



Two plead guilty in \$9 million health care fraud scheme that targeted Amtrak

For Immediate Release

June 28, 2023

NEWARK, N.J. — A former Amtrak employee and a New Jersey man pleaded guilty Tuesday to charges related to a health care fraud scheme that bilked Amtrak's health care plan of millions of dollars, according to the U.S. Attorney's Office, District of New Jersey.

Devon Burt, 50, of Blue Bell, Pennsylvania, the former Amtrak employee, and Hallum Gelzer, 44, of East Orange, New Jersey, separately pleaded guilty to charges of conspiracy to commit health care fraud and conspiracy to communicate extortionate threats. As part of their guilty pleas, Burt agreed to pay \$959,072 in restitution, while Gelzer agreed to pay approximately \$1.66 million restitution.

Agents from Amtrak's Office of Inspector General investigated the case in which Burt and Gelzer worked with health care providers to recruit other Amtrak employees to participate in the scheme. The Amtrak employees were offered cash in exchange for the use of their patient and insurance information, allowing the health care providers to submit fraudulent medical claims on the employees' behalf for services that were never provided or that were medically unnecessary. In total, the Amtrak health care plan paid over \$9 million in claims from providers connected to the scheme.

The investigation revealed that Burt received cash payments from providers for allowing them to use Burt's insurance information and that of his dependents to submit fraudulent claims. In addition, both Burt and Gelzer received cash payments from providers in return for recruiting others to participate in the scheme. Burt and Gelzer also admitted to threatening to injure a health care provider unless Gelzer was paid several thousand dollars.

Last month, the OIG identified health care fraud as one of four high-risk areas [in a report](#) that examined fraud risks Amtrak could face as it leverages significant federal investments for major acquisitions and capital projects. The OIG identified several actions Amtrak could take to reduce the risks of health care fraud, including educating employees to better recognize and report fraud indicators, reviewing emerging fraud schemes to better target monitoring efforts, contractually requiring health care plan administrators to tailor anti-fraud controls to Amtrak's plans, and proactively analyzing medical claims data for fraud indicators.

The charge of conspiracy to commit health care fraud carries a maximum potential penalty of 10 years in prison and a maximum fine of \$250,000, or twice the gross gain or loss from the offense, whichever is greatest. The charge of conspiracy to communicate extortionate threats in interstate commerce carries a maximum penalty of five years in prison, and a maximum fine of \$250,000, or twice the gross gain to the defendant or loss to the victim, whichever is greatest. Sentencing for Burt is scheduled for Nov. 16, 2023, and for Gelzer, Nov. 15, 2023.

In addition to Amtrak OIG, the case was investigated jointly by the Drug Enforcement Administration and the Amtrak Police Department.

Reports of fraud, waste, or abuse; criminal or unethical acts affecting Amtrak's property or operations; or mismanagement in Amtrak programs or operations can be made 24 hours a day via the Amtrak OIG Hotline at 1-800-468-5469 or online at <https://direc.to/hPAu>.

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