



Fifth health care provider pleads guilty, another sentenced for roles in \$12 million health care fraud scheme targeting Amtrak

May 22, 2026

NEWARK, N.J. — A New York physical therapist pleaded guilty May 12, 2026, and another physical therapist from New Jersey was sentenced Thursday for participating in a health care fraud conspiracy that bilked Amtrak out of more than \$12 million, according to the U.S. Attorney's Office for the District of New Jersey.

Jaekwan Lee, 41, of Flushing, New York, pleaded guilty May 12, 2026, to conspiracy to commit health care fraud, becoming the fifth health care provider to plead guilty in the scheme. Taejin Kim, 44, of Fort Lee, was sentenced Thursday to a year and one day in prison, two years of supervised release, and was ordered to pay more than \$2.2 million in restitution. In total, 19 individuals, including a dozen Amtrak employees, have pleaded guilty in the wide-ranging case investigated by the Amtrak Office of Inspector General.

Lee allowed his license and business bank accounts to be used in a health care fraud scheme, which occurred from January through June 2022. According to court documents and statements made in court, Lee and his co-conspirators billed Amtrak's health care plan for fraudulent claims for services that were never provided and were medically unnecessary. In return for the use of his license and bank accounts, Lee kept a portion of the proceeds. Amtrak's health care plan paid more than \$800,000 for claims associated with Lee.

Other members of the conspiracy recruited Amtrak employees to participate in the scheme by paying them cash, in return for allowing the conspirators to use their personal and insurance information to submit false and fraudulent claims. Like Lee, Kim used Amtrak employees' insurance information to submit false claims for which Amtrak paid approximately \$2,253,453.

In May 2025, Amtrak OIG issued an investigative report to Amtrak detailing the widespread conspiracy in which at least 119 employees wrongfully coordinated with various health care providers to steal from Amtrak's health care plan from 2019 to 2022. The employees implicated in the scheme were based in Pennsylvania, Delaware, New Jersey, New York, Maryland, Connecticut, and Washington, D.C.

In addition to Amtrak OIG, the case was investigated by the Amtrak Police Department and the Drug Enforcement Administration.

Reports of fraud, waste, or abuse; criminal or unethical acts affecting Amtrak's property or operations; or mismanagement in Amtrak programs or operations can be made 24 hours a day via the Amtrak OIG Hotline at 1-800-468-5469 or online at <https://direc.to/hPAu>.

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