

Two men acquitted in Miami of \$65 million scheme involving genetic and COVID-19 tests

Last year, the Justice Department charged five men with running a pandemic-era racket that falsely billed Medicare and another federal program \$65 million for genetic and COVID-19 testing that prosecutors said were not medically necessary.

Prosecutors also accused them of paying kickbacks to doctors and recruiters who steered hundreds of thousands of patients' tests to a lab in Texas, Innovative Genomics, which collected \$44 million from the taxpayer-funded Medicare system and a COVID-19 insurance program.

Before trial in Miami federal court, three of the men pleaded guilty to conspiring to commit healthcare fraud and cooperated as government witnesses against the remaining two defendants. But after a month-long trial, a 12-person jury on Thursday acquitted Diego Sanudo Sanchez Chocron, 48, and Gregory Charles "Milo" Caskey, 58, of the conspiracy charge and six related offenses.

Both had an ownership interest in the Texas lab, along with the government's main witness, Enrique Perez-Paris, 48, who had recruited his childhood friend, Sanchez, into the business. Perez-Paris pleaded guilty along with Nadir Perez, 27, and Omar Palacios, 35, who ran pop-up tents in Miami for COVID-19 testing after the virus struck in March 2020.

The jury's acquittals were unusual because the Justice Department rarely loses such cases in South Florida — [recognized as the nation's healthcare fraud capital](#) — particularly those involving defendants like the three defendants who pleaded guilty and testified against the co-conspirators at trial. But the outcome in the Miami case may have been foretold when more than halfway through the trial, U.S. District Judge Rodolfo Ruiz dismissed two conspiracy charges against Sanchez and Caskey regarding paying kickbacks and laundering tainted proceeds from the alleged healthcare fraud scheme.

Sanchez's defense lawyers, Lauren Krasnoff and David Oscar Markus, argued that their client believed all of the genetic and COVID-19 tests were medically necessary, saying he relied on lawyers, doctors and billers of the federal claims.

"We are so happy for Diego, who had the courage to fight this case even after his friend turned against him and lied to try and save his own skin," Krasnoff and Markus said in a statement on Friday. "We are thankful to the judge and the jury for giving us a fair shake and the opportunity to prove Diego's innocence."

Caskey's defense attorneys, Andrew Feldman and Kyra Harkins, argued that Justice Department prosecutors failed to prove the genetic and COVID-19 tests were medically unnecessary and that the Texas lab's bills were fraudulent.

"Mr. Caskey and his family are ecstatic about the result of this trial and that he gets to return to his home in San Antonio," Feldman said Friday.

The Justice Department's case, investigated by the FBI and Health and Human Services-Office of Inspector General, was sparked by the insider information of another healthcare operator, Nikita Hermesman, who owned part of the Texas lab, Innovation Genomics.

But Hermesman, a cooperating witness, was not charged with the five defendants in the Miami case. Instead, Hermesman pleaded guilty last year to a separate conspiracy of paying kickbacks to doctors who steered genetics tests to other Texas labs under his ownership. He was sentenced to 10 years in prison.