



# Department of Justice

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Western District of North Carolina**

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**NORTH CAROLINA PODIATRIST AND HIS SON FACE WIRE FRAUD  
CHARGES IN CONNECTION WITH UNEMPLOYMENT INSURANCE BENEFITS  
SCHEME**

ASHEVILLE, N.C. – A North Carolina podiatrist and his son are facing federal charges in connection with an unemployment insurance benefits scheme, announced R. Andrew Murray, U.S. Attorney for the Western District of North Carolina. A criminal bill of information was filed in U.S. District Court in Asheville today, charging Dr. Jerry Gross, 72, and his son, Jason Lee Gross, 51, both of Rutherfordton, N.C., with wire fraud.

Nick S. Annan, Special Agent in Charge of ICE/Homeland Security Investigations (HSI) in Georgia and the Carolinas; Robert Schurmeier, Director of the North Carolina State Bureau of Investigation; and Rafiq Ahmad, Special Agent in Charge of the Department of Labor-Office of the Inspector General, join U.S. Attorney Murray in making today's announcement.

According to filed court documents, Dr. Jerry Gross owned and operated the Foot & Ankle Center of the Carolinas, P.A. (Foot & Ankle Center), located in Forest City, N.C. Dr. Jerry Gross's son, Jason Lee Gross, also worked at the Foot & Ankle Center, managing the practice's business operations, including payroll and personnel decisions. Filed documents show that, from September 2009 to March 2013, Dr. Jerry Gross and Jason Lee Gross carried out a scheme to defraud the State of North Carolina by placing employees of the Foot & Ankle Center on Unemployment Insurance Benefits ("UI Benefits") while those employees continued to work at the business in excess of what was permitted by the program eligibility requirements. According to court records, the scheme enabled Foot & Ankle Center to survive the economic downturn during those years by creating a free labor force.

According to filed court documents, during the relevant time period, Jason Lee Gross laid off, at various times, employees of the Foot & Ankle Center, including himself and Dr. Jerry Gross. Court records show that Jason Lee Gross made UI Benefits claims on behalf of the laid off employees, including himself and his father. Jason Lee Gross certified the initial eligibility for UI Benefits of each of the employees, and continued to certify their eligibility on a weekly basis for the UI Benefits they received. Jason Lee Gross did so despite knowing that at least four of the employees regularly failed to comply with the program eligibility requirements, including by regularly working in excess of the hours allowed by the program.

Court records show that Dr. Jerry Gross did not file any such certifications, but knew that Jason Lee Gross had placed the employees on unemployment, and was aware that at least four of those employees continued to work on a full-time or near-full-time basis, while the practice continued to generate revenue. Court documents further show that Dr. Jerry Gross also collected considerable UI Benefits himself, despite deliberately turning a blind eye to whether or not he was complying with the eligibility requirements for the program, when in fact he was not complying. Court records show that the scheme caused the State of North Carolina to pay out at least \$149,970 in UI Benefits to laid-off Foot & Ankle center employees that did not meet the eligibility requirements.

The maximum penalty for the wire fraud charge is 20 years in prison and a \$1,000,000 fine. Signed plea agreements were also filed today. Plea hearings have not been set.

In making today's announcement U.S. Attorney Murray thanked HSI, SBI, and the Department of Labor for their investigation of the case.

Assistant U.S. Attorney Daniel Bradley of the U.S. Attorney's Office in Asheville is in charge of the prosecution.

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