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Former Maine Chiropractor Pleads Guilty to Health Care Fraud and Tax Fraud

Paula Silsby, United States Attorney for the District of Maine, announced that Steven P. Amato, age 52, of Yorkville, California, waived indictment and pleaded guilty today in U.S. District Court in Portland, Maine to a four-count criminal information that charged him with one count of health care fraud and three counts of tax evasion with respect to his individual income taxes for the years 2001, 2002 and 2003.

According to court records, during the years 2000 to 2004, Amato was a chiropractor in Damariscotta, Maine, doing business as the Center for Alternative Healing, Mainecures.com, Inc., and Dr. Steven Amato, D.C., P.C. Amato also treated patients two or three days per month in Manhattan. Many of the Amato's patients had health insurance that covered, with limitations, certain chiropractic services. Court records state that Amato committed health care fraud during this period by submitting fraudulent claims to insurance companies that billed for services he did not actually render to his patients. Many of these false claims exaggerated the amount of time that Amato spent with his patients performing therapeutic procedures or conducting physical performance tests or measurements. Amato also submitted false claims that billed insurance companies for patient visits that never occurred. According to court records, the losses suffered by the health insurance companies in this case exceeded more than \$100,000.

Amato pleaded guilty to evading the assessment of his federal income taxes for the years 2001 to 2003 by filing false tax returns that substantially understated taxable income and taxes due and owing. Court records state that Amato used his primary business bank account at the Bath Savings Institution to deposit checks that he received from insurance companies. However, he deposited most of the checks he received directly from patients into a bank account that he maintained at Chase Manhattan Bank in New York. Amato's sister was the primary name on this account while Amato was listed as the secondary account holder. Court records further state that Amato deposited hundreds of thousands of dollars of business receipts into this New York bank account but never disclosed the account to his tax return preparer. Amato underreported taxable income by \$165,362 for 2001, \$241,146 for 2002 and \$241,968 for 2003. He evaded taxes totaling \$249,637 for the years 2001 to 2003.

Amato faces a maximum jail term of ten years on the health care fraud count and a maximum of five years on each of the tax counts. Each of the four counts also carries a maximum fine of \$250,000.

U.S. Attorney Silsby praised the cooperative efforts of the case agents who investigated this matter, including special agents or investigators from the Federal Bureau of Investigation, the Internal Revenue Service, the U.S. Department of Labor, the U.S. Office of Personnel Management and the U.S. Attorney's Office.