



U.S. Department of Justice

Seth D. DuCharme
Acting United States Attorney
Eastern District of New York

271 Cadman Plaza East
Brooklyn, New York 11201

FOR IMMEDIATE RELEASE

October 7, 2020

Contact:

John Marzulli
United States Attorney's Office
(718) 254-6323

PRESS RELEASE

LONG ISLAND CHIROPRACTOR CHARGED WITH HEALTH CARE FRAUD

A complaint was unsealed today in federal court in Brooklyn charging Joseph Stephan, a chiropractor licensed by New York State, with health care fraud for submitting false claims to the U.S. Department of Labor's (DOL) Office of Workers Compensation Programs (OWCP) for services that were not actually rendered. Stephan was arrested this morning and will make his initial appearance this afternoon before United States Magistrate Judge Vera M. Scanlon.

Seth D. DuCharme, Acting United States Attorney for the Eastern District of New York, Michael Mikulka, Special Agent-in-Charge, U.S. Department of Labor, Office of Inspector General (DOL-OIG), and Matthew Modafferi, Special Agent-in-Charge, United States Postal Service, Office of the Inspector General (USPS-OIG), announced the arrest and charges.

"As alleged, Stephan abused the trust of an important federal benefit program for employees injured on the job by billing for numerous fraudulent claims, including those for an undercover Special Agent investigating the defendant," stated Acting United States Attorney DuCharme. "This Office will continue working closely with our law enforcement partners to hold healthcare providers accountable for fraud and abuse."

"Medical providers who submit false claims to DOL's OWCP and other federal health care programs for medically unnecessary services are putting illegal profits above patients' safety. We will continue to work with our law enforcement partners and OWCP to protect the integrity of DOL's benefit programs," stated DOL-OIG Special Agent-in-Charge Mikulka.

"The U.S. Postal Service Office of Inspector General is dedicated to protecting the public's safety and the U.S. Postal Service," stated USPIS-OIG Special Agent-in-Charge Modafferi. "The Special Agents of the USPS OIG will tirelessly investigate and seek justice against those who choose to defraud federal benefit programs and put profits above the safety of their patients. The USPS OIG is thankful for the great longstanding relationships we have developed with our law enforcement partners and the U.S. Attorney's Office to combat healthcare frauds."

Stephan has been enrolled in OWCP since 2008. Certain federal employees, including employees of the United States Postal Service, who become disabled due to occupational injuries sustained during the performance of their official duties qualify for OWCP benefits. As charged in the criminal complaint, Stephan fraudulently billed OWCP for services (i) provided to patients on dates when the patients did not visit him, and (ii) that were not in fact provided during patient visits. The complaint also alleges that Stephan fraudulently billed OWCP for services purportedly provided to a USPS-OIG special agent posing as a postal employee on 23 dates when, in fact, the undercover agent did not have an appointment or meet with him.

The charges in the complaint are allegations, and the defendant is presumed innocent unless and until proven guilty. If convicted, Stephan faces a statutory maximum of 10 years' imprisonment.

The case is being investigated by DOL-OIG and USPS-OIG, and was brought by the Medicare Fraud Strike Force, under the supervision of the Criminal Division's Fraud Section and the United States Attorney's Office for the Eastern District of New York. Trial Attorney Sarah Wilson Rocha of the Criminal Division's Fraud Section is prosecuting the case.

The Defendant:

JOSEPH STEPHAN

Age: 50

Farmingdale, New York

E.D.N.Y. Docket No. 20-MJ-855