
THE UNITED STATES ATTORNEY'S OFFICE
SOUTHERN DISTRICT *of* FLORIDA

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Department of Justice

U.S. Attorney's Office

Southern District of Florida

FOR IMMEDIATE RELEASE

Wednesday, February 13, 2019

**Seven More Defendants Sentenced for Participating in
Schemes Related to Defrauding Health Care Benefit
Programs, Unlawful Dispensing of Opioids, and Money
Laundering**

Seven defendants, in multiple cases, have been sentenced for their roles in schemes related to defrauding health care benefit programs, unlawful dispensing of opioids, and money laundering.

Ariana Fajardo Orshan, U.S. Attorney for the Southern District of Florida; George L. Piro, Special Agent in Charge, Federal Bureau of Investigation (FBI), Miami Field Office; Michael J. De Palma, Special Agent in Charge, Internal Revenue Service, Criminal Investigation (IRS-CI); Jimmy Patronis, Florida Chief Financial Officer; Michael J. Waters, Special Agent in Charge, Amtrak Office of Inspector General (Amtrak-OIG); Isabel Colon, Regional Director, United States Department of Labor, Employee Benefits Security Administration (DOL-EBSA); and Dennis Russo, Director of Operations, National Insurance Crime Bureau (NICB), made the announcement.

Dr. Arman Abovyan and Tina Marie Barbuto (Case No. 18cr80122)

Dr. Arman Abovyan, 44, of Boca Raton, was sentenced today to 135 months in prison, to be followed by three years of supervised release, and was ordered to pay \$1,058,097.88 in restitution. He was previously convicted at trial of one count of conspiracy to commit health care fraud; one count of conspiracy to possess, distribute, and dispense controlled substances; and seven counts of unlawfully dispensing controlled substances. On January 24, 2019, co-defendant **Tina Marie Barbuto**, 39, of Boca Raton, was sentenced to 36 months in prison, to be followed by three years of supervised release, and was ordered to pay \$3,132,806.13 in restitution. She previously pled guilty to one count of conspiracy to commit health care fraud.

Abovyan, a licensed medical doctor in the State of Florida, was the Medical Director of Journey to Recovery (Journey) in Boca Raton and Reflections Treatment Center (Reflections) in Margate from July 2016 to December 2016. As medical director, Abovyan was responsible for evaluating patients, developing appropriate plans of treatment, and prescribing medically necessary treatment and testing. Barbuto served as the Assistant Clinical Director of Reflections from December 2015 to November 2016, and served as the Clinical Director of Reflections from November 2016 to December 2016. As Clinical Director, Barbuto was responsible for supervising clinical services, including regularly reviewing the work performed by subordinate employees.

The co-defendants established sober homes that were purportedly in the business of providing safe and drug-free residences for individuals suffering from drug and alcohol addiction. To obtain residents for the sober homes, members of the conspiracy provided kickbacks and bribes, in the form of free or reduced rent and other benefits, to individuals with insurance who agreed to reside at the sober homes, attend drug treatment, and submit to regular drug testing that members of the conspiracy could bill to the residents' insurance plans. Although the sober homes were purportedly drug-free residences, some of the defendants permitted the residents to continue using drugs as long as they attended treatment and submitted to drug testing.

Abovyan and Barbuto's co-conspirators, who owned, operated and managed sober homes, referred the residents with insurance to become patients at Journey and Reflections, in return for kickbacks and bribes which were often disguised as marketing fees, consulting fees, commissions, and case management fees. Barbuto and co-conspirators caused confirmatory testing to be performed and testing and substance abuse treatment to be billed for patients knowing that the patients had been discharged or had left the treatment centers and were no longer receiving treatment or submitting bodily fluid samples for testing at the treatment centers. Abovyan ordered drug testing for the treatment center patients, regardless of whether such testing was medically necessary or conducted and billed in compliance with the terms of the insurance plans; electronically signed hundreds of lab test results for Reflections' patients falsely certifying that he had reviewed the results and the statements of medical necessity for the lab testing; and provided blank, pre-signed prescriptions to other individuals who were not certified to prescribe controlled substances without those patients being examined.

Abovyan and Barbuto and their co-conspirators prepared and submitted fraudulent insurance claim forms to the insurance plans falsely stating that the testing and treatment had been medically necessary and actually rendered when some of the claimed testing and treatment had not been necessary or performed; failing to disclose that the patients had not been asked to pay their co-payments and deductibles; and failing to disclose that Journey and Reflections had obtained their licenses through false statements and omissions.

Mark Jeffrey Hollander (Case No. 18cr80102) and Bosco Jose Vega (Case No. 18cr80101)

On January 28, 2019, **Mark Jeffrey Hollander**, 44, of Miami, was sentenced to 21 months in prison, to be followed by two years of supervised release. On February 1, 2019, **Bosco Jose Vega**, 52, of Miami, was sentenced to 9 months in prison, to be followed by one year of supervised release. Both defendants previously pled guilty to one count of engaging in a monetary transaction of a value greater than \$10,000 that was derived from health care fraud.

Smart Lab, LLC was a company that offered bodily fluid testing services, including confirmatory urinalysis testing. Smart Lab's Chief Executive and Chief Operating Officers established employment agreements where co-conspirators would solicit bodily fluid samples from substance abuse treatment centers that would be submitted to Smart Lab for expensive confirmatory drug testing. In exchange, Smart Lab would kick back a portion of the insurance reimbursements, disguised as payments for sales commissions, to co-conspirators, understanding that a portion of these payments would then be paid, directly or indirectly, to owners, operators, or clinicians at the substance abuse treatment centers that referred the testing of urine samples from insured patients.

To achieve the goal, form standing orders and drug testing protocols were established that provided for duplicative, medically unnecessary, and expensive confirmatory testing regardless of the individual needs of any patients. To further the scheme, co-conspirator treatment center owners required the insured substance abuse treatment center patients to submit to confirmatory drug testing approximately three times per week, which Smart Lab could bill to the insurance plans. Smart Lab elected not to collect mandatory co-payments, deductibles, and other co-insurance from patients that could cause patients to be unable or unwilling to submit to testing. The defendants did not inform the insurance plans that they were not collecting the required co-insurance payments.

Hollander and Vega both signed employment agreements with Smart Lab that purported to make them "sales representatives". These agreements were used to make it appear that monies paid to them were for services rendered. The employment contracts were created to hide the true purpose and recipient of the payments. Hollander and Vega did not perform any actual services for Smart Lab and they were paid "commissions" from the proceeds of health care fraud.

John Michael Skeffington, Babette Hayes, and Mona Montanino (Case No. 18cr80018)

On January 25, 2019, **John Michael Skeffington**, 52, of Boca Raton, was sentenced to 52 months in prison, to be followed by three years of supervised release. He previously pled guilty to one count of participating in a health care fraud conspiracy and one count of obstructing a criminal health care investigation. Co-defendants **Babette Hayes**, 58, of Sarasota, and **Mona Montanino**, 56, of Boca Raton, were both sentenced to probation after previously pleading guilty to one count of obstructing a criminal health care investigation.

According to court documents, Skeffington, Hayes and Montanino established five shell companies, disguised as "laboratory marketing companies," in order to unlawfully refer medically unnecessary and excessive bodily fluid tests for residents and patients of sober homes and substance abuse treatment facilities to various clinical laboratories and rural hospitals. Hayes and Montanino purported to be the chief executive officers of some of the companies, but it was Skeffington who actually operated and controlled the companies and directed the co-defendants' actions. In exchange for patient referrals, the laboratories and hospitals would provide a pre-set percentage of insurance payments ("kickbacks") to the defendants, which they would then share with the sober homes and substance abuse treatment facilities.

The fraud scheme took advantage of higher insurance reimbursement rates for testing conducted by hospitals. In some cases, the hospitals would submit claim forms as if the patients submitted samples in person when, in reality, the patients were hundreds of miles away, were never treated

at the hospitals, and were unaware that their insurance plans were billed for the services. During the course of the scheme, Skeffington increased his use of rural hospitals for the fraudulent testing, after insurance companies began to scrutinize claims from clinical laboratories for bodily fluid tests.

The kickback amounts, often disguised as payments for sales commissions to Skeffington's companies, were based on written and unwritten agreements between Skeffington and the laboratories and hospitals. Upon receiving the payments, Skeffington would directly or indirectly provide kickback payments to the sober homes and substance abuse treatment center owners who were accomplices in the scheme.

Once Skeffington, Montanino and Hayes became aware of the FBI investigation into fraudulent medical claims, they created dozens of fake documents meant to obstruct the investigation and disguise the kickbacks as hourly payments for marketing services. They asked, both those from whom they had received kickbacks and those to whom they provided kickbacks, to sign the documents to further conceal their illegal activities. Signed documents and invoices were back-dated to make it appear as though they had been signed and submitted before the kickback payments were made.

These cases are all the result of the work of the Greater Palm Beach Health Care Fraud Task Force. The Task Force's ongoing investigation into substance abuse treatment fraud in the Southern District of Florida has resulted in 30 convictions to date. Agencies of the Task Force include the FBI, IRS-CI, the Florida Division of Investigative and Forensic Services, Amtrak OIG, DOL-EBSA, and NICB.

U.S. Attorney Fajardo Orshan commended the investigative efforts of all law enforcement agencies connected with the Task Force, as they continue to combat sober home abuses and health care fraud.

These cases were prosecuted by Assistant U.S. Attorneys A. Marie Villafañá and Alexandra Chase.

Related court documents and information may be found on the website of the District Court for the Southern District of Florida at www.flsd.uscourts.gov or at <http://pacer.flsd.uscourts.gov>

Component(s):

USAO - Florida, Southern

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