

NEWS

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East Brunswick Man Sentenced to 47 Months in Prison for
Defrauding Insurance Companies of More than \$2.5 million

(More)

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NEWARK – An East Brunswick man was sentenced to 47 months in federal prison today for conspiring to defraud insurance companies of more than \$2.5 million through a false medical billing scheme and engaging in tax evasion, U.S. Attorney Christopher J. Christie announced.

U.S. District Judge Faith S. Hochberg also ordered Boris Sokha, 55, of East Brunswick, to pay \$2.5 million in restitution and a \$10,000 fine. Judge Hochberg continued Sokha's release on a \$100,000 bond pending his surrender to authorities with the U.S. Bureau of Prisons on a date to be determined by prison officials.

On Jan. 28, 2008, Sokha admitted that he ran several medical management companies through which he and along with another co-conspirator submitted hundreds of false bills to insurance companies in New Jersey, New York, and in other states. These insurance companies provided no-fault insurance coverage to motorists. Sokha admitted that he recruited licensed psychiatrists and assisted these doctors in the creation of professional medical corporations that only existed on paper. Thereafter, Sokha and others hired individuals who possessed no medical licenses and instructed them to provide psychotherapy to individuals reportedly involved in automobile collisions. Sokha admitted that he 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. Sokha and his co-conspirators 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 admitted that for tax year 2005 he did not report approximately \$300,000 in additional taxable income on his individual income tax return. With this income, an additional tax of approximately \$84,000 was due and owing to the Internal Revenue Service.

In determining the actual sentences, Judge Hochberg consulted the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors, including acceptance of responsibility. The judge has wide discretion and is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all of that time.

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

Attorney Office's Strike Force unit, in Newark.

Christie credited Special Agents of the FBI, under the direction of Special Agent in Charge Weyssan Dun, and Special Agents of the IRS, under the direction of Special Agent in Charge William P. Offord, with the investigation leading to today's sentencing.

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Defense Counsel:

Sokha - Robert G. Stahl, Esq., Westfield, New Jersey