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CHIROPRACTOR SENTENCED FOR PHONY ACCIDENT SCHEME

PHILADELPHIA - Dr. Stephen Rios, 46, a Philadelphia chiropractor, was sentenced yesterday to four years in prison in connection with a scheme to defraud insurance companies by staging phony automobile accidents, announced United States Attorney Zane David Memeger. Rios pleaded guilty to 23 counts of mail fraud on November 23, 2010.

Rios was one of 17 people federally charged in the scheme which also involved former Philadelphia Police Officer Drexel Reid and which was carried out by filing police reports for phony accidents. The defendants willingly filed false accident reports in order to receive free medical care and in an attempt to receive civil settlement payments. The accident "victims" allegedly would file fraudulent insurance claims after staging phony accidents or falsely representing that an automobile accident occurred when it had not. Insurance companies victimized by the schemes include MetLife, Cambridge, State Farm, Allstate, Safe Auto, AIG, Liberty Mutual, Progressive, Rutgers, Nationwide, Erie, Proformance, and USAA. The loss amounts paid out by insurance companies for property damage, medical expenses, and civil settlements for these fictitious accidents exceeded \$634,000. The specific loss charged in the indictment was over \$167,000.

In addition to the prison term, U.S. District Court Judge Michael M. Baylson ordered Rios to pay restitution in the amount of \$88,717.53, a \$60,000 fine, a \$2,300 special assessment, and three years of supervised release.

The Philadelphia District Attorney's Office charged 60 other defendants in connection with the case.

The case was the result of a long-term joint investigation conducted by the Philadelphia District Attorney's Office Insurance Fraud Unit and the Federal Bureau of Investigation. It was prosecuted by Assistant United States Attorney Anthony Wzorek.

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