19-210574

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- 19-041523

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): **TRAUTMAN, RONALD WILLIAM**

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	01/08/1963	5'11	170	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 ☐ ☒ ☐

Local Address (Street, Apt. Number)	(City)	(State)	(Zip)	Phone	Residence Type (1. City 2. County 3. Florida 4. Out of State)
14765 HAYMARKET CT	WELLINGTON	FL	33414	( )	2

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
T635-739-63-008-0	[redacted]		PENNSYLVANIA	USA

CO-DEF

Co-Defendant Name (Last, First, Middle)	Race	Sex	Date of Birth	
AHMED, ALI	O	M	12/28/80	☐ 1. Arrested ☒ 3. Felony ☐ 5. Juvenile ☐ 2. At Large ☐ 4. Misdemeanor
				☐ 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	23	☐ Yes ☒ No	817.505(1)(b)	

Drug Activity	Drug Type	Amount/Unit	Offense #	Warrant/Capias Number	Bond
N	N	$1,198,496.21	06-19-041523		

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	$1,198,496.21	06-19-041523		

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

SHARON R. BOCK, CLERK PALM BEACH COUNTY, FL CIRCUIT CRIMINAL

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:

Intake Deputy I.D. # Pouch #

Signature of Arresting Officer X 15527

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

Transporting Officer I.D. # Agency: PBSO

Name Verification (Printed by Arrestee) (PRINT)

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)

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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 – 19-041523

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
TRAUTMAN, RONALD WILLIAM	W	M	01/08/1963

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.

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Devaleix provided copies of checks drawn on the Bank of America and JPMorgan Chase accounts of Coastal allegedly representing kickbacks to multiple addiction treatment centers or their affiliates. One of the treatment centers whose owners or representatives allegedly received payments was Wellington Counseling & Associates, LLC ("WCA.") During 2016, Florida Sunbiz records for WCA listed Ronald Trautman and Cassandra Sierra as Managers. According to Florida Sunbiz records, WCA also operated under the fictitious name of "Elevations Health" until April, 2016. WCA and Elevations Health are collectively referred to as WCA herein.

In a September 26, 2017 interview with Devaleix, he provided me with a 7-page document detailing 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 with me that spreadsheet and said that she had helped Peters maintain that spreadsheet. She said 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 "Elevations Health" entries for insurance receipts collected in 2016 by Coastal. Under this heading, it also references amounts due to "Starboard Ventures LLC 40%". Florida Sunbiz records show that Starboard Ventures, LLC was established June 3, 2015. The listed Manager as of August 5, 2015 was Ali Ahmed ("Ahmed.") Certified Chase Bank records for Starboard Ventures show Ahmed as Manager and authorized signer. For at least the first 5 months of 2016, the amounts due Starboard Ventures on Peters' spreadsheet exactly matched the check amounts from Coastal deposited to Starboard's Chase Bank account.

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. As detailed below, Ahmed was partnering with Trautman to collect referral fees for the UA's that WCA sent to Coastal for testing and billing.

Stagmiller said she wasn't sure who owned Starboard, but she said Starboard was "paid as a marketer." She said the payments to Starboard "were based on Ron Trautman's facilities' performance." She thought the facilities were WCA and Jacob's Wellness. She said Ahmed "came in to get the checks" for Starboard. She said she

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saw him pick up checks many times, made out to Starboard. She said she often handed him the check in an envelope.

On November 2, 2017, I interviewed Shaun Stafford. He said that in late 2015 or early 2016 he was working for Medytox Lab and WCA was a client of his. He said WCA brought in a partner named "Ron" (later identified as Ron Trautman.) Stafford said that at his first meeting with Trautman in Wellington, Fl., Trautman said "I have a big problem with how much "f"ing money you guys make on our patients, and I make nothing." Stafford said that shortly after that he lost the WCA account and the WCA account went to Coastal. He said Trautman inferred that he wanted to be paid for WCA's UA's.

Stafford said he later went to work for Devaliex at his Valeo/Melior corporate office. He said that Ahmed and his brother Sebastian Ahmed were big players in the treatment business. He said Ahmed was always at Devaliex's office, and he was usually wearing scrubs. Stafford said that he witnessed both Ahmed and Trautman picking up envelopes from Devaliex at the Melior Office. Stafford said Trautman would show up frequently at the Melior office and ask Devaleix "where's my money?" Stafford said Ahmed also asked for his money "all the time." He said Ahmed said "where's my money, where's the check? I've had all my business with you for x amount of months..." He said the Ahmed brothers also wanted to have a lab partnership with Coastal.

In a February 8, 2018 interview with Andrew Hope, he said in late 2015 he spoke with Ahmed at Coastal once because Ahmed wasn't happy with what he got paid. He thought Ahmed was involved with WCA. He said Ahmed felt like he was sending more specimens than he got credit for and wasn't being paid accordingly. Hope said the pay was based on the collections that came in from insurance companies. Hope said he remembered working with Peters once on his marketer spreadsheet and helping him to improve the calculations of what the marketers' commissions should be.

In a January 29, 2018 interview with Derek Pagan, he said that he had seen Ahmed at the Coastal office many times, and he said Ahmed was representing the WCA account. Pagan said he was aware that Coastal was paying Ahmed as a rep for WCA in conjunction with a marketing contract. He also said that he occasionally saw Trautman at Coastal's office. He thought Trautman may be there because he was considering a lab partnership with Coastal.

In a June 29, 2018 interview, Peters said he thought Coastal had an agreement with Trautman regarding the WCA account, but he said "apparently it was with Al Ahmed, and Al Ahmed was paying Ron (Trautman)." Peters said he signed many (if not all) of the checks to Starboard, and he handed most of them to Trautman and some of them

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to Ahmed. He said they picked the checks up at Coastal's office, or sometimes at a Starbucks. He said these checks were commissions on the WCA account for UA testing.

Peters said that Ahmed was sending clients to WCA, and Trautman was compensating him by "breaking him off portions of the money for the urine." Peters said that Paul Materia introduced Trautman to him and Stanley, and he said Stanley managed the relationship with Trautman at the beginning because Trautman was very difficult.

In an August 30, 2018 meeting with Peters, we reviewed numerous checks including the 24 checks listed below totaling over $1.3 million payable to Starboard Ventures LLC from the Coastal bank accounts at both Bank of America and JPMorgan Chase Bank. Peters said that all of those checks were given to either Ahmed or Trautman and no one else. He said he gave them the checks at Coastal's office or sometimes at a Starbucks or elsewhere in PBC. Peters said that these payments were for the UA's brought to Coastal. Peters said that he was aware that Ahmed was providing clients to WCA, and when I said that it appeared that Ahmed was sharing in a portion of the payments from Coastal to Starboard, Peters said, "That's a fact." Peters said he knew that from discussions he had with both Ahmed and Trautman. Peters reviewed these 24 checks to Starboard and said that all appeared to him to be actual checks paid thru Coastal's bank accounts.

Date	Check #	PAYOR	AMOUNT
3/17/2016	10260	Coastal Laboratory, LLC	$141,525.86
4/20/2016	10296	Coastal Laboratory, LLC	$221,206.45
5/16/2016	10403	Coastal Laboratory, LLC	$191,947.26
6/27/2016	10427	Coastal Laboratory, LLC	$147,610.95
7/21/2016	10449	Coastal Laboratory, LLC	$ 45,270.46
7/29/2016	10455	Coastal Laboratory, LLC	$ 45,270.46
8/19/2016	10477	Coastal Laboratory, LLC	$ 33,614.58
8/25/2016	10478	Coastal Laboratory, LLC	$ 33,614.58
8/31/2016	10479	Coastal Laboratory, LLC	$ 33,614.58
9/13/2016	10480	Coastal Laboratory, LLC	$ 33,614.59
9/21/2016	10507	Coastal Laboratory, LLC	$ 40,000.00
9/30/2016	10508	Coastal Laboratory, LLC	$ 40,000.00
10/4/2016	10506	Coastal Laboratory, LLC	$ 40,000.00
10/13/2016	10508	Coastal Laboratory, LLC	$ 40,000.00
11/3/2016	10536	Coastal Laboratory, LLC	$ 25,000.00
11/4/2016	10537	Coastal Laboratory, LLC	$ 25,000.00
11/9/2016	10538	Coastal Laboratory, LLC	$ 25,000.00
11/21/2016	10544	Coastal Laboratory, LLC	$ 25,000.00

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11/23/2016	10539	Coastal Laboratory, LLC	$ 24,862.40
11/30/2016	10546	Coastal Laboratory, LLC	$ 25,000.00
12/2/2016	10547	Coastal Laboratory, LLC	$ 25,000.00
12/6/2016	10548	Coastal Laboratory, LLC	$ 25,000.00
12/30/2016	10562	Coastal Laboratory, LLC	$ 16,434.95
1/3/2017	10565	Coastal Laboratory, LLC	$ 16,434.95
			$1,340,022.07

A review of the certified records of Starboard's Chase Bank account shows that during 2016 $1,236,000 in cash withdrawals were made from this account. There were 162 cash withdrawals averaging just over $7,600 per withdrawal. The withdrawal tickets contain a customer signature that appears to match the signature of Ahmed's signature on his Florida "DAVID" records.

In an October 9, 2018 meeting with Peters, we reviewed a series of text messages between Peters and Tom Stanley that occurred from 10/15 thru 12/16. Peters explained the following messages from the referenced dates:

- On 11/11/15, he confirmed a meeting at WCA with Ahmed. He said Ahmed worked for Trautman with regard to sending WCA's UA's to Coastal for testing.
- On 12/20/15, he confirmed that a reference to "Ron" was Trautman, and Peters said that Trautman was complaining that he was not getting paid enough for referring the UA's of WCA to Coastal for testing.

Peters said that he met Trautman through Paul Materia. He said Materia told him that Cassandra Sierra of WCA had a new partner, Trautman, who wanted to do a lab deal or lab partnership. Peters said Materia also introduced Ahmed to him. Peters said Trautman and Ahmed became partners and were present together in at least 2 meetings with him. He said: "it was explained that this was who we were going to be paying" referring to Starboard. He said Stanley had a relationship with Ahmed too. Peters said that although he and Trautman were discussing a future pod lab partnership, Trautman wanted to be paid for referring his WCA UA's to Coastal in the meantime. Peters again said he believed that Trautman was compensating Ahmed for referring patients to WCA by letting him keep a portion of the Starboard Venture proceeds from Coastal.

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. He said he met Trautman and Ahmed through a mutual friend when they were attempting to open a call center for patient placement to treatment centers. Materia said he knew that Trautman was providing lab specimens to Coastal from WCA.

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One day in 2016 when Ahmed and Materia were at Coastal, Materia said that Ahmed was complaining to him about Trautman. Materia said that Ahmed was Trautman's rep for the UA's from WCA. Materia said Ahmed told him that he "was the bagman for Trautman." Materia said Ahmed told him: "Ron is riding me for money. I have to give him cash or diamonds" for his share of the checks from Coastal. Ahmed told him that Trautman wanted Ahmed to collect the checks and then cash them and give Trautman his share in cash or diamonds because Trautman "didn't want a paper trail." Materia said that Jesse Peters was present when Ahmed said this.

Materia said that he saw Ahmed pick up checks from Peters at the Coastal office on multiple occasions. He thought that Trautman got 2/3 of the payments and Ahmed kept 1/3. Materia thought that Trautman might have opened a pod lab with Coastal. Later on, Materia said Trautman was complaining to him about not getting enough money and thought Ahmed or Coastal was shorting him. Materia said he was involved with this, because as the billing company rep, he attended meetings at Coastal about claims receipts. Materia said he had to explain to Trautman any billing discrepancies. He said he thought it was interesting that Trautman was so "highly focused" on how much Coastal was collecting from WCA UA's. He said he would only be interested in that if he had a financial interest in those receipts. Materia stated that Stanley and Peters were fully aware of the checks that Ahmed picked up regularly in 2016.

On July 23, 2018 I spoke by phone with Trautman and he did not wish to answer questions or meet with me, and he referred me to his attorney. On July 24, 2018 I was advised by an attorney for Cassandra Sierra of WCA that Trautman had requested (on the 24th) that WCA delete his email account records at WCA.

A review of the Apex Billing records of Coastal provided by Materia on January 8, 2019 shows that from late 2015 thru all of 2016 Coastal billed insurance companies more than $22 million for UA tests of WCA patients.

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

1. Ali Ahmed and Ronald Trautman for twenty-three (23) counts of Patient Brokering under §§ 817.505(1)(b) and 777.011, Fla. Stat., a 3rd deg. Felony, for soliciting or receiving kickbacks in the amount of $1,198,496.21 for the referral of patients or patronage to or from a health care facility (from WCA to Coastal) between April 20, 2016 and January 3, 2017.

2. Ali Ahmed and Ronald Trautman for one (1) count of Conspiracy to Commit Patient Brokering under §§ 817.505(1)(b) and 777.04(3), Fla. Stat. for agreeing,

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NARRATIVE CONTINUATION

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 April 20, 2016 and January 3, 2017.

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

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