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NEW JERSEY DEPARTMENT OF LAW & PUBLIC SAFETY

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**MAN ADMITS TO STEALING \$139,000 IN HEALTH BENEFITS FROM NJ
FAMILYCARE PROGRAM BY UNDERREPORTING INCOME ON APPLICATION**

TRENTON – A Mahwah man admitted today to stealing more than \$139,000 in health insurance benefits from the NJ FamilyCare Program by underreporting his income on applications to make it falsely appear that his family was eligible for the program, Attorney General Anne Milgram announced.

NJ FamilyCare is a state and federally-funded Medicaid health insurance program created to help New Jersey's uninsured children and certain low-income parents and guardians obtain affordable health coverage. The guilty plea resulted from an investigation by the Division of Criminal Justice and the Division of Taxation.

The plea is the first to come from referrals made to the Division of Criminal Justice by the Department of Human Services, which administers NJ FamilyCare through its Division of Medical Assistance and Health Services. The referrals stemmed from an audit of the program conducted by the New Jersey Legislature's Office of the State Auditor between 2005 and 2007.

John Dawli, 52, of Mahwah, pleaded today to an accusation charging him with third-degree theft by deception before Superior Court Judge Gerald J. Council in Mercer County and will enter the Pre-Trial Intervention Program. Dawli admitted that between March 2003 and August 2008, he received \$139,713 in NJ FamilyCare benefits for his four children for which the family was not eligible. Dawli's average income was about \$110,000 per year from 2003 through 2007, but he reported less than half of that income on NJ FamilyCare applications in order to appear eligible for the program.

"The NJ FamilyCare Program is designed to help children and families who otherwise would be left without vital health care services and medicines," said Attorney General Milgram. "When individuals who can afford coverage instead misrepresent their income as this defendant did, there is less funding available to serve those in need. We will continue to prosecute those who cheat the program and make them pay for any benefits received."

The theft charge carries a sentence of three to five years in state prison and a fine of up to twice the amount stolen. However, under the plea agreement, the state did not oppose Dawli's application to the court for the Pre-Trial Intervention Program, conditioned upon Dawli paying full restitution to NJ FamilyCare and otherwise complying with the agreement.

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Attorney General Milgram credited Deputy Attorney General Viktoria Kristiansson for prosecuting the case and taking the guilty plea. She credited Lt. John C. Jespersen of the Division of Criminal Justice Major Crimes Bureau and Auditor Thaedra Chebra of the Division of Taxation in the Department of the Treasury for conducting the investigation with Kristiansson.

Attorney General Milgram also credited the Office of the State Auditor for its audit, and thanked the Department of Human Services for referring the case and assisting in the investigation.

NJ FamilyCare provides free or low-cost health insurance – often with premiums and co-payments – to uninsured children and certain qualified parents. Children can be eligible in families earning up to 350 percent of the federal poverty level, which is \$74,000 for a family of four. Enrollment is based on household income, and can include income from self-employment, corporations and partnerships, rent, interest, dividends and other non-work income. Eligibility for enrollment must be re-determined every 12 months.

Dawli paid a total of \$1,722 in premiums during the period in question.

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