



U.S. Department of Justice

United States Attorney Richard B. Roper
Northern District of Texas

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CONTACT: KATHY COLVIN
PHONE: (214)659-8600
FAX: (214) 767-2898

FORMER NURSING HOME EXECUTIVE/LAWYER PLEADS GUILTY TO CONSPIRACY AND TAX EVASION CHARGES

FORT WORTH, Texas — Gary R. Trebert, 57, pled guilty this morning before U.S. Magistrate Judge Charles Bleil to two counts of an indictment that charged him with various offenses related to his operation of nursing homes in Texas and elsewhere, announced U.S. Attorney Richard B. Roper of the Northern District of Texas. Co-defendant Larry Gordon May pled guilty to his role in the conspiracy in October 2007 and is scheduled to be sentenced on April 28, 2008. Co-defendant Stephen Michael Ewing, a/k/a "Stephen Michaels," is scheduled to go on trial March 3, 2008.

Trebert pled guilty to conspiracy to defraud the government by obstructing and impeding lawful government functions of the Internal Revenue Service (IRS) and the Department of Health and Human Services (HHS) and tax evasion and aiding and abetting. He faces a maximum statutory sentence of 10 years in prison, a \$500,000 fine and restitution that will be determined by the Court based on all of his criminal conduct relating to the offenses charged in the indictment, including, but not limited to, unpaid taxes and unlawfully obtained healthcare payments. The government will, however, as per the plea agreement, make a non-binding recommendation that the Court sentence Trebert to a term of eight years in the custody of the Bureau of Prisons. Trebert is scheduled to be sentenced by U.S. District Judge Terry R. Means on July 14, 2008.

U.S. Attorney Roper said, "This case is the one of the largest payroll tax fraud cases ever prosecuted in the U.S. Mr. Trebert admitted evading more than \$34 million in payroll taxes - this is nothing short of egregious. Nursing homes should be safe havens for the elderly and vulnerable, not vehicles for criminals to commit fraud."

"Any time false statements and documents are used to obtain control of healthcare entities, especially as in this case nursing homes, the nation's health insurance programs suffer, and our most vulnerable citizens are imperiled," said Special Agent in Charge Mike Fields of the HHS Office of the Inspector General's (OIG) Dallas Regional Office. "Our HHS OIG investigators will continue to work closely with our law enforcement partners to identify providers who deliberately manipulate the system to obtain crucial Medicare or Medicaid dollars."

"Evading employment taxes can have serious consequences for employers and their employees. Today's guilty plea demonstrates that those who willfully attempt to undermine our tax system by playing fast and loose with the rules will be held accountable, regardless of how complicated a scheme they devise," said Erick Martinez, IRS Special Agent in Charge for the Dallas Field Office.

Robert E. Casey Jr., Special Agent in Charge, Dallas FBI stated, "Health Care Fraud remains a top