2019CF002648AKKMB

Rough Arrest Only ☐

ARREST / NOTICE TO APPEAR
Juvenile Referral Report

1. Arrest 2. N.T.A. 3. Request for Warrant 4. Request for Capias | 3 | Juvenile | N

ADMINISTRATION

OBTS Number	Agency ORI Number	Agency Name	Agency Report Number
	FL0500000	PALM BEACH COUNTY SHERIFF'S OFFICE	06- 19-044602

Charge Type: Check as many as apply. ☒ 1. Felony ☐ 2. Traffic Felony ☐ 3. Misdemeanor ☐ 4. Traffic Misdemeanor ☐ 5. Ordinance ☐ 6. Other

Weapon Seized/Type: 1. Yes 2. No **2**

Multiple Clearance Indicator **1**

Location of Arrest (Including Name of Business):

Location of Offense (Business Name, Address): **1509 PROSPERITYFARMS RD, LAKE PARK, FL**

Date of Arrest	Time of Arrest	Booking Date	Booking Time	Jail Date	Jail Time	Location of Vehicle

DEFENDANT

Name (Last, First, Middle): **KOSHI, KEVIN SHIGERU**

Alias (Name, DOB, Soc. Sec. #, Etc.):

Race (W - White, B - Black, I - American Indian, O - Oriental/Asian)	Sex	Date of Birth	Height	Weight	Eye Color	Hair Color	Complexion	Build
W	M	06/17/1963	5'9	160	BRN	BRN	MED	MED

Scars, Marks, Tattoos, Unique Physical Features (Location, Type, Description):

Marital Status: **UNKNOWN** Religion: **UNKNOWN**

Indication of: Alcohol Influence ☐ Y ☒ N ☐ Unk. Drug Influence ☐ Y ☒ N ☐ Unk.

Local Address (Street, Apt. Number)	(City)	(State)	(Zip)	Phone	Residence Type (1. City 2. County 3. Florida 4. Out of State)
6552 NW 32ND WAY	BOCA RATON	FL	33496	( )	1

Permanent Address (Street, Apt. Number)	(City)	(State)	(Zip)	Phone	Address Source
				( )	

Business Address (Street, Apt. Number)	(City)	(State)	(Zip)	Phone	Occupation
				( )	

D/L Number, State	Soc. Sec. Number	INS Number	Place of Birth	Citizenship
K200-517-63-217-0	[redacted]		CALIFORNIA	USA

CO-DEF

Co-Defendant Name (Last, First, Middle)	Race	Sex	Date of Birth	
KIGAR, JAMES FRANCIS	W	M	05/16/1961	☐ 1. Arrested ☒ 3. Felony ☐ 5. Juvenile ☐ 2. At Large ☐ 4. Misdemeanor
Co-Defendant Name (Last, First, Middle)	Race	Sex	Date of Birth	☐ 1. Arrested ☐ 3. Felony ☐ 5. Juvenile ☐ 2. At Large ☐ 4. Misdemeanor

JUVENILE

☐ Parent ☐ Legal Custodian ☐ Othe — Name (Last) (First) (Middle) — Residence Phone

Address (Street, Apt. Number) (City) (State) (Zip) — Business Phone

Notified by: (Name) Date Time — **Juvenile Disposition** 1. Handled/Processed within Dept. and Released 2. TOT HRS/CYF 3. Incarcerated

Released To: (Name) Relationship FCIC/NCIC Date Time

The above address was provided by defendant and/or defendant's parents. The child and/or parent was told to keep the Juvenile Court Clerk's Office informed of any change of address: ☐ Yes, by: (Name) ☐ No: (Reason)

School Attended Grade

CODE

Recovery Information
0. N/A 1. Voluntary 2. Located Not Returned 3. Hospitalized 4. HRS Custody 5. Law Enforcement Custody 6. Returned to Parent 7. Deceased 8. Other **0**

Drug Activity N. N/A P. Possess S. Sell B. Buy T. Traffic R. Smuggle D. Deliver E. Use K. Dispense/ Distribute M. Manufacture Produce/ Cultivate Z. Other

Drug Type N. N/A A. Amphetamine B. Barbituate C. Cocaine E. Heroin H. Hallucinogen M. Marijuana O. Opium/Deriv. P. Paraphernalia/ Equipment S. Synthetic U. Unknown Z. Other

CHARGE

Charge Description	Counts	Domestic Violence	Statute Violation Number	Violation of ORD #
PATIENT BROKERING	1	☐ Yes ☒ No	817.505(1)(b)	

Drug Activity	Drug Type	Amount/Unit	Offense #	Warrant/Capias Number	Bond
N	N	$5401.40	06-19-044602		

CHARGE

Charge Description	Counts	Domestic Violence	Statute Violation Number	Violation of ORD #
CONSPIRACY TO COMMIT PATIENT BROKERING	1	☐ Yes ☒ No	777.04(3)	

Drug Activity	Drug Type	Amount/Unit	Offense #	Warrant/Capias Number	Bond
N	N	5401.40	06-19-044602		

CHARGE

Charge Description	Counts	Domestic Violence	Statute Violation Number	Violation of ORD #
		☐ Yes ☐ No		

Drug Activity	Drug Type	Amount/Unit	Offense #	Warrant/Capias Number	Bond

CHARGE

Charge Description	Counts	Domestic Violence	Statute Violation Number	Violation of ORD #
		☐ Yes ☐ No		

Drug Activity	Drug Type	Amount/Unit	Offense #	Warrant/Capias Number	Bond

NOTICE TO APPEAR

☐ Instruction No. 1 Mandatory Appearance in Court
☐ Instruction No. 2 You need not appear in Court but must Comply with instructions on reverse side.

Location (Court, Room Number, Address):

Court Date and Time — Month Day Year Time A.M. P.M.

I AGREE TO APPEAR AT THE TIME AND PLACE DESIGNATED TO ANSWER THE OFFENSE CHARGED OR TO PAY THE FINE SUBSCRIBED. I UNDERSTAND THAT SHOULD I WILLFULLY FAIL TO APPEAR BEFORE THE COURT AS REQUIRED BY THIS **NOTICE TO APPEAR,** THAT I MAY BE HELD IN CONTEMPT OF COURT AND A WARRANT FOR MY ARREST SHALL BE ISSUED.

Signature of Defendant (or Juvenile and Parent/Custodian) Date Signed

ADMIN

HOLD for other Agency Name:

☐ Dangerous ☐ Resisted Arrest ☐ Suicidal ☐ Other:

Signature of Arresting Officer: X 15527

Name of Arresting Officer (Print): DET. M. BEREY I.D. #: 15527

Name Verification (Printed by Arrestee) (PRINT) _____

Intake Deputy I.D. # Pouch #

Transporting Officer I.D. # Agency: PBSO

Witness here is subject signed with an "X".

PAGE 1 OF 1

DISTRIBUTION: 1st WHITE - COURT 2nd WHITE - RECORDS GREEN - STATE ATTY. YELLOW - CID PINK - JAIL (Rough Arrest) GOLD - DEFENDANT (Misd.) or BLOTTER (Felony)

NOT A CERTIFIED COPY

OBTS Number	PROBABLE CAUSE AFFIDAVIT 1. Arrest 2. N.T.A. 3. Request for Warrant 4. Request for Capias	3	Juvenile	N

Agency ORI Number	Agency Name	Agency Report Number
FLO 5 0 0 0 0 0	PALM BEACH COUNTY SHERIFF'S OFFICE	06 – 19-044602

Charge Type: ☒ 1. Felony ☐ 3. Misdemeanor ☐ 5. Ordinance
Check as many ☐ 2. Traffic Felony ☐ 4. Traffic Misdemeanor ☐ 6. Other as apply.

Special Notes:

Defendant's Name (Last, First, Middle)	Race	Sex	Date of Birth
KOSHI, KEVIN SHIGERU	W	M	06/17/1963

Charge Description	Charge Description
PATIENT BROKERING	CONSPIRACY TO COMMIT PATIENT BROKERING
Charge Description	Charge Description

Victim's Name (Last, First, Middle)	Race	Sex	Date of Birth
STATE OF FLORIDA			

Victim's Local Address (Street, Apt. Number) (City) (State) (Zip)	Phone	Address Source

Victim's Business Address (Name, Street) (City) (State) (Zip)	Phone	Occupation

The undersigned certifies and swears that he/she has just and reasonable grounds to believe, and does believe that the above named Defendant committed the following violation of law. The Person taken into custody...

☐ committed the below acts in my presence.
☐ confessed to _____ admitting to the below facts.
☐ was observed by _____ who told _____ that he/she saw the arrested person commit the below acts.
☒ was found to have committed the below acts, resulting from my (described) investigation.

On the 18TH day of MARCH, 20019 at 11:00 ☒ A.M. ☐ P.M. (Specifically include facts constituting cause for arrest).

NARRATIVE:

Beginning in 2017, I participated as a member of the Palm Beach County State Attorney's Office Sober Homes Task Force ("SHTF") in multiple investigations of Patient Brokering (paying or receiving kickbacks for the referral of patients to a health care facility). § 817.505(1)(a)-(b), Fla. Stat. My investigations primarily focused on clinical labs paying kickbacks to various entities for the referral of patients' urine analysis ("UA") testing.

One of those investigations involved Coastal Laboratory, LLC ("Coastal"), located at 1509 Prosperity Farms Rd. Lake Park, FL 33403. Florida Sunbiz records show that Coastal was formed on May 16, 2014 by Andrew Hope, Derek Pagan, and Craig Jochum. In September 2014, Thomas R. Stanley, II was added as "Manager" of the LLC, and in April 2015 Jesse Peters was added as "Manager" of the LLC. AHCA records show that Coastal was licensed as a clinical lab from February 26, 2015 to February 2017. During that 2 year period, Coastal billed insurance companies more than $141 million.

On April 21 2017, SHTF Investigators Ted Padich, David Kerschner and Analyst Susan Pentecost met with Rob Murphy and Louis Devaleix. Devaleix had set up the meeting to turn over evidence of possible Patient Brokering by Coastal. Devaleix and Murphy were providing health care recruitment services to Coastal through their Valeo Resources/Melior Health business, and they eventually acquired Coastal. Devaleix provided copies of checks drawn on the Bank of America and JPMorgan Chase accounts of Coastal allegedly representing kickbacks to multiple addiction

NOT A CERTIFIED COPY

treatment centers or their affiliates. One of the treatment centers whose owners or representatives allegedly received one or more payments was Whole Life Recovery, LLC ("WLR".) During 2016, WLR's Sunbiz records listed KKMD, LLC and GEM-KAM, LLC as Managers. Sunbiz records also show KKMD was established in 2015 listing James Kigar, Kevin Koshi, Matthew Driscoll, and Brian Mangines as Managers.

In a September 26, 2017 interview with Devaleix, he provided me with a 7-page document detailing Jesse Peters' marketer list and spreadsheet (collectively referred to as the "spreadsheet.") Peters later confirmed in subsequent interviews that he maintained the spreadsheet to calculate and track payments to marketers and treatment center owners for UA referrals.

In an October 19, 2017 interview of Julie Stagmiller, former employee of Coastal, she reviewed the spreadsheet with me and said that she helped Peters maintain the spreadsheet. She said Tom Stanley was also fully aware of the spreadsheet and the payments referenced therein, and she had met with Stanley and Peters together to review this spreadsheet in 2016. The spreadsheet includes "Whole Life" entries for insurance receipts collected in 2016 by Coastal. Under this heading, it also references amounts due to "Salesperson Coastal Commission-KKMDB LLC 20%." Florida Sunbiz records show that KKMDB was established July 6, 2016 with JKBM, LLC and Another Chance, LLC as Managers. In 2016, James Kigar and Brian Mangines were the listed Managers of JKBM, and Kevin Koshi, Matthew Driscoll, and Mike Buley were listed as the Managers of Another Chance.

Certified JPMorgan Chase Bank records show a posted check number 10448 drawn on the Coastal Laboratory, LLC account ending in [redacted] and payable to KKMDB, LLC dated 7/20/16 in the amount of $5,401.40. In the column identified by Peters and Stagmiller as the June 2016 column, the Peters' spreadsheet shows a payment of $5,401.40 due on the KKMDB commission line. This amount equals exactly 20% of the combined amounts listed on the "Collected by Coastal..." line for the periods May and June, 2016. The endorsement signature on the back of this check appears to match the signature of Matthew Driscoll in Florida's DAVID records.

Stagmiller said that Peters and Stanley paid numerous people a percentage of the monies collected from insurance companies for UA testing that they referred to Coastal. She explained that the percent listed on the spreadsheet represented the amount that marketers got for their referrals. And, she said, in many cases the marketers were the owners of the treatment centers. Stagmiller said that KKMDB was affiliated with WLR, and that they got 20% of insurance receipts for WLR UA tests referred to Coastal.

NOT A CERTIFIED COPY

In a review of emails obtained pursuant to an email search warrant dated November 2, 2017 and signed by the Honorable Judge Keyser, correspondence was identified among Peters, Driscoll, Kigar, Koshi, and Mangines. In a July 8, 2016 email from Driscoll to Peters, Driscoll requests to pick up a check from Coastal. Peters replies, cc'ing Mangines, Kigar, and Koshi, that Coastal cuts "marketing checks" on the third Thursday of the month. Later that day Mangines emails Driscoll asking if they will use a "MA or OA", apparently referring to a marketing agreement or operating agreement. Then on July 15, 2016, Mangines emails Peters providing him with the LLC name of KKMDB and promising to send a signed "MA" shortly.

An "Independent Contractor's Agreement" between Coastal and KKMDB signed by Mangines and dated July 15, 2016 was emailed from Mangines to Peters, Koshi, and Driscoll at 3:50 PM on July 15, 2016. That contract provides that Coastal will pay KKMDB 20% of amounts collected by Coastal in exchange for "marketing, advertising, and customer relation services" to Coastal. As noted above, a check dated July 20, 2016 was payable from Coastal to KKMDB. On July 25, 2016 Koshi sent out an email to attorney Mike Buley saying "...Iberia Bank should be contacting you to fill out forms so we can open an account for the lab business (KKMDB LLC...). Subsequently, the above noted check was deposited to that Iberia Bank account and posted by JPMorgan Chase Bank on August 8, 2016. That check appears to relate only to collections by Coastal for WLR Life UA's, and WLR was owned by essentially the same principals as KKMDB, thus making any marketing, advertising, or customer relations services appear irrelevant or even non-existent.

In a June 29, 2018 interview, Peters said that he knew Driscoll, and in April or May of 2016 Driscoll met with Peters and brought Kigar and possibly Koshi with him. Peters said that Driscoll told him they were "bleeding money", and Peters told them "you could make money off urines." Peters and Driscoll first met in a diner in Boca Raton, FL, and then met (along with Kigar and one other individual) to do the contract at an office in Palm Beach County, FL. Peters said he shook hands with Kigar and Driscoll on a deal to send the WLR UA's to Coastal. We reviewed the July 20, 2016 check from Coastal to KKMDB. Peters said he recognized the check as a Coastal check but wasn't sure who signed it. He thought the endorsement signature was Driscoll's. Peters said Stanley was aware of this agreement.

In an August 30, 2018 interview with Peters, he reconfirmed his recollection of the above meeting with Driscoll and Kigar, but he said the 3rd attendee may have been Brian Mangines. Upon again reviewing the July 20, 2016 check for $5,401.40, Peters said "this was a payment for commissions for their specimens."

In an October 9, 2018 meeting with Peters, we reviewed a series of text messages between Peters and Tom Stanley that occurred between October of 2015 and

NOT A CERTIFIED COPY

December of 2016. We also reviewed some of the emails referenced above. Peters explained that OA and MA referred to an operating agreement or marketing agreement. We reviewed the July 15, 2016 contract signed by Mangines referenced above, and Peters confirmed his knowledge of that agreement. He said that KKMDB never brought in any client other than WLR. Peters reviewed the following text messages, and said that the "John Henry guys" referred to Driscoll and Koshi:

- In a 5/31/16 text from Peters to Stanley, Peters said "Please review the redlines on email labeled blank OAs from last week. John Henry guys want to know..."
- In a 7/18/16 text, Peters said to Stanley "...Also owe a new account Wednesday that isn't on the chart...John Henry guys..."

In an October 18, 2018 interview with Paul Materia, he explained that his Apex Billing, LLC did all of the insurance claims billing for Coastal during 2016. A review of the Apex Billing records of Coastal provided by Materia on January 8, 2019 shows that for 2016 Coastal billed insurance companies more than $2.1 million for UA tests of WLR's patients.

Based on all of the above, probable cause exists to issue a warrant for the arrest of:

1. James Kigar, Matthew Driscoll, Brian Mangines, and Kevin Koshi for one (1) count of Patient Brokering under §§ 817.505(1)(b) and 777.011, Fla. Stat., a 3rd deg. Felony, for soliciting or receiving a kickback in the amount of $5,401.40 for the referral of patients or patronage to or from a health care facility (from Whole Life to Coastal) on or about July 20, 2016.

2. James Kigar, Matthew Driscoll, Brian Mangines, and Kevin Koshi for one (1) count of Conspiracy to Commit Patient Brokering under §§ 817.505(1)(b) and 777.04(3), Fla. Stat. for agreeing, conspiring, combining, or confederating with each other, and/or Jesse Peters and/or Thomas R. Stanley, II to commit Patient Brokering under § 817.505(1)(a),(b), and (d), Fla. Stat. between May 6, 2016 and August 8, 2016.

NOT A CERTIFIED COPY

Sworn and Subscribed before me	
Signature Notary Public / Clerk of Court / Officer (F.S.S 117.10)	Signature of Arresting / Investigating Officer
Inv. Ted Padich	**Det. MARK BEREY #15527**
Name of Notary Public / Clerk of Court / Officer (F.S.S 117.10)	Name of Officer (Please Print)
3/18/19	**3/18/19**
Date	Date