

Department of Justice
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District of New Jersey

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Hudson County Man Sentenced to One Year in Prison for Role in Car Accident/Insurance Fraud Scheme

NEWARK, N.J. – A Hudson County, New Jersey, man was sentenced today to 12 months and one day in prison for his role in an automobile accident scheme in which health care practitioners fabricated or exaggerated accident victims' injuries to support fraudulent insurance claims to Personal Injury Protection (PIP) insurance plans for medically unnecessary services, U.S. Attorney Craig Carpenito announced.

Luis G. Aguirre, 57, previously pleaded guilty before U.S. District Judge Stanley R. Chesler in Newark federal court to an information charging him with one count of conspiracy to commit health care fraud. Judge Chesler imposed the sentence today by videoconference.

According to documents filed in the case and statements made in court:

Aguirre helped to orchestrate an automobile accident scheme in Bergen County, New Jersey, by acting as a "runner" who identified and recruited accident victims to the scheme. Aguirre subsequently introduced the victims to various chiropractors, medical imaging centers, and others, who billed PIP insurance plans for medically unnecessary services.

Aguirre and an employee from an auto body shop in West New York, New Jersey, (Individual-1) identified and recruited individuals who had been in car accidents, finding them through word of mouth in the community and through relationships with health care providers in northern New Jersey. Aguirre paid Individual-1 for each accident victim that Individual-1 helped identify and recruit to the scheme. Individual-1, in turn, paid accident victims for participating in the scheme. Aguirre also ensured that the victims had filed police reports to support subsequent insurance claims.

Aguirre then directed the accident victims to visit specific health care providers to obtain medically unnecessary medical exams and services, such as X-rays and MRIs, for fake or exaggerated injuries that they supposedly suffered during the automobile accidents.

Aguirre was paid approximately \$500 in cash by the health care providers for each individual accident victim that he delivered. Aguirre thereby caused health care providers to submit insurance claims to PIP insurance plans on behalf of the accident victims.

For example, on Sept. 25, 2018, an individual from North Bergen, New Jersey, (Individual-3) was involved in an automobile accident in Elizabeth, New Jersey. Based on a police report of the incident, the accident was minor: Individual-3 was rear-ended by another car when both were stopped at a red light. According to the police report, Individual-3 refused medical treatment at the scene, stating that Individual-3 would seek separate medical attention. At the time of the accident, Individual-3 had an automobile insurance policy through Auto Insurer-1, which included PIP coverage.

Aguirre learned from Individual-1 that Individual-3 was willing to participate in the scheme in exchange for cash payment. On Oct. 12, 2018, Aguirre directed Individual-3 to visit the proprietor (Individual-2) of an MRI Center in Rochelle Park, New Jersey, where Individual-3 underwent a

series of medically unnecessary X-rays. On Oct. 16, 2018, the MRI Center billed Individual-3's PIP insurance policy.

Aguirre's participation in the conspiracy caused an estimated loss to PIP insurance plans of over \$250,000, while the total loss caused by the conspiracy exceeded \$3.5 million.

In addition to the prison term, Judge Chesler sentenced Aguirre to three years of supervised release and ordered him to pay restitution of \$53, 710.

U.S. Attorney Carpenito credited special agents of the Department of Labor – Office of Inspector General, under the direction of Special Agent in Charge Michael C. Mikulka; and special agents of the FBI, under the direction Special Agent in Charge George M. Crouch Jr. in Newark, with the investigation leading to today's sentencing.

The government is represented by Assistant U.S. Attorney Jason S. Gould of the Health Care Fraud Unit at the U.S. Attorney's Office in Newark.