

# ***NEWS RELEASE***

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***OFFICE OF THE UNITED STATES ATTORNEY  
SOUTHERN DISTRICT OF CALIFORNIA  
San Diego, California***

***United States Attorney  
Karen P. Hewitt***

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***For Immediate Release***

**NEWS RELEASE SUMMARY - February 9, 2010**

San Diego - United States Attorney Karen P. Hewitt announced that William R. Fry and Dr. Geronimo Rubio were sentenced yesterday in federal court in San Diego by the Honorable John A. Houston, United States District Court Judge, to serve fourteen and twelve months in custody, respectively, followed by three years of supervised release following their release from prison. Fry and Rubio each pled guilty to health care fraud and federal income tax felonies in June 2007. Judge Houston also ordered that, for their health care fraud convictions, Fry and Rubio pay \$63,237 in restitution to insurance providers. Fry was also ordered to pay the Internal Revenue Service (IRS) \$314,159 in back taxes plus interest and penalties for tax years 1997 through 2003. Dr. Rubio was ordered to pay the IRS \$356,311 in back taxes plus interest and penalties for tax years 1998 through 2003.

According to court records, Dr. Rubio and Mr. Fry jointly owned and controlled a business called “American Metabolic Institute,” in Bonita, California. The defendants operated a health care clinic called “Hospital San Martin,” in Tijuana, Mexico. The clinic, under the direction of Dr. Rubio offered alternative medicines and treatments to patients, many of whom were diagnosed with cancer. In their pleas, the defendants admitted that they submitted false bills to American insurance companies and that each defendant substantially under-reported his true income on his individual federal income tax returns.

United States Attorney Hewitt stated, “The integrity of our tax system is dependent upon the integrity of individual citizens. This case demonstrates the government’s commitment to the preservation of collective confidence in the system.”

Leslie P. DeMarco, IRS Criminal Investigation Special Agent in Charge for the Los Angeles Field Office stated, “The prosecution of individuals who intentionally conceal income and evade taxes is a vital element in maintaining public confidence in our tax system. Dr. Rubio and Mr. Fry took the risk of not reporting their substantial income they earned from their medical clinic, and they got caught. At this time of year when the American public is focusing on filing tax returns, those taxpayers who file timely and accurately should be confident that our tax system works.”

**DEFENDANTS**

**Case Number: 04cr1276**

WILLIAM R. FRY	Age 70	Chula Vista, California
GERONIMO RUBIO	Age 51	Chula Vista, California

**SUMMARY OF CHARGES**

Title 26, United States Code, Section 7206(1) - Filing a False Federal Income Tax Return  
Title 18, United States Code, Sections 371 and 1347 - Conspiracy to Commit Health Care Fraud

**PARTICIPATING AGENCIES**

Internal Revenue Service, Criminal Investigation Division  
Federal Bureau of Investigation