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New York Man Convicted of Medicaid Fraud and Tax Evasion, Will Pay \$1.8 Million in Restitution

Griffin: 'My office will continue to hold bad actors accountable and pursue those who exploit Arkansans'

LITTLE ROCK – Attorney General Tim Griffin today issued the following statement announcing the conviction of a New York man who pleaded guilty to Medicaid fraud and tax evasion:

“On April 30, Joseph Schwartz, 72, of New York pleaded guilty to one count of Medicaid Fraud, a Class B felony, and one count of Attempt to Evade or Defeat Tax, a Class C felony. Schwartz was sentenced to 12 months in the Arkansas Department of Corrections with an additional 48 months suspended imposition of sentence; and ordered to pay a \$2,000 fine, court costs, and restitution totaling \$1,801,620.53.

“Schwartz was the principal owner and president of Skyline Healthcare, LLC, which operated multiple nursing homes in Arkansas. These facilities received Medicaid payments for residents in their care. Schwartz submitted false and misleading information that impacted the per diem rates paid to the facilities.

“He also failed to pay insurance premiums for employees, neglected grocery bills—forcing staff to buy food for residents, and paid himself as an employee in multiple facilities. Two of his Arkansas nursing homes were later placed into receivership by the Arkansas Department of Human Services.

“In addition, Schwartz withheld taxes from employees’ paychecks but failed to file required documents or remit those withholdings to the Arkansas Department of Finance & Administration.

“Schwartz didn’t just take advantage of our vulnerable population, he also preyed on Arkansans who worked in his facilities. By submitting false information to manipulate Medicaid payments and failing to turn over employee tax withholdings, he betrayed the trust placed in him as an employer and the owner of those nursing homes. My office will continue to hold bad actors accountable and pursue those who exploit Arkansans.

“I want to commend the exceptional work of our Medicaid Fraud Control Unit (MFCU) for their continued commitment to protecting Arkansans. I specifically want to thank Deputy Attorney General Tammera Harrelson, Assistant Attorney General Danny Broaddrick, Investigator Andrea Murdock, Senior Special Agent Rhonda Swindle, Chief Investigator Gregory McKay, Senior Assistant Attorney General Leigh Patterson, as well as the Prosecuting Attorney for the 6th Judicial District of Arkansas, Will Jones. I would also like to thank the Internal Revenue Service, Health and Human Services-Office of Inspector General, and the Arkansas DF&A for their assistance on this case. Finally, I would like to thank South Dakota MFCU, Nebraska MFPAU, and the United States Attorney’s Office-District of New Jersey for their collaboration on this case. This prosecution was the definition of a joint effort.”

The Arkansas MFCU receives 75% of its funding from the U.S. Department of Health and Human Services under a grant totaling \$4,685,736 for the Federal fiscal year 2025, of which \$3,514,304 is federally funded. The remaining 25%, totaling \$1,171,432 for State Fiscal Year 2025, is funded by Arkansas General Revenue.

About Attorney General Tim Griffin

Tim Griffin was sworn in as the 57th Attorney General of Arkansas on January 10, 2023, having previously served as the state’s 20th Lieutenant Governor from 2015-2023. From 2011-2015, Griffin served as the 24th representative of Arkansas’s Second Congressional District, where he served on the House Committee on Ways and Means, House Armed Services Committee, House Committee on Foreign Affairs, House Committee on Ethics and House Committee on the Judiciary while also serving as a Deputy Whip for the Majority.

Griffin is currently an officer in the Arkansas Army National Guard and holds the rank of colonel. Griffin served as an officer in the U.S. Army Reserve Judge Advocate General’s (JAG) Corps for more than 28 years. In 2005, Griffin was mobilized to active duty as an Army

prosecutor at Fort Campbell, Kentucky, and served with the 101st Airborne Division (Air Assault) in Mosul, Iraq.

His previous assignments include serving as the Commander of the 2d Legal Operations Detachment in New Orleans, Louisiana; the Commander of the 134th Legal Operations Detachment at Fort Bragg, North Carolina; and as a Senior Legislative Advisor to the Under Secretary of Defense for Personnel and Readiness at the Pentagon. Griffin earned a master's degree in strategic studies as a Distinguished Honor Graduate from the U.S. Army War College, Carlisle Barracks, Pennsylvania.

Griffin also served as U.S. Attorney for the Eastern District of Arkansas, and Special Assistant to the President and Deputy Director of Political Affairs for President George W. Bush; Special Assistant to Assistant Attorney General Michael Chertoff, Criminal Division, U.S. Department of Justice; Special Assistant U.S. Attorney, U.S. Attorney's Office, Eastern District of Arkansas; Senior Investigative Counsel, Government Reform and Oversight Committee, U.S. House of Representatives; and Associate Independent Counsel, Office of Independent Counsel David M. Barrett, In re: HUD Secretary Henry Cisneros.

Griffin is a graduate of Magnolia High School, Hendrix College in Conway, and Tulane Law School in New Orleans. He attended graduate school at Oxford University. He is admitted to practice law in Arkansas (active) and Louisiana (inactive). Griffin lives in Little Rock with his wife, Elizabeth, a Camden native, and their three children.

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