

# NEWS

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United States Department of Justice  
U.S. Attorney, District of New Jersey  
970 Broad Street, Seventh Floor  
Newark, New Jersey 07102

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***Christopher J. Christie, U.S. Attorney***

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Four From New Jersey and New York  
Charged with Health Care Fraud, Money Laundering

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(More)

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NEWARK – Four individuals were arrested on Wednesday on charges of health care fraud that included the participation of medical doctors to further the schemes, U.S. Attorney Christopher J. Christie announced.

The 22-count Indictment unsealed with the arrests on Wednesday also charges money laundering and witness tampering.

Arrested by Special Agents of the FBI and IRS Criminal Investigations Division were Aleksander Sirota, a/k/a “Alexander Sirota,” 37, of Freehold; Elizabeth DeGuzman, 47, of Elizabeth; Grigory Sirota, a/k/a “Grisha Sirota,” 62, of Brooklyn, N.Y. York; and Jack Melman, a/k/a “Yaakov Melman,” 46, of East Brunswick.

Each defendant made initial appearances yesterday before U.S. Magistrate Judge Mark Falk, and bail was set as follows: Aleksander Sirota, \$500,000 secured by real estate equity; Grigory Sirota, \$350,000 secured by real estate equity; DeGuzman, \$200,000 personal recognizance bond; and Melman, \$500,000 secured by real estate equity.

According to the Indictment, Aleksander Sirota was the principal of TFS Management Services, Inc., a company that billed insurance companies in New Jersey and elsewhere on behalf of medical doctors who operated out of an office in Elizabeth. TFS later did business under the name ADS Management Services. According to the Indictment, Aleksander Sirota split the profits received from the insurance companies with medical doctors.

Count One of the Indictment alleges that Aleksander Sirota, Grigory Sirota, and another individual referred to as “V.R.,” a medical doctor, conspired to defraud insurance companies by billing for medical treatments and services not actually rendered to patients and by billing insurance companies for treatments rendered by unlicensed and unqualified individuals, such as Grigory Sirota. According to the Indictment, the insurance companies provided health benefits to individuals reportedly involved in motor vehicle collisions.

Count Two of the Indictment alleges that, during a different period, Aleksander Sirota, Grigory Sirota, Elizabeth DeGuzman, a licensed physical therapist, and another individual referred to in the Indictment as “I.Z.,” also a medical doctor, conspired to defraud insurance companies by billing the companies for medical treatments and services not actually rendered to patients and by billing insurance companies for treatments rendered by unlicensed and unqualified individuals.

Furthermore, the Indictment alleges that I.Z. coached patients to lie about their physical condition to permit the continuation of the fraudulent billing scheme. The Indictment further alleges that an individual, posing as a patient but who was acting in an undercover

capacity, assisted in the investigation. According to the Indictment, on or about May 10, 2004, the individual referred to as I.Z. coached the undercover individual to state, "To undergo treatment . . . to me the truth, but to everybody else it's necessary to complain," or words to that effect. The Indictment further alleges that Elizabeth DeGuzman fabricated medical records to further the fraudulent billing scheme.

The Indictment alleges that Aleksander Sirota, Grigory Sirota and Melman, with the assistance of an individual referred to as L.W., then conspired to launder the money fraudulently obtained through the billing scheme. According to the Indictment, Aleksander Sirota wrote TFS and ADS checks to Grigory Sirota's company, Continental Medical Supplies, and L.W.'s company, Premier Sales and Marketing.

After depositing these TFS, ADS, and Continental checks into his corporate account, the Indictment alleges that L.W. gave cash, minus a percentage for himself, to Melman. Thereafter, L.W. gave fictitious invoices back to Melman, falsely representing that L.W.'s company either provided legitimate services, such as sales and marketing, to TFS and ADS, or sold medical supplies and equipment to Continental. In total, the Indictment alleges the named defendants and their co-conspirators laundered in excess of \$400,000.

The Indictment also charges Aleksander Sirota, Grigory Sirota, and Jack Melman with several substantive counts of money laundering.

Finally, Aleksander Sirota is charged, in Count Twenty-Two, with tampering with V.R. According to the Indictment, Aleksander Sirota instructed V.R. to lie at a federal bankruptcy deposition concerning the fee-splitting arrangement he allegedly had with V.R.

The health care fraud charges with which Aleksander Sirota, Grigory Sirota, and Elizabeth DeGuzman are charged carries with it a maximum statutory prison sentence of 10 years and a \$250,000 fine.

The money laundering charges with which Aleksander Sirota, Grigory Sirota, and Jack Melman are charged carries with it a maximum statutory prison sentence of 20 years and a \$500,000 fine.

The witness tampering charge with which Aleksander Sirota is charged carries with it a maximum statutory prison sentence of 10 years and a \$250,000 fine.

An Indictment is merely an accusation. Despite Indictment, every defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt.

The case is being prosecuted by Assistant U.S. Attorney Anthony Moscato of the U.S.

Attorney Office's Strike Force Unit, in Newark.

Christie credited Special Agents of the FBI, under the direction of Special Agent in Charge Weyan Dun, and Special Agents of the IRS, under the direction of Special Agent in Charge William P. Offord, with the investigation leading to today's arrests.

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Defense Counsel:

A. Sirota: Ken Kaplan, New York, New York

G. Sirota: Dayan Albert, Forest Hills, New York

DeGuzman: Keith O.D. Moses, Jersey City, New Jersey

Melman: Michael Chazen, Freehold, New Jersey