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PRESS RELEASE

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Insurance Broker Sentenced for \$3.8 Million Fraud Scheme

WASHINGTON – A licensed insurance broker and the owner of Benefits Consulting Associates LLC was sentenced to 70 months in prison Wednesday for his role in a scheme to defraud CareFirst BlueCross BlueShield of more than \$3.8 million.

On Nov. 8, 2019, following a two-week trial, Tarek Abou-Khatwa, aka Dean Addem, 61, of the District of Columbia, was found guilty of one count of health care fraud, three counts of making false statements related to health care matters, seven counts of mail fraud, six counts of wire fraud and five counts of identity theft charged in a March 2018 indictment.

According to the evidence presented at trial, Abou-Khatwa was involved in a scheme to defraud CareFirst BlueCross Blue Shield by creating fictitious employees and altering years of birth of actual employees by as much as 40 years to lower the average age of insured groups and fraudulently obtain lower insurance premiums. He then inflated the rates charged to clients and pocket(ed) the difference, which was in excess of \$3.6 million. As part of his scheme, Abou-Khatwa also stole the identities of former employees and clients, lowered their ages, and moved them in and out of shell companies in order to obtain the fraudulently lower premiums. When groups controlled by Abou-Khatwa were audited by CareFirst, he created false census reports, false D.C. wage and tax reports, and false paystubs to coverup his fraud.

In addition to the prison sentence, Abou-Khatwa was ordered to serve three years of supervised release and pay \$3,836,709.34 in restitution and forfeit \$8,402,966.73.

Acting Assistant Attorney General Nicholas L. McQuaid of the Justice Department's Criminal Division; Acting U.S. Attorney Channing D. Phillips of the District of Columbia; Assistant Director in Charge Steven M. D'Antuono of the FBI's Washington Field Office; Special Agent in Charge Maureen Dixon of the U.S. Department of Health and Human Services Office of

Inspector General's (HHS-OIG) Philadelphia Regional Office; and Commissioner Karima Woods of the District of Columbia Department of Insurance, Securities and Banking made the announcement.

The FBI and HHS-OIG investigated the case with the help of the D.C. Department of Insurance, Securities and Banking.

Trial Attorney Alexander Kramer of the Criminal Division's Fraud Section and Assistant U.S. Attorney Ahmed Baset of the District of Columbia are prosecuting the case. Former Assistant U.S. Attorneys Virginia Cheatham and Derrick Williams of the District of Columbia previously handled the prosecution.

The Fraud Section leads the Medicare Fraud Strike Force. Since its inception in March 2007, the Medicare Fraud Strike Force, which maintains 15 strike forces operating in 24 districts, has charged more than 4,200 defendants who have collectively billed the Medicare program for nearly \$19 billion. In addition, the HHS Centers for Medicare & Medicaid Services, working in conjunction with the HHS-OIG, are taking steps to increase accountability and decrease the presence of fraudulent providers.

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