

11th Military Retiree Convicted In Ongoing Federal Investigation Of Health Care Fraud In Philippines

Madison, Wisconsin -- Peggy A. Lautenschlager, United States Attorney for the Western District of Wisconsin, announced today the eleventh federal conviction in the ongoing criminal investigation of CHAMPUS/TRICARE health care fraud in the Philippines. On April 25, 2001, defendant Romualdo Garcia entered a guilty plea to a mail fraud charge before U. S. District Judge Barbara B. Crabb based on Mr. Garcia's role in defrauding the CHAMPUS/TRICARE program. Mr. Garcia is scheduled to be sentenced on June 22, 2001, at 1:00 p.m.

Through the use of its national claims history database, TRICARE's Program Integrity Office substantiated the allegation of beneficiary fraud against the program. It also determined that more beneficiaries were involved than originally suspected. The criminal investigation is being conducted by the Defense Criminal Investigative Service, the investigative arm of the U.S. Department of Defense, Office of the Inspector General, and the Postal Inspection Service. To date, the investigation has netted eleven convictions, and no acquittals, with most defendants sentenced to over a year in federal prison. In addition, the Court has ordered the defendants to pay restitution totaling over \$1,250,000.

The defendants defrauded the CHAMPUS/TRICARE program by filing false claims. The bogus claims falsely represented that the defendants – all military retirees – and their dependents had been hospitalized at various clinics in the Philippines and had received medical services, including oxygen, laboratory, radiology-diagnosis, pharmacy, and EKG. In fact, neither the defendants nor their beneficiaries were hospitalized, and they never received the medical services described in the claims. Some of the defendants also recruited other military retirees to join the scheme.

These cases are being prosecuted in the Western District of Wisconsin because all the claims were mailed to Madison-based Wisconsin Physicians Service (WPS), which processes and pays claims, including claims submitted by military retirees residing in the Philippines.

United States Attorney Lautenschlager said, "U.S. military retirees in the Philippines who are engaging in health care fraud, or even thinking about it, should consider the serious consequences. The defendants indicted so far in this continuing investigation have been brought in custody to the United States, convicted, sent to federal prison, and ordered to pay full restitution. The United States Attorney's Office is dedicated to the continued investigation and prosecution of these important cases." Lautenschlager also noted that the prosecutions are just one aspect of an ongoing effort to stop the fraud. She said, "In addition to the criminal prosecutions, TRICARE and the Defense Department are working to stem the fraud through changes in the program that will make it more difficult for criminals to cheat the system."

Anyone with knowledge of health care fraud in the Philippines is encouraged to contact the Department of Defense HOTLINE for fraud, waste, and abuse reporting – at telephone number 800.424.9098 or via e-mail at hotline@dodig.osd.mil.

The following is a summary of the sentences to date in this continuing investigation:

Name Case Number	Charging Document Date	Loss Amount/ Restitution	Date Sentenced	Sentence
Rufino Bravo 98-CR-93-S	Indictment 09/16/98	\$41,209.65	04/08/99	7 months imprisonment; 3 years supervised release
Nicanor E. Caboteja 99-CR-5-C	Information 01/11/99	\$22,758.38	04/01/99	5 years probation w/three months home confinement
Francisco Manosca 99-CR-11-C	Information 02/11/99	\$58,260.88	05/21/99	5 years probation w/six month home confinement
Cesar P. Ramirez, Sr. 99-CR-32-S	Superseding Indictment 06/02/99	\$119,524.85	09/17/99	12 months imprisonment; 3 years supervised release
Danny Corpuz 99-CR-112-C	Indictment 10/20/99	\$26,175.75	12/19/00	6 months imprisonment; 3 years supervised release
Segundino R. Castulo 99-CR-31-S	Indictment 03/11/99	\$174,780.60	02/23/00	15 months imprisonment; 3 years supervised release
Mike D. Mercado 99-CR-28-S	Indictment 03/11/99	\$285,175.27	06/08/00	15 months imprisonment; 3 years supervised release
Ernesto V. Magoncia 99-CR-27-S	Indictment 03/11/99	\$147,904.36	01/22/01	14 months imprisonment; 3 years supervised release
Rogelio T. Rosario 99-CR-30-C	Indictment 03/11/99	\$183,556.53	01/30/01	12 months & one day imprisonment; 3 years supervised release
Romulo D. Estoesta 99-CR-113-S	Indictment 03/11/99	\$192,383.92	03/20/01	18 months imprisonment; 3 years supervised release