



United States of America v. Branden Coluccio et al.

Liberation Way

The National Health Care Anti-Fraud Association is proud to recognize the **United States of America v. Branden Coluccio et al. (Liberation Way)** investigation and prosecution teams with this year's **Investigation of the Year Award — Honorable Mention**.

The investigation into Liberation Way, a drug rehabilitation center, represents one of the first and largest drug rehabilitation health care fraud cases in southeastern Pennsylvania. The fraud was a sophisticated, multi-layered scheme that took advantage of individuals suffering from substance use disorder to generate millions in fraudulent claims. In July 2015, Liberation Way was founded by recovering drug addicts, Branden Coluccio, Dallas Fetterman, and Jason Gerner, with the goal to make millions of dollars and eventually sell the company. Within three years, Liberation Way billed insurance companies for over \$100 million and was paid more than \$35 million. At the height of the scheme, Liberation Way was earning over \$2 million per month. By December 2017, seventy percent of Liberation Way was sold to a venture capital firm for \$41.6 million.

After a referral by Independence Blue Cross in July 2016, the case was investigated by multiple state and federal law enforcement agencies, to include the Federal Bureau of Investigation, Office of Personnel Management, Pennsylvania Office of Attorney General, and the United States Attorney's Office, Eastern District of Pennsylvania. Through the tireless efforts of the investigation team it was determined that Liberation Way was involved in three main fraudulent schemes: billing for services not rendered, enrollment fraud, and a kickback scheme. Liberation Way fraudulently purchased Affordable Care Act policies for prospective patients without insurance or without coverage for out-of-network providers in order to bill for expensive "treatment" purportedly provided to these patients. Furthermore, Liberation Way's CEO created an elaborate kickback scheme involving thousands of medically unnecessary urine tests which were sent to Florida-based laboratories.

In 2019, 11 individuals were indicted by the Pennsylvania Office of Attorney General and the United States Attorney's Office, Eastern District of Pennsylvania. Of the 11 individuals indicted, all pleaded guilty to either the state or federal charges. Currently, 10 individuals have been sentenced with a cumulative total of 135 months in prison, 11 months of home confinement, 13 years of supervised release, and 150 months of probation. In addition, they have been ordered to pay over \$9 million in restitution. Regarding the founders of Liberation Way, Jason Gerner was sentenced to 3 years in prison plus 3 years of supervised release and must pay \$9.3 million in restitution. Brandon Coluccio was sentenced to 37 months in prison and ordered to pay over \$3 million in restitution. Dallas Fetterman died of an overdose in May 2017 and never made it to trial.



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CONGRATULATIONS TO

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