personal benefit. In addition, Joanna Kemp submitted to Medicaid false claims for ICF/MR services, for at least 10 residents, which were not rendered.

In total, Joanna and Peter Kemp fraudulently obtained \$1,820,359 from the Texas Medicaid program.

The case is being investigated by the Medicaid Fraud Control Unit of Office of the Attorney General and the U.S. Department of Justice, Office of the Inspector General. Special Assistant U.S. Attorney Sally Helmer is in charge of the prosecution.

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