

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

UNITED STATES OF AMERICA,	)	No. _____
)	
Plaintiff,	)	<u>COUNTS ONE through THREE:</u>
v.	)	Defendant BURGIN-WOODS (1) only
	)	Wire Fraud
CRYSTAL BURGIN-WOODS (1)	)	18 U.S.C. § 1343
[DOB: 09/14/1970],	)	NMT: 20 Years Imprisonment
	)	NMT: \$250,000 Fine
MATT STIVERS (2)	)	NMT: 3 Years Supervised Release
[DOB: 05/13/1971],	)	Class C Felony
)	
KIM BLAIR (3)	)	<u>COUNTS FOUR through SIX:</u>
[DOB: 12/07/1976],	)	Defendant STIVERS (2) only
	)	Wire Fraud
MATT THOLEN (4)	)	18 U.S.C. § 1343
[DOB: 08/04/1983],	)	NMT: 20 Years Imprisonment
	)	NMT: \$250,000 Fine
MICHAEL OLUKOTUN (5)	)	NMT: 3 Years Supervised Release
[DOB: 09/09/1973],	)	Class C Felony
)	
MICHAEL KING (6)	)	<u>COUNTS SEVEN through NINE:</u>
[DOB: 05/18/1982],	)	Defendant BLAIR (3) only
	)	Wire Fraud
SYLVIA SIMS (7)	)	18 U.S.C. § 1343
[DOB: 11/15/1965],	)	NMT: 20 Years Imprisonment
	)	NMT: \$250,000 Fine
Defendants.	)	NMT: 3 Years Supervised Release
	)	Class C Felony
)	
	)	<u>COUNTS TEN through TWELVE:</u>
	)	Defendant THOLEN (4) only
	)	Wire Fraud
	)	18 U.S.C. § 1343
	)	NMT: 20 Years Imprisonment
	)	NMT: \$250,000 Fine
	)	NMT: 3 Years Supervised Release
	)	Class C Felony

) **COUNTS THIRTEEN through FIFTEEN:**
) Defendant OLUKOTUN (5) only
) Wire Fraud
) 18 U.S.C. § 1343
) NMT: 20 Years Imprisonment
) NMT: \$250,000 Fine
) NMT: 3 Years Supervised Release
) Class C Felony
)

) **COUNTS SIXTEEN through EIGHTEEN:**
) Defendant KING (6) only
) Wire Fraud
) 18 U.S.C. § 1343
) NMT: 20 Years Imprisonment
) NMT: \$250,000 Fine
) NMT: 3 Years Supervised Release
) Class C Felony
)

) **COUNTS NINETEEN through**
) **TWENTY-ONE:**

) Defendant SIMS (7) only
) Wire Fraud
) 18 U.S.C. § 1343
) NMT: 20 Years Imprisonment
) NMT: \$250,000 Fine
) NMT: 3 Years Supervised Release
) Class C Felony
)

) Maximum Punishment if Convicted on All
) Counts for each Defendant:
) 60 Years Imprisonment
) \$750,000 Fine
) 3 Years Supervised Release
) \$100 Special Assessment on each count

I N D I C T M E N T

THE GRAND JURY CHARGES THAT:

THE SCHEME

At times relevant to this indictment:

1. Blue Cross and Blue Shield of Kansas City (“BCBSKC”) was a health insurance corporation operating in interstate commerce, with headquarters in Kansas City, Missouri, in the Western District of Missouri. BCBSKC maintained group health insurance contracts with employers in the Kansas City area, including contracts extending health insurance benefits to employees (“the members”) of two governmental entities, Jackson County, Missouri, and the City of Kansas City, Missouri.

2. On April 1, 2010, BCBSKC launched a new benefit for the members which was a wellness program called Points to Blue. BCBSKC provided the members with information regarding how to use the Internet to login to the Points to Blue interactive website. One of the features of the Points to Blue website was an activity log whereby the members could identify healthy activities in which they had participated, in order to be awarded “points.” For each 1,000 points earned through healthy activities, the member would receive one dollar of credit towards the member’s choice of either a gift card or preloaded debit card, up to an annual limit of \$250 per member. In addition, each dependent in the member’s household could also participate in healthy activities to accumulate points towards a gift card or debit card, up to an annual limit of \$250 for each dependent.

3. The Points to Blue wellness program provided that more points would be awarded for more strenuous activities. The maximum points awarded for a single activity was 10,000 points for extremely strenuous activities such as marathons and triathlons.

4. Within the first six months of the existence of the Points to Blue wellness program in 2010, member employees of Jackson County, Missouri and the City of Kansas City, Missouri, began falsifying their activity entries on the Points to Blue website by falsely claiming to have completed the most strenuous activities in order to obtain the maximum value gift card or preloaded debit card in the amount of \$250.

5. Some members (“soliciting members”), in addition to making false activity entries to Points to Blue for themselves and their dependents, began soliciting the participation of their co-workers and their dependents in Points to Blue by obtaining the co-worker’s identification and login information, so the soliciting member could submit false activity entries on behalf of the co-worker, in exchange for which the soliciting member would keep a portion of the \$250 award (usually \$50), while the co-worker would receive the remainder. The soliciting members and the co-workers knew that none of the high-value activities, such as marathons and triathlons, were actually performed by the members receiving Point to Blue award points. In this manner, the following soliciting members acted with intent to defraud BCBSKC by submitting false activity logs to the Points to Blue wellness program in order to obtain gift cards and preloaded debit cards in the amount of \$250 per member and their dependents.

<u>Soliciting Member</u>	<u>Employment</u>	<u># of Gift Cards</u>	<u>Fraud Amount</u>
CRYSTAL BURGIN-WOODS	Kansas City Municipal Court	383	\$185,655.00
MATT STIVERS	Kansas City IT Department	248	\$ 39,070.00
KIM BLAIR	Kansas City Parks and Recreation	238	\$ 30,485.00
MATT THOLEN	Kansas City KC Fire - EMT	144	\$ 17,600.00
MICHAEL OLUKOTUN	Jackson County Jail Corrections	71	\$ 16,480.00
MICHAEL KING	Kansas City Water Department	79	\$ 12,745.00
SYLVIA SIMS	Kansas City Parks and Recreation	90	\$ 8,925.00

COUNTS ONE through THREE
(Wire Fraud)

The grand jury incorporates by reference, paragraphs one through five of the description of The Scheme set forth in the beginning of this Indictment as if fully set forth herein.

On or about the dates set forth below, in the Western District of Missouri and elsewhere, in furtherance of the scheme and artifice to defraud and to obtain money by means of false and fraudulent representations as set forth in the description of The Scheme set forth in the beginning of this Indictment, **CRYSTAL BURGIN-WOODS**, did knowingly and with intent to defraud cause to be transmitted by means of wire in interstate commerce, certain writings, data, signs, and signals, consisting of materially false submissions of wellness activities on the Internet website of Points to Blue for the purpose of executing said scheme and artifice to defraud, as follows:

<u>Count</u>	<u>Date Submitted</u>	<u>Insured / Age</u>	<u>Activities Claimed for 2010-11</u>
1	January 31, 2011 and March 31, 2011	N.M., 3 years old	2 duathlons, 3 marathons, 3 half marathons, and 4 triathlons
2	February 20, 2011	K.H., 3 years old	one duathlon, 4 marathons, 1 half marathon, and 4 triathlons
3	January 31, 2011 and February 21, 2011	E.S. 4 years old	2 duathlons, 2 marathons, 3 triathlons

All in violation of Title 18, United States Code, Section 1343.

COUNTS FOUR through SIX
(Wire Fraud)

The grand jury incorporates by reference, paragraphs one through five of the description of The Scheme set forth in the beginning of this Indictment as if fully set forth herein.

On or about the dates set forth below, in the Western District of Missouri and elsewhere, in furtherance of the scheme and artifice to defraud and to obtain money by means of false and fraudulent representations as set forth in the description of The Scheme set forth in the beginning of this Indictment, **MATT STIVERS**, did knowingly and with intent to defraud cause to be transmitted by means of wire in interstate commerce, certain writings, data, signs, and signals, consisting of materially false submissions of wellness activities on the Internet website of Points to Blue for the purpose of executing said scheme and artifice to defraud, as follows:

<u>Count</u>	<u>Date Submitted</u>	<u>Insured / Age</u>	<u>Activities Claimed for 2010-11</u>
4	December 7, 2010 and March 2, 2011	Damesha Vineyard, 18 years old	1 duathlon, 2 marathons, 1 half marathons, 1 Olympic lifting competition and 2 triathlons
5	March 10, 2011	J.G., 6 years old	1 duathlon, 2 marathons, 3 triathlons

6 March 10, 2011 T.H., 1 duathlon, 2 marathons,
13 years old 3 triathlons

All in violation of Title 18, United States Code, Section 1343.

COUNTS SEVEN through NINE
(Wire Fraud)

The grand jury incorporates by reference, paragraphs one through five of the description of The Scheme set forth in the beginning of this Indictment as if fully set forth herein.

On or about the dates set forth below, in the Western District of Missouri and elsewhere, in furtherance of the scheme and artifice to defraud and to obtain money by means of false and fraudulent representations as set forth in the description of The Scheme set forth in the beginning of this Indictment, **KIM BLAIR**, did knowingly and with intent to defraud cause to be transmitted by means of wire in interstate commerce, certain writings, data, signs, and signals, consisting of materially false submissions of wellness activities on the Internet website of Points to Blue for the purpose of executing said scheme and artifice to defraud, as follows:

<u>Count</u>	<u>Date Submitted</u>	<u>Insured / Age</u>	<u>Activities Claimed for 2010-11</u>
7	November 20, 2010	J.W., 7 years old	2 marathons, 7 half marathons, and 2 triathlons
8	December 4, 2010	V.A., 2 years old	3 marathons and 1 triathlon
9	December 6, 2010	L.S., 5 years old	2 marathons, 1 half marathon, and 2 triathlons

All in violation of Title 18, United States Code, Section 1343.

COUNTS TEN through TWELVE
(Wire Fraud)

The grand jury incorporates by reference, paragraphs one through five of the description of The Scheme set forth in the beginning of this Indictment as if fully set forth herein.

On or about the dates set forth below, in the Western District of Missouri and elsewhere, in furtherance of the scheme and artifice to defraud and to obtain money by means of false and fraudulent representations as set forth in the description of The Scheme set forth in the beginning of this Indictment, **MATT THOLEN**, did knowingly and with intent to defraud cause to be transmitted by means of wire in interstate commerce, certain writings, data, signs, and signals, consisting of materially false submissions of wellness activities on the Internet website of Points to Blue for the purpose of executing said scheme and artifice to defraud, as follows:

<u>Count</u>	<u>Date Submitted</u>	<u>Insured / Age</u>	<u>Activities Claimed for 2010-11</u>
10	January 16, 2011	T.J., 5 years old	2 marathons and 2 triathlons
11	January 17, 2011	T.J., 5 years old	2 marathons and 2 triathlons
12	February 15, 2011	M.Y., 5 years old	4 marathons and 4 triathlons

All in violation of Title 18, United States Code, Section 1343.

COUNTS THIRTEEN through FIFTEEN
(Wire Fraud)

The grand jury incorporates by reference, paragraphs one through five of the description of The Scheme set forth in the beginning of this Indictment as if fully set forth herein.

On or about the dates set forth below, in the Western District of Missouri and elsewhere, in furtherance of the scheme and artifice to defraud and to obtain money by means of false and fraudulent representations as set forth in the description of The Scheme set forth in the beginning of this Indictment, **MICHAEL OLUKOTUN**, did knowingly and with intent to defraud cause to be transmitted by means of wire in interstate commerce, certain writings, data, signs, and signals, consisting of materially false submissions of wellness activities on the Internet website of Points to Blue for the purpose of executing said scheme and artifice to defraud, as follows:

<u>Count</u>	<u>Date Submitted</u>	<u>Insured / Age</u>	<u>Activities Claimed for 2010-11</u>
13	March 3, 2011	C.O., 10 years old	1 duathlon, 2 marathons, and 2 triathlons
14	March 4, 2011	I.K., 7 years old	2 marathons, and 2 triathlons
15	March 5, 2011	P.N., 1 year old	1 duathlon, 1 marathon, and 1 triathlon

All in violation of Title 18, United States Code, Section 1343.

COUNTS SIXTEEN through EIGHTEEN
(Wire Fraud)

The grand jury incorporates by reference, paragraphs one through five of the description of The Scheme set forth in the beginning of this Indictment as if fully set forth herein.

On or about the dates set forth below, in the Western District of Missouri and elsewhere, in furtherance of the scheme and artifice to defraud and to obtain money by means of false and fraudulent representations as set forth in the description of The Scheme set forth in the beginning of this Indictment, **MICHAEL KING**, did knowingly and with intent to defraud cause to be transmitted by means of wire in interstate commerce, certain writings, data, signs, and signals,

consisting of materially false submissions of wellness activities on the Internet website of Points to Blue for the purpose of executing said scheme and artifice to defraud, as follows:

<u>Count</u>	<u>Date Submitted</u>	<u>Insured / Age</u>	<u>Activities Claimed for 2010-11</u>
16	December 3, 2010	Michael King, 29 years old	3 duathlons, 3 marathons, 2 half marathons, 1 Olympic lifting competition and 4 triathlons
17	December 6, 2010	Ciarra King, 27 years old	2 duathlons, 3 marathons, 3 half marathons, and 3 triathlons
18	December 15, 2010	Shannon Bradford, 46 years old	1 duathlon, 2 marathons, 2 half marathons, and 3 triathlons

All in violation of Title 18, United States Code, Section 1343.

COUNTS NINETEEN through TWENTY-ONE
(Wire Fraud)

The grand jury incorporates by reference, paragraphs one through five of the description of The Scheme set forth in the beginning of this Indictment as if fully set forth herein.

On or about the dates set forth below, in the Western District of Missouri and elsewhere, in furtherance of the scheme and artifice to defraud and to obtain money by means of false and fraudulent representations as set forth in the description of The Scheme set forth in the beginning of this Indictment, **SYLVIA SIMS**, did knowingly and with intent to defraud cause to be transmitted by means of wire in interstate commerce, certain writings, data, signs, and signals, consisting of materially false submissions of wellness activities on the Internet website of Points to Blue for the purpose of executing said scheme and artifice to defraud, as follows:

<u>Count</u>	<u>Date Submitted</u>	<u>Insured / Age</u>	<u>Activities Claimed for 2010</u>
19	October 14, 2010	Darryl Mitchell, Jr., 19 years old	2 duathlons, 2 marathons, 3 half marathons, and 2 triathlons

20	October 22, 2010	T.K., 15 years old	2 duathlons, 2 marathons, 2 half marathons, and 2 triathlons
21	November 15, 2010	Kierrea Monroe, 18 years old	2 duathlons, 2 marathons and 2 triathlons

All in violation of Title 18, United States Code, Section 1343.

A TRUE BILL.

/s/ TJ Nigro
FOREPERSON OF THE GRAND JURY

/s/ John E. Cowles
John E. Cowles #11797
Assistant United States Attorney

12/12/12
Date

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MISSOURI**

CRIMINAL CASE COVER SHEET

Division of Filing <input checked="" type="checkbox"/> Western <input type="checkbox"/> Central <input type="checkbox"/> Southwestern	<input type="checkbox"/> St. Joseph <input type="checkbox"/> Southern	Place of Offense <u>Jackson</u> County and elsewhere	Matter to be Sealed <input checked="" type="checkbox"/> Secret Indictment <input type="checkbox"/> Juvenile
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Defendant Information

Defendant Name Crystal Burgin-Woods (1)
 Alias Name _____
 Birthdate 09/14/1970

Related Case Information

Superseding Indictment/Information Yes No if yes, original case number _____
 New Defendant Yes No
 Prior Complaint Case Number, if any _____

U.S. Attorney Information

AUSA John E. Cowles

Interpreter Needed

Yes Language and/or dialect _____
 No

Location Status

Arrest Date _____
 Currently in Federal Custody
 Currently in State Custody
 Currently on Bond
 Writ Required Yes No
 Warrant Required Yes No

U.S.C. Citations

Total # of Counts 3

Set	Index Key/Code/Offense Level	Description of Offense Charged	Count(s)
1	18:1343.F/4700/4	Fraud by Wire, Radio or Television	1-3
2			
3			
4			
5			

Date 12/12/2012 Signature of AUSA /s/ John E. Cowles

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MISSOURI

CRIMINAL CASE COVER SHEET

Division of Filing <input checked="" type="checkbox"/> Western <input type="checkbox"/> Central <input type="checkbox"/> Southwestern	<input type="checkbox"/> St. Joseph <input type="checkbox"/> Southern	Place of Offense <u>Jackson</u> County and elsewhere	Matter to be Sealed <input checked="" type="checkbox"/> Secret Indictment <input type="checkbox"/> Juvenile
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Defendant Information

Defendant Name Matt Stivers (2)
Alias Name _____
Birthdate 05/13/1971

Related Case Information

Superseding Indictment/Information Yes No if yes, original case number _____
New Defendant Yes No
Prior Complaint Case Number, if any _____

U.S. Attorney Information

AUSA John E. Cowles

Interpreter Needed

Yes Language and/or dialect _____
 No

Location Status

Arrest Date _____
 Currently in Federal Custody
 Currently in State Custody
 Currently on Bond
Writ Required Yes No
Warrant Required Yes No

U.S.C. Citations

Total # of Counts 3

Set	Index Key/Code/Offense Level	Description of Offense Charged	Count(s)
1	18:1343.F/4700/4	Fraud by Wire, Radio or Television	4-6
2			
3			
4			
5			

Date 12/12/2012 Signature of AUSA /s/ John E. Cowles

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MISSOURI**

CRIMINAL CASE COVER SHEET

Division of Filing <input checked="" type="checkbox"/> Western <input type="checkbox"/> Central <input type="checkbox"/> Southwestern	<input type="checkbox"/> St. Joseph <input type="checkbox"/> Southern	Place of Offense <u>Jackson</u> County and elsewhere	Matter to be Sealed <input checked="" type="checkbox"/> Secret Indictment <input type="checkbox"/> Juvenile
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Defendant Information

Defendant Name Kim Blair (3)
 Alias Name _____
 Birthdate 12/07/1976

Related Case Information

Superseding Indictment/Information Yes No if yes, original case number _____
 New Defendant Yes No
 Prior Complaint Case Number, if any _____

U.S. Attorney Information

AUSA John E. Cowles

Interpreter Needed

Yes Language and/or dialect _____
 No

Location Status

Arrest Date _____
 Currently in Federal Custody
 Currently in State Custody
 Currently on Bond
 Writ Required Yes No
 Warrant Required Yes No

U.S.C. Citations

Total # of Counts 3

Set	Index Key/Code/Offense Level	Description of Offense Charged	Count(s)
1	18:1343.F/4700/4	Fraud by Wire, Radio or Television	7-9
2			
3			
4			
5			

Date 12/12/2012 Signature of AUSA /s/ John E. Cowles

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MISSOURI**

CRIMINAL CASE COVER SHEET

Division of Filing <input checked="" type="checkbox"/> Western <input type="checkbox"/> Central <input type="checkbox"/> Southwestern	<input type="checkbox"/> St. Joseph <input type="checkbox"/> Southern	Place of Offense <u>Jackson</u> County and elsewhere	Matter to be Sealed <input checked="" type="checkbox"/> Secret Indictment <input type="checkbox"/> Juvenile
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Defendant Information

Defendant Name Michael Olukotun (5)
 Alias Name _____
 Birthdate 09/09/1973

Related Case Information

Superseding Indictment/Information Yes No if yes, original case number _____
 New Defendant Yes No
 Prior Complaint Case Number, if any _____

U.S. Attorney Information

AUSA John E. Cowles

Interpreter Needed

Yes Language and/or dialect _____
 No

Location Status

Arrest Date _____
 Currently in Federal Custody
 Currently in State Custody
 Currently on Bond
 Writ Required Yes No
 Warrant Required Yes No

U.S.C. Citations

Total # of Counts 3

Set	Index Key/Code/Offense Level	Description of Offense Charged	Count(s)
1	18:1343.F/4700/4	Fraud by Wire, Radio or Television	13-15
2			
3			
4			
5			

Date 12/12/2012 Signature of AUSA /s/ John E. Cowles

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MISSOURI**

CRIMINAL CASE COVER SHEET

Division of Filing <input checked="" type="checkbox"/> Western <input type="checkbox"/> Central <input type="checkbox"/> Southwestern	<input type="checkbox"/> St. Joseph <input type="checkbox"/> Southern	Place of Offense <u>Jackson</u> County and elsewhere	Matter to be Sealed <input checked="" type="checkbox"/> Secret Indictment <input type="checkbox"/> Juvenile
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Defendant Information

Defendant Name Michael King (6)
 Alias Name _____
 Birthdate 05/18/1982

Related Case Information

Superseding Indictment/Information Yes No if yes, original case number _____
 New Defendant Yes No
 Prior Complaint Case Number, if any _____

U.S. Attorney Information

AUSA John E. Cowles

Interpreter Needed

Yes Language and/or dialect _____
 No

Location Status

Arrest Date _____
 Currently in Federal Custody
 Currently in State Custody
 Currently on Bond
 Writ Required Yes No
 Warrant Required Yes No

U.S.C. Citations

Total # of Counts 3

Set	Index Key/Code/Offense Level	Description of Offense Charged	Count(s)
1	18:1343.F/4700/4	Fraud by Wire, Radio or Television	16-18
2			
3			
4			
5			

Date 12/12/2012 Signature of AUSA /s/ John E. Cowles

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MISSOURI**

CRIMINAL CASE COVER SHEET

Division of Filing <input checked="" type="checkbox"/> Western <input type="checkbox"/> Central <input type="checkbox"/> Southwestern	<input type="checkbox"/> St. Joseph <input type="checkbox"/> Southern	Place of Offense <u>Jackson</u> County and elsewhere	Matter to be Sealed <input checked="" type="checkbox"/> Secret Indictment <input type="checkbox"/> Juvenile
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Defendant Information

Defendant Name Sylvia Sims (7)
 Alias Name _____
 Birthdate 11/15/1965

Related Case Information

Superseding Indictment/Information Yes No if yes, original case number _____
 New Defendant Yes No
 Prior Complaint Case Number, if any _____

U.S. Attorney Information

AUSA John E. Cowles

Interpreter Needed

Yes Language and/or dialect _____
 No

Location Status

Arrest Date _____
 Currently in Federal Custody
 Currently in State Custody
 Currently on Bond
 Writ Required Yes No
 Warrant Required Yes No

U.S.C. Citations

Total # of Counts 3

Set	Index Key/Code/Offense Level	Description of Offense Charged	Count(s)
1	18:1343.F/4700/4	Fraud by Wire, Radio or Television	19-21
2			
3			
4			
5			

Date 12/12/2012 Signature of AUSA /s/ John E. Cowles