

# Arizona Wound Graft Cases

Hospice Patient Targeting · Related Fraud Cases · April 2025 – October 2025

As of April 23, 2026

## ARIZONA CASES — DETAILED CASE CARDS

**USA v. Gehrke & King (Apex Medical LLC)** Billed: \$1.2B  
Paid: \$615M  
Phoenix, AZ — D. Arizona  
SENTENCED — Oct 2025

Gehrke and King deployed medically untrained sales reps into hospices, group homes, and ALFs to find elderly Medicare patients with wounds of any kind. Sales reps ordered oversized amniotic allografts (4x6cm minimum regardless of wound size) to maximize billing. Nurse practitioners were ordered to suspend medical judgment and apply all grafts as directed. Grafts were applied to non-existent wounds, already-healed wounds, and patients receiving palliative care — some of whom died the same day.

**HOSPICE CONNECTION:** Sales reps specifically entered hospice facilities to identify terminally ill patients as targets. The hospices were unwitting access points — not the billing entity. Gehrke and King billed Medicare directly through their own provider-enrolled companies.

**Defendants:**

Alexandra Gehrke, 39 — Owner, Apex Medical LLC & Viking Medical Consultants LLC  
15.5 yrs + \$614.9M restitution + \$279.9M forfeiture  
Jeffrey King, 46 — Co-owner  
14 yrs + \$605.7M restitution + \$130.8M forfeiture  
Civil FCA: \$309M settlement (Gehrke/Apex \$279.9M + King \$30M)  
Assets seized: \$97M from 28 bank accounts; Ferrari 488 Spider; 3 Mercedes; \$21M life insurance annuities; gold/silver bars

**USA v. Kontos, Kupetz & Kinds** Billed: \$1B+  
Paid: \$600M+  
Mesa / Scottsdale / Phoenix, AZ — D. Arizona  
INDICTED — June 30, 2025

A copycat of the Gehrke/King model, run through Apex Mobile Medical LLC, APX Mobile Medical LLC, and Viking Medical Consultants LLC. Kontos and Kupetz — neither with medical training — identified elderly Medicare patients, ordered allografts, and referred them to Kinds (a nurse practitioner) who applied whatever quantities and sizes the sales reps ordered without independent medical assessment. Multiple oversized grafts applied to single small wounds. \$1B+ in claims submitted in just 14 months.

**HOSPICE CONNECTION:** DOJ indictment specifically states defendants 'targeted elderly Medicare patients, many of whom were terminally ill in hospice care.' Patients were located through hospices and applied treatments without coordination with their hospice treating physicians.

**Defendants:**

Tyler Kontos, 29 (Mesa) — Charged: conspiracy to commit HCF, HCF, conspiracy to defraud US, money laundering  
Joel 'Max' Kupetz, 36 (Scottsdale) — Charged: same + receiving HCF kickbacks  
Jorge Kinds, 49 (Phoenix) — Licensed NP; charged: conspiracy to commit HCF, HCF, conspiracy to defraud US; paid up to \$1,000/application  
All charges are allegations; defendants presumed innocent until convicted.

## WHY THESE CASES ARE CLASSIFIED AS 'RELATED'

Neither case involved fraudulent hospice billing. The hospice agency was not the billing entity and was largely unwitting. Instead, perpetrators used the hospice care setting as an access point to identify vulnerable, terminally ill Medicare patients with wounds — then billed Medicare directly through their own separately enrolled provider companies for medically unnecessary wound grafts. The fraud mechanism is wound-graft billing, not hospice billing.

## SHARED SCHEME ELEMENTS

- Both cases  
Medically untrained sales reps as frontline agents
- Both cases  
Oversized allografts regardless of wound severity
- Both cases  
Nurse practitioners instructed to suspend medical judgment
- Both cases  
Hospice patients specifically targeted as billing targets

## CASE TIMELINE

- Nov 2022 Gehrke/King scheme begins
- Oct 2024 Gehrke pleads guilty
- Jan 2025 King pleads guilty
- Jun 2025 Kontos/Kupetz/Kinds indicted — National HCF Takedown
- Oct 7–10, 2025 Gehrke sentenced 15.5 yrs; King sentenced 14 yrs
- Dec 12, 2025 \$309M civil FCA settlement announced

## TOTAL COMBINED EXPOSURE

<b>\$2.2B+</b>	<b>\$1.2B+</b>	<b>5</b>	<b>2</b>
Total Billed	Total Paid	Defendants	Prosecutions

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1. USA v. Gehrke & King — DOJ Sentencing — <https://www.justice.gov/opa/pr/wound-graft-company-owners-sentenced-12b-health-care-fraud-and-agree-pay-309m-resolve-civil>  
2. HHS-OIG Enforcement — <https://oig.hhs.gov/fraud/enforcement/wound-graft-company-owners-sentenced-for-12b-health-care-fraud-and-agree-to-pay-309m-to-resolve-civil-liability-under-the-false-claims-act/>  
3. USA v. Kontos et al. — DOJ National HCF Takedown — <https://www.justice.gov/usao-az/pr/district-arizona-charges-7-defendants-part-national-health-care-fraud-takedown>