

## Eastern District of Texas

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### Justice News

Department of Justice  
U.S. Attorney's Office  
Eastern District of Texas

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FOR IMMEDIATE RELEASE

Monday, June 27, 2016

## North Texas Companies and Individuals Pay \$1.125 Million to Settle Medicaid Allegations

PLANO, Texas – PLANO, Texas – Ten North Texas companies and individuals agreed to pay the United States a total of \$1.125 million to resolve alleged False Claims Act violations for causing false claims to be submitted to the U.S. Department of Health and Human Services (HHS) and its component agency the Centers for Medicare and Medicaid Services (CMS), announced U.S. Attorney John M. Bales. The companies and individuals paying the United States under the settlement are:

- Irving Holdings, Inc. (together with its predecessor companies Big Tex Taxi Corporation, Terminal Taxi Corporation, Choice Cab, Inc., Yellow Checker Cab of Dallas, Inc., and Yellow Checker Cab of Fort Worth, Inc.)
- JetTaxi, Inc.
- Dallas Taxi, LLC
- US Cab, LLC
- Terminal Taxi Corporation of Irving
- Classic Shuttle Acquisition Corporation, Inc. d/b/a Go Yellow Checker Shuttle
- Dallas Car Leasing, LLC
- Jackie Bewley
- Jeffrey Finkel
- Elizabeth George

The settlement resolves a portion of a lawsuit filed under the *qui tam* provisions of the False Claims Act by Robert Spence, Mike Jones, and Cheryl Jones. The Act permits private citizens (called “relators”) with knowledge of fraud against the Government to bring a lawsuit on behalf of the

United States and to share in any recovery. Under the civil settlement announced today, the relators will receive \$202,500 out of the United States' recovery. The lawsuit remains pending in the Eastern District of Texas and is captioned *United States of America ex rel. Robert Spence, Mike Jones, and Cheryl Jones v. Irving Holdings, Inc., et al.*, Case Number 4:12-CV-487. The following companies and individuals are also named in the action but are not parties to the settlement announced today:

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- North Texas Opportunity Fund, L.P.
- NTOF Capital Partners, LP
- North Texas Opportunity Fund Capital Partners, LP
- North Texas Investment Advisors, LLC
- Lone Star Investment Advisors, LLC
- William Tauscher
- Arthur Hollingsworth
- Greg Campbell
- Luke Sweetser

The relators were employees of Irving Holdings, Inc. d/b/a Yellow Cab ("Irving Holdings"), one of the largest taxicab companies in the United States. The relators claim in their lawsuit that Irving Holdings and many related or affiliated entities, stockholders, and employees failed to comply with rules and regulations governing Medicaid transportation services provided by Irving Holdings to Texas Medicaid recipients, resulting in false claims being submitted to Texas Medicaid and CMS.

The United States' contended that certain Defendants misrepresented Irving Holdings' compliance with the transportation broker requirements contained in 42 C.F.R. § 440.170. Specifically, the United States alleged that Irving Holdings and Jeffrey Finkel submitted a false affidavit to the State of Texas knowing the affidavit would then be provided to CMS. The United States claimed that the false affidavit caused CMS to pay inflated amounts to Texas Medicaid. The settling Defendants have expressly denied the United States' contentions.

This settlement demonstrates the United States' continued commitment to pursuing health care providers who misrepresent their compliance with Medicare and Medicaid regulations. Moreover, the settlement illustrates that the Department of Justice will pursue companies as well as individuals whose actions cause the submission of false claims—even if someone else receives the money.

"The public is besieged by fraud, guile, and recklessness every single day," said U.S. Attorney Bales. "Our office will not tolerate the mistreatment of taxpayer money, whether by corporations or individuals."

This case was investigated by the U.S. Attorney's Office for the Eastern District of Texas, the Texas Attorney General's Office, and the Office of Inspector General of the Department of Health and Human Services (HHS-OIG). The settlement was negotiated by Assistant U.S. Attorneys Joshua Russ and James Gillingham. The claims resolved by the settlement and the claims alleged by the relators are allegations only; there has been no determination of liability.

**Topic(s):**

Health Care Fraud

**Component(s):**

USAO - Texas, Eastern

Updated June 27, 2016