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Southern District of New York

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**MANHATTAN U.S. ATTORNEY ANNOUNCES MEDICAID FRAUD
CHARGES AGAINST POSTAL EMPLOYEE AND SPOUSE**

Preet Bharara, the United States Attorney for the Southern District of New York, and Thomas O'Donnell, the Special Agent in Charge of the New York Office of the United States Department of Health and Human Services, Office of Inspector General ("HHS-OIG"), today announced charges against ALEXANDER KNOBEL, an employee of the United States Postal Service the ("Postal Service"), and his spouse, YANA MALKINA, for Medicaid fraud. The Complaint alleges that KNOBEL and MALKINA repeatedly submitted fraudulent documents to obtain and continue to receive Medicaid for themselves and their family, defrauding the Medicaid Program of nearly \$100,000, and causing resources designed for low-income individuals to be diverted to themselves. The defendants were arrested this morning and are expected to be presented today before U.S. Magistrate Judge James L. Cott.

Manhattan U.S. Attorney Preet Bharara said: "Defendants like Alexander Knobel, a U.S. Postal Service employee, and his wife, Yana Malkina, who allegedly manipulate and exploit the Medicaid system, divert valuable resources from those who truly need the assistance. Such allegedly criminal conduct is particularly troubling when committed by an employee of the federal government."

HHS-OIG Special Agent in Charge Thomas O'Donnell said: "Scammers who corruptly take advantage of the Medicaid system and deprive poor and vulnerable beneficiaries of the care and support they need, take note: the Office of Inspector General, New York Regional Office will continue to work aggressively to eliminate such schemes - and those who perpetrate them - from our health care system."

According to the allegations in the Complaint unsealed today in Manhattan federal court:

Medicaid is a largely federally-funded program in the United States designed to provide low-income families with affordable health care. In New York State, the Department of Health administers the Medicaid Program, and the New York City Human Resources Administration oversees the program and processes applications in New York City.

In late 2008, KNOBEL, who had been employed by the Postal Service since the spring of 2006, and MALKINA, his wife, who had been employed as a home attendant for several years, submitted an application for Medicaid on behalf of themselves and their children in which they falsely stated that no adult in the household was employed. Based on this fraudulent application, KNOBEL, MALKINA, and their children were approved to receive Medicaid. Each year thereafter, KNOBEL and/or MALKINA submitted renewals to continue to receive Medicaid for themselves and their family. Each annual renewal form, signed by KNOBEL and/or MALKINA, contained multiple false statements, including with respect to KNOBEL's employment, MALKINA's employment and income, and whether KNOBEL and MALKINA were able to obtain health insurance through their employers. Further, in summer 2010, KNOBEL and MALKINA purchased a home for \$445,000, but in multiple subsequent renewals, KNOBEL and MALKINA falsely stated that they did not own their home.

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KNOBEL, 37, and MALKINA, 37, both of Brooklyn, New York, are each charged with one count of conspiracy to commit mail fraud and health care fraud, one count of mail fraud, and one count of health care fraud, which carry maximum sentences of 20 years, 20 years, and 10 years in prison, respectively. The maximum potential sentences in this case are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendants will be determined by the judge.

Mr. Bharara praised the investigative work of HHS-OIG, and thanked the United States Postal Inspection Service and the New York City Human Resources Administration for their assistance in this investigation, which he noted is ongoing.

This case is being handled by the Office's Public Corruption Unit. Assistant U.S. Attorney Daniel C. Richenthal is in charge of the prosecution.

The charges contained in the Complaint are merely accusations and the defendants are presumed innocent unless and until proven guilty.

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