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Department of Justice

U.S. Attorney's Office

Southern District of Florida

FOR IMMEDIATE RELEASE

Thursday, November 9, 2017

Doctor Sentenced in Multi-Million Dollar Health Care Fraud and Money Laundering Scheme Involving Sober Homes and Alcohol and Drug Addiction Treatment Centers

A doctor was sentenced to 48 months in prison, to be followed by one year of supervised release, and was ordered to pay restitution of \$2,198,520.37 for his participation in a multi-million dollar health care fraud and money laundering scheme that involved the filing of fraudulent insurance claim forms and defrauded health care benefit programs.

Benjamin G. Greenberg, Acting United States Attorney for the Southern District of Florida; Robert F. Lasky, Special Agent in Charge, Federal Bureau of Investigation (FBI), Miami Field Office; Kelly R. Jackson, Special Agent in Charge, Internal Revenue Service, Criminal Investigation (IRS-CI); Dave Aronberg, State Attorney, Palm Beach County State Attorney's Office; Jimmy Patronis, Florida Chief Financial Officer; William D. Snyder, Sheriff, Martin County Sheriff's Office; George L. Dorsett, Assistant Inspector General for Investigations, Amtrak Office of Inspector General; Rafiq Ahmad, Special Agent in Charge, United States Department of Labor, Office of Inspector General (DOL-OIG); Isabel Colon, Regional Director, United States Department of Labor, Employee Benefits Security Administration (DOL-EBSA); Dennis Russo, Director of Operations, National Insurance Crime Bureau (NICB); Ric Bradshaw, Sheriff, Palm Beach County Sheriff's Office (PBSO); Sarah J. Mooney, Chief, West Palm Beach Police Department; Jeffrey S. Goldman, Chief, Delray Beach Police Department; Pam Bondi, Florida Attorney General; and Scott Rezendes, Special Agent in Charge, Office of Personnel Management, Office of Inspector General (OPM-OIG); made the announcement.

Joaquin Mendez, 52, of Miramar, previously pled guilty to one count of conspiracy to commit health care fraud, in violation of Title 18, United States Code, Section 1347; all in violation of Title 18, United States Code, Section 1349.

Co-defendants Kenneth Chatman, Fransesia Davis, and Michael Bonds established sober homes which were purportedly in the business of providing safe and drug-free residences for individuals suffering from drug and alcohol addiction. To obtain residents for the sober homes, members of the conspiracy provided kickbacks and bribes, in the form of free or reduced rent and other benefits, to individuals with insurance who agreed to reside at the sober homes, attend drug treatment, and submit to regular drug testing that members of the conspiracy could bill to the residents' insurance plans. Although the sober homes were purportedly drug-free residences, some of the defendants permitted the residents to continue using drugs as long as they attended treatment and submitted to drug testing.

The co-defendants referred the sober homes' residents who had insurance to treatment centers that purportedly offered clinical treatment services for persons suffering from alcohol and drug addiction. Defendant Chatman hired doctors, including defendant Mendez, to serve as medical directors of his treatment centers. As medical director, Mendez was purportedly responsible for evaluating patients and prescribing medically necessary treatment and testing. Instead of Mendez using his medical expertise and his individual assessments of patients to decide what type of laboratory testing was needed by each patient, co-defendant Chatman dictated the type and frequency of different types of lab testing that would be performed based upon the kickbacks and bribes that he was receiving from different clinical laboratories. Mendez facilitated this testing by signing doctor's orders for urine drug tests and certificates of medical necessity for saliva drug tests, although Mendez had never seen some of the patients. Mendez knew that insurance claims for the medically unnecessary tests that he prescribed would be submitted to the patients' insurance companies. When he examined treatment center patients, Mendez billed those patients' insurance plans using procedure codes that reflected more complex and lengthier examinations than Mendez actually performed.

Mr. Greenberg commended the investigative efforts of the Greater Palm Beach Health Care Fraud Task Force. Agencies of the task force include the FBI, IRS-CI, the Palm Beach County State Attorney's Office Sober Homes Task Force, Florida Division of Investigative and Forensic Services, Martin County Sheriff's Office, Amtrak-OIG, DOL-OIG, DOL-EBSA, National Insurance Crime Bureau, Palm Beach County Sheriff's Office, West Palm Beach Police Department, Delray Beach Police Department, Florida Attorney General Office of Statewide Prosecution, and OPM-OIG. The cases are being prosecuted by Assistant United States Attorney A. Marie Villafaña.

Related court documents and information may be found on the website of the District Court for the Southern District of Florida at www.flsd.uscourts.gov or on <http://pacer.flsd.uscourts.gov>.

Topic(s):
Health Care Fraud

Component(s):
USAO - Florida, Southern

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