

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA	:	CRIMINAL NO.:
v.	:	DATE FILED:
JORDAN B. LUBER	:	VIOLATIONS:
	:	18 U.S.C. § 1341 (mail fraud -- 8 counts)
	:	18 U.S.C. § 1347 (health care fraud -- 5 counts)
	:	Notice of forfeiture

INDICTMENT

COUNTS ONE THROUGH EIGHT

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

1. Defendant JORDAN B. LUBER was an attorney who handled personal injury litigation and was a partner in the law firm of Sacks Weston Smolinsky Albert & Luber, with offices in the Penn Mutual Towers, 510 Walnut Street, Philadelphia, Pennsylvania.

2. Injury Associates was a fake physical therapy and rehabilitation center run by the Federal Bureau of Investigation (“FBI”), located at 8001 Roosevelt Boulevard in Philadelphia, Pennsylvania. Specifically:

- a. The FBI established Injury Associates to investigate individuals pursuing fraudulent health care claims, directed at car insurance companies, seeking recovery for fake or exaggerated injuries resulting from either real or staged car accidents.
- b. Individuals called “runners” recruited potential “patients” to Injury

Associates and were paid by Injury Associates for each patient they brought into the clinic.

- c. Patients signed in to Injury Associates to make it look as if they were receiving treatment for their fake injuries. In fact, Injury Associates did not provide any physical therapy or medical treatment to patients, but acted solely as a vehicle for generating false medical records and reports to make it look as if patients had received treatment for fake or exaggerated injuries.
- d. Patients used the false medical records and reports generated by Injury Associates to pursue fraudulent personal injury actions against car insurance companies.
- e. Patients also defrauded car insurance companies by causing them to pay Injury Associates for the non-existent treatment supposedly provided by a fictitious doctor.

3. Two Special Agents of the FBI, using the pseudonyms “Kathryn Larson” and “Pamela Lusk,” acted in an undercover capacity as individuals who were involved in a vehicular accident on January 12, 2004 and who were using the services of Injury Associates to pursue fraudulent claims for health care benefits through personal injury actions.

4. As part of the undercover operation, “Larson” maintained insurance coverage on the vehicle purportedly involved in the accident with St. Paul Travelers. “Larson’s” insurance policy covered both herself, as the driver of the vehicle, and “Lusk,” who was the supposed passenger.

5. St. Paul Travelers was a private insurance company that provided vehicle insurance plans. Those plans are health care benefit programs as that term is defined in Title 18, United States Code, Section 24, and as that term is used in Title 18, United States Code, Section 1347.

THE SCHEME

6. From in or about January 2004 through on or about July 29, 2005, defendant

JORDAN B. LUBER

devised and intended to devise a scheme to defraud St. Paul Travelers, and to obtain money and property by means of false and fraudulent pretenses, representations and promises from St. Paul Travelers.

MANNER AND MEANS

It was part of the scheme that:

7. Defendant JORDAN B. LUBER knowingly relied upon false and fraudulent medical records and reports prepared by Injury Associates in support of claims against St. Paul Travelers for health care benefits on behalf of his clients, “Kathryn Larson” and “Pamela Lusk.”

8. As defendant JORDAN B. LUBER knew, the medical records and reports were false and fraudulent because they stated that services had been performed at Injury Associates on particular dates, when in fact none of the services listed in the paperwork had been performed.

9. Defendant JORDAN B. LUBER sent letters to St. Paul Travelers on behalf

of “Larson” and “Lusk” seeking to settle their fraudulent claims for a total of \$34,500 (\$17,500 for “Larson” and \$17,000 for “Lusk”).

10. In preparing “Larson” and “Lusk” to answer under oath St. Paul Travelers’ questions concerning their claims for health care benefits, defendant JORDAN B. LUBER encouraged “Larson” and “Lusk” to testify falsely and mislead St. Paul Travelers about the nature and scope of the treatment they purportedly received from Injury Associates.

11. Defendant JORDAN B. LUBER knew that the “Larson” and “Lusk” claims were fraudulent, and attempted to persuade St. Paul Travelers to settle their personal injury cases without sworn statements from “Larson” and “Lusk.”

12. To conceal his scheme to defraud from other members of his law firm, defendant JORDAN B. LUBER closed the files for “Larson” and “Lusk” inside his law firm. Defendant LUBER then continued secretly to pursue their cases outside his firm.

13. Defendant JORDAN B. LUBER negotiated a settlement with St. Paul Travelers for \$7,500 each for both “Larson” and “Lusk,” totaling \$15,000. In doing so, defendant LUBER knowingly relied on the false and fraudulent medical records created by Injury Associates on behalf of “Larson” and “Lusk.” Defendant LUBER never advised St. Paul Travelers that the medical records he had submitted to them were false and fraudulent.

14. As a settlement of the personal injury actions on behalf of “Larson” and “Lusk,” defendant JORDAN B. LUBER caused St. Paul Travelers to pay a total of \$15,000 on fraudulent health care insurance claims. Luber kept forty percent, or \$6,000, of the settlement proceeds as his attorney fee, and paid the remaining \$9,000 to “Larson” and “Lusk,” giving each of them \$4,500.

15. On or about the dates set forth below, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

JORDAN B. LUBER,

for the purpose of executing the scheme described above, and attempting to do so, knowingly caused to be delivered by United States mail and commercial interstate carrier according to the directions thereon, the following documents relating to the false and fraudulent personal injury claims for health care benefits on behalf of “Larson” and “Lusk,” each mailing constituting a separate count, as set forth below:

COUNT	DATE OF MAILING	SENDER	RECIPIENT	DOCUMENT
1	9/10/04	Jordan B. Luber	St. Paul Travelers	Letter requesting settlement of \$17,500 for “Kathryn Larson”
2	2/8/05	Jordan B. Luber	“Kathryn Larson” and “Pamela Lusk”	Letter scheduling preparation for examination under oath
3	2/17/05	Jordan B. Luber	“Kathryn Larson” and “Pamela Lusk”	Letter scheduling preparation for examination under oath
4	4/11/05	Jordan B. Luber	St. Paul Travelers	Letter enclosing copies of false and fraudulent medical records and reports
5	5/4/05	Jordan B. Luber	“Kathryn Larson”	Letter advising client that file will be closed
6	5/4/05	Jordan B. Luber	“Pamela Lusk”	Letter advising client that file will be closed

7	7/11/05	St. Paul Travelers	Jordan B. Luber	Letter confirming settlement offers for "Kathryn Larson" and "Pamela Lusk"
8	7/11/05	St. Paul Travelers	Jordan B. Luber	Settlement checks for "Kathryn Larson" and "Pamela Lusk"

All in violation of Title 18, United States Code, Section 1341.

COUNTS NINE THROUGH THIRTEEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 5 and 7 through 14 of Counts One through Eight are incorporated here.

2. From in or about January 2004 through on or about July 29, 2005, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

JORDAN B. LUBER

knowingly and willfully executed a scheme and artifice to defraud a health care benefit program, and to obtain money and property owned by and under the custody and control of a health care benefit program, by means of false and fraudulent pretenses, representations, and promises, in connection with the delivery of and payment for health care benefits, items and services, by submitting and causing to be submitted false and fraudulent health care insurance claims, arising out of personal injury actions, for medical treatment and physical therapy services purportedly provided to “Kathryn Larson” and “Pamela Lusk” by Injury Associates, when as defendant LUBER knew, the treatment and services claimed had not in fact been provided as represented, and thus the personal injury actions were false and fraudulent, with each false and fraudulent claim constituting a separate count, as set forth below:

COUNT	DATE	FRAUDULENT CLAIM	CLIENT
9	9/10/04	Letter to St. Paul Travelers requesting settlement of \$17,500	“Kathryn Larson”
10	9/10/04	Letter to St. Paul Travelers requesting settlement of \$17,000	“Pamela Lusk”

11	4/11/05	Letter to St. Paul Travelers requesting settlement and enclosing false and fraudulent medical records	“Kathryn Larson” and “Pamela Lusk”
12	6/1/05	Telephone call to St. Paul Travelers negotiating settlement of \$7,500 for each client	“Kathryn Larson” and “Pamela Lusk”
13	7/8/05	Telephone call to St. Paul Travelers accepting settlement of \$7,500 for each client	“Kathryn Larson” and “Pamela Lusk”

All in violation of Title 18, United States Code, Section 1347.

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Sections 1341 and 1347, set forth in this indictment, defendant

JORDAN B. LUBER

shall forfeit to the United States of America any property that constitutes or is derived from proceeds traceable to the commission of such offenses, including, but not limited to, the sum of \$6,000.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b) and Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the

property subject to forfeiture.

All pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Sections 981(a)(1)(C) and 982 (a)(7).

A TRUE BILL:

FOREPERSON

**PATRICK L. MEEHAN
UNITED STATES ATTORNEY**