



---

THE UNITED STATES ATTORNEY'S OFFICE  
DISTRICT *of* NEW JERSEY

[U.S. Attorneys](#) » [District of New Jersey](#) » [News](#)

**Department of Justice**

U.S. Attorney's Office

District of New Jersey

FOR IMMEDIATE RELEASE

Friday, November 19, 2021

## **Two Florida Men Indicted in Multimillion-Dollar Health Care Fraud Schemes**

NEWARK, N.J. – Two Florida men have been indicted for their roles in durable medical equipment and compound medication schemes involving kickbacks and fraud, Acting U.S. Attorney Rachael A. Honig announced.

Thomas Farese, 79, of Delray Beach, Florida, and Domenic J. Gatto Jr., 47, of Palm Beach Gardens, Florida, are charged in an 11-count indictment with conspiracy to commit wire fraud, conspiracy to commit health care fraud, health care fraud, conspiracy to transact in criminal proceeds, transacting in criminal proceeds, and conspiracy to violate the federal Anti-Kickback Statute.

According to documents filed in the case and statements made in court:

Farese and Gatto played key roles in a scheme to defraud health care benefit programs by offering, paying, soliciting, and receiving kickbacks and bribes in exchange for doctors' orders for durable medical equipment (DME) without regard to medical necessity, namely orthotic braces. Farese, Gatto, and their conspirators had financial interests in multiple DME companies that paid kickbacks to suppliers of DME orders, in exchange for DME orders. The suppliers, in turn, used telemedicine companies to obtain DME orders without regard to medical necessity. The DME companies owned by Farese and Gatto subsequently fraudulently billed Medicare, TRICARE, CHAMPVA, and other health care benefit programs for the DME orders. The defendants concealed their ownership of the DME companies by using straw owners who were falsely reported to Medicare as the owners of the companies. Gatto also brokered a kickback relationship whereby he received an illegal kickback each time specific DME suppliers provided DME orders to the DME companies controlled by him and his conspirators. Gatto and his conspirators then laundered the proceeds of the scheme through several layers of bank accounts under their control.

Gatto and his conspirators entered into a related kickback scheme involving prescriptions for compounded medications. They agreed that suppliers of compounded medications would receive kickbacks in exchange for submitting the orders to the pharmacies with whom Gatto and his conspirators had relationships. Gatto also agreed with others that he would receive kickbacks from those pharmacies for the compounded medication orders submitted by those suppliers. The compounding pharmacies then billed Medicare for the compounded medication orders.

The defendants caused losses to Medicare, TRICARE, and CHAMPVA of approximately \$25 million.

The charge of conspiracy to commit wire fraud is punishable by a maximum potential penalty of 20 years in prison. The charges of conspiracy to commit health care fraud, health care fraud, conspiracy to transact in criminal proceeds, and transacting in criminal proceeds are each punishable by a maximum potential penalty of 10 years in prison per count. The charge of conspiracy to violate the federal Anti-Kickback Statute is punishable by a maximum potential penalty of five years in prison. The maximum fine for each count is \$250,000, or twice the gross profit or loss caused by the offense, whichever is greatest.

Acting U.S. Attorney Honig credited special agents of the FBI, under the direction of Special Agent in Charge George M. Crouch Jr. in Newark; the Department of Health and Human Services-Office of Inspector General, under the direction of Scott J. Lampert; the U.S. Department of Defense, Office of the Inspector General, Defense Criminal Investigative Service, under the direction of Special Agent in Charge Patrick J. Hegarty; and the U.S. Department of Veterans Affairs Office of Inspector General, under the direction of Special Agent in Charge Christopher F. Algieri, with the ongoing investigations.

The government is represented by Assistant U.S. Attorneys Sean M. Sherman of the Opioid Abuse Prevention & Enforcement Unit in Newark, Ryan L. O'Neill of the Health Care Fraud Unit in Newark, Senior Trial Counsel Barbara Ward of the Asset Recovery & Money Laundering Unit in Newark, and Trial Attorney Darren Halverson of the Health Care Fraud Unit of the Criminal Division's Fraud Section.

The charges and allegations contained in the indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

---

**Attachment(s):**

[Download faresegatto.indictment.pdf](#)

**Topic(s):**

Health Care Fraud

**Component(s):**

[USAO - New Jersey](#)

**Press Release Number:**

21-535

Updated November 19, 2021

