



**U.S. Department of Justice**

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**For Immediate Release:  
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**May 20, 2009**

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**Event: Sentenced**

**Defendant: John P. Bender**

**MILFORD MAN SENTENCED TO 57 MONTHS FOR  
EMBEZZLING \$3.6 MILLION FROM MEDICAL  
MALPRACTICE INSURANCE COMPANY**

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A Milford, Michigan resident, who used his position as a claims administrator to defraud a medical malpractice insurance company of over \$3.6 million, was sentenced to 57 months' imprisonment on his guilty plea to a charge of Interstate Transportation of Property Taken by Fraud, announced United States Attorney Terrence Berg.

Mr. Berg was joined in the announcement by Andrew Arena, Special Agent in Charge, Federal Bureau of Investigation.

John P. Bender, age 65, was sentenced by Senior United States District Judge Julian Abele Cook. In addition to his 57 month prison term, Bender will serve 2 years of supervised release and will be required to pay restitution of \$3,619,765. Judge Cook ordered Bender to report to federal prison to begin serving his sentence on July 20, 2009.

U.S. Attorney Berg stated, “Falsifying millions of dollars of claims to a malpractice insurer harms not only the insurance company, but also the entire health care delivery system and consumer, which suffer from higher costs as a result. Such fraud deserves the kind of serious jail time – almost 5 years – that the Court imposed today.”

In a parallel civil forfeiture proceeding, the United States Attorney’s Office has obtained a judgment forfeiting a large quantity of antique collectible dolls and doll accessories, valued at several hundred thousand dollars, that had been obtained by Bender using the proceeds of his fraud.

Information provided to the court in the guilty plea and sentencing proceedings showed that Bender defrauded the insurance company, Medilink, over a period of 27 months, using his position as a claims administrator for the company to submit false claims for payment of malpractice settlements. Bender then took the funds paid on this claims for his own use. Bender was the principal and owner of JP Bender & Associates, Inc. ("JP Bender"), a Third Party Administrator that managed malpractice claims for Medilink, a captive insurance company that provided malpractice coverage to local hospitals and other medical service providers. Once a covered malpractice claim was resolved or settled, JP Bender was authorized and trusted to request a transfer of funds from Medilink accounts into a JP Bender account. JP Bender would then pay the claim. From May, 2005, through August 2007, Bender caused JP Bender to submit a total of over \$3.6 million in fraudulent payment requests to Medilink and related companies, in which defendant requested funds in excess of authorized settlements of malpractice claims, or requested funds for malpractice claims in which there was no settlement or liability, or requested excess coverage for claims or expenses already paid by Medilink with the intent to retain those funds. Once the funds were deposited into a JP Bender account, defendant would cause the funds to be further transferred to other accounts he controlled, and would spend the funds as his own.

A representative of Medilink addressed the court at the sentencing, and advised the court that Medilink should not be considered a faceless, anonymous insurance company; rather, it represents the joint effort of several hospitals and other medical providers in

Southeastern Michigan to insure their malpractice liability. As a result, theft losses to Medilink come out of the pockets of these medical providers, with resulting adverse effects on their ability to provide medical services and employment to the communities they serve.

This case was investigated by the Federal Bureau of Investigation and was prosecuted by Assistant U.S. Attorney Sheldon N. Light.