



**FORMER PROGRAM DIRECTOR OF CLINICAL TREATMENT
FACILITY AND TWO PATIENT BROKERS PLEAD GUILTY IN
HEALTH CARE FRAUD SCHEME**

Activity Date: May 15, 2024

Date Posted: October 9, 2024

Case Number: 21-0226-I

Web Summary: OIG-WS-2024-351

William Leonard and Kevin Leonard, both California residents, pleaded guilty on May 15, 2024, in U.S. District Court, Southern District of California, to conspiracy and health care fraud charges. William and Kevin Leonard were patient brokers who unlawfully brokered patients to clinical treatment facilities owned and operated by Paragon Recovery LLC. In exchange, William and Kevin Leonard received kickbacks payments. The scheme resulted in the fraudulent billing of insurance companies for services that were not performed.

Previously, Stephen Reeder, an Ohio resident, pleaded guilty on January 22, 2024, to Conspiracy related to a health care fraud scheme. Reeder was the program director at Paragon Recovery, which operated a clinical treatment facility in California. Our investigation found that Reeder and others conspired to solicit, offer, and receive illegal remunerations for referrals to clinical treatment facilities. Specifically, at the direction of the owners of Paragon Recovery, Reeder caused payment to be made to William and Kevin Leonard for patients they referred to the facility. Amtrak's insurance providers were billed approximately \$1,152,000 over the course of the scheme.