

FOR MEDICAID MCOS, MEDICARE ADVANTAGE ORGANIZATIONS & PART D PLAN SPONSORS

# Detect early. Prove it. *Stay safe.*

Retroactive detection and pre-settlement attestation for managed-care organizations and Medicaid payers — engineered for the cooperation-credit safe harbor under the CMS 60-Day Rule.

ISSUED BY

JIL Sovereign Technologies, Inc.  
CONFIDENTIAL • INSTITUTIONAL DISTRIBUTION  
Delaware Inc. • Texas HQ • Switzerland • UAE • Singapore

SERIES  
DETECTION SERIES 01 / 20

# You paid the fraud. Under federal law, you may *already owe it back.*

The CMS 60-Day Rule — 42 USC 1320a-7k(d), effective January 1, 2025 — applies directly to Medicaid MCOs, Medicare Advantage organizations, and prescription-drug plan sponsors.

When you identify an overpayment, you have **60 days** to report and return it. Retention past 60 days creates **reverse False Claims Act liability** under 31 USC 3729(a)(1)(G).

Under *Schutte v. SuperValu* (Supreme Court, 2023), “knowingly” includes **actual knowledge, deliberate ignorance, or reckless disregard**. The defense of “we did not look” has been foreclosed.

## ■ STATUTORY CLOCK

# 60

days to report & return

### TRIGGER

The clock starts when fraud is *identifiable* — whether or not you looked.

Total exposure on a *\$5M underlying loss* is roughly six to nine times the original.

STACKED EXPOSURE · SINGLE MCO BOOK

\$29M —  
\$44M

FCA penalties plus treble damages, computed on a single MCO book of one thousand undetected fraudulent settlements.

- i. **\$14,308 – \$28,619**  
FCA penalty per false claim. DOJ Civil Division · 90 Fed. Reg. 29445 · July 2025.
- ii. **3× treble multiplier**  
Treble damages on the original overpayment under 31 USC 3729(a)(1)(G).
- iii. **1,000 settlements · \$5,000 avg.**  
\$5M in damages. Modest by MCO standards. Each settlement constitutes a separately countable false claim.
- iv. **Stacked on \$5M of original loss**  
\$15M trebled damages + \$14.3M – \$28.6M penalties = \$29.3M – \$43.6M total liability.

COMPOSITION

\$15M trebled damages

+ \$14M – \$29M per-claim penalties  
• FIGURES INDEXED · DOJ JULY 2025  
= \$29M – \$44M total liability

# The leading detection mechanism is the *whistleblower*. Not you.

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\$6.8B

FY 2025 DOJ False Claims Act recoveries — a record year.

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\$5.7B

Healthcare-sector recoveries, of that total.

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1,297

Whistleblower *qui tam* filings — the highest in history.

A current or former employee. A competitor. A regulator. A relator's attorney running an algorithmic search of your public filings.

**If you do not detect your fraud first, somebody else has every incentive to.** When they do, you lose cooperation credit and face the full statutory penalty.

Source · DOJ Civil Division  
Office of Public Affairs · January 2026  
DOJ FY 2025 enforcement summary

# Detect early. Document the investigation. Cooperate. *Get the credit.*

## DOJ-RECOGNIZED FACTORS THAT REDUCE PENALTIES & DAMAGE MULTIPLES

- I Self-disclosure of identified overpayments
- II Documented good-faith investigation (180-day window under the 60-Day Rule)
- III Internal compliance enhancements
- IV Remedial action against confirmed bad actors
- V Cooperation with regulators

DOJ Civil Division · FY 2025 enforcement summary

### THE PROPOSITION

The customer who self-discloses with a documented investigation pays *a fraction* of the customer who gets caught.

### JIL'S ROLE

JIL is the documentation layer that makes self-disclosure defensible.

# Detection. Proof. *Attestation.*

JIL identifies fraudulent settlements, proves them, and packages the evidence so your teams can act.

## DELIVERABLES

Scan four years of settled claims TIER 1

Detect fraud at claim, entity & operator-network level

Resolve UBOs, fingerprint bank accounts, classify premises, build network graphs

Produce Court-Ready Evidence Models CREB · FRE 902(14)

Hand the deliverables to your team

## WHAT JIL DOES *NOT* DO

Pursue recovery. Take contingency. Share recovered dollars.  
File suits.

Your team or your counsel does that work — using JIL's evidence.

JIL is the safe-harbor mechanism. *You stay in control of every action.*

# Three discrete engagements. *You authorize each step.*

## TIER 1 · ANNUAL FLAT FEE

### Retroactive Detection

Scan four years of your settlement data. Surface fraudulent settlements. Group by operator. Hand you the report.

You have now “identified” the overpayment. The 60-day clock starts. You sit inside the 180-day investigation safe harbor.

## TIER 2 · À LA CARTE, PER CASE

### Investigation per Case

For settlements you escalate, AVE produces the documented good-faith investigation: UBO resolution, bank fingerprinting, premise classification, network detection, CREB.

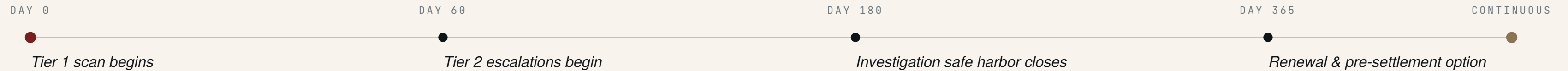
This is the documentation that supports cooperation credit.

## OPTIONAL FOLLOW-ON · ANNUAL

### Pre-Settlement Contract

Continuous Tier 1 detection on incoming settlements before payment leaves treasury.

You never cross the “knowingly retained” threshold — flagged settlements never settle.



See it in action ·

[WALK THE JOHN DOE HOSPICE RING DEMO →](#)

Public · no login

Eight investigation categories.  
Each useful alone. *Combined, they expose the operator network nobody else can see.*

01

### Claim-level patterns

Upcoded codes, duplicate billing, deceased beneficiaries.

02

### UBO Resolution

FinCEN BOI, SOS filings, OpenCorporates. Find the human.

03

### Bank-Account Fingerprinting

Shared bank infrastructure, signatory overlap.

04

### Premise Classification

Hospice in a strip mall. DME at a UPS Store.

05

### Business-Premise Compatibility

Building type vs. claimed business operation.

06

### Volume-Capacity Analysis

Can the premise physically support the volume?

07

### Exclusion-List Cross-Reference

LEIE, SAM, OFAC, state Medicaid exclusions.

08

### Network Detection

Four overlaid graphs: corporate, financial, address, premise.

*AVE optimizes your cost exposure for remediation and civil adjudication.*

Adaptive Validation Engine · 148 attestation checks

# The building *cannot lie.*

For every flagged entity, AVE classifies the physical premise and checks compatibility against the claimed business.



## Minnesota · Feeding Our Future

Federal child-nutrition program billed from a strip-mall storefront. Volume impossible at premise.

Premise vs. claimed throughput · INCOMPATIBLE



## California · Hospice Mill

200-bed hospice billing from a 1,400 sqft mixed-use unit with no clinical buildout.

Premise vs. claimed buildout · INCOMPATIBLE



## UPS Store Mailbox Address

DME supplier registered at a commercial mail-receiving agency. No clinical premise exists.

Premise vs. provider type · IMPOSSIBLE

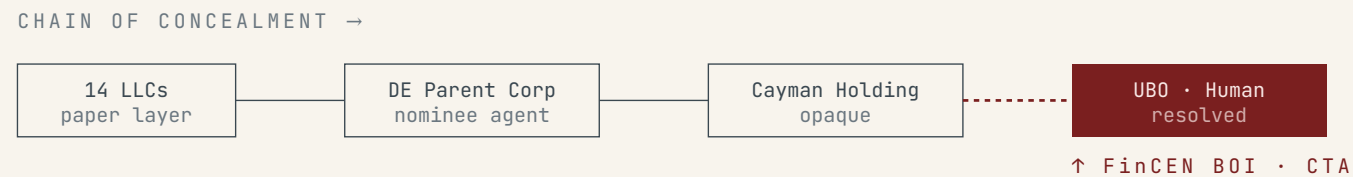
# Where paper lies, *money tells the truth.*

SIGNAL · 01

## UBO Resolution

A bad actor controls 14 LLCs through a Cayman holding through a Delaware parent through a nominee registered agent. AVE walks the chain — `FinCEN BOI · CTA · state SOS · OpenCorporates.`

Output: the human's name, every entity they control, and source citations defensible in court.

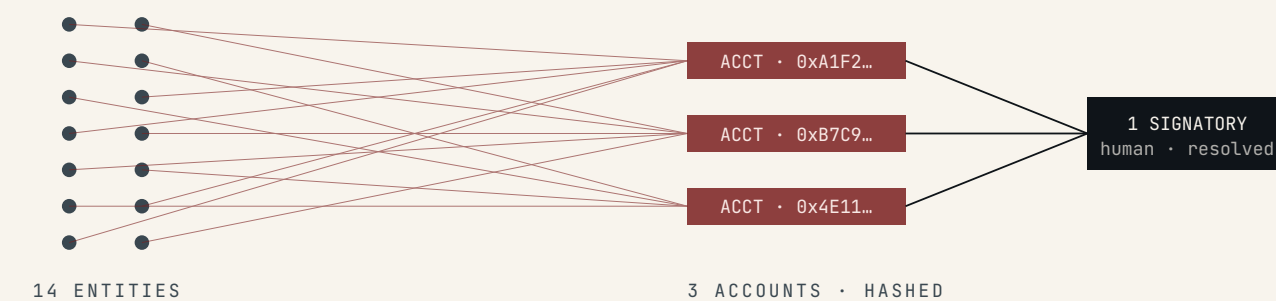


SIGNAL · 02

## Bank-Account Fingerprinting

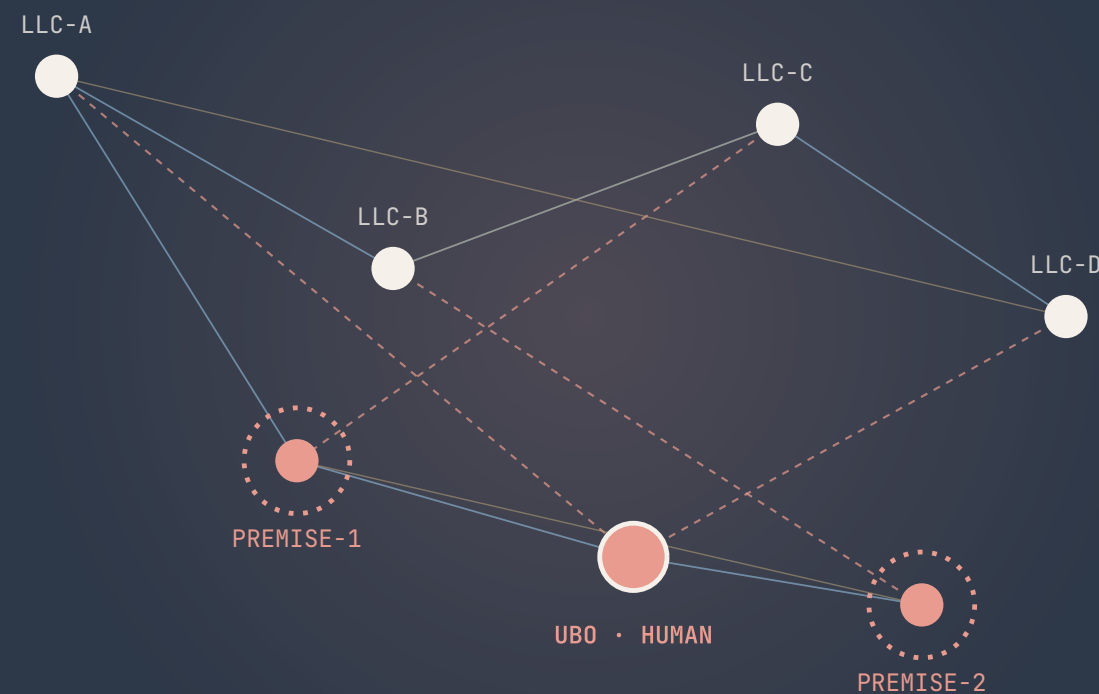
Fourteen entities with totally different paper ownership all deposit into *three shared bank accounts* with one common signatory.

AVE fingerprints every receiving account from your wire records. Raw account numbers are hashed at ingest, never persisted. `GLBA-compliant by design.`



*These are the two signals that catch deliberate ownership concealment.*

# Four overlaid graphs. *The fraud ring revealed.*



— CORPORATE OWNERSHIP      - - - - FINANCIAL FLOW      — ADDRESS CO-LOCATION  
 ◌ PREMISE MISMATCH

## CONVERGENCE

When all four graphs converge, you have a *high-confidence operator network*. The civil-litigation evidence is overwhelming.

## THE DELIBERATE-CONCEALMENT FINDING

When corporate paper diverges from financial reality, the divergence is itself evidence of *deliberate concealment* under the Corporate Transparency Act.

# CREB. *The deliverable that survives discovery.*

JIL trademark. Per-claim, per-entity, or per-network admissible evidence packages.

**COURT-READY EVIDENCE MODEL** FRE 902(14)

**CREB-N · Network Filing**

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UBO chain	resolved · 4 layers
Bank fingerprints	3 accounts · hashed
Premise classifications	14 of 14 · verified
Street View imagery	attached · 14 cells
Source citations	217 · indexed
Investigator approval	locked · L. Hoffman

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HASH · 4f9a...b21c ANCHOR · COURTCHAIN v1.0 · LOCKED

## PROPERTIES

- I Anchored on *CourtChain* — self-authenticating in federal court under FRE 902(14)

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- II UBO chain · bank fingerprints · premise classifications · Street View · source citations

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- III Network CREB consolidates all claims from one operator into a single filing

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- IV Investigator-reviewed and approved before lock

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- V Version-locked: template + AI model + input data hash. Reproducible if challenged in discovery.

*One bad actor. One CREB. Twenty thousand claims of evidence.*

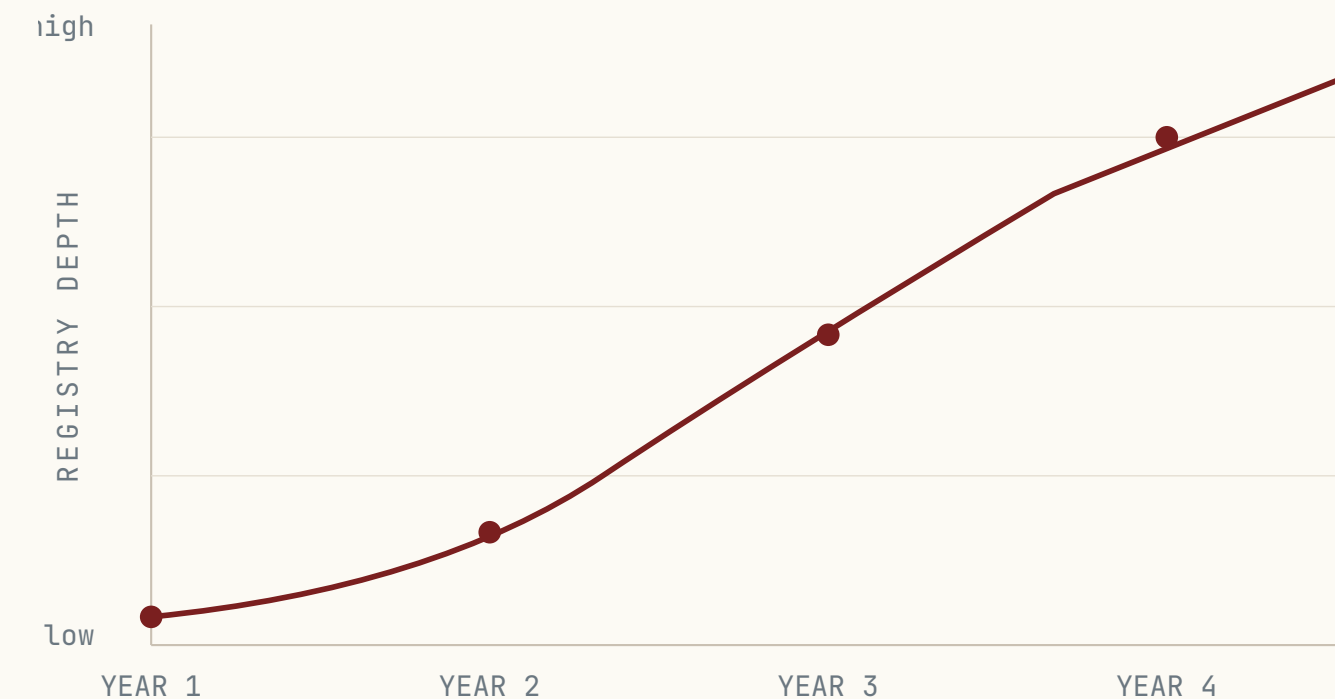
# The fraud rings change LLC names. They *cannot* change humans, bank accounts, or buildings.

## BAD ACTOR REGISTRY · PERMANENT

Every confirmed-fraudulent UBO, bank account, premise, and entity from this engagement flows into **your Bad Actor Registry**.

- Future Tier 1 scans auto-flag any settlement to a registered UBO at *maximum severity*
- New shells controlled by registered humans flagged before first payment clears
- Bank accounts known to fraud blocked regardless of which entity is named
- Premise classifications persist forever — pay once, benefit on every future scan

### DETECTION POWER · OVER ENGAGEMENTS



*Pay once for premise & UBO classifications — benefit on every future scan, every future year.*

14 / 20 — THREE LINE ITEMS · NO SURPRISES

# Three line items. *No surprises.*

STAGE	PRICING	COMMITMENT	WHAT'S INCLUDED
Tier 1 · Retroactive Detection	<b>\$150K - \$750K</b> annual flat fee · scaled by MCO size	Customer commits annually	Four-year retroactive scan, fraudulent-settlement report, Bad Actor candidate list, safe-harbor anchor evidence.
Tier 2 · Per-Case Investigation	<b>À la carte</b> scoped per case · price shown before authorization	Customer authorizes per case	UBO resolution, bank fingerprinting, premise classification, network detection, per-case CREB.
Pre-Settlement · Annual Contract	<b>Up to \$5M</b> 50% Tier 1 credit toward year 1	Optional follow-on	Continuous detection on incoming settlements, attestation gates before payment, Bad Actor block at the source.

No percentage of recovery. *No contingency. No shared upside.*

You always see cost before work runs. Sealed Escrow caps every per-case engagement at the protocol level.

JIL cost is a fraction of one percent of avoided exposure.  
*You keep roughly 99 cents on every dollar.*

WITHOUT JIL · FCA EXPOSURE

\$29 – 44M

1,000 undetected fraudulent settlements · qui tam filed · treble damages plus per-claim penalty.

WITH JIL TIER 1 · MULTI-STATE BAND

\$475K NEGOTIABLE

*Retroactive-scan flat fee — negotiable to your book size and scope.*

Identifies the fraud, starts the safe-harbor clock. Tier 2 only on cases you escalate.

COST-OF-DETECTION AS SHARE OF AVOIDED EXPOSURE



*Detect early. Pay for proof. Stay safe.*

# Detection vendors stop at flagging. *JIL builds proof.*

CAPABILITY	LEGACY DETECTION VENDOR	JIL RETROACTIVE + AVE
Pattern detection on settled claims	●	●
UBO resolution via FinCEN BOI	○	●
Bank-account fingerprinting	○	●
Premise classification with Street View AI	○	●
Network detection · four-graph overlay	○	●
Court-anchored evidence · FRE 902(14)	○	●
Defensible AI workflow · version-locked	○	●
Compounding Bad Actor Registry	○	●
Pre-Settlement attestation pathway	○	●
No contingency conflict	○	●

*JIL builds proof that survives in court — and supports cooperation credit.*

# Detection becomes intelligence. *Intelligence becomes immunity.*

TODAY

## You are exposed

The 60-day clock runs from the day fraud is identifiable — whether you look or not.

Whistleblowers are filing 1,297 qui tams a year.

RISK · MAXIMUM

WITH JIL TIER 1

## You identify first

The safe harbor is yours. Cooperation credit is on the table.

Documented good-faith investigation lives in your file.

RISK · CONTAINED

WITH JIL + PRE-SETTLEMENT

## You never cross the line

Flagged settlements never clear. Bad actors blocked at the source.

The exposure does not arise.

RISK · STRUCTURALLY PRECLUDED

*The fraud economy gets harder to operate in. Your liability gets smaller every quarter.*

# Start small. *See what we find.* Decide what to escalate.

## PILOT SCOPE

Tier 1 retroactive detection	Defined scope
One line of business · one state · or full book	Sized to MCO
Flat fee at the appropriate tier	\$150K - \$750K
Data ingest to report	4 - 6 weeks

## WHAT YOU RECEIVE

- Full report of fraudulent settlements identified
- Bad Actor candidate list with recommended Tier 2 escalations
- Documented good-faith investigation evidence  
- the safe-harbor anchor
- Per-case CREBs for any escalations you authorize

No commitment to Tier 2 or Pre-Settlement.

■ ZERO DOWNSIDE TRIAL

# Five inputs. *Two-week proposal.*

## 01 Settlement volume read

Annual claims paid · total dollar settled.

## 02 Scope preference

Full book · single line of business · or single state.

## 03 Team capacity

SIU · payment integrity · outside counsel arrangement.

## 04 Data authorizations

Settlement-ledger access · BAA scope · FinCEN BOI authorization.

## 05 One internal sponsor

The person who owns recovery and compliance P&L.

Scoped Tier 1 proposal in your hands within **two weeks.**

SUBMIT INQUIRY →

IN SUMMARY

# Detect early. Prove it. *Stay safe.*

The fraud is already in your data.  
The 60-day clock is already running.  
Someone is already looking.

Be first. Be documented. *Be safe.*