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## **Member of Dockworkers Union Guilty in Scheme that Bilked Health Care Plan by Fraudulently Billing for Chiropractic Services**

**LOS ANGELES** – A member of the International Longshore and Warehouse Union (ILWU), Local 13, was convicted by a federal jury on federal fraud charges for causing two medical clinics to bill the union's health care plan for chiropractic services that were not provided or were not medically necessary.

David Gomez, 52, of San Pedro, was convicted late Friday by a jury in Los Angeles of 20 counts of mail fraud. After the verdicts were returned, United States District Judge R. Gary Klausner ordered Gomez taken into custody.

The ILWU represents dockworkers at the ports of Los Angeles and Long Beach. Members of the union receive benefits, including health care benefits, through the ILWU-Pacific Maritime Association Welfare Plan.

According to the evidence presented at trial, Gomez and his co-defendant, Sergio Amador, opened a clinic in Long Beach in 2009 that operated under the name Port Medical and provided medical and chiropractic care. The next year, they opened a second clinic operating under the same name in San Pedro.

Gomez and Amador also created medical management companies that they used to receive funds generated by the medical clinics, which they then used to pay themselves and to pay incentives to ILWU members to use, and encourage other ILWU members, to use the Port Medical clinics. These incentives were often paid as "sponsorships" of basketball or softball teams, with the understanding that the ILWU member receiving the "sponsorship" would visit, and encourage other team members to visit, Port Medical.

According to the evidence presented at trial, Port Medical chart entries were falsified to indicate that ILWU members and their dependents, including children as young as 5 years old, had received repeated chiropractic services, including multiple sessions of massage therapy, that they had not. To

accomplish this, ILWU members were asked to sign their names on multiple sign-in stickers that were used to create the fabricated chart entries, or their signatures on stickers affixed to the chart entries were simply forged.

Other evidence at trial related to instructions provided to Port Medical massage therapists on how to craft chart entries to maximize billing and make services appear to be medically necessary, a requirement for them to be covered by the ILWU-PMA Welfare Plan. Included were instructions to massage therapists never to write that a patient had indicated "no complaints," and to make sure not to copy or write chart entries "exactly the same each time, change things up a little!!!"

"This defendant stole money intended to protect and promote the health of unionized dockworkers," said United States Attorney Eileen M. Decker. "In taking these funds from the Welfare Plan for his personal profit, this defendant undermined the continuing efforts of the ILWU and PMA to provide comprehensive medical benefits to his fellow union members and their families."

Over the life of the fraudulent scheme, the medical management companies controlled by Amador and Gomez received at least \$3 million that derived from funds paid by the Welfare Plan to Port Medical.

"This case is particularly egregious since defendant Gomez was a longshoreman and a longtime member of the ILWU who was operating a healthcare clinic in close proximity to the port - all ingredients for the perfect recipe to defraud the ILWU-PMA health insurance plan," said Deirdre Fike, the Assistant Director in Charge of the FBI's Los Angeles Field Office. "The FBI and our partners will continue to vigorously address health care fraud, a major crime issue which affects patients and consumers, and society as a whole in terms of its economic impact."

Gomez's sentencing was set for January 9, 2017. At the time of sentencing, Gomez will face a statutory maximum sentence of 20 years in prison on each of the 20 counts of conviction.

"David Gomez conspired with others to victimize the union health plan and its participants by billing for services not rendered, services not medically necessary and services that did not address specific conditions of patients. In an age of rising medical care costs the Office of Inspector General will continue to work with our law enforcement partners to combat fraud involving union affiliated health and welfare plans," said Special Agent in-Charge Abel Salinas of the Los Angeles Regional Office, U.S. Department of Labor, Office of Inspector General.

"This was a major scheme to defraud a Southern California dockworkers medical plan that provides crucial services to thousands of hardworking men and women," said Crisanta Johnson, Regional Director for the Department of Labor's Employee Benefits and Security Administration. "It's unconscionable that the defendants would game such a sacred program to line their own pockets."

Amador pled guilty earlier this year to 20 counts of mail fraud and is scheduled to be sentenced on December 1.

The case against Gomez and Amador was investigated by the U.S. Department of Labor – Office of Inspector General, Office of Investigations; the U.S. Department of Labor – Employee Benefits Security Administration; and the Federal Bureau of Investigation. The case was prosecuted by Assistant United States Attorney George S. Cardona, Chief of the Major Frauds Section.