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As Part of National Healthcare Fraud Sweep, Los Angeles-Based Prosecutors Filed 16 Cases Alleging \$660 Million in Fraudulent Bills

LOS ANGELES – In another massive law enforcement action targeting health care fraud, federal authorities here announced today criminal cases naming a total of 33 defendants – including doctors, pharmacists and an attorney – who have been charged in a wide-range of schemes that collectively attempted to bilk public and private insurance programs out of more than \$660 million.

The defendants charged locally are among hundreds of people charged across the United States in cases that cumulatively allege approximately \$2 billion in false billings. The [nationwide sweep](#) includes charges against 165 doctors, nurses and other licensed medical professionals who allegedly participated in health care fraud schemes

In the Central District of California, most of the defendants were charged for their roles in schemes to defraud health insurance programs such as Medicare. The cases allege health care fraud and kickback schemes involving surgeries, compounded drugs, home health services, Medicare Part D prescription drugs and hospice care.

“Health care fraud schemes cost Americans billions of dollars every year through higher premiums and tax money stolen from public programs, such as Medicare,” said First Assistant United States Attorney Tracy L. Wilkison. “There is an incredible array of scams, some of which involve services that are simply never provided, and some of which use complicated and sophisticated ruses to conceal illegal acts, such as bribes. Today’s announcement of the far-reaching law enforcement actions targeting a wide range of schemes and a large number of defendants demonstrates the excellent work by our law enforcement partners. Together, we will continue the hard work necessary to identify and hold accountable corrupt health care professionals and fraudsters seeking to line their pockets with your hard-earned money.”

9 new defendants charged in Operation “Spinal Cap”

This week, prosecutors unsealed charges against nine new defendants being charged as part of Operation “Spinal Cap,” which targets a long-running health care fraud scheme that generated nearly \$1 billion in fraudulent claims to federal government, California state, and private insurers. The scheme – which was spearheaded by **Michael Drobot**, the former owner of Pacific Hospital in Long Beach – involved more than \$40 million in illegal kickbacks paid to doctors and other medical professionals in exchange for referring thousands of patients who received surgeries and other services at Pacific Hospital.

In the cases announced today in Operation Spinal Cap:

- **Daniel Capen**, 68, of Manhattan Beach, an orthopedic surgeon, has agreed to plead guilty to conspiracy and illegal kickback charges. Capen accounted for approximately \$142 million of Pacific Hospital’s claims to insurers, on which the hospital was paid approximately \$56 million.
- **Timothy Hunt**, 53, of Palos Verdes Estates, another orthopedic surgeon who referred spinal surgery patients to Capen and other doctors, has agreed to plead guilty to a conspiracy charge involving his receipt of illegal kickbacks stemming from various financial relationships with Pacific Hospital and related entities.
- **George William Hammer**, 65, of Palm Desert, the former chief financial officer of the physician management arm of Pacific Hospital, has agreed to plead guilty to tax charges based on the fraudulent classification of illegal kickbacks in hospital-related corporate tax filings.
- **Lauren Papa**, 52, of Tarzana, a chiropractor, has agreed to plead guilty to a conspiracy charge involving her receipt of illegal kickbacks to refer patients to a neurosurgeon with the understanding that the neurosurgeon would perform the surgeries at Pacific Hospital.
- **Tiffany Rogers**, 53, of Palos Verdes Estates, an orthopedic surgeon, was named in an indictment unsealed Wednesday in connection with receiving illegal kickbacks to refer patients for spinal surgeries at Pacific Hospital.
- **Brian Carrico**, 64, of Redondo Beach, a chiropractor – along with Performance Medical & Rehab Center, Inc., which was partially owned by Carrico; and One Accord Management, Inc., which Carrico wholly owned – were charged in connection with the receipt of illegal kickbacks to influence the referral of patients to Pacific Hospital. An indictment unsealed Wednesday alleges that these defendants and other co-conspirators were responsible for approximately \$80 million in claims submitted to the federal workers’ compensation program and were paid approximately \$56 million in connection with patients that Performance Medical referred to Pacific Hospital.

- **William Parker**, 64, of Redondo Beach, was charged in a separate indictment unsealed on Wednesday in connection with the same kickback scheme involving Carrico and his companies.

With the new cases being filed in Operation Spinal Cap, the fraudulent claims related to this scheme now span a 15-year period and cumulatively total more than \$950 million.

The investigation into the spinal surgery kickback scheme is being conducted by the Federal Bureau of Investigation; IRS Criminal Investigation; the California Department of Insurance; and the United States Postal Service, Office of Inspector General.

“Public health insurance programs – whether a workers’ compensation program or Medicare – are not a personal pocketbook for criminals seeking to exploit government programs designed to help those who need these plans the most,” stated R. Damon Rowe, Special Agent in Charge of IRS Criminal Investigation’s Los Angeles Field Office. “Taxpayers rightly expect individuals working in the healthcare industry that receive payments from taxpayer-funded programs to scrupulously follow the rules. IRS Criminal Investigation will continue to protect the integrity of public health insurance programs and ensure that doctors, pharmacists and medical service providers who profit from these illicit schemes are held accountable.”

The new cases were filed by Assistant United States Attorney Ashwin Janakiram of the Major Frauds Section, and will be prosecuted by AUSA Janakiram and Assistant United States Attorneys Joseph T. McNally and Scott D. Tenley of the Santa Ana Branch Office.

The nine new defendants charged in this investigation will be summoned to appear for arraignments in United States District Court in Santa Ana next month.

Investigation into compound prescription kickback scheme at TYY Consulting

An indictment unsealed on Wednesday outlines a wide-ranging conspiracy that was responsible for more than \$250 million in fraudulent claims for prescriptions that were filled by compounding pharmacies in Nevada and Southern California. The indictment charges **Irena Shut**, 41, **an attorney** who resides in Hidden Hills, with paying kickbacks to two podiatrists to authorize prescriptions written on pre-printed prescription pads designed to maximize insurance payments, regardless of the medical need for an expensive compounded formulary for each “patient.”

The scheme was operated through **TYY Consulting**, a Las Vegas, Nevada-based outfit that used a nationwide network of marketers to refer prescriptions to TYY-affiliated pharmacies in exchange for kickbacks. As a result of the fraudulent claims, the victim health care plans paid out nearly \$175 million. Shut, who worked as a marketer for TYY, received approximately \$6.8 million in kickbacks, some of which was, in turn, given to the charged podiatrists.

The charged podiatrists, **Domenic Signorelli**, 51, of Irvine, and **Robert Joseph**, 51, of Huntington Beach, along with several other unnamed co-conspirator doctors, allegedly received kickbacks for “writing” the prescriptions. Once the prescriptions were filled, members of the conspiracy submitted fraudulent claims to federal, state and private insurers for the compounded drugs.

The victims of the scheme include the Department of Defense’s TRICARE program – which provides civilian health benefits for U.S Armed Forces military personnel, military retirees, and their dependents – as well as federal and state workers’ compensation programs.

In addition to paying kickbacks to the charged podiatrists and other medical professionals, TYY induced other doctors to participate in the scheme by offering prostitutes, fancy meals, and expensive event tickets, according to the indictment.

This case is being investigated by the FBI and the United State Postal Service, Office of Inspector General (USPS-OIG).

USPS-OIG Special Agent in Charge Brian Washington stated, “Today’s indictments should send a clear message to all health care providers that health care fraud is a federal crime that carries serious consequences and will not be tolerated. The USPS-OIG, along with our law enforcement partners, will continue to aggressively investigate those who engage in fraudulent activities intended to defraud federal benefit programs and the Postal Service.”

This case is being prosecuted by Assistant United States Attorney Ashwin Janakiram of the Major Frauds Section.

Shut, Signorelli and Joseph will be directed to appear for arraignments next month in federal court in Los Angeles.

Distribution of prescription opioids

Angela Gillespie-Shelton, 48, of Houston, was arrested Wednesday in her hometown after being indicted last week in Los Angeles on federal drug trafficking and money laundering charges. The six-count indictment alleges that Gillespie-Shelton was one of the leaders of a narcotics trafficking ring based in Los Angeles that sold illegal prescriptions for cash and obtained opioids and other drugs that were shipped from Los Angeles to Texas for sale on the black market.

Gillespie-Shelton allegedly laundered over \$1 million of the black market cash proceeds through numerous accounts both to conceal the proceeds and to further the narcotics trafficking conspiracy, including by paying rent for the clinic where the illegal prescriptions were written. The

indictment further alleges that Gillespie-Shelton paid more than \$200,000 to one of the doctors who wrote the illegal prescriptions.

The doctor, **Madhu Garg** and numerous other co-conspirators have already been convicted in this matter.

The case against Gillespie-Shelton is being investigated by the Drug Enforcement Administration, IRS Criminal Investigation, the Los Angeles Police Department, the Los Angeles County Sheriff's Department, the California Department of Justice, and the Texas Department of Public Safety.

The prosecution of Gillespie-Shelton is being handled by Assistant United States Attorney Michael G. Freedman of the Organized Crime Drug Enforcement Task Force.

SoCal residents charged in compound drug scheme

A group of pharmacists, doctors and marketers worked together to defraud the TRICARE program by submitting more than \$40 million in claims for medically unnecessary compounded medications prescriptions, according to an indictment unsealed Wednesday that also alleges AMPLAN, the Amtrak employee health benefit plan, was victimized.

Marketers that participated in the scheme solicited beneficiaries of the health plans through misleading cold calls that promised free compounded medications, as well as through "wellness" programs that included gym memberships, fitness tracking devices and supplements. The marketers used sensitive personal and insurance information gathered from the beneficiaries to generate fraudulent prescriptions for compounded medications.

The marketers paid doctors to authorize prescriptions by misleading the doctors into believing that the marketers operated legitimate telemedicine businesses or by paying the doctors to write the prescriptions.

The six defendants charged in this case are:

- **Thu Van Le, aka Tony Le**, 40, of Yorba Linda, a licensed pharmacist and owner of TC Medical Pharmacy (TCMP) in Pomona and a silent owner of Mars Hill Pharmacy (MHP) in North Carolina;
- **Chau Nguyen**, aka Cindy Le, 36, of Yorba Linda, a licensed pharmacist and co-operator of TCMP;
- **Truong Giang Le**, 31, of Pomona, a co-operator of MHP;
- **Chan Van Le**, aka Kevin Le, 39, of Chino, the manager of MHP;

- **Nha Le Tuan Truong**, 36, of Fountain Valley, a pharmacist who laundered fraudulently obtained proceeds through a charity; and
- **Jeffery Lawrence**, 55, of Los Angeles, the owner of Wellytics Inc., an entity through which he fraudulently solicited insurance information from beneficiaries of AMPLAN.

Through TCMP, the defendants submitted approximately \$13 million in claims, and TRICARE paid reimbursements of more than \$10 million, according to the indictment. Through MHP, the defendants submitted approximately \$28 million in claims, and TRICARE paid more than \$21 million. Nha Le Tuan Truong allegedly laundered more than \$1 million in Tricare reimbursements through a charitable foundation.

Lawrence allegedly solicited Amtrak employees to participate in a wellness program that Lawrence claimed would be reimbursement by AMPLAN. Several employees gave Lawrence their AMPLAN beneficiary information, which he then used to procure compounded medications prescriptions submitted to TCMP in exchange for more than \$600,000 in kickbacks.

“These cases reinforce our commitment and determination to pursue those who would defraud Amtrak’s health care programs and target such vulnerable populations,” said Amtrak Inspector General Tom Howard. “Our agents will continue to hold perpetrators accountable and to protect Amtrak, its employees and their dependents.”

This case is being investigated by the Defense Criminal Investigative Service, the FBI, IRS Criminal Investigation, Amtrak’s Office of Inspector General, the Office of Personnel Management’s Office of Inspector General, the Department of Labor’s Office of Inspector General, and the California Department of Insurance.

This case is being prosecuted by Assistant United States Attorneys Mark Aveis, Paul G. Stern and Cassie Palmer of the Major Frauds Section.

The six defendants charged in this case were arrested on Tuesday and each pleaded not guilty at their arraignments in United States District Court. A trial in this case was scheduled for August 21 in Santa Ana.

Medicare Fraud Strike Force Cases

Seven of the cases announced this week were filed by DOJ trial attorneys working in Los Angeles under the aegis of the Medicare Fraud Strike Force in conjunction with the United States Attorney’s Office. Strike Force operations are part of a joint initiative between the Department of Justice and the U.S. Department of Health & Human Services to prevent and deter fraud and enforce current anti-fraud laws around the country.

“We will not tolerate criminals stealing precious dollars from our federal health care programs,” said Christian J. Schrank, Special Agent in Charge for the U.S. Department of Health & Human Services Office of Inspector General (HHS-OIG). “Today’s announcement shows our commitment to working with our state and federal law enforcement partners to swiftly investigate these fraud schemes and bring criminals to justice.”

Strike Force prosecutors unsealed seven criminal cases this week.

- Seven people were named in an indictment that alleges multiple health care fraud conspiracies in which the owner of two pharmacies submitted claims to Medicare and Medi-Cal for expensive, brand-name prescription drugs that were never dispensed to patients. Rather, the drugs were provided to co-conspirators to sell to third parties, thereby generating a profit from each prescription drug twice – first from the reimbursement from Medicare or Medi-Cal, and second from the sale of the prescription drugs diverted to the black market.

The defendants named in the indictment are:

- **Irina Sadovsky**, 48, of Woodland Hills, the owner and pharmacist-in-charge of Five Star and Ultimate pharmacies;
- **Yigal Keren**, 36, of Los Angeles, who owns and operates transitional housing centers;
- **Mikhail Khanukhov**, 38, of Sherman Oaks, the manager at Five Star and Ultimate pharmacies;
- **Shahriar “Michael” Kalantari**, 51, of Los Angeles, who was a marketer;
- **Andrei Sotnikov**, 47, of Northridge, a marketer;
- **Nida Rosales**, 62, of Bellflower, a marketer; and
- **Juan Carlos Enriquez**, 31, of Van Nuys, a pharmacy technician and marketer

The indictment alleges that Sadovsky paid kickbacks to marketers in exchange for patient referrals from facilities that treated Medicare and/or Medi-Cal patients. Sadovsky also paid kickbacks directly to Medicare beneficiaries in exchange for filling their prescriptions at Five Star Pharmacy.

Five Star and Ultimate Pharmacies were collectively paid more than \$54 million by Medicare and Medi-Cal between January 2014 and September 2017.

This matter is being investigated by the FBI and HHS-OIG, and the case is being prosecuted by DOJ Trial Attorney Alexis Gregorian.

- **Armen Pogossian**, 69, of Pasadena, the owner of L.A. Nova Pharmacy, was indicted for his role in the submission of \$2.9 million in claims to Medicare Part D sponsors for prescription drugs that were never dispensed to Medicare beneficiaries; indeed, they were never even ordered from a wholesaler. The five-count indictment alleges that Pogossian attempted to conceal the fraudulent claims from auditors through the use of fake invoices that purported to show the drugs had been obtained from wholesalers and thus were in the pharmacy's inventory. This case is being investigated by the FBI and HHS-OIG and is being prosecuted by DOJ Trial Attorney Alexis Gregorian.
- **Tamar Tatarian**, 37, of Pasadena, the owner of Akhtamar Pharmacy, was named in a three-count indictment that alleges she participated in a scheme that submitted \$1.3 million in claims to Medicare Part D sponsors for prescription drugs that were never ordered from wholesalers, and thus never dispensed to Medicare beneficiaries, which Tatarian attempted to conceal from auditors through the use of fake invoices. This case is being investigated by the FBI and HHS-OIG and is being prosecuted by DOJ Trial Attorney Alexis Gregorian.
- **Ruben Filian**, 33, of Glendale, a physician's assistant, was indicted for allegedly participating in a \$58 million scheme to certify patients to home health care in exchange for illegal kickbacks. Filian is charged with one count of conspiracy to commit health care fraud, four counts of health care fraud, one count of conspiracy to pay and receive kickbacks, five counts of paying and receiving kickbacks, and three counts of money laundering. This case is being investigated by the FBI and HHS-OIG and is being prosecuted by DOJ Trial Attorney Emily Culbertson.
- **Dr. Stephen Levine**, 74, of North Hollywood, a referring physician to home health agencies, was named in a criminal information for his role in the \$58 million fraud scheme that also involved Filian. Levine allegedly certified numerous beneficiaries for home health services, without regard to whether the beneficiaries were homebound or whether the services were medically necessary. Levine was paid cash kickbacks for his referrals. Using Levine's referrals as support, owners and operators at multiple home health agencies billed Medicare for home health services, and Medicare suffered losses of at least \$6.5 million. This case is being investigated by the FBI and HHS-OIG and is being prosecuted by DOJ Trial Attorney Emily Culbertson.
- **Sarkis Manukyan**, 76, of Panorama City, and **Eduard Terosipyan**, 67, of Montebello, both of whom are managers of medical clinics in Los Angeles and Burbank, were indicted in a \$1.9 million Medicare fraud involving kickbacks and outpatient physician services not rendered or not medically necessary. This matter is being investigated by the FBI, the California Department of Justice and the Los Angeles Sheriff's Department. This case is being prosecuted by DOJ Trial Attorney Niall O'Donnell.
- **Lucille Lam**, 54, of Burbank, co-owner and managing employee of Bliss Hospice, was charged in a criminal information for allegedly participating in a scheme to pay kickbacks in exchange for Medicare beneficiaries referred to Bliss for hospice services. As part of the scheme, Lam and the co-owners of the hospice falsely categorized the illegal kickbacks as payroll expenses. Based on the

referrals that Lam and her co-conspirators obtained through illegal kickbacks, Bliss submitted claims to Medicare and was paid approximately \$2.4 million. This matter is being investigated by the FBI, HHS-OIG, and the California Department of Justice. This case is being prosecuted by DOJ Trial Attorney Claire Yan.

Indictments and criminal informations contain allegations that a defendant has committed a crime. Every defendant is presumed to be innocent until and unless proven guilty in court.

Component(s):

USAO - California, Central

Contact:

Thom Mrozek Spokesperson/Public Affairs Officer United States Attorney's Office Central District of California (Los Angeles) 213-894-6947