

NEWS

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FOR IMMEDIATE RELEASE
Jan. 28, 2008

East Brunswick Man Admits Defrauding Insurance Companies

(More)

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NEWARK – An East Brunswick man admitted today in federal court conspiring to defraud insurance companies of more than \$2.5 million through a false billing scheme and to engaging in tax evasion, U.S. Attorney Christopher J. Christie announced.

Boris Sokha, 53, pleaded guilty to a two-count Information charging him with conspiracy to commit mail fraud and tax evasion. U.S. District Judge Faith S. Hochberg scheduled sentencing for May 1, 2008. Sokha faces a maximum statutory penalty of 10 years in prison and a \$500,000 fine.

Sokha admitted that he ran several medical management companies, and he and another co-conspirator, identified as M.D. in the Information, submitted hundreds of false bills to insurance companies in New Jersey, New York, and in other states. These insurance companies provided no-fault coverage to motorists.

Sokha told Judge Hochberg that he and M.D. recruited licensed psychiatrists and assisted these doctors in creating professional medical corporations. According to Information filed in court today, these medical corporations existed only on paper, and the licensed psychiatrists neither opened nor maintained actual medical offices in the name of the professional corporation they had created.

Thereafter, according to Sokha, he and M.D. hired individuals who possessed no medical licenses and instructed them to provide psychotherapy to individuals reportedly involved in automobile collisions.

Sokha admitted that he and M.D. defrauded the insurance companies by fraudulently billing them for services and treatments that had not been provided to patients and by falsely claiming that psychotherapy sessions were provided by licensed doctors or under the supervision of licensed doctors. According to the Information, the unlicensed individuals hired by Sokha and M.D. actually rendered what was later billed as psychotherapy.

According to the Information, Sokha and his co-conspirators, including M.D., fraudulently obtained in excess of \$2.5 million from the various insurance companies and used the money for the benefit of themselves and others.

In addition, Sokha admitted that he committed tax evasion by skimming and diverting money from his billing companies for his own use and benefit. He then filed tax returns that failed to include significant amounts of this income. Sokha told Judge Hochberg that for tax year 2005 he did not include about \$300,000 in additional taxable income on his personal tax return. With this income, an additional tax of approximately \$84,000 was due to the United States.

The case is being prosecuted by Assistant U.S. Attorney Anthony Moscato.

Christie credited Special Agents of the FBI, under the direction of Special Agent in Charge Weyan Dun, and Special Agents of the IRS, under the direction of Special Agent in Charge William P. Offord, with the investigation leading to Sokha's arrest and guilty plea.

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Defense Counsel: Robert G. Stahl, Esq., Westfield, New Jersey