

The king of Medicare swindlers

Dade man to admit \$120 million rip-off

By TOM DUBOCCO
Herald Staff Writer

A convicted stock swindler who allegedly became one of the nation's biggest Medicare cheats will plead guilty to fraud charges, his attorney said Wednesday.

Akiyoshi Yamada, charged with plundering \$120 million from the government through a massive network of illicit Medicare mills, faces up to 15 years in prison for two counts of mail fraud and a probation violation.

"He accepts responsibility for his own conduct," said Yamada's attorney, Benson B. Weintraub. "He will plead guilty for the sake of closure . . . It could have been worse."

U.S. Attorney Kendall Coffey said Yamada's blatant rip-off of Medicare money was a catalyst that sparked a new federal war against Medicare scam artists across the nation. Yamada's operation was detailed in a series of Herald articles last year and also was the subject of an investigation by ABC's *Primetime*.

"Yamada is the biggest Medicare crook ever charged in this country," Coffey said. "This case demonstrates we are starting to make progress in our crackdown on Medicare fraud. But there is still much work ahead of us."

From his high-rise headquarters at 3990 W. Flagler St., prosecutors said Yamada, his wife Martha DePaula Arias Yamada, and a convicted drug smuggler named Ismael Felipe Arnaiz allegedly engineered a network of four dozen clinics, billing services and patient transportation companies stretching from Fort Pierce to Miami.

The fraud required plenty of

PLEASE SEE FRAUD, 6A

FBI pide refuerzos en lucha antifraude

Por EVELYN LARRUBIA
Redactora de El Nuevo Herald

El director de la Oficina Federal de Investigaciones (FBI) en Miami, George B. Clow III, afirmó el lunes en Miami que ha solicitado se duplique el equipo de 14 agentes designados a investigar los casos de fraude al Medicare en el sur de la Florida.

"[El problema] se está empeorando en vez de mejorar", dijo Clow. "Necesitamos el rápido encausamiento [de los estafadores]."

Clow hizo el anuncio durante un coloquio el lunes en el Hotel Intercontinental de Miami sobre el fraude en los servicios de salud y cómo combatirlo, al que asistieron

unos 300 abogados, médicos, investigadores, defensores de los ancianos y los pobres.

El fiscal federal Kendall Coffey anunció por su parte el comienzo de un período de prueba de 90 días donde los estafadores actuales pueden negociar con la fiscalía y conocer los posibles arreglos para declararse culpables de fraude antes de ser encausados.

"Creemos que el problema es suficientemente grave para que necesitemos innovaciones", dijo Coffey. Agregó que no tenía idea si algún estafador aprovecharía la oportunidad. "No negamos que todavía estamos en desventaja".

Esa desventaja se hace evidente en las cifras citadas por los oradores y panelistas de

la conferencia de un día, organizada por Coffey.

El fraude a los servicios de salud, que incluye no sólo los programas federales de Medicare y Medicaid, sino también los aseguradores privados, le cuesta al público unos \$2,500 millones por año, dijo Clow, del FBI.

De cada \$1 que se paga por servicios médicos, agregó, \$.20 se pierde al fraude.

Judith Berek, consejera al administrador de la Dirección de Financiamiento de Servicios de Salud explicó la magnitud del fraude de esta forma: "Desde que llegué a la HCFA, he visto este inodoro que corre constante-

VEA FRAUDES, 4B

"En el fin este problema es muy grande para cada uno de nosotros individualmente", dijo Coffey. "Pero no es muy grande para todos juntos".

Miami doctor jailed in \$6.5 million fraud

By ARDY FRIEDBERG
Miami Bureau Chief

MIAMI — A Miami doctor was among 126 suspects arrested by the FBI in 31 cities on Wednesday during a nationwide insurance fraud crackdown dubbed "Sudden Impact."

Jesus N. Castillo, 57, of the 5200 block of Northwest Seventh Street, was charged with conspiracy to defraud private and government insurance programs through an elaborate scheme of staged auto accidents that generated \$6.5 million for his medical clinics over four years.

Four of Castillo's employees, all of Miami and none of them doctors, also were arrested on Wednesday. Three other employees are being sought, the FBI said.

Those arrested were identified as Joaquin Garcia, 71, Francisco E. Alcantara, 53, Rogelio R. Cabrera, 35, and Juana Mercedes Mendez, 35. All are charged with insurance fraud. If convicted, they face from five to 25 years in prison and fines up to \$250,000.

The investigation began in 1993 after the FBI determined that staged auto accidents were a significant element of insurance fraud throughout the country.

Since the investigation began, 273 people have been convicted or pleaded guilty to fraud charges.

The FBI used undercover agents and electronic surveillance during

their investigation of Castillo, said agent Edmundo Guevara, of the agency's Miami office.

Investigators said Castillo, who operated two clinics in Dade County and one in Broward, used "runners" to recruit patients from accidents deliberately caused by his own employees. The patients were put through a battery of medical tests regardless of the need for the tests and the doctor filed false claims with auto insurance companies and Medicaid and Medicare.

"Dr. Castillo organized what we contend was an assembly line operation in a medical fraud factory," said Kendall Coffey, the U.S. attorney for the Southern District of Florida.

Three schemes were used to generate patients, Guevara said.

■ Paper accidents: A fake accident report filed to support insurance claims.

■ Caused accidents: Purposely sideswiping or stopping suddenly in front of a car to cause an accident.

■ Staged accidents: Using previously damaged cars that are brought to a location and made to appear as if they were involved in a fresh accident.

In all three schemes, patients were recruited by runners who were paid up to \$300 for each patient they brought to Castillo's clinics. Francisco Alcantara was identified by Coffey as a runner who made \$40,000 in 1994 by bringing new business to Castillo.

"Dr. Castillo organized what we contend was an assembly line operation in a medical fraud factory," said Kendall Coffey, the U.S. attorney for the Southern District of Florida.

Doctors face quick action for fraud

■ SURGEON FINED, 10B

By DONNA GEHRKE
Herald Staff Writer

To more quickly crack down on the state's rampant billion-dollar Medicare and Medicaid fraud, Florida regulators pledged Saturday to use emergency powers to temporarily suspend doctors accused of bilking the federal government.

U.S. Attorney Kendall Coffey asked the Florida Board of Medicine, which met in Miami, to move quickly to deter doctors whom authorities have built a substantial case against.

"Combating health care fraud has got to be a top priority," Coffey said.

Waiting for the government to press charges can take years — and allows the dishonest practitioners more time to cheat the government out of more money, Coffey said.

He proposed that, in some cases, investigators would turn over their evidence to the Board of Medicine for quicker action.

Board members agreed to cooperate and set up a special committee to help state and fed-

PLEASE SEE LICENSES, 5B