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Regional General Hospital of Williston owner is among suspects in a \$1.4 billion federal fraud case

Trial set to start May 9

Information Provided

By Amanda Videll, Public Affairs Officer of the FBI's Jacksonville Office

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JACKSONVILLE -- Jorge Perez, formerly the developer of what became known as Regional General Hospital, is among the eight people who are defendants charged in a \$1.4 billion hospital billing scheme.

This set of crimes charged results from an investigation led by FBI Jacksonville, according to information from the FBI provided in a press release today (Tuesday, April 26) and in previously released information from Amanda Videll, Public Affairs Officer of the FBI's Jacksonville Office.

The original press release was dated June of 2020.

The trial for Jorge Perez, Ricardo Perez, Aaron Durall, Christian Fletcher, James Porter, Jr., Sean Porter, Neisha Zaffuto, and Aaron Alonzo is currently scheduled to begin on May 9, with jury selection starting at 9 a.m.

Defendant Nestor Rojas pleaded guilty to Count 1 of the Superseding Indictment earlier this month.

The rural hospitals involved in this case are Campbellton-Graceville Hospital (CGH), a 25-bed rural hospital located in Graceville; Regional General Hospital of Williston, a 40-bed facility located in Williston; Chestatee Regional Hospital, a 49-bed rural hospital located in Dahlonega, Georgia; and Putnam County Memorial Hospital, a 25-bed rural hospital located in Unionville, Missouri.

-- FBI Jacksonville Office

The previous FBI statement is being released again here now.

"The FBI views health care fraud as a severe crime problem that impacts every American," said Special Agent in Charge Sherri E. Onks of the FBI's Jacksonville Field Office. "Fraud and abuse take critical resources out of our health care system, and contribute to the rising cost of health care for everyone. The FBI and our law enforcement partners will continue to investigate these crimes and prosecute all those who are intent in defrauding the American public."

Ten individuals, including hospital managers, laboratory owners, billers and recruiters, were charged (in an indictment in June of 2020) for their alleged participation in an elaborate pass-through billing scheme using rural hospitals in several states as billing shells to submit fraudulent claims for laboratory testing.

The indictment alleges that from approximately November of 2015 through February of 2018, the conspirators billed private insurance companies approximately \$1.4 billion for laboratory testing claims as part of this fraudulent scheme, and were paid approximately \$400 million.

Jorge Perez, 60, of Miami-Dade County; Seth Guterman, 54, of Chicago, Illinois; Ricardo

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Perez, 57, of Miami-Dade County; Aaron Durall, 48, and Neisha Zaffuto, 44, each of Broward County; Christian Fletcher, 34, of Atlanta, Georgia; James Porter Jr., 49, of Marion County; Sean Porter, 52, of Citrus County; Aaron Alonzo, 44, and Nestor Rojas, 45, each of Miami-Dade County, were charged in an indictment filed in the Middle District of Florida.

All defendants (except Sean Porter) were charged with one count of conspiracy to commit health care fraud and wire fraud. In addition, Jorge Perez, Guterman, Ricardo Perez and Durall were each charged with five counts of substantive health care fraud; Durall and Zaffuto were charged with two counts of conspiracy to commit money laundering; Jorge Perez, Guterman, Ricardo Perez, Fletcher, James Porter and Sean Porter were charged with one count of conspiracy to commit money laundering and the following defendants were charged with substantive money laundering: Durall (three counts); Zaffuto (one count); Jorge Perez (seven counts); Guterman (one count); Ricardo Perez (five counts); Fletcher (two counts); James Porter (12 counts) and Sean Porter (two counts).

Jorge Perez, Ricardo Perez, and Durall appeared in June before U.S. Magistrate Judge Joel B. Toomey of the Middle District of Florida. Initial appearances for Zaffuto, Fletcher, James Porter Jr., Sean Porter, Aaron Alonzo, and Nestor Rojas were scheduled before Magistrate Judge Toomey in June and July of 2020.

“This was allegedly a massive, multi-state scheme to use small, rural hospitals as a hub for millions of dollars in fraudulent billings of private insurers,” said Assistant Attorney General Brian A. Benczkowski of the Justice Department’s Criminal Division. “The charges announced today (in June of 2020) make clear that the department is committed to dismantling fraud schemes that target our health care system, however complex or elaborate.”

A prosecuting attorney shared a comment in 2020 about this case as well.

“Trust and integrity undergird the confidence and reliability in our healthcare system,” said U.S. Attorney Maria Chapa Lopez for the Middle District of Florida. “Fraudulent and deceptive business practices undermine those values and erode the public’s trust in that system. We will continue to pursue those who set these tenets aside and compromise the care and safety of our citizens for profit.”

The FBI Special Agent In Charge of the FBI’s Jacksonville Field Office shared her thoughts in 2020 about this case, too.

“The FBI views health care fraud as a severe crime problem that impacts every American,” Special Agent in Charge Rachel L. Rojas of the FBI’s Jacksonville Field Office said in 202. “Fraud and abuse take critical resources out of our health care system and contribute to the rising cost of health care for everyone. The FBI and our law enforcement partners will continue to investigate these crimes and prosecute all those who are intent in defrauding the American public.”

Other federal officials commented about the indictment in 2020.

“OPM OIG remains committed to investigating those who seek to defraud the federal health care system for their own personal gain,” said Deputy Assistant Inspector General Thomas W. South of the U.S. Office of Personnel Management Office of Inspector General (OPM OIG). “Schemes that exploit rural hospitals are particularly egregious as they can undermine access to care in underserved communities. We are extremely proud of our criminal investigators and law enforcement partners for their hard work uncovering this complex criminal fraud scheme.”

“An important mission of the Office of Inspector General is to investigate allegations of health care fraud in union benefit plans,” said Special Agent in Charge Rafiq Ahmad of the U.S. Department of Labor Office of Inspector General (DOL OIG) Atlanta Region. “We will continue to work with our law enforcement partners to protect the integrity of labor unions and their

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benefit plans."

"Our office, in partnership with our fellow investigative agencies, will continue to comprehensively investigate and bring to justice the people who perpetrate health care fraud," said Kevin Winters, Amtrak's Inspector General. "Preventing health care fraud is particularly important to Amtrak because, as a self-insured company, the fraud adversely impacts its operating budget, which is dedicated to multiple critical requirements such as passenger safety."

The indictment unsealed in 2020 alleges that the conspirators would take over small, rural hospitals, often in financial trouble, using management companies they owned and operated. The conspirators would then bill private insurance companies through those rural hospitals for millions of dollars of expensive urinalysis drug tests and blood tests, conducted mostly at outside laboratories they often controlled or were affiliated with, using billing companies that they also controlled.

While outside laboratories did most of these laboratory tests, the conspirators allegedly billed private insurance companies as if these laboratory tests were done at the rural hospitals.

According to the indictment, these rural hospitals had negotiated contractual rates with private insurers that provided for higher reimbursement than if the tests were billed through an outside laboratory.

Accordingly, the scheme used the hospitals as a shell to fraudulently bill for such tests. Further, the indictment alleges that the lab tests were often not even medically necessary. The conspirators allegedly would obtain urine specimens and other samples for testing through kickbacks paid to recruiters and health care providers, often sober homes and substance abuse treatment centers.

The indictment also alleges that the conspirators engaged in sophisticated money laundering to promote the scheme and to distribute the fraudulent proceeds.

The rural hospitals involved in this case are Campbellton-Graceville Hospital (CGH), a 25-bed rural hospital located in Graceville; Regional General Hospital of Williston, a 40-bed facility located in Williston; Chestathee Regional Hospital, a 49-bed rural hospital located in Dahlonega, Georgia; and Putnam County Memorial Hospital, a 25-bed rural hospital located in Unionville, Missouri.

An indictment is merely an allegation and the defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

This case was investigated by the FBI's Jacksonville Field Office, OPM OIG, DOL OIG and Amtrak OIG. Trial Attorneys Gary A. Winters and James V. Hayes of the Criminal Division's Fraud Section and Assistant U.S. Attorney Tysen Duva of the Middle District of Florida are prosecuting the case.

The Fraud Section leads the Medicare Fraud Strike Force. Since its inception in March 2007, the Medicare Fraud Strike Force, which maintains 15 strike forces operating in 24 districts, has charged more than 4,200 defendants who have collectively billed the Medicare program for nearly \$19 billion. In addition, the HHS Centers for Medicare & Medicaid Services, working in conjunction with the HHS-OIG, are taking steps to increase accountability and decrease the presence of fraudulent providers.

The year 2020 marked the 150th anniversary of the United States Department of Justice.