

NEWS

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FOR IMMEDIATE RELEASE
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Operator of Chiropractic Center Admits
Defrauding Blue Cross/Blue Shield, Other Insurers

(More)

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NEWARK – The operator of a chiropractic center in Fort Lee pleaded guilty today to defrauding Horizon Blue Cross and Blue Shield and other health care insurers out of more than \$688,000 by submitting bogus claims for medical services, U.S. Attorney Christopher J. Christie announced.

Joseph Gianetti, Jr., 49, of Closter, entered his plea before U.S. District Judge William J. Martini, who scheduled sentencing for March 1.

According to the Information to which he pleaded guilty, Gianetti submitted fictitious claims for medical services allegedly provided to patients of his business, Bridgeview Chiropractic Center in Fort Lee, using the names of two medical doctors formerly associated with the center. In payment on these claims the insurers issued checks, payable to the medical doctors, which were sent to the center. Gianetti converted the checks to his own use by forging the doctors' names and either cashing the checks, or endorsing them to third parties to whom he owed money.

By these means, from at least 2000 through late 2002 Gianetti obtained approximately \$688,736 from health care insurers on bogus medical claims, according to the Information.

Gianetti also pleaded guilty to tax evasion, admitting that he failed to file U.S. income tax returns for tax years 2000, 2001 and 2002, and failed to pay more than \$330,000 of taxes due on income he received during those years, including the money he obtained through fraud on the health insurance companies.

On the health care fraud count, Gianetti faces a maximum statutory prison sentence of 10 years and a \$250,000 fine; on the tax evasion count, the maximum penalties are five years in prison and a \$250,000 fine. In addition, he must file amended tax returns before sentencing.

During his plea hearing, Gianetti admitted that he used much of the money he obtained through his health care fraud scheme to make payments on extortionate loans he had received from Louis Ruggiero and Frank Giampa. Both of these individuals have pleaded guilty to criminal charges in connection with the extortionate loans.

On Jan. 18, 2005, Ruggiero, 75, of Cliffside Park, pleaded guilty before Judge Joseph I. Irenas to charges of using extortionate means to collect an extension of credit. On May 4, 2005, Judge Irenas sentenced Ruggiero to a term of imprisonment of 24 months. On June 14, 2005, Giampa, 50, of Franklin Lakes, pleaded guilty before Judge Martini to two counts of an indictment charging him with using extortionate means to collect an extension of credit, and possession with intent to distribute controlled substances.

Under the advisory U.S. Sentencing Guidelines, Judge Martini will determine the defendant's actual sentence based upon a formula that takes into account the severity and characteristics of the offenses and the defendants' criminal histories, if any. However, the Sentencing Guidelines are only advisory, and Judge Martini has wide discretion in imposing sentence.

Parole has been abolished under the federal system. Under the Sentencing Guidelines, defendants who are given custodial terms must serve nearly all that time.

In the filing of a felony Information, a defendant waives the right to have his or her case presented to a federal Grand Jury and, instead, pleads guilty to charges presented by the Government.

Christie credited Special Agents of the Federal Bureau of Investigation, under the direction of Special Agent in Charge Leslie Wisser, and Special Agents of the IRS Criminal Investigation section, under the direction of Special Agent in Charge Patricia Haynes, with developing the case.

The government is represented by Assistant U.S. Attorney Amy Winkelman, Chief of the Criminal Division of the U.S. Attorney's Office in Newark.

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Defense Counsel: Robert J. DeGroot, Esq.