

NEWS RELEASE



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

***United States Attorney
Carol C. Lam***

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For Immediate Release

NEWS RELEASE SUMMARY - May 10, 2004

United States Attorney Carol C. Lam announced that the Honorable Napoleon A. Jones, Jr. sentenced Stephen Bryan Gossman in federal district court in San Diego today to 46 months in custody for years of healthcare fraud and money laundering activities. Gossman was also ordered to pay \$116,282 in restitution to Medi-Cal, fined \$315,000, and ordered to serve three years of supervised release upon completion of his term of imprisonment.

On January 30, 2004, a federal jury convicted Gossman of seven counts of healthcare fraud and ten counts of money laundering. The convictions related to Gossman's scheme to defraud Medi-Cal by falsifying applications and unlawfully concealing over \$330,000 of his grandmother's assets. Through these fraudulent applications, Gossman maximized his inheritance by convincing Medi-Cal to pay for his grandmother's long-term care for over four years. Gossman laundered the unlawfully concealed assets through 80 structured deposits into multiple bank accounts over several years.

United States Attorney Lam said, "Fraud against the Medi-Cal program jeopardizes those truly in need of medical treatment."

The case is the product of an investigation by the Internal Revenue Service Criminal Investigation Division, with tremendous support from the California Department of Health Services Investigative Branch.

DEFENDANT

Stephen Bryan Gossman

SUMMARY OF CHARGES

Counts 1-7	Healthcare Fraud, in violation of Title 18, U.S.C., § 1347 Maximum Penalty per count: 10 years; fine of \$250,000
Counts 8-17	Money Laundering, in violation of Title 18, U.S.C. § 1956 Maximum Penalty per count: 20 years; fine of \$500,000 (or twice the value of laundered funds)

AGENCY

Internal Revenue Service, Criminal Investigation Division