

# Department of Justice

Acting United States Attorney Kathleen Mehlretter  
Western District of New York

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## **ALLEGANY MAN SENTENCED TO JAIL FOR HEALTH CARE FRAUD**

BUFFALO, N.Y.-- KONSTANTINOS ARABATZIS, 47, of Allegany, New York, who was convicted of health care fraud on March 3, 2009, was sentenced to 24 months imprisonment by U.S. District Judge William M. Skretny, Acting U.S. Attorney Kathleen M. Mehlretter of the Western District of New York announced today.

Assistant U.S. Attorney John E. Rogowski, who handled the case, stated that between January, 2003, and March, 2008, the defendant, who operated C&K Preventative Health, contracted with Health Now, a medical health care insurance company, to provide wellness classes, such as nutrition instruction and stress management, to individuals covered by health insurance provided by Health Now. During that time period, ARABATZIS routinely submitted invoices to Health Now in which he claimed to have provided wellness classes which never took place. As a result of the fraudulent invoices, HealthNow paid ARABATZIS approximately \$288,000 for classes that were never held. When he pled guilty, ARABATZIS also admitted that he wrongfully overstated the number of attendees for the classes that were given, resulting in Health Now paying him an additional \$512,000 he was not entitled to receive. As part of his sentence, ARABATZIS was ordered to make restitution to HealthNow in amount of \$800,060. At sentencing, AUSA Rogowski noted that the type of fraudulent scheme engaged in by the defendant has severe consequences to public health care system by driving up the price of health care insurance and limiting the services covered by health insurance. In imposing a sentence at the highest point of the applicable Federal Sentencing Guideline range, Judge Skretny stated that the sentence imposed was an appropriate punishment to the defendant and a sentence that would deter others from similar conduct.

The plea was the culmination of an investigation on the part of Special Agents of the Western New York Health Care Fraud Task Force, consisting of

agents from the Federal Bureau of Investigation, United States Department of Labor - Office of Labor Racketeering, United States Department of Health and Human Services - Office of Inspector General, Internal Revenue Service - Criminal Investigation Division, United States Postal Inspection Service, United Postal Service Office of Inspector General, United States Department of Defense - Criminal Investigation Service, United States Food and Drug Administration - Office of Criminal Investigation, and the New York State Insurance Fraud Bureau.