

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
970 Broad Street, Seventh Floor
Newark, New Jersey 07102



PAUL J. FISHMAN, U.S. Attorney

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GRACE PARK
Assistant U.S. Attorney

FOR IMMEDIATE RELEASE
April 6, 2010

Former President and Owner of Rahway Chiropractic Clinic
Pleads Guilty to Staging Automobile Accidents for Profit

(More)

Public Affairs Office
Rebekah Carmichael

973-645-2888

NEWARK, N.J. – The former president and owner of Spinal Care & Rehabilitation Center (“Spinal Care”), a chiropractic clinic in Rahway, New Jersey, pleaded guilty today in connection with his scheme to stage automobile accidents in order to send the participants in the accidents to his clinic for purported treatment, United States Attorney Paul J. Fishman announced.

Roberto Castanon, 62, pleaded guilty before U.S. District Judge William H. Walls to a one-count Information charging him with conspiracy to commit mail fraud.

According to the Information to which Castanon pleaded guilty and statements made in court:

At his plea hearing, Castanon admitted that from January 2003 through February 2007, he conspired with others to stage automobile accidents. As part of the conspiracy Castanon and others recruited individuals to participate in the staged accidents, instructing them to have intentional collisions. Castanon admitted that the scheme resulted in more than \$400,000 in losses to insurance companies.

After a staged accident, a participant or another coconspirator would call law enforcement to the scene where the participant would misrepresent the extent of his or her injuries, which were documented in police reports later submitted to insurance companies.

Castanon directed the participants to come to his clinic, misrepresent to the treating chiropractor the extent of their injuries, and obtain “treatment” for their purported injuries. Castanon would bill insurance companies for the treatment, and the participants would be paid a sum of money in cash by Castanon or his coconspirators. In furtherance of the fraud, Castanon sent invoices and medical documents by mail to several insurance companies for chiropractic services to individuals that were involved in the staged accidents.

The majority of the patients of Spinal Care were receiving treatment under “no-fault” automobile insurance plans. Under New Jersey law, any individual who has a motor vehicle registered in New Jersey must obtain valid vehicle insurance coverage to drive that vehicle. This insurance coverage includes compulsory personal injury protection, meaning that if a claimant sustains an injury as a result of a motor vehicle collision, that individual's insurance carrier is required to pay necessary and reasonable medical expenses arising from such injury, regardless of fault or liability.

If convicted of conspiracy to commit mail fraud, Castanon faces a maximum potential penalty of 20 years in prison and a fine of \$250,000 or twice the aggregate gain or loss from the offense. Additionally, as part of his guilty plea, Castanon will be required to pay restitution to the victims of his crimes in an amount to be determined.

In determining an actual sentence, Judge Walls will consult 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. The judge, however, 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 that time.

Fishman credited the Postal Inspectors of the U.S. Postal Inspection Service, under the direction of Inspector in Charge David Collins, for their investigation leading to the guilty plea.

The government is represented by Assistant U.S. Attorney Grace Park of the U.S. Attorney's Office Securities and Healthcare Fraud Unit.

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Defense Attorney: Antonio Espinosa, Esq., Elizabeth, New Jersey