

PRESS RELEASE

# New York Man Guilty of Conspiracy to Obstruct Justice as Part of Six-Defendant Prosecution of Nationwide, Multi-Million Dollar Fraudulent Investment Scheme

Thursday, May 14, 2026

**For Immediate Release**

U.S. Attorney's Office, Eastern District of Louisiana

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**NEW ORLEANS – JAMES MICHAEL KAFES (“KAFES”)**, age 57, a resident of Carmel, New York, pleaded guilty today before United States Judge Susie Morgan to Count 8 of an eight-count indictment charging **KAFES** and a co-conspirator, **Josiah David (“David”)**, with conspiracy to obstruct justice, in violation of Title 18, United States Code, Sections 371 and 1503(a) (Count 8), announced U.S. Attorney David I. Courcelle.

According to court documents, **KAFES** and **David** conspired to obstruct the due administration of justice, namely a federal grand jury investigation in the Eastern District of Louisiana concerning the operation of companies that sought investments to launch a medical reimbursement account program. Specifically, **KAFES** and **David** agreed, and arranged, for **David** to withhold material responsive to a federal grand jury from production and discouraged an owner-investor from meeting with federal investigative authorities. Additionally, on or about March 27, 2025, **KAFES** testified falsely while under oath before a federal grand jury in the Eastern District of Louisiana.

The federal investigation began as a result of a spin-off investment opportunity **David** and **KAFES** marketed related to The Total Financial Group (TTFG), a Louisiana business incorporated in 2005 that was located in, Covington, Louisiana, until its operations ceased in 2017. Denis Joachim incorporated, owned, and operated TTFG. TTFG and Joachim created and marketed a Medical Reimbursement Account program called “Classic 105,” which had three fundamental parts: monthly administration fees charged to employee-participants and employer-clients for participating in the program, a loan from a lender to employee-participants that would effectively offset the amount of an employee-participant’s monthly fee that the

employee-participants never needed to repay, and an insurance policy secured on the life of the employee-participant and payable to the lender at the time of the employee-participant's death to repay the loan amount. **David**, and a company under his control, **Provision Corporation, LLC ("Provision")**, formed an association with Joachim and TTFG to market Classic 105 to prospective employer-clients and to seek, ultimately unsuccessfully, financial institutions to fund the loan component of Classic 105.

Federal law enforcement authorities executed search warrants at Joachim's residence and TTFG's office in Covington, Louisiana in January 2017, effectively shutting down TTFG. Joachim was charged by a federal grand jury in the Eastern District of Louisiana, and thereafter pleaded guilty, based on the fraudulent development, marketing, and sale of Classic 105. Nevertheless, soon after the search warrant, **David** and **KAFES** signed a "letter of intent" promising Joachim they would establish a program that would be a successor to Classic 105. **David** and **Provision** then created a successor entity, **The Premier Healthcare Solution, LLC ("Premier")**, for two purported purposes: to develop and administer a program modeled on and that was a continuation of Classic 105 (the "New 105 Plan") and to solicit investors to purchase "units" in **Premier** by representing that investor-owners would profit significantly once the New 105 Plan "launched." **Premier** and **David** also entered into a consulting agreement with Joachim that agreed to pay Joachim up to \$20,000 per month, which they referred to as "royalty payments," despite **Premier** having no clients and generating no outside revenue. In fact, the New 105 Plan never launched.

**KAFES** was the President of **Premier**. While **David** was advertised as merely **KAFES's** assistant, in reality he was responsible for its development, operation, and management and was its primary representative. The New 105 Plan had the same components as Classic 105. To convince potential and current investor-owners to contribute, **David**, **KAFES**, and the entities they oversaw, made numerous false statements and material omissions in their marketing efforts. Among the false representations **David**, **KAFES**, and their entities made were that the New 105 Plan was close to launch, that the New 105 Plan and its underlying intellectual property were "patent protected," that **Premier** had already solidified funding for the loan component from financial institutions, and that law firms had vetted the New 105 Plan and found it to be legal and legitimate. **David**, **KAFES**, and their entities also withheld material information from current and prospective investors, including falsely characterizing their relationship with and obligations to Joachim, failing to disclose that **DAVID** (under his original name, "Dennis Lee") had multiple felony convictions, suits filed against him for violations of state securities and/or consumer protection laws, public warnings about him issued by multiple state regulator entities, and a stipulated order for a permanent

injunction and final judgment entered based on charges brought by the Federal Trade Commission, as well as understating **David's** role in the program. In total, investor-owners made purchases and contributions totaling over \$4,000,000. **David, KAFES,** and **Premier** sent over \$550,000 of these funds to Joachim in more than 120 transactions.

**KAFES** face up to five years in prison, up to a \$250,000 fine, up to three years of supervised release, and a \$100 mandatory special assessment fee. Sentencing before Judge Morgan has been scheduled for August 27, 2026. The trial of **KAFES's** co-defendants is scheduled to begin on June 8, 2026.

U.S. Attorney Courcelle praised the work of the United States Department of Labor – Employee Benefits Security Administration and Office of Inspector General in investigating this matter. U.S. Attorney Courcelle also recognized the contributions of the Federal Bureau of Investigation in this matter. Assistant United States Attorney Jordan Ginsberg, Chief of the Criminal Division, is in charge of the prosecution.

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## **Contact**

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*Updated May 14, 2026*