



U.S. Department of Justice

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**ARREST AND INDICTMENT OF TEN CURRENT AND FORMER  
U.S. POSTAL SERVICE EMPLOYEES AND TWO DOCTORS FOR  
WORKERS' COMPENSATION FRAUD**

*Defendants face a combined forfeiture allegation of over \$620,000.00*

SAN JUAN, P.R. - On August 30, 2013 a Federal Grand Jury in the District of Puerto Rico returned twelve separate Indictments charging ten current and former U.S. Postal Service (USPS) employees and two doctors, Luis E. Faura-Clavell and Alfonso A. Madrid-Guzmán, with fraud associated with Department of Labor (DOL) Office of Workers' Compensation Programs (OWCP). This program provides wage loss and medical benefits to employees who have become injured in the course of their official capacity within the USPS and are unable to work due to disability, announced United States Attorney for the District of Puerto Rico, Rosa Emilia Rodríguez Vélez.

A two year investigation led by the USPS-Office of Inspector General (OIG), with assistance from the FBI, Social Security Administration-OIG, Health and Human Services-OIG, the DOL-OIG and the Puerto Rico Police Department targeted fraud associated with OWCP claims.

Postal Service employees are covered by the Federal Employees' Compensation Act (FECA), which provides tax-free benefits to civilian federal employees who sustain injuries or an occupational disease as a result of their employment. Postal employees can receive up to 75 percent if there is at least one dependent. The Postal Service is the largest FECA participant, paying more than \$1 billion in benefits and \$60 million in administrative fees annually.

Pursuant to OWCP guidelines, a claimant must prove that he or she is disabled by furnishing medical documentation and other evidence with their work related claim. The employee's claim and supporting medical evidence is then evaluated by the OWCP to determine the claimant's medical impairments and the effect of the impairment on the claimant's ability to work on a sustained basis.

The investigation initially focused on doctor Luis E. Faura-Clavell and the medical documentation he completed to support the permanent disability of USPS claimants. Subsequently the investigation revealed Faura-Clavell and Alfonso A. Madrid-Guzmán, would evaluate and diagnose the claimants in an effort to justify a non-existent injury in order to deceive and persuade the OWCP to award the claimants with workers compensation benefits. The doctors would charge fees ranging up to 1,650.00 dollars for the preparation of the fraudulent medical reports.

During the investigation, additional evidence revealed six of the ten aforementioned OWCP claimants also fraudulently received Social Security Administration Disability benefits.

The defendants who illegally received the workers' compensation benefits are: Bernardo Brito-Franco; Rodolfo Vázquez-Soto; Félix Ortiz-Vázquez; Miguel Plaza-Nieves; Wilma T. Fontán; Moisés Rivera-Aponte; Samuel Badillo-Muñiz; Ricardo Rivera-Ortiz; Rafael Espinet-García; Lydia Rivera-Rodríguez. All the defendants are facing forfeiture allegations totaling more than \$620,000.00.

Brito-Franco is also charged with health care fraud.

"The Department of Justice is strongly committed to promoting compliance with federal program laws and regulations," said United States Attorney, Rosa Emilia Rodríguez-Vélez. "These arrests demonstrate that we will not tolerate criminals who engage in fraudulent schemes which deplete funds of federal benefit programs which are destined for disabled individuals who really need and are entitled to them. We will continue to vigorously pursue this systemic problem."

"Today's indictments should send a clear message to doctors and Postal employees that defrauding the federal workers' compensation program will not be tolerated," said Rafael Medina, Special Agent in Charge of the Postal Service Office of Inspector General. "Anyone who helps Postal employees commit workers' compensation fraud should know, this is only the start of our investigative efforts to expose these false claims."

Special Agent-in-Charge Edward J. Ryan of the Office of the Inspector General, Office of Investigations of the Social Security Administration stated "These fraud conspiracy schemes involving unscrupulous medical professionals and disability claims has been exposed and those involved are being brought to justice. Our cooperative investigative work targeting these conspiracies continues. OIG will continue to work with our partners to protect the integrity of the Social Security Trust Fund and the other federal compensation programs."

"We are proud to be a part of the federal team that brought these defendants to justice for defrauding Medicare by illegally becoming enrolled in the Program," said Thomas O'Donnell, Special Agent in Charge of the Office of Inspector General's New York Regional Office which also covers Puerto Rico. "Individuals who take advantage of Medicare benefits for which they do not qualify are not only diminishing funds meant for legitimate Medicare beneficiaries, they are

also defrauding the taxpayers. HHS/OIG will continue to work with our law enforcement partners in the battle against this type of eligibility fraud”.

“Today’s arrests highlight the OIG’s commitment to investigate fraud against the Federal employees’ compensation program, which provides workers’ compensation coverage to Federal employees for work-related injuries and illnesses. The OIG will continue to work with our law enforcement partners to investigate these types of fraud,” stated Gordon S. Heddell, Acting Deputy Inspector General of the U.S. Department of Labor.

The case was investigated by the USPS-OIG with the collaboration of the FBI, aforementioned OIGs and the Puerto Rico Police Department. The case was indicted by First Assistant U.S. Attorney Maria Dominguez.

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