



Department of Justice

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Western District of Wisconsin

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**NEW JERSEY MAN & COMPANY OPERATING NURSING HOMES
AND ASSISTED LIVING FACILITIES IN WISCONSIN
CHARGED WITH HEALTH CARE FRAUD**

MADISON, WIS. – A federal grand jury in the Western District of Wisconsin returned an indictment yesterday charging Kevin Breslin, 56, Hoboken, New Jersey, and KBWB Operations, LLC, doing business as Atrium Health and Senior Living (Atrium), in Park Ridge, New Jersey, with a scheme to defraud Medicare and Medicaid in connection with the delivery of or payment for health care benefits, items, or services.

The indictment alleges that the scheme operated from January 2015 to September 2018. The indictment charges the defendants with health care fraud, six counts of wire fraud, three counts of mail fraud, conspiracy to commit tax fraud, and conspiracy to commit money laundering.

According to the indictment, Breslin was the Chief Executive Officer of Atrium, which operated 24 skilled nursing facilities and nine assisted living facilities in Wisconsin and Michigan. These facilities included:

1. Atrium Post Acute Care of Appleton, Wisconsin;
2. Atrium Post Acute Care of Black River Falls, Wisconsin;
3. Atrium Post Acute Care of Bloomer, Wisconsin;
4. Atrium Post Acute Care of Chetek, Wisconsin;
5. Atrium Post Acute Care of Chilton, Wisconsin;
6. Atrium Post Acute Care of Ellsworth, Wisconsin;
7. Atrium Post Acute Care of Kewaunee, Wisconsin;
8. Atrium Post Acute Care of Lancaster, Wisconsin;
9. Atrium Post Acute Care of Little Chute, Wisconsin;
10. Atrium Post Acute Care of Marshfield, Wisconsin;
11. Atrium Post Acute Care of Menominee, Michigan;
12. Atrium Post Acute Care of Mineral Point, Wisconsin;
13. Atrium Post Acute Care of Neenah, Wisconsin;
14. Atrium Post Acute Care of New Holstein, Wisconsin;
15. Atrium Post Acute Care of Oconto Falls, Wisconsin;

16. Atrium Post Acute Care of Plymouth, Wisconsin;
17. Atrium Post Acute Care of Shawano, Wisconsin, at Birch Hill,
18. Atrium Post Acute Care of Shawano, Wisconsin, at Evergreen,
19. Atrium Post Acute Care of Shawano, Wisconsin, at Maple Lane,
20. Atrium Post Acute Care of Stevens Point, Wisconsin;
21. Atrium Post Acute Care of Two Rivers, Wisconsin;
22. Atrium Post Acute Care of Weston, Wisconsin;
23. Atrium Post Acute Care of Williams Bay, Wisconsin; and
24. Atrium Post Acute Care of Wisconsin Rapids, Wisconsin.

The indictment alleges that from January 2015 through September 2018, Atrium billed Medicare for over \$189,000,000 and received over \$49,000,000 and that they billed Medicaid for over \$218,000,000 and received over \$93,000,000. The indictment alleges that when the defendants obtained money from Medicare and Medicaid, they certified that they would follow all required quality of care standards, but they did not do so, and that they would operate their facilities with adequate staffing, supplies, and services, but they did not do so.

The indictment alleges that as part of the scheme to defraud, Breslin and Atrium diverted funds from the Wisconsin facilities through guaranteed payments to Atrium owners, guaranteed monthly return-on-investment payments to investors that were financing the construction of skilled nursing facilities in New Jersey, and construction costs for the New Jersey facilities. The indictment further alleges that the diversion of funds caused inadequate care of residents, including a shortage of clean diapers, inadequate wound care supplies, inadequate cleaning supplies, and a lack of durable medical equipment and respiratory supplies. In addition, the diversion of funds caused non-payment to vendors, which caused numerous services to be cut off, including physical therapy for residents, fire alarm monitoring services, phone and internet services preventing staff from obtaining prescription orders and accessing electronic medical records systems, and necessary repairs and maintenance of the physical plant facilities.

In addition, the indictment alleges that Breslin and Atrium withheld insurance premiums from employees' paychecks but failed to pay those monies over to the third-party administrator for use in paying health claims, causing payment of employees' health claims to be stopped. The indictment further alleges that the defendants withheld 401(k) retirement savings account contributions from employees' paychecks but failed to pay those monies over to the third-party pension administrator.

The indictment also alleges that Breslin and Atrium evaded payment to the Wisconsin Department of Revenue and the Internal Revenue Service of state and federal income taxes and employment taxes withheld from employees' paychecks.

If convicted, Breslin and Atrium face penalties of five years in federal prison on the conspiracy to commit tax fraud charge, and 20 years on each health care fraud, wire fraud, mail fraud, and conspiracy to commit money laundering charge. The conspiracy to commit tax fraud charge and each of the health care, wire and mail fraud charges carry a \$250,000 fine; the money laundering charge carries a \$500,000 fine.

Principal Deputy Assistant Attorney General Brian M. Boynton, head of the Justice Department's Civil Division, and U.S. Attorney Timothy M. O'Shea for the Western District of Wisconsin made the announcement.

The charges against Breslin and Atrium are the result of an investigation by the U.S. Department of Health and Human Services, Office of Inspector General; IRS Criminal Investigation; the U.S. Department of Labor, Employee Benefits Security Administration; the Wisconsin Department of Justice, Medicare Fraud Control and Elder Abuse Unit; and the Federal Bureau of Investigation. Assistant U.S. Attorney Daniel Graber and Trial Attorney Karla-Dee Clark of the Consumer Protection Branch of the Justice Department's Civil Division are handling the prosecution.

An indictment is merely an allegation, and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

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