

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA	:	Criminal No. 20-
	:	
v.	:	Hon.
	:	
LUIS G. AGUIRRE	:	18 U.S.C. § 1349

I N F O R M A T I O N

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

1. Unless otherwise indicated, at all times relevant to this

Information:

- a. Defendant LUIS G. AGUIRRE (“AGUIRRE”) resided in Kearny, New Jersey.
- b. “Auto Body Shop-1” was a business located in West New York, New Jersey where automobiles were repaired by mechanics and technicians.
- c. “MRI Center-1” was a business located in Rochelle Park, New Jersey, which provided medical imaging services, including X-rays and magnetic resonance imaging (“MRI”) exams, among other services, to the general public.
- d. “Individual-1” worked as an employee of Auto Body Shop-1.
- e. “Individual-2” worked as an employee of MRI Center-1.

f. “Individual-3” resided in North Bergen, New Jersey.

g. “Auto Insurer-1” was a private automobile insurance company providing personal injury protection (“PIP”) for automobile accidents and was considered a “health care benefit program,” as defined under 18 U.S.C. § 24(b).

Personal Injury Protection

h. Under the New Jersey Personal Injury Protection, or “No Fault” statute, N.J.S.A. § 39:6A-1, et seq., all drivers in New Jersey were required to maintain insurance. Under the “No Fault” statute, automobile insurers (“PIP insurers”) were required to promptly pay for a range of benefits, including medical expenses, to individuals involved in car accidents without consideration of fault.

i. The “No Fault” statute in New Jersey did not provide for a mandatory minimum limit of coverage for medical expenses. So-called “standard” coverage was \$250,000 for medical expenses, but drivers could opt for reduced coverage limits of \$15,000, \$50,000, \$75,000, or \$150,000.

j. “Medical expenses” were defined by statute as “reasonable and necessary expenses for treatment or services as provided by the policy, including medical, surgical, rehabilitative and diagnostic services and hospital expenses, provided by a health care provider licensed or certified by the State or by another state or nation.” N.J.S.A. § 39:6A-2(e).

k. To be “medically necessary” meant that “the treatment is consistent with the symptoms or diagnosis, and treatment of the injury (1) is

not primarily for the convenience of the injured person or provider, (2) is the most appropriate standard or level of service which is in accordance with standards of good practice and standard professional treatment protocols, . . . and (3) does not involve unnecessary diagnostic testing.” N.J.S.A. § 39:6A-2(m).

1. In certain instances, PIP insurers could require a health-care provider to submit pre-certification for certain medical procedures before they would agree to reimburse for the procedures. New Jersey regulations permitted the PIP Insurers to deduct a penalty for medical expenses that were not pre-certified as required.

m. A PIP insurance plan was considered a “health care benefit program,” as defined by 18 U.S.C. § 24(b), that affects commerce, and as that term is used in 18 U.S.C. § 1347.

The Conspiracy

2. From at least as early as in or about January 2015 through in or about December 2018, in the District of New Jersey and elsewhere, the defendant,

LUIS G. AGUIRRE

did knowingly and intentionally conspire and agree with others to knowingly and willfully execute, and attempt to execute, a scheme and artifice to defraud a health care benefit program, as defined by 18 U.S.C. § 24(b), and to obtain, by means of false and fraudulent pretenses, representations, and promises, money owned by, and under the custody and control of, a health care benefit

program, namely, a PIP insurance plan provided by PIP insurers, in connection with the delivery of and payment for health care benefits, items, and services, contrary to Title 18, United States Code, Section 1347.

Object of the Conspiracy

3. It was the object of the conspiracy for AGUIRRE and others to unlawfully profit by orchestrating an automobile accident scheme in which victims fabricated or exaggerated injuries to co-conspirator health care practitioners, which caused the submission of false and fraudulent insurance claims to PIP insurance plans for medically unnecessary services, thereby triggering reimbursements from PIP insurance plans to co-conspirator health care practitioners who paid AGUIRRE and others for helping to carry out the scheme.

Manner and Means of the Conspiracy

4. AGUIRRE helped to orchestrate the automobile accident scheme in and around Bergen County, New Jersey by acting as a “runner” who identified and recruited accident victims to the scheme and subsequently introduced them to various chiropractors, medical imaging centers, and others, who billed PIP insurance plans for medically unnecessary services.

5. To carry out the automobile accident scheme, AGUIRRE and others, known and unknown, typically directed the scheme to unfold in the following manner.

6. In coordination with AGUIRRE, Individual-1 identified and recruited to the scheme individuals who had been in car accidents so the

individuals could fabricate and exaggerate injuries from the automobile accidents in exchange for cash payments. AGUIRRE, Individual-1, and others identified these individuals through various means, including through word-of-mouth in the community and through relationships with health care providers in northern New Jersey.

7. AGUIRRE paid Individual-1 a sum of money for each accident victim that Individual-1 helped identify and recruit to the scheme. Individual-1, in turn, paid accident victims for participating in the scheme.

8. AGUIRRE and others, including Individual-1, ensured that the victims had filed police reports to support subsequent insurance claims.

9. AGUIRRE then directed the accident victims to visit specific health care providers, including doctors, chiropractors, medical imaging centers, and others, to obtain medically unnecessary medical exams and services, such as X-rays and MRIs, for fake or exaggerated injuries that they supposedly suffered during the automobile accidents.

10. AGUIRRE was paid approximately \$500 in cash by the health care providers for each individual accident victim that AGUIRRE delivered for medically unnecessary services.

11. AGUIRRE thereby caused health care providers to submit insurance claims to PIP insurance plans on behalf of the accident victims for medically unnecessary medical services.

Example of the Fraudulent Conspiracy

12. On or about September 25, 2018, Individual-3 was involved in an automobile accident in or around Elizabeth, New Jersey. Based on a police report of the incident obtained by law enforcement, the accident was minor: Individual-3 was rear-ended by another car when both were stopped at a red light. According to the police report, Individual-3 refused medical treatment at the scene, stating that Individual-3 would seek separate medical attention.

13. At the time of the accident, Individual-3 had an automobile insurance policy through Auto Insurer-1, which included PIP coverage.

14. Soon after the accident, AGUIRRE learned from Individual-1 that Individual-3 was willing to participate in the scheme in exchange for cash payment. Accordingly, on or about October 12, 2018, AGUIRRE directed Individual-3 to visit Individual-2 at MRI Center-1 for “treatment.” While there, Individual-3 underwent a series of medically unnecessary X-rays at Individual-2’s direction.

15. On or about October 16, 2018, MRI Center-1 billed Auto Insurer-1 for the medically unnecessary X-rays performed on Individual-3.

16. AGUIRRE’s participation in the conspiracy caused an estimated loss to PIP insurance plans of over \$250,000.

In violation of Title 18, United States Code, Section 1349.

FORFEITURE ALLEGATION

1. The allegations contained in Paragraphs 1 through 16 of this Information are incorporated here for the purpose of alleging forfeiture, pursuant to 18 U.S.C. § 982(a)(7).

2. Upon conviction of the offense of conspiracy to commit a Federal health care fraud offense, contrary to 18 U.S.C. § 1347, in violation of 18 U.S.C. § 1349, as alleged in this Information, the defendant, AGUIRRE, shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(7), all property, real and personal, obtained by the defendant that constitutes or is derived, directly and indirectly, from gross proceeds traceable to the commission of such offense, including but not limited to \$17,000.00 in United States currency.

Substitute Assets Provision

3. If any of the above-described forfeitable property, 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 person;
- (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 subdivided without difficulty;

the United States shall be entitled to forfeiture of substitute property, pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b).



CRAIG CARPENITO
United States Attorney