



Department of Justice

United States Attorney Billy J. Williams
District of Oregon

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SPRINGFIELD WOMAN SENTENCED TO PRISON FOR HEALTH CARE FRAUD AND TAX EVASION

PORTLAND, Ore.—On September 2, 2020, a Springfield woman who owned several durable medical equipment stores in Oregon was sentenced to federal prison for defrauding six health insurance plans of approximately \$1.3 million and for evading \$99,000 in federal income taxes, announced U.S. Attorney Billy J. Williams.

Saffron Gustafson, 43, was sentenced to 21 months in federal prison and three years' supervised release. Gustafson was also ordered to pay more than \$1.3 million in restitution to the victim insurance plans.

"Health care fraud affects all Americans because it increases the cost of health insurance and reduces the amount of money insurance plans have available to pay legitimate claims," said U.S. Attorney Williams. "The investigation and prosecution of health care fraud is a priority for the U.S. Attorney's Office and the Justice Department."

"Ms. Gustafson exploited the insurance companies of vulnerable patients and then evaded payment of her significant tax liability," said IRS-Criminal Investigation Special Agent in Charge Justin Campbell. "Tax evasion is a crime that impacts each and every American, which is why it is a top priority for IRS-Criminal Investigation special agents."

According to court documents, between June 2013 and August 2017, Gustafson owned and operated Saffron's Specialized Medical, a durable medical equipment company with retail stores in Portland, Springfield, and Salem, Oregon and in Vancouver, Washington. Gustafson's stores supplied customized compression garments to patients with circulatory medical conditions.

To defraud health insurance plans, Gustafson submitted bills requesting payment amounts inflated by 600% or more. To support these false billings, Gustafson, and employees acting at her direction, fabricated invoices from her wholesaler. Gustafson and her employees destroyed the genuine wholesaler invoices so insurance companies could not review them during audits. The six victim insurance plans are Cambia (Regence), CHAMP VA, Cigna, Kaiser Permanente, TRICARE, and Providence.

Gustafson also evaded \$99,606 in income taxes she owed for 2015 by falsifying records and diverting profits from her company to pay various personal expenses, including paying off the mortgage on her parents' rental property and paying her psychic.

On November 12, 2019, Gustafson pleaded guilty to a criminal information charging her with health care fraud and tax evasion.

This case was investigated by the FBI; IRS-Criminal Investigation; and the U.S. Department of Health and Human Services, U.S. Department of Veterans Affairs, and Amtrak Inspectors General. It was prosecuted by Seth D. Uram, Assistant U.S. Attorney for the District of Oregon.

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