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**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION**

In re

LARS ERIK HANSON,

Debtor.

BLUE CROSS AND BLUE SHIELD OF ALABAMA, BLUE CROSS AND BLUE SHIELD OF MASSACHUSETTS, INC., BLUE CROSS AND BLUE SHIELD OF MICHIGAN, BLUE CROSS AND BLUE SHIELD OF NEBRASKA, BLUE CROSS AND BLUE SHIELD OF NORTH CAROLINA, BLUE CROSS AND BLUE SHIELD OF TENNESSEE, INC., CAREFIRST BLUE CROSS AND BLUE SHIELD, EMPIRE HEALTHCHOICE ASSURANCE, INC. *dba* EMPIRE BLUE CROSS BLUE SHIELD, EXCELLUS HEALTH PLAN, INC. AND R.M.S.C.O., HIGHMARK, INC., PREMIERA BLUE CROSS, REGENCE BLUE SHIELD, REGENCE BLUE CROSS BLUE SHIELD OF UTAH, REGENCE BLUE CROSS BLUE SHIELD OF OREGON, AND REGENCE BLUE SHIELD OF IDAHO,

Plaintiffs,

vs.

LARS ERIK HANSON,

Defendant.

Case No.: LA 08-10666-ER

Chapter 7

Adv. No.

**COMPLAINT TO DETERMINE
NONDISCHARGEABILITY OF
DEBTS**

1 Plaintiffs Blue Cross and Blue Shield of Alabama, Blue Cross and Blue Shield of Massachusetts,
2 Inc., Blue Cross and Blue Shield of Michigan, Blue Cross and Blue Shield of Nebraska, Blue Cross and
3 Blue Shield of North Carolina, Blue Cross and Blue Shield of Tennessee, Inc., CareFirst Blue Cross and
4 Blue Shield, Empire HealthChoice Assurance, Inc. *dba* Empire Blue Cross Blue Shield, Excellus Health
5 Plan, Inc. and R.M.S.C.O., Highmark, Inc., Premiera Blue Cross, Regence Blue Shield, Regence Blue
6 Cross Blue Shield of Utah, Regence Blue Cross Blue Shield of Oregon, and Regence Blue Shield of
7 Idaho (collectively, “Plaintiffs” or the “Blue Plans”), allege as follows:

8 **JURISDICTION AND VENUE**

9 1. The above-captioned debtor filed a voluntary petition for relief under Chapter 7 of the
10 Bankruptcy Code in the Central District of California on January 16, 2008 (the “Petition Date”).

11 2. This action is a core proceeding and this Court has jurisdiction pursuant to 11 U.S.C. §§
12 523, 28 U.S.C. §§ 157(b) and 1334(b), and Rules 4007 and 7001(6) of the Federal Rules of
13 Bankruptcy Procedure. Venue in this judicial district is proper pursuant to the provisions of 28 U.S.C.
14 § 1409(a).

15
16 **PARTIES**

17 3. Plaintiff Blue Cross and Blue Shield of Alabama is an Alabama not-for-profit corporation
18 with its principal place of business in Birmingham, Alabama.

19 4. Plaintiff Blue Cross and Blue Shield of Massachusetts is a Massachusetts not-for-profit
20 corporation with its principal place of business in Boston, Massachusetts.

21 5. Plaintiff Blue Cross and Blue Shield of Michigan is a Michigan not-for-profit corporation
22 with its principal place of business in Detroit, Michigan.

23 6. Plaintiff Blue Cross and Blue Shield of Nebraska is a Nebraska not-for-profit corporation
24 with its principal place of business in Omaha, Nebraska.

25 7. Plaintiff Blue Cross and Blue Shield of North Carolina is a North Carolina not-for-profit
26 corporation with its principal place of business in Durham, North Carolina.

27 8. Plaintiff Blue Cross and Blue Shield of Tennessee, Inc. is a Tennessee not-for-profit
28

corporation with its principal place of business in Chattanooga, Tennessee.

9. Plaintiff CareFirst Blue Cross and Blue Shield is a Maryland not-for-profit corporation with its principal place of business in Baltimore, Maryland.

10. Plaintiff Empire HealthChoice Assurance, Inc. *dba* Empire Blue Cross Blue Shield is a New York corporation with its principal place of business in New York, New York.

11. Plaintiff Excellus Health Plan, Inc. (“Excellus”) is a New York not-for-profit corporation with its principal place of business in Rochester, New York. Excellus operates certain of its business through a wholly-owned subsidiary, plaintiff R.M.S.C.O., which is a New York corporation with its principal place of business in Fayetteville, New York.

12. Plaintiff Highmark, Inc. is a Pennsylvania not-for-profit corporation with its principal place of business in Pittsburgh, Pennsylvania.

13. Plaintiff Premera Blue Cross is a Washington not-for-profit corporation with its principal place of business in Mountlake Terrace, Washington.

14. Plaintiff Regence Blue Shield is a Washington not-for-profit corporation with its principal place of business in Seattle, Washington.

15. Plaintiff Regence Blue Cross Blue Shield of Utah is a Utah not-for-profit corporation with its principal place of business in Salt Lake City, Utah.

16. Plaintiff Regence Blue Cross Blue Shield of Oregon is an Oregon not-for-profit corporation with its principal place of business in Portland, Oregon.

17. Plaintiff Regence Blue Shield of Idaho is an Idaho not-for-profit corporation with its principal place of business in Lewiston, Idaho.

18. Defendant Lars Erik Hanson (“Hanson” or the “Debtor”) is the debtor in the above-captioned chapter 7 case.

PLAINTIFFS’ CLAIMS AGAINST THE DEBTOR

19. Plaintiffs are health insurance companies and third-party administrators of health benefit plans that are licensees of the national Blue Cross and Blue Shield Association. All of the Plaintiffs are in the business of underwriting and administering health insurance and employee health benefit plans.

1 20. The Debtor is a doctor who was an active and knowing participant in a massive health
2 insurance fraud scheme that is the subject of an action commenced by the filing of a Complaint on
3 March 10, 2005, currently pending in the United States District Court for the Central District of
4 California. That action is captioned *Blue Cross and Blue Shield of Alabama, et al. v. Unity Outpatient*
5 *Surgery Center, Inc. et. al.*, Case No. SA CV 05-230-TJH (VBKx) (“the Fraud Action”). A true and
6 correct copy of the Complaint in the Fraud Action is attached hereto as Exhibit A (the “Complaint”).
7 The allegations set forth in the Complaint are incorporated herein by reference.

8 21. As set forth in the Complaint, the defendants in the Fraud Action, including the Debtor,
9 participated in what the California Insurance Commissioner has publicly described as “one of the most
10 egregious, outrageous insurance fraud cases” in history. Besides the civil Fraud Action, that fraud has
11 led to both State and Federal criminal prosecutions, and several defendants have already pled guilty to
12 criminal charges, including defendants who were co-conspirators with the Debtor.

13 22. The fraud at issue in the Fraud Action was perpetrated at a group of outpatient surgery
14 clinics in Southern California, including nine outpatient surgery clinics that are the subject of detailed
15 allegations in the Complaint. In summary, the defendants used a nationwide network of patient
16 recruiters to recruit thousands of patients from across the country to come to the clinics and undergo
17 completely unnecessary diagnostic and surgical procedures, so that the clinics and the surgeons could
18 submit millions of dollars of phony insurance claims to Plaintiffs for the unnecessary procedures.

19 23. To induce the patients to undergo the unnecessary procedures, the clinics (through the
20 recruiters) offered the prospective patients either a cash payment for each unnecessary procedure the
21 patient underwent, or promised the patient free or discounted cosmetic surgery after the patient
22 submitted to multiple unnecessary procedures. The clinics and surgeons made the unnecessary
23 procedures appear medically justified by concocting phony symptoms and diagnoses for the patients and
24 incorporating those fake symptoms and diagnoses in fictitious medical records. The clinics and surgeons
25 then cashed in by submitting fraudulent and inflated bills for the unnecessary procedures to insurers,
26 using the bogus medical records as back-up.

27 24. Plaintiffs were hit hard by this fraud, collectively paying out more than \$10 million on
28 fraudulent insurance claims.

1 25. One of the corrupt clinics targeted in the Complaint in the Fraud Action is Newport
2 Superior Outpatient Medical Center (“Newport Superior”), which was located at 1501 Superior
3 Avenue, Newport Beach, California. The Debtor was the sole shareholder of Newport Superior
4 Outpatient Medical Center, Inc. (“Newport Superior Outpatient”), a corporation that nominally owned
5 Newport Superior. The Debtor was also a principal of Newport Superior Management Group, LLC
6 (“Newport Superior Management”), which actually owned and operated Newport Superior.

7 26. As one of the Debtor’s co-conspirators has already testified in criminal proceedings, the
8 Debtor’s sole ownership of Newport Superior Outpatient was a sham designed to evade California law.
9 Under California law, an outpatient surgery clinic must be owned entirely by physicians, and laypersons
10 are not permitted to own any interest. The Debtor was made the sole owner of Newport Superior
11 Outpatient to make it appear that a physician was the sole owner of the clinic. In truth, in a separate
12 undisclosed agreement, and as the Debtor well knew, Newport Superior Outpatient had contractually
13 ceded ownership and control of Newport Superior to Newport Superior Management, which was
14 largely owned by laypersons.

15 27. The Debtor was a principal actor and administrator in the fraud at Newport Superior,
16 was fully aware of the nature and extent of the fraud and how it operated, and personally and directly
17 participated in, and profited from, the fraud. Among other acts, and as detailed in the Complaint in the
18 Fraud Action, the Debtor personally issued checks to patient recruiters for bringing patients to Newport
19 Superior, which was essential to the fraud and a crime in itself under California statutes. The Debtor
20 knew that the bills referenced in the Complaint that Newport Superior issued to Plaintiffs for diagnostic
21 and surgical procedures, including gastrointestinal procedures, were false and fraudulent because the
22 patients did not have the symptoms or conditions represented, and the procedures were completely
23 unnecessary and medically unjustifiable. The Debtor also established a successor clinic to Newport
24 Superior at the same location called Harbor Multi-Specialty Surgery Center, which continued to commit
25 the same fraud under a different name in order to try to escape detection.

FIRST CLAIM FOR RELIEF

(Nondischargeability of Claims Pursuant to Section 523(a)(2)(a) of the Bankruptcy Code)

28. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 27 above and incorporate the same herein by this reference.

29. Plaintiffs' claims against the Debtor are of the kind specified in section 523(a)(2)(a) of the Bankruptcy Code. Specifically, the Debtor was an active and knowing participant in a fraudulent scheme pursuant to which the Debtor and his coconspirators submitted fraudulent claims for surgeries that were medically unnecessary and received money from Plaintiffs for medically unnecessary surgeries falsely disguised as medically necessary surgeries. In making payments on these claims, Plaintiffs justifiably relied on the false information provided by the Debtor and his coconspirators. The conduct was malicious and intentional.

30. By reason of the foregoing, Plaintiffs are entitled to a judgment determining that their claims against the Debtor are nondischargeable pursuant to section 523(a)(2)(a) of the Bankruptcy Code.

SECOND CLAIM FOR RELIEF

(Nondischargeability of Claims Pursuant to Section 523(a)(6) of the Bankruptcy Code)

31. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 30 above and incorporate the same herein by this reference.

32. Plaintiffs' claims against the Debtor are of the kind specified in section 523(a)(6) of the Bankruptcy Code. Specifically, the Debtor and his coconspirators intentionally, willfully and maliciously engaged in the fraud set forth above and in the Complaint, and the Debtor knowingly and actively participated in the fraudulent scheme. The actions were done with the intent to harm Plaintiffs, with reckless disregard for Plaintiffs and without just cause or excuse.

33. By reason of the foregoing, Plaintiffs are entitled to a judgment determining that their claims against the Debtor are nondischargeable pursuant to section 523(a)(6) of the Bankruptcy Code.

WHEREFORE, Plaintiffs pray for judgment against the Debtor as follows:

A. On the First Claim for Relief, for a determination that Plaintiffs' claims against the

Debtor are nondischargeable pursuant to section 523(a)(2)(a) of the Bankruptcy Code.

B. On the Second Claim for Relief, for a determination that Plaintiffs' claims against the Debtor are nondischargeable pursuant to section 523(a)(6) of the Bankruptcy Code.

C. On all claims for relief, for costs of suit and such other and further relief as the Court deems proper.

Dated: April 14, 2008

PEITZMAN, WEG & KEMPINSKY LLP

By /s/ David B. Shemano
David B. Shemano

-and-

MARVIN WEXLER
LAWRENCE C. FOX
KORNSTEIN, VEISZ WEXLER & POLLARD LLP

Attorneys for Plaintiffs and Creditors

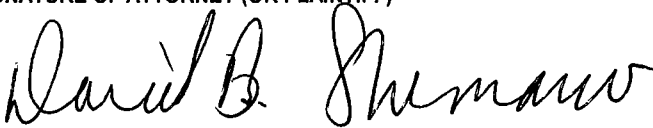
FORM B104 (08/07)

2007 USBC, Central District of California

ADVERSARY PROCEEDING COVER SHEET (Instructions on Page 2)		ADVERSARY PROCEEDING NUMBER (Court Use Only)
Creditors Blue Cross and Blue Shield of Alabama, Blue Cross and Blue Shield of Massachusetts, Inc., Blue Cross and Blue Shield of Michigan, Blue Cross and Blue Shield of Nebraska, Blue Cross and Blue Shield of North Carolina, Blue Cross and Blue Shield of Tennessee, Inc., CareFirst Blue Cross and Blue Shield, Empire HealthChoice Assurance, Inc. dba Empire Blue Cross Blue Shield, Excellus Health Plan, Inc. and R.M.S.C.O., Highmark, Inc., Premiera Blue Cross, Regence Blue Shield, Regence Blue Cross Blue Shield of Utah, Regence Blue Cross Blue Shield of Oregon, and Regence Blue Shield of Idaho		
DEFENDANTS Lars Erik Hanson		ATTORNEYS (If Known) Sam X J Wu 23555 Golden Springs Drive Diamond Bar, CA 91765 (909) 396-4642
ATTORNEYS (Firm Name, Address, and Telephone No.) David B. Shemano PEITZMAN, WEG & KEMPINSKY LLP 10100 Santa Monica Blvd. Suite 1450, Los Angeles, CA 90067 310.552.3100		ATTORNEYS (If Known) Sam X J Wu 23555 Golden Springs Drive Diamond Bar, CA 91765 (909) 396-4642
PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input checked="" type="checkbox"/> Creditor <input type="checkbox"/> Other <input type="checkbox"/> Trustee	PARTY (Check One Box Only) <input checked="" type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input type="checkbox"/> Trustee	
CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED) Complaint to Determine Nondischargeability of Debts Pursuant to Bankruptcy Code Sections 523(a)(2)(a) and 523(a)(6)		
NATURE OF SUIT (Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)		
FRBP 7001(1) – Recovery of Money/Property <input type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input type="checkbox"/> 12-Recovery of money/property - §547 preference <input type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input type="checkbox"/> 14-Recovery of money/property - other FRBP 7001(2) – Validity, Priority or Extent of Lien <input type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property FRBP 7001(3) – Approval of Sale of Property <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner - §363(h) FRBP 7001(4) – Objection/Revocation of Discharge <input type="checkbox"/> 41-Objection / revocation of discharge - §727(c),(d),(e) FRBP 7001(5) – Revocation of Confirmation <input type="checkbox"/> 51-Revocation of confirmation FRBP 7001(6) – Dischargeability <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input checked="" type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny	FRBP 7001(6) – Dischargeability (continued) <input type="checkbox"/> 61-Dischargeability - §523(a)(5), domestic support <input checked="" type="checkbox"/> 68-Dischargeability - §523(a)(6), willful and malicious injury <input type="checkbox"/> 63-Dischargeability - §523(a)(8), student loan <input type="checkbox"/> 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support) <input type="checkbox"/> 65-Dischargeability - other FRBP 7001(7) – Injunctive Relief <input type="checkbox"/> 71-Injunctive relief – imposition of stay <input type="checkbox"/> 72-Injunctive relief – other FRBP 7001(8) Subordination of Claim or Interest <input type="checkbox"/> 81-Subordination of claim or interest FRBP 7001(9) Declaratory Judgment <input type="checkbox"/> 91-Declaratory judgment FRBP 7001(10) Determination of Removed Action <input type="checkbox"/> 01-Determination of removed claim or cause Other <input type="checkbox"/> SS-SIPA Case – 15 U.S.C. §§78aaa <i>et seq.</i> <input type="checkbox"/> 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)	
(continued next column)		
<input type="checkbox"/> Check if this case involves a substantive issue of state law	<input type="checkbox"/> Check if this is asserted to be a class action under FRCP 23	
<input type="checkbox"/> Check if a jury trial is demanded in complaint	Demand \$ 0.00	
Other Relief Sought		

FORM B104 (08/07), page 2

2007 USBC, Central District of California

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES			
NAME OF DEBTOR Lars Erik Hanson		BANKRUPTCY CASE NO. 08-10666	
DISTRICT IN WHICH CASE IS PENDING Central District of California	DIVISIONAL OFFICE Los Angeles		NAME OF JUDGE Ernest M. Robles
RELATED ADVERSARY PROCEEDING (IF ANY)			
PLAINTIFF	DEFENDANT		ADVERSARY PROCEEDING NO.
DISTRICT IN WHICH ADVERSARY IS PENDING	DIVISIONAL OFFICE		NAME OF JUDGE
SIGNATURE OF ATTORNEY (OR PLAINTIFF) 			
DATE 4/14/08	PRINT NAME OF ATTORNEY (OR PLAINTIFF) David B. Shemano		

INSTRUCTIONS

The filing of a bankruptcy case creates an "estate" under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor's discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also must complete and file Form 104, the Adversary Proceeding Cover Sheet, unless the party files the adversary proceeding electronically through the court's Case Management/Electronic Case Filing system (CM/ECF). (CM/ECF captures the information on Form 104 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff's attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Plaintiffs and Defendants. Give the names of the plaintiffs and defendants exactly as they appear on the complaint.

Attorneys. Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and the second column for the defendants.

Demand. Enter the dollar amount being demanded in the complaint.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not presented by an attorney, the plaintiff must sign.

Attorney or Party Name, Address, Telephone & FAX Numbers, and California State Bar Number David B. Sherman [State Bar No. 176020] PEITZMAN, WEG & KEMPINSKY LLP 10100 Santa Monica Blvd., Suite 1450 Los Angeles, CA 90067 Telephone: (310) 552-3100 Facsimile: (310) 552-3101 <small>Creditors Blue Cross and Blue Shield of Alabama, Blue Cross and Blue Shield of Massachusetts, Inc., Blue Cross and Blue Shield of Michigan, Blue Cross and Blue Shield of Nebraska, Blue Cross and Blue Shield of North Carolina, Blue Cross and Blue Shield of Tennessee, Inc., CareFirst Blue Cross and Blue Shield, Empire HealthChoice Assurance, Inc. dba Empire Blue Cross Blue Shield, Excellus Health Plan, Inc. and R.M.S.C.O., Highmark, Inc., Premiera Blue Cross, Regence Blue Shield, Regence Blue Cross Blue Shield of Utah, Regence Blue Cross Blue Shield of Oregon, and Regence Blue Shield of Idaho</small> <i>Attorney for Plaintiff</i>	FOR COURT USE ONLY
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA	
In re: Lars Erik Hanson <div style="text-align: right; margin-right: 50px;">Debtor.</div>	CHAPTER <u>7</u> CASE NUMBER LA 08-10666-ER ADVERSARY NUMBER
<small>Creditors Blue Cross and Blue Shield of Alabama, Blue Cross and Blue Shield of Massachusetts, Inc., Blue Cross and Blue Shield of Michigan, Blue Cross and Blue Shield of Nebraska, Blue Cross and Blue Shield of North Carolina, Blue Cross and Blue Shield of Tennessee, Inc., CareFirst Blue Cross and Blue Shield, Empire HealthChoice Assurance, Inc. dba Empire Blue Cross Blue Shield, Excellus Health Plan, Inc. and R.M.S.C.O., Highmark, Inc., Premiera Blue Cross, Regence Blue Shield, Regence Blue Cross Blue Shield of Utah, Regence Blue Cross Blue Shield of Oregon, and Regence Blue Shield of Idaho</small> <div style="text-align: center;">VS.</div> <div style="display: flex; justify-content: space-between;"> Lars Erik Hanson Plaintiff(s), Defendant(s). </div>	<div style="text-align: center; font-size: small;"> <i>(The Boxes and Blank Lines below are for the Court's Use Only) (Do Not Fill Them In)</i> </div> <div style="text-align: center; font-weight: bold; font-size: large; margin-top: 20px;"> SUMMONS AND NOTICE OF STATUS CONFERENCE </div>

TO THE DEFENDANT: A Complaint has been filed by the Plaintiff against you. If you wish to defend yourself, you must file with the Court a written pleading, in duplicate, in response to the Complaint. You must also send a copy of your written response to the party shown in the upper left-hand corner of this page. Unless you have filed in duplicate and served a responsive pleading by _____, the Court may enter a judgment by default against you for the relief demanded in the Complaint.

A Status Conference on the proceeding commenced by the Complaint has been set for:

Hearing Date:	Time:	Courtroom:	Floor:
<input checked="" type="checkbox"/> 255 East Temple Street, Los Angeles <input type="checkbox"/> 21041 Burbank Boulevard, Woodland Hills <input type="checkbox"/> 3420 Twelfth Street, Riverside		<input type="checkbox"/> 411 West Fourth Street, Santa Ana <input type="checkbox"/> 1415 State Street, Santa Barbara	

PLEASE TAKE NOTICE that if the trial of the proceeding is anticipated to take less than two (2) hours, the parties may stipulate to conduct the trial of the case on the date specified, instead of holding a Status Conference. Such a stipulation must be lodged with the Court at least two (2) Court days before the date set forth above and is subject to Court approval. The Court may continue the trial to another date if necessary to accommodate the anticipated length of the trial.

Date of Issuance: _____

JON D. CERETTO
 Clerk of the Bankruptcy Court

By: _____
Deputy Clerk

Summons and Notice of Status Conference - Page 2

F 7004-1

In re Lars Erik Hanson	CHAPTER <u>7</u>
Debtor.	CASE NUMBER LA 08-10666-ER

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF _____

1. I am employed in the County of _____, State of California. I am over the age of 18 and not a party to the within action. My business address is as follows:

2. ☐ **Regular Mail Service:** On _____, I served the foregoing Summons and Notice of Status Conference (and any instructions attached thereto), together with the Complaint filed in this proceeding, on the Defendant(s) at the following address(es) by placing a true and correct copy thereof in a sealed envelope with postage thereon fully prepaid in the United States Mail at _____, California, addressed as set forth below.
3. ☐ **Personal Service:** On _____, personal service of the foregoing Summons and Notice of Status Conference (and any instructions attached thereto), together with the Complaint filed in this proceeding, was made on the Defendant(s) at the address(es) set forth below.
4. Defendant(s) and address(es) upon which service was made:

☐ Names and Addresses continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated:

Type Name

Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

F 7004-1

EXHIBIT A

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Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

Blue Cross and Blue Shield of Alabama; Blue
Cross and Blue Shield of Massachusetts, Inc.;
Blue Cross and Blue Shield of Michigan;
Blue Cross and Blue Shield of Nebraska; Blue
Cross and Blue Shield of North Carolina;
BlueCross BlueShield Tennessee, Inc.;
CareFirst Blue Cross and Blue Shield; Empire
HealthChoice Assurance, Inc. d/b/a Empire
Blue Cross Blue Shield; Excellus Health Plan,
Inc. d/b/a Excellus Blue Cross Blue Shield;
R.M.S.C.O., Inc.; Highmark Inc. d/b/a
Highmark Blue Cross Blue Shield and d/b/a
Highmark Blue Shield; Premera Blue Cross;
Regence Blue Shield; Regence BlueCross
BlueShield of Utah; Regence BlueCross
BlueShield of Oregon; and Regence
BlueShield of Idaho;

Plaintiffs,

Case No. SACW05-230

**COMPLAINT FOR
VIOLATIONS OF
THE RACKETEER
INFLUENCED CORRUPT
ORGANIZATIONS ACT;
FRAUD; UNJUST
ENRICHMENT;
NEGLIGENT
MISREPRESENTATION;
CONSTRUCTIVE TRUST;
VIOLATION OF
CALIFORNIA BUSINESS
AND PROFESSIONS CODE;
DEMAND FOR A JURY
TRIAL**

(AMX)

-against-

Unity Outpatient Surgery Center, Inc.; Unity
Outpatient Surgery Center LLC; Millennium
Outpatient Surgery Center, A Medical
Corporation; St. Paul Outpatient Surgery
Medical Center, Inc.; St. Paul Surgery
Medical Center LLC; Anaheim West
Outpatient Surgery Center Inc.; Lincoln
Management Group, LLC.; St. Francis
Outpatient Medical Center, Inc.; Inland
Orange Medical Management, Inc.; Newport
Superior Outpatient Medical Center, Inc.;
Newport Superior Management Group LLC;
Harbor Multi-Specialty Surgical Center, Inc.;
Pacific Outpatient Medical Center, A Medical
Corporation; Pacific Outpatient Medical
Management Group LLC; Premium
Outpatient Surgery Center, A Medical
Corporation; Tam Vu Pham a/k/a Tom Vu;
Huong Thien Ngo; Lan Thi Ngoc Nguyen;
Gordon Merrick; Rosalinda Landon; Dee
Francis; Andrew Harnen; Daniel Romanello;
Ocher County Clinics, Inc.; Mitchell Rubin;
Steven Rubin; Catherine Bach; Thu Ngoc
Pham a/k/a Perry Pham; Michael Schneider;
Ardalan Babaknia, M.D.; Michael Chan,
M.D.; Byung Chun, M.D.; Moustafa El
Alamy, M.D.; John Eugene, M.D.; Paratha
Govindarajan, M.D.; Leon Halac, M.D.;
William Hampton, M.D.; Lars Hanson, M.D.;
Madhukar Jigjinni, M.D.; Chin Kim, M.D.;
Edgar Lluncor, M.D.; Robert J. McKenna,
M.D.; Martha Madrid, M.D.; Bharat Patel,
M.D.; Amer Rayyes, M.D.; Daniel Rose,
M.D.; Mario Z. Rosenberg, M.D.; Hamilton
Sah, M.D.; Youn S. Toh, M.D.; Lloyd White,
M.D.; and John Does 1-100,
Defendants.

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1 Plaintiffs, by their attorneys Kornstein Veisz Wexler & Pollard LLP and
2 Hennelly & Grossfeld LLP, for their Complaint allege, with knowledge as to their
3
4 own actions and otherwise upon information and belief:

5
6 **I.**

7 **JURISDICTION AND VENUE**

8 1. This Court has jurisdiction over this action pursuant to 28 U.S.C. §
9 1331, because the action arises under the laws of the United States; pursuant to 18
10 U.S.C. § 1964(c), because the suit concerns violations of the Racketeer Influenced
11 and Corrupt Organizations Act; and pursuant to 28 U.S.C. § 1367, because the
12 State and common law claims are so related to the federal claims that they form
13
14 part of the same case or controversy.
15

16 2. This Court is the proper venue for this action pursuant to 28 U.S.C. §
17 1391(b), because a substantial part of the events or omissions giving rise to
18 Plaintiffs' claims occurred in this Judicial District, and, alternatively, because
19 some of the Defendants may be found in this Judicial District and there is no
20 District in which the action may otherwise be brought; and pursuant to 18 U.S.C. §
21 1965(b), because some Defendants reside in and/or transact business in this
22 Judicial District, and the ends of justice require that other Defendants in other
23 Districts be brought before this Court.
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II.

INTRODUCTION

3. This action targets a massive health insurance fraud scheme that the California Insurance Commissioner has publicly described as “one of the most egregious, outrageous insurance fraud cases” in history. Over the past several years, this scheme has caused tens of millions of dollars of losses to insurance companies and employee benefit plans, including Plaintiffs and the benefit plans that Plaintiffs administer.

4. The Defendants who perpetrated the fraud are a group of corrupt outpatient surgery clinics in Southern California and the owners, administrators and surgeons who orchestrated and implemented the fraud at those clinics. Their scheme was simple but diabolical: The clinics used patient recruiters to recruit patients from across the country to come to the clinics and undergo completely unnecessary diagnostic and surgical procedures, so that the clinics and the surgeons could submit phony insurance claims for the unnecessary procedures.

5. To induce the patients to undergo the unnecessary procedures, the clinics (through the recruiters) offered each prospective patient either a cash payment for each unnecessary procedure the patient underwent, or promised the patient free or discounted cosmetic surgery after the patient submitted to multiple unnecessary procedures. The clinics and surgeons made the unnecessary

1 procedures appear medically justified by concocting phony symptoms and
2 diagnoses for the patients and incorporating those fake symptoms and diagnoses in
3 fictitious medical records. The clinics and surgeons then cashed in by submitting
4 fraudulent and inflated bills for the unnecessary procedures to insurers, using the
5 bogus medical records as back-up if insurers questioned the necessity of the
6 procedures.
7

8
9 6. The unnecessary procedures that Defendant induced patients to
10 undergo posed direct risks to the patients' health. Indeed, one of the procedures
11 favored by Defendants because they charged so much for it -- so-called "sweaty
12 palms surgery" -- involves collapsing the patient's lung and deactivating a nerve
13 near the spine.
14
15

16 7. The scheme generated enormous fraudulent billings and illegal
17 profits. The lead clinic Defendant, Unity Outpatient Surgery Center ("Unity"),
18 alone billed almost \$97 million in fraudulent claims to insurers in less than one
19 year, according to State authorities.
20
21

22 8. It is no wonder, then, that the California Insurance Commissioner
23 called this "one of the most egregious, outrageous insurance fraud cases." As the
24 Orange County District Attorney stated in connection with the indictment of
25 several of Unity's owners: "It is hard to imagine anything more reprehensible than
26 deliberately operating on healthy people for illegal profit."
27
28

Illegal Patient Recruiting

9. This outrageous fraud was fueled by a nationwide network of patient recruiters, sometimes referred to as “marketers” or “cappers.” For each patient a capper delivered to a clinic, the capper received a fee of as much as \$2,000 from the procuring clinic, a per-patient bounty that is illegal under California statutes that prohibit paying or receiving payment for patient referrals. In addition to locating the patients and persuading them to have the unnecessary procedures, the cappers helped verify that the patients had the requisite insurance coverage, facilitated the patients’ transportation to and from the Defendant clinics, and coached the patients to lie if they were ever questioned by insurers or others outside the scheme.

10. The cappers had no medical training or expertise. Their only job qualifications were access to workers and their families who were covered by group health insurance, and the ability to persuade them to submit to unnecessary procedures in return for cash or cosmetic surgery. Using their recruiter network and those inducements, Defendants transformed their Southern California clinics into powerful fraud magnets, attracting patients from every region of the country, as well as large numbers of local patients.

11. Exploiting patients’ financial desperation or their desire for cheap cosmetic surgery, the cappers used their contacts in Asian, Hispanic and other

1 communities, as well as various forms of advertising, to import thousands of
2 patients to the Defendant clinics. Defendants took full advantage of that human
3 trafficking, generating fraudulent bills for countless unnecessary diagnostic and
4 surgical procedures and raking in millions of dollars in ill-gotten insurance
5 benefits.
6
7

8 **Fraudulent Billing, Diagnoses and Medical Records**

9 12. The unnecessary procedures performed most often in the fraud were
10 procedures to diagnose upper and lower gastrointestinal problems. In those
11 procedures -- upper GI endoscopies and lower GI colonoscopies -- the surgeon
12 inserts a flexible tube with an attached mini-camera down the patient's throat
13 (upper GI endoscopy) or into the patient's rectum (lower GI colonoscopy) to
14 visualize the relevant areas and identify the source and cause of the patient's
15 gastrointestinal symptoms.
16
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19 13. To justify performing the upper GI endoscopies, the surgeons
20 pretended, and falsely documented in medical records, that the patients had severe
21 upper GI symptoms, such as chronic heartburn or chest or stomach pain, and
22 assigned the patients fictitious upper GI diagnoses such as gastritis, esophagitis,
23 ulcers or acid reflux disease. To justify performing the lower GI colonoscopies,
24 the surgeons pretended, and falsely documented in medical records, that the
25 patients had severe lower GI symptoms, such as rectal hemorrhaging or severe
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1 abdominal pain, and assigned them fictitious lower GI diagnoses such as polyps,
2 internal hemorrhoids and colitis.

3
4 14. Those supposed symptoms and diagnoses were fabricated for
5 purposes of the fraud. Prior to coming to the Defendant clinics, patients had no
6 history of being diagnosed or treated for their supposedly severe symptoms. And
7 while the ostensible purpose of the endoscopies and colonoscopies was to
8 diagnose a medical problem so that the proper course of treatment could be
9 determined, patients did not have any follow-up treatment after Defendants
10 supposedly diagnosed them.
11
12

13 15. Besides endoscopies and colonoscopies, the next most frequently
14 abused procedure in the fraud was a highly unusual surgery to treat a rare disorder
15 called palmar hyperhidrosis, in which the hands sweat profusely and
16 uncontrollably. The so-called "sweaty palms surgery" (in medical parlance, a
17 thoracoscopy with sympathectomy) is a complex and risky procedure in which a
18 surgeon makes an incision under the patient's armpit, inserts a surgical probe
19 through the incision, collapses the patient's lung to gain access to the spinal area,
20 and then severs or clamps a nerve near the spine that controls perspiration of the
21 hands. This surgery can produce serious complications, including bleeding in the
22 chest cavity, pneumothorax (a condition that impedes breathing), infection,
23 significant pain, and greatly increased sweating in other parts of the body.
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1 16. To justify performing that risky surgery, Defendants pretended that
2 the patients actually had the hyperhidrosis condition. The surgeons falsified the
3 patients' medical records to state that they experienced chronic and profuse
4 sweating of the hands so severe that it interfered with the patients' ability to work,
5 to drive a car, and to engage in other essential life activities. Though true
6 hyperhidrosis is rare in the non-fraud world, the unnecessary surgery was a
7 favorite of Defendants, as well as of patients and patient recruiters, because
8 Defendants fraudulently billed insurers more, and thus would pay patients and
9 their recruiters more, for a sweaty palms procedure than for an endoscopy or a
10 colonoscopy.
11

12 17. Moreover, because of the risk of serious complications, the sweaty
13 palms surgery is supposed to be performed only as a last resort, after non-surgical
14 treatments such as topical and other medications have been tried without success.
15 But while the surgeons' write-ups often said that patients had experienced this
16 condition since childhood, patients in fact had never seen a doctor or received any
17 prior treatment for sweaty palms before Defendants subjected them to this
18 dangerous surgery. Defendants thus jeopardized patients' lives and well-being for
19 no purpose other than to manufacture insurance claims.
20

21 18. Other unnecessary surgeries performed as part of the fraud included
22 nasal surgeries to help supposed breathing problems (septoplasties), gynecological
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1 procedures ostensibly to address menstrual dysfunction (laparoscopies or D &
2 C's), and bladder procedures to diagnose urinary problems.
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4 **Patterns and Indicia of the Fraud**

5 19. Besides the inherent depravity of performing unnecessary and risky
6 medical procedures on healthy people to make them vehicles for insurance fraud,
7 other features of the fraud underscore its perversity and provide objective markers
8 by which the fraud can be identified.
9

10 20. One such feature already noted is that a large number of patients were
11 imported to Defendant clinics from outside of California, including from faraway
12 States such as Florida, Minnesota, North Carolina, Virginia and Texas. Under
13 normal circumstances, no patient would consider traveling outside his or her local
14 area, let alone flying thousands of miles, to have a routine procedure such as an
15 endoscopy or a colonoscopy that could easily be performed close to home. The
16 only explanation for the influx of out-of-State patients to Defendant clinics is that
17 they were wooed by a patient recruiter with the promise of something that no
18 legitimate facility anywhere would provide -- a cash payment for submitting to an
19 unnecessary procedure, or a payoff in free or low-cost cosmetic surgery.
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24 21. To multiply the fraudulent billings for Defendants, as well as the cash
25 payments and cosmetic surgery "credits" for the patients, many patients were
26 subjected and submitted to more than one unnecessary procedure. In the majority
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1 of cases, Defendants claimed to have performed both an endoscopy and a
2 colonoscopy on the same patient, often within only a day or two of each other.
3

4 22. In addition, many of the same patients who had previously undergone
5 endoscopies and colonoscopies were also paid to undergo sweaty palms surgeries.
6 That pattern makes no medical sense because an endoscopy or colonoscopy would
7 never diagnose a need for sweaty palms surgery, and no legitimate doctor would
8 respond to complaints about excessive hand sweating by scheduling an endoscopy
9 or colonoscopy. Despite the absence of any logical or legitimate connection
10 between these procedures, the health insurance claims that Defendants generated
11 for a large number of patients follow the same distinctive and fraudulent pattern:
12 endoscopy, then colonoscopy, then sweaty palms surgery.
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16 23. Defendants paid many of those same patients to undergo still more
17 unnecessary procedures, including nasal and gynecological procedures. And
18 many patients went through the same procedure or cycle of procedures twice. As
19 a result, Defendants sometimes billed for performing a half-dozen or more
20 endoscopies, colonoscopies, sweaty palms surgeries and other procedures on the
21 same person in the course of just a few months.
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25 24. Often more than one member of the same family, and sometimes
26 entire families including children, underwent unnecessary procedures at Defendant
27 clinics. The record in this case includes dozens of examples of husbands and
28

1 wives who were billed as having had parallel arrays of exploratory and surgical
2 procedures, frequently undergoing the same unnecessary procedure on the same
3 day. In some of the examples described below, Defendants not only billed for
4 performing a series of unnecessary procedures on a husband and wife, they also
5 billed for performing endoscopies, colonoscopies and other procedures on one or
6 more of the couple's children -- children as young as 12 -- all in essentially the
7 same order. It is inconceivable that multiple members of the same family would
8 need such a sequence of procedures.
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11

12 25. Further, large groups of patients often were recruited from the same
13 workplace to go to Defendant clinics. The patients in those employee "clusters,"
14 many of whom were recruited by cappers in out-of-State workplaces, were
15 subjected to unnecessary endoscopies, colonoscopies, sweaty palms surgeries and
16 other procedures at the Defendant clinics over a short period of time. Virtually all
17 of the patients in those clusters had multiple procedures, and the clusters include
18 many examples in which multiple family members had multiple procedures. Thus,
19 the damages to the insurers caused by those employee clusters were enormous.
20 Because of the enormity of the damage, and because those employee clusters
21 represent a confluence of fraud indicia so incriminating as to make any
22 explanation other than fraud a virtual impossibility, such clusters are highlighted
23 in succeeding sections of this Complaint.
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Criminal Charges In Connection With the Fraud

26. State and Federal criminal authorities have recently begun to prosecute this fraud. In July 2004, State criminal authorities arrested three alleged principals of Defendant Unity Outpatient Surgery Center, Defendants Tam Vu Pham (a/k/a "Tom Vu"), his wife Huong Thien Ngo, and Lan Thi Ngoc Nguyen, along with several patient recruiters, and charged them with conspiracy "to commit . . . insurance fraud and grand theft" and other crimes. (People of the State of California v. Tam Vu Pham et al., Superior Court of the State of California, Orange County, Case No. 04CF2197 -- Felony Complaint at 5) ("State Felony Complaint"). The State Felony Complaint includes a long list of "materially false and fraudulent" health insurance claims that those Defendants submitted on patients treated at Unity Outpatient Surgery Center in Buena Park.

27. In announcing those arrests, State prosecutors described the fraud as unprecedented in its magnitude and in its heinous exploitation of patients. The prosecutors stated that, during an extraordinarily intense 8-month fraud spree from August 2002 to April 2003, the arrested Defendants recruited more than 5,000 patients nationwide to undergo unnecessary procedures at the Unity clinic, and billed almost \$97 million in fraudulent claims to insurers.

28. In October 2004, Federal criminal authorities charged Defendant Millennium Outpatient Surgery Center and its principal, Defendant Thu Ngoc

1 Pham ("Pham"), along with three patient recruiters, with mail fraud for bilking
2 health insurers out of \$34 million by "fraudulently bill[ing] private health insurers
3 . . . for medical procedures performed on recruited patients that defendants . . .
4 knew to be unnecessary, corruptly induced, and falsely justified. . . ." (United
5 States v. Millennium Outpatient Surgery Center et al., United States District Court
6 for the Central District of California, Case No. SA CR 04-281 -- Indictment at 4-5)
7 ("Federal Indictment").
8
9

10
11 **Plaintiffs' Claims and the Relief Sought**

12 29. Plaintiff Blue Cross and Blue Shield Plans have been hit hard by
13 Defendants' fraud. Together, they have paid in excess of \$10 million to the
14 Defendants on fraudulent insurance claims. On Plaintiffs' own behalf and
15 indirectly on behalf of the employee benefit plans they administer, Plaintiffs bring
16 this action under the Federal RICO statute and under State anti-fraud statutes and
17 common law, to recover the payments that Defendants defrauded them into paying
18 on fraudulent claims, and to enjoin Defendants and their confederates from
19 continuing their egregious fraud.
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III.

THE PARTIES

A. Plaintiffs

30. Plaintiffs are health insurance companies and third-party administrators of health benefit plans that are licensees of the national Blue Cross and Blue Shield Association. All of the Plaintiffs are in the business of underwriting and administering health insurance and employee health benefit plans. For ease of reference, when the Complaint refers to "insurance" the reference encompasses both insurance and health benefits.

31. Blue Cross and Blue Shield of Alabama ("Alabama Blue Cross") is a not-for-profit corporation that is incorporated in Alabama and has a principal place of business in Birmingham, Alabama. Alabama Blue Cross administers employee health benefit plans primarily on behalf of employers headquartered in Alabama.

32. Blue Cross and Blue Shield of Massachusetts, Inc. ("Massachusetts Blue Cross") is a not-for-profit corporation that is incorporated in Massachusetts and has a principal place of business in Boston, Massachusetts. Massachusetts Blue Cross administers employee health benefit plans primarily on behalf of employers headquartered in Massachusetts.

33. Blue Cross and Blue Shield of Michigan ("Michigan Blue Cross") is a not-for-profit corporation that is incorporated in Michigan and has a principal place of business in Detroit, Michigan. Michigan Blue Cross administers

1 employee health benefit plans primarily on behalf of employers headquartered in
2 Michigan.
3

4 34. Blue Cross and Blue Shield of Nebraska ("Nebraska Blue Cross") is a
5 not-for-profit corporation that is incorporated in Nebraska and has a principal
6 place of business in Omaha, Nebraska. Nebraska Blue Cross administers
7 employee health benefit plans primarily on behalf of employers headquartered in
8 Nebraska.
9

10
11 35. Blue Cross and Blue Shield of North Carolina ("North Carolina Blue
12 Cross") is a not-for-profit corporation that is incorporated in North Carolina and
13 has a principal place of business in Durham, North Carolina. North Carolina Blue
14 Cross administers employee health benefit plans primarily on behalf of employers
15 headquartered in North Carolina.
16

17
18 36. BlueCross BlueShield Tennessee, Inc. ("Tennessee Blue Cross") is a
19 not-for-profit corporation that is incorporated in Tennessee and has a principal
20 place of business in Chattanooga, Tennessee. Tennessee Blue Cross administers
21 employee health benefit plans primarily on behalf of employers headquartered in
22 Tennessee.
23

24
25 37. CareFirst Blue Cross and Blue Shield ("CareFirst") is a not-for-profit
26 corporation that is incorporated in Maryland and has a principal place of business
27 in Baltimore, Maryland. CareFirst administers employee health benefit plans
28

1 primarily on behalf of employers headquartered in the District of Columbia and
2 portions of Maryland and Virginia.

3
4 38. Empire HealthChoice Assurance, Inc. d/b/a Empire Blue Cross Blue
5 Shield ("Empire") is a for-profit corporation that is incorporated in New York and
6 has a principal place of business in New York, New York. Empire administers
7 employee health benefit plans primarily on behalf of employers headquartered in
8 the New York City metropolitan area.

9
10 39. Excellus Health Plan, Inc. d/b/a Excellus Blue Cross Blue Shield
11 ("Excellus") is a not-for-profit corporation that is incorporated in New York and
12 has a principal place of business in Rochester, New York. Excellus administers
13 employee health benefit plans primarily on behalf of employers headquartered in
14 upstate New York. Excellus pays claims for medical services directly and through
15 a wholly owned subsidiary, R.M.S.C.O., Inc. ("RMSCO"). RMSCO is
16 incorporated in New York and has a principal place of business in Fayetteville,
17 New York. Excellus and RMSCO are collectively referred to herein as
18 "Excellus."

19
20 40. Highmark Inc. ("Highmark") is a not-for-profit corporation that is
21 incorporated in Pennsylvania and has a principal place of business in Pittsburgh,
22 Pennsylvania. Highmark administers employee health benefit plans primarily on
23 behalf of employers headquartered in the western and central portions of
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1 Pennsylvania.

2 41. Premera Blue Cross ("Premera") is a not-for-profit corporation that is
3
4 incorporated in Washington and has a principal place of business in Mountlake
5 Terrace, Washington. Premera administers employee health benefit plans
6 primarily on behalf of employers headquartered in portions of Washington and
7
8 Alaska.

9 42. Regence BlueShield, Regence BlueCross BlueShield of Utah,
10
11 Regence BlueCross BlueShield of Oregon and Regence BlueShield of Idaho are
12 not-for-profit corporations that are either wholly owned or managed by The
13 Regence Group. Regence BlueShield is incorporated in Washington, has a
14 principal place of business in Seattle, Washington, and administers employee
15 health benefit plans primarily on behalf of employers headquartered in
16 Washington. Regence BlueCross BlueShield of Utah is incorporated in Utah, has a
17 principal place of business in Salt Lake City, Utah, and administers employee
18 health benefit plans primarily on behalf of employers headquartered in Utah.
19
20 Regence BlueCross BlueShield of Oregon is incorporated in Oregon, has a
21 principal place of business in Portland, Oregon, and administers employee health
22 benefit plans primarily on behalf of employers headquartered in Oregon. Regence
23 BlueShield of Idaho is incorporated in Idaho, has a principal place of business in
24
25 Lewiston, Idaho, and administers employee health benefit plans primarily on
26
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1 behalf of employers headquartered in Idaho. These Regence plans are collectively
2 referred to in this Complaint as "Regence."
3

4 **B. Defendants**

5 **Clinics and Management Companies**

6
7 43. Unity Outpatient Surgery Medical Center, Inc. is a California
8 corporation that did business as Unity Outpatient Surgery Center ("Unity"). Unity
9 was a surgical clinic located at 5730 Beach Blvd., Buena Park, California.
10

11 44. Unity Outpatient Surgery Center LLC ("Unity LLC") is a California
12 limited liability company located at 5730 Beach Blvd., Buena Park, California.
13 Unity LLC was the management company for Unity.
14

15 45. St. Paul Outpatient Surgery Medical Center, Inc. is a California
16 corporation that does business as St. Paul Outpatient Surgery Center ("St. Paul").
17 St. Paul is a surgical clinic located at 5730 Beach Blvd., Buena Park, California.
18 St. Paul was a successor clinic to Unity, located at the same address.
19

20 46. St. Paul Outpatient Surgery Medical Center LLC ("St. Paul LLC") is
21 a California limited liability company located at 5730 Beach Blvd., Buena Park,
22 California. St. Paul LLC is the management company for St. Paul.
23

24 47. Anaheim West Outpatient Surgery Center, Inc. is a California
25 corporation that did business as Anaheim West Outpatient Surgery Center
26 ("Anaheim West"). Anaheim West was an outpatient surgical clinic located at 408
27
28

1 South Beach Blvd., Suite 112, Buena Park, California.

2 48. Lincoln Management Group, LLC ("Lincoln Management") is a
3 California limited liability company with offices at 408 South Beach Blvd., Buena
4 Park, California and 2329 Private Road, Newport Beach, California. Lincoln
5 Management was the management company for Anaheim West.
6
7

8 49. St. Francis Outpatient Medical Center, Inc. is a California corporation
9 that did business as St. Francis Outpatient Medical Center ("St. Francis"). St.
10 Francis was an outpatient surgical clinic located at 408 S. Beach Blvd., Buena
11 Park, California. St. Francis was an offshoot of Anaheim West, located at the
12 same address.
13
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15 50. Inland Orange Medical Management, Inc. ("Inland") is a Nevada
16 corporation with offices at 408 S. Beach Blvd., Buena Park, California. Inland
17 was the management company for St. Francis.
18

19 51. Newport Superior Outpatient Medical Center, Inc. is a California
20 corporation that did business as Newport Superior Outpatient Medical Center
21 ("Newport Superior"). Newport Superior was an outpatient surgical clinic located
22 at 1501 Superior Avenue, Newport Beach, California.
23

24 52. Newport Superior Management Group, LLC ("Newport Superior
25 Management") is a California limited liability company with offices at 1501
26 Superior Avenue, Newport Beach, California. Newport Superior Management
27
28

1 was the management company for Newport Superior.

2
3 53. Harbor Multi-Specialty Surgical Center, Inc. is a California
4 corporation that does business as Harbor Multi-Specialty Surgical Center
5 ("Harbor"). Harbor is an outpatient surgical clinic located at 1501 Superior
6 Avenue, Newport Beach, California. Harbor is an offshoot of Newport Superior,
7 located at the same address.
8

9
10 54. Millennium Outpatient Surgery Center, A Medical Corporation, is a
11 California corporation that does business as Millennium Outpatient Surgery
12 Center ("Millennium"). Millennium is an outpatient surgical clinic located at
13 1200 N. Tustin Ave., Santa Ana, California.
14

15 55. Pacific Outpatient Medical Center, A Professional Corporation, is a
16 California corporation that does business as Pacific Outpatient Medical Center
17 ("Pacific"). Pacific is an outpatient surgical clinic located at 1041 East Yorba
18 Linda Blvd., Placentia, California.
19

20 56. Pacific Outpatient Medical Management Group, LLC ("Pacific
21 Management") is a California limited liability company with offices at 1041 East
22 Yorba Linda Blvd., Placentia, California. Pacific Management is the management
23 company for Pacific.
24

25
26 57. Premium Outpatient Surgery Center, A Medical Corporation, is a
27 California corporation that does business as Premium Outpatient Surgery Center
28

1 (“Premium”). Premium is an outpatient surgical clinic located at 17672 Beach
2 Blvd., Huntington Beach, California.
3

4 **Owners/Administrators**

5 58. Tam Vu Pham goes by the name Tom Vu (referred to hereafter as
6 “Vu”) and resides at 2959 Bluegrass Lane, Fullerton, California. Vu was an
7 owner and administrator of several of the Defendant clinics, specifically Unity, St.
8 Paul, Anaheim West, St. Francis and Newport Superior, either directly or through
9 their respective management companies. Vu actively participated in, directed, and
10 profited from, the fraud at those clinics. Vu was one of the individuals arrested by
11 State criminal authorities in July 2004, and charged with multiple counts of
12 conspiracy, insurance fraud, grand theft, paying cappers for the referral of patients,
13 and tax evasion.
14

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16
17 59. Huong Thien Ngo (“Ngo”) is Vu’s wife and resides at 700 Civic
18 Center Drive West, Santa Ana, California. With Vu, Ngo was an owner and
19 administrator of Unity, St. Paul, Anaheim West, St. Francis and Newport Superior,
20 either directly or through their respective management companies. Along with her
21 husband, Ngo actively participated in, directed, and profited from, the fraud at
22 those clinics. Ngo was also a senior officer of several California limited liability
23 companies that were established to submit fraudulent bills for unnecessary
24 procedures performed at Unity, and that were named in the State Felony
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1 Complaint, including St. John Surgical Group, LLC, North County Imaging, LLC,
2 Valley Surgi-Group, LLC, and Universal Med Surgery Group, LLC. Ngo was
3 arrested by State criminal authorities in July 2004 and charged with the same
4 crimes as her husband.
5

6 60. Lan Thi Ngoc Nguyen ("Nguyen") resides at 500 N. Flower, Santa
7 Ana, California. Nguyen is Ngo's aunt. Nguyen profited from the fraud at Unity
8 and Anaheim West. Nguyen was arrested by State criminal authorities in July
9 2004, and charged with the same crimes as Vu and Ngo.
10

11 61. Gordon Merrick ("Merrick") resides at 1930 Broadway, New York,
12 New York. Merrick was an owner of at least Unity and Anaheim West, either
13 directly or through their respective management companies, and profited from the
14 fraud at those clinics. With Ngo, Merrick was a senior officer or registered agent
15 of several California limited liability companies that were established to submit
16 fraudulent bills for unnecessary procedures performed at Unity, and that were
17 named in the State Felony Complaint, including St. John Surgical Group, LLC,
18 North County Imaging, LLC, Valley Surgi-Group, LLC, Healthstar Surgical
19 Group, LLC, Allied Health Surgery Group, LLC, Atlantic Surgical Group, LLC,
20 Primecare Surgical Group, LLC, Universal Med Surgery Group, LLC, Western
21 Surgical Group, LLC, Community Surgical Group, LLC, and Rosemead Surgical
22 Group, LLC.
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1 62. Rosalinda Landon ("Landon") resides at 6710 Rhea Avenue, Reseda,
2 California. Landon was an owner and administrator of at least Unity and Anaheim
3 West, either directly or through their respective management companies. Landon
4 actively participated in, directed, and profited from, the fraud at those clinics.
5 With Ngo and Merrick, Landon was a senior officer or registered agent of several
6 California limited liability companies that were established to submit fraudulent
7 bills for unnecessary procedures performed at Unity, and that were named in the
8 State Felony Complaint, including St. John Surgical Group, LLC, North County
9 Imaging, LLC, Valley Surgi-Group, LLC, Healthstar Surgical Group, LLC,
10 Universal Med Surgery Group, LLC, Community Surgical Group, LLC, and
11 Rosemead Surgical Group, LLC. Landon is identified in the State Felony
12 Complaint as "an unnamed co-conspirator" of Vu, Ngo and Nguyen.
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18 63. Dee Francis ("Francis") resides at 215 Penn Street, El Segundo,
19 California. Francis was an owner of Unity, either directly or through its
20 management company, and profited from the fraud at Unity. With Ngo, Merrick,
21 and Landon, Francis was a senior officer or registered agent of several California
22 limited liability companies that were established to submit fraudulent bills for
23 unnecessary procedures performed at Unity, and that were named in the State
24 Felony Complaint, including St. John Surgical Group, LLC, North County
25 Imaging, LLC, Valley Surgi-Group, LLC, Healthstar Surgical Group, LLC,
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1 Universal Med Surgery Group, LLC, Community Surgical Group, LLC, and
2 Rosemead Surgical Group, LLC. Francis is identified in the State Felony
3 Complaint as “an unnamed co-conspirator” of Vu, Ngo and Nguyen.
4

5 64. Andrew Harnen (“Harnen”) resides at 3668 N. Delta Ave., Rosemead,
6 California. Harnen is an accountant who was an owner of Unity, either directly or
7 through their respective management companies. Harnen actively participated in,
8 directed and profited from, the fraud at those clinics. With Ngo, Merrick, Landon
9 and Francis, Harnen was an officer or registered agent of several California
10 limited liability companies that were established to submit fraudulent bills for
11 unnecessary procedures performed at Unity, and that were named in the State
12 Felony Complaint, including St. John Surgical Group, LLC, Valley Surgi-Group,
13 LLC, Allied Health Surgery Group, LLC, Atlantic Surgical Group, LLC,
14 Primecare Surgical Group, LLC, Universal Med Surgery Group, LLC, Western
15 Surgical Group, LLC, Community Surgical Group, LLC, and Rosemead Surgical
16 Group, LLC. Harnen is identified in the State Felony Complaint as “an unnamed
17 co-conspirator” of Vu, Ngo and Nguyen.
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19
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23 65. Daniel Romanello (“Romanello”) resides at 2329 Private Road,
24 Newport Beach, California. He was an owner of Anaheim West, either directly or
25 through its management company, and profited from the fraud at Anaheim West.
26
27
28

1 66. Michael Chan, M.D. ("Chan") resides at 10230 Artesia, Bellflower,
2 California. Chan was a nominal owner of Unity, either directly or through its
3 management company, who actively participated in, directed, and profited from,
4 the fraud at that clinic. Chan is also a surgeon who actively participated in the
5 scheme by performing, and fraudulently billing and documenting, unnecessary
6 procedures at Defendant clinics, including Unity, Anaheim West and Millenium.
7 Chan is identified in the State Felony Complaint as "an unnamed co-conspirator"
8 of Vu, Ngo and Nguyen.
9

10
11
12 67. Ocher County Clinics, Inc. ("Ocher") is a California corporation.
13 Ocher was an owner of Anaheim West through its ownership interest in Lincoln
14 Management. Ocher profited from the fraud at that clinic.
15

16 68. Mitchell Rubin resides at 1431 Ocean Avenue, Santa Monica,
17 California. Mitchell Rubin was an owner and senior officer of Ocher and was an
18 owner of Anaheim West through Ocher's ownership interest in Lincoln
19 Management. Mitchell Rubin profited from the fraud at that clinic.
20

21
22 69. Steven Rubin resides at 700 Louisiana Street, Houston, Texas.
23 Steven Rubin is an attorney who is the brother of Mitchell Rubin, was an owner
24 and officer of Ocher, and was an owner of Anaheim West through Ocher's
25 ownership interest in Lincoln Management. Steven Rubin organized Lincoln
26 Management and also was the registered agent for St. Francis and its management
27
28

1 company, Inland. Steven Rubin profited from the fraud at those clinics.

2
3 70. Catherine Bach ("Bach") resides at 1708 Ladera Vista Drive,
4 Fullerton, California. Bach was an owner of Newport Superior, either directly or
5 through its management company, and actively participated in, directed and
6 profited from the fraud at that clinic.
7

8 71. Martha Madrid, M.D. ("Madrid") resides at 2 Cold Springs Road,
9 Angwin, California. Madrid was the nominal owner of St. Paul and actively
10 participated in, directed, and profited from, the fraud at that clinic. Madrid is also
11 an anesthesiologist who actively participated in the scheme by performing, and
12 fraudulently billing and documenting, anesthesia services for fraudulent
13 procedures at St. Francis, Unity and St. Paul.
14
15

16 72. Thu Ngoc Pham goes by the name Perry Pham (referred to hereafter
17 as "Pham") and resides at Garden Grove, California. Pham was the owner of
18 Millennium and a predecessor clinic, either directly or through a management
19 company, and actively participated in, directed, and profited from, the fraud at
20 those clinics. Pham was one of the individuals arrested by Federal criminal
21 authorities and charged with conspiracy and mail fraud in connection with the
22 fraud at Millennium.
23
24
25

26 73. Michael Schneider ("Schneider") resides at 6871 Vista Del Sol,
27 Huntington Beach, California. Schneider was an owner of Premium who profited
28

1 from the fraud at that clinic.

2 74. Lars Hanson, M.D. ("Hanson") resides at 2763 Gainsborough Drive,
3 San Marino, California. Hanson was a nominal owner of Newport Superior and
4 Newport Superior Management who actively participated in and profited from the
5 fraud at that clinic.
6

7
8 75. Hamilton Sah, M.D. ("Sah") resides at 16307 South Cherry Fall Lane,
9 Artesia, California. Sah was a nominal owner of Anaheim West who facilitated
10 and profited from the fraud at that clinic.
11

12 76. Daniel Rose, M.D., ("Rose") resides at 50 Lakeside Drive, Buena
13 Park, California. Rose was a nominal owner of St. Francis who facilitated and
14 profited from the fraud at that clinic.
15

16 77. Youn S. Toh, M.D. ("Toh") resides at 12750 E. Alchester, Fountain
17 Valley, California. Toh was a nominal owner of Millennium who actively
18 participated in, directed, and profited from, the fraud at that clinic. Toh is also an
19 anesthesiologist who actively participated in the scheme by performing, and
20 fraudulently billing and documenting, anesthesia services for fraudulent
21 procedures at Millennium.
22
23

24 **Surgeons**
25

26 78. Ardalan Babaknia, M.D. ("Babaknia") resides at 10 Rue Chantilly,
27 Newport Beach, California. Babaknia actively participated in the fraud scheme by
28

1 performing, and fraudulently billing and documenting, fraudulent procedures at
2 Defendant clinics, including Millennium and Newport Superior.
3

4 79. Byung Chun, M.D. ("Chun") resides at 8693 Hillcrest Road, Buena
5 Park, California 90621. Chun actively participated in the fraud scheme by
6 performing, and fraudulently billing and documenting, fraudulent procedures at
7 Defendant clinics, including Anaheim West, Millennium and Premium.
8

9 80. Moustafa El Alamy, M.D. ("Alamy") resides at 17527 Orna Drive,
10 Granada Hills, California. Alamy actively participated in the fraud scheme by
11 performing, and fraudulently billing and documenting, fraudulent procedures at
12 Defendant clinics, including Anaheim West, Newport Superior, Millennium and
13 Pacific.
14

15 81. John Eugene, M.D. ("Eugene") resides at 1 Open Brand Road,
16 Rolling Hills, California. Eugene actively participated in the fraud scheme by
17 performing, and fraudulently billing and documenting, fraudulent procedures at
18 Defendant clinics, including Anaheim West.
19

20 82. Paratha Govindarajan, M.D. ("Govindarajan") resides at 1711 W.
21 Romneya Drive, Anaheim, California. Govindarajan actively participated in the
22 fraud scheme by performing, and fraudulently billing and documenting, fraudulent
23 procedures at Defendant clinics, including but not limited to Harbor.
24
25
26
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1 83. Leon Halac, M.D. ("Halac") resides at 3530 Mystic Pointe Dr. #101,
2 Aventura, Florida. Halac actively participated in the fraud scheme by performing,
3 and fraudulently billing and documenting, fraudulent procedures at Defendant
4 clinics, including but not limited to Millennium.
5

6 84. William Hampton, M.D. ("Hampton") has an address at 3505 Long
7 Beach Blvd., Long Beach, California. Hampton actively participated in the fraud
8 scheme by performing, and fraudulently billing and documenting, fraudulent
9 procedures at Defendant clinics, including Unity, St. Paul and Premium.
10

11 85. Madhukar Jigjinni, M.D. ("Jigjinni") resides at 19025 Cerro Villa
12 Drive, Orange, California. Jigjinni actively participated in the fraud scheme by
13 performing, and fraudulently billing and documenting, fraudulent procedures at
14 Defendant clinics, including Millennium.
15

16 86. Chin Goo Kim, M.D. ("Kim") resides at 8695 Hillcrest Road, Buena
17 Park, California 90621. Kim actively participated in the fraud scheme by
18 performing, and fraudulently billing and documenting, fraudulent procedures at
19 Defendant clinics, including Unity and Anaheim West.
20

21 87. Edgar Lluncor, M.D. ("Lluncor") resides at 65 Saddleback Road,
22 Rolling Hills, California. Lluncor actively participated in the fraud scheme by
23 performing, and fraudulently billing and documenting, fraudulent procedures at
24 Pacific.
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1 88. Robert J. McKenna, M.D. ("McKenna") resides at 424 Acacia Drive,
2 Corona Del Mar, California. McKenna actively participated in the fraud scheme
3 by performing, and fraudulently billing and documenting, fraudulent procedures at
4 Defendant clinics, including Unity and St. Paul.
5

6 89. Bharat Patel, M.D. ("Patel") resides at 6440 E. Shire Way, Long
7 Beach, California. Patel actively participated in the fraud scheme by performing,
8 and fraudulently billing and documenting, fraudulent procedures at Defendant
9 clinics, including Millennium and St. Paul.
10
11

12 90. Amer Rayyes, M.D. ("Rayyes") resides at 2032 Burnt Mill Road,
13 Tustin, California. Rayyes actively participated in the fraud scheme by
14 performing, and fraudulently billing and documenting, fraudulent procedures at
15 Defendant clinics, including Newport Superior and Pacific.
16

17 91. Mario Z. Rosenberg, M.D. ("Rosenberg") resides at 1118 Pine Drive,
18 Beverly Hills. Rosenberg actively participated in the fraud scheme by performing,
19 and fraudulently billing and documenting, fraudulent procedures at Defendant
20 clinics, including Unity, St. Paul, Anaheim West, St. Francis, Newport Superior
21 and Millennium.
22
23

24 92. Lloyd White, M.D. ("White") resides at 3610 Castle Rock Road,
25 Diamond Bar, California. White actively participated in the fraud scheme by
26 performing, and fraudulently billing and documenting, fraudulent procedures at
27
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1 Defendant clinics, including Unity and Anaheim West.

2 93. The true names and capacities of the Defendants named herein as
3
4 John Does 1 through 100, inclusive, are unknown to Plaintiffs. Plaintiffs therefore
5
6 sue these Defendants by such fictitious names, and will seek leave of this Court to
7
8 amend this Complaint to allege their true names and capacities when they have
9
10 been ascertained. Plaintiffs are informed and believe and thereon allege that John
11
12 Does 1 through 100, inclusive, have conspired and participated in, and/or aided or
13
14 abetted, the unlawful conduct alleged in this Complaint are liable to Plaintiffs for
15
16 their unlawful conduct.

17 IV.

18 **THE ENTERPRISES, CONNECTIONS BETWEEN** 19 **THE DEFENDANTS, AND DEFENDANTS' CASE-WIDE CONSPIRACY**

20 94. The Defendants in this Complaint include 9 corrupt surgical clinics
21
22 plus owners, administrators and surgeons associated with those clinics. Though
23
24 each clinic represents a separate operating unit, and is pled as a separate enterprise
25
26 in the Claims for Relief section of this Complaint, all of those clinics are closely
27
28 related in various ways. Besides having committed insurance fraud in precisely
the same way, the clinics are linked by common surgeons, common patient
recruiters and common patients. Examples of those linkages are provided by the
illustrative patient examples and patient clusters detailed in later sections of this
Complaint.

A. The Vu Enterprise

95. Five of the 9 Defendant clinics are bound not only by common surgeons, recruiters and patients, but also by common ownership, management personnel, and locations. Those are the clinics owned and controlled, in whole or in part, by Defendant Vu, who is being criminally prosecuted for fraud by State criminal authorities. The Vu clinics, besides being individual RICO enterprises, are so inter-connected as to also form a single collective RICO enterprise, referred to and pled in this Complaint as the "Vu Enterprise."

96. The clinics in the Vu Enterprise are Unity, St. Paul, Anaheim West, St. Francis and Newport Superior. Those clinics operated at three locations as set forth in the following table:

Vu Enterprise Clinics		
Clinic	Location	Defendant Surgeons
Newport Superior Outpatient Medical Center	1501 Superior Ave. Newport Beach, CA 92663	Alamy, Babaknia, Rayyes, Rosenberg
St. Francis Outpatient Medical Center	408 South Beach Blvd. Anaheim, CA 92804	Rosenberg
Anaheim West Outpatient Surgery Center	408 South Beach Blvd. Anaheim, CA 92804	Alamy, Chan, Chun, Eugene, Kim, Rosenberg, White
Unity Outpatient Surgery Center	5730 Beach Blvd. Buena Park, CA 90620	Chan, Kim, Hampton, McKenna, Rosenberg, White
St. Paul Outpatient Surgery Medical Center	5730 Beach Blvd. Buena Park, CA 90620	Hampton, McKenna, Patel, Rosenberg

1 97. As detailed below, those clinics represent a single, continuously
2 operating enterprise that simply changed names and locations over a roughly four-
3 year period.
4

5 **1. History of the Vu Enterprise**
6

7 98. Tom Vu and his wife Huong Ngo have been in the outpatient surgery
8 clinic fraud business for almost a decade. In 1995, Vu formed a corrupt clinic in
9 Huntington Beach called Advanced Laser Surgical Center ("Advanced Laser").
10 Ngo actively participated in the fraud at Advanced Laser. Vu's co-owners at
11 Advanced Laser included Thu Ngoc (a/k/a Perry) Pham (a Defendant in this case
12 who owned the Millennium clinic and is being prosecuted by Federal criminal
13 authorities). A third co-owner of Advanced Laser, Mir Shadjareh, was indicted in
14 April 2001 on Federal mail fraud charges relating to the operation of Advanced
15 Laser, and pled guilty shortly thereafter. Vu and Pham, however, were not
16 prosecuted in connection with the Advanced Laser fraud, and their fraud
17 continued at the clinics in this case.
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22 99. The fraud at Advanced Laser, like the later fraud at both the Vu
23 Enterprise clinics and Millennium, involved a well-developed patient recruiting
24 network that recruited patients from all over the country to have outpatient
25 cosmetic surgeries. Surgeons at Advanced Laser performed cosmetic surgery on
26 the recruited patients, and Advanced Laser then billed insurers for functional
27
28

1 surgeries that either were not performed at all or were performed solely as a
2 pretext for billing. The fraud at issue in this case, in which patients were paid in
3 cash or cosmetic surgery to undergo unnecessary procedures, represents an
4 evolution of the fraud scheme that Vu, Pham and others implemented at Advanced
5 Laser.
6
7

8 100. Advanced Laser closed in mid-1996. After owning and operating
9 another fraud mill in Orange County for several years, Vu formed the first of the
10 Vu Enterprise clinics, Newport Superior in Newport Beach, in February 1999. Vu
11 had at least one co-owner at Newport Superior, Defendant Catherine Bach. Vu
12 had a falling out with Bach in 2001, and in April 2001 Vu and several partners
13 formed Anaheim West. A short time later, the same group began operating St.
14 Francis, just one floor above Anaheim West at the same address. In June 2002,
15 Vu had a falling out with his Anaheim West partners, left Anaheim West, and two
16 months later, in August 2002, started the Unity clinic in Buena Park. On April 29,
17 2003, the Orange County District Attorney's Office executed a search warrant at
18 Unity, effectively ending Defendants' ability to do business under the name of
19 Unity. Only a few days later, however, Vu formed St. Paul at the same location,
20 and within weeks St. Paul was in business perpetrating the same fraud.
21
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26 101. In other words, the progression of the fraudulent clinics in the Vu
27 Enterprise was from Newport Superior (early 1999 to early 2001), to Anaheim
28

1 West and St. Francis (April 2001 to June 2002), to Unity (August 2002 to April
2 2003), to St. Paul (beginning in mid-2003). Each time Vu was interrupted by law
3 enforcement activity or other events, he reopened shortly thereafter under a
4 different name.
5

6
7 **2. Personnel of the Vu Enterprise**

8 102. Though the names and locations of the clinics in the Vu Enterprise
9 changed, key personnel remained largely the same. Throughout, office staff of the
10 clinics included Elvira Lopez, Adriana Ponce and Jessica Luna in a range of
11 administrative positions such as front office manager and assistant administrator.
12 When Unity "morphed" into St. Paul, Lopez and Ponce were given executive titles
13 as Senior Vice Presidents of the management company, Unity LLC. Many other
14 clinic staffers moved from clinic to clinic as well.
15
16

17 103. Rosalinda Landon was a former patient recruiter at other corrupt
18 clinics in the mid-late 1990's. Among other responsibilities, Landon was in
19 charge of the recruiting operation at both Anaheim West/St. Francis and Unity/St.
20 Paul, as further detailed below.
21
22

23 104. Defendant Andrew Harnen was the accountant and more at both
24 Anaheim West/St. Francis and Unity/St. Paul. Among other illegal activities,
25 Harnen wrote checks for illegal payments to patient recruiters.
26
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1 **3. Ownership, Management and Control,**
2 **and Distribution of Profits, of the Vu Enterprise**

3 105. Whether at Newport Superior, Anaheim West, St. Francis, Unity or
4 St. Paul, the ownership and management of the clinics was organized in the same
5 illegal and fraudulent fashion. California law requires that outpatient surgery
6 clinics be owned and managed by a doctor or a medical corporation, and prohibits
7 non-doctors or their corporations from doing so. To make it appear that they were
8 complying with that rule, Vu and his partners at each clinic arranged for the clinic
9 to be nominally owned and managed by a doctor. At Newport Superior, the doctor
10 who was the nominal owner and/or "president" was Defendant Lars Hanson; at
11 Anaheim West it was Defendant Hamilton Sah; at St. Francis it was Defendant
12 Daniel Rose; at Unity it was Defendant Michael Chan; and at St. Paul it was
13 Defendant Martha Madrid. The reality, however, is that those doctors merely
14 fronted as owners, and it was Vu and his partners, who controlled the management
15 company at each of the clinics, who actually owned and controlled the clinics.
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21 106. Defendant Gordon Merrick, who was experienced in the
22 establishment, licensing and accreditation of outpatient surgical clinics in
23 California, actively participated in the creation and implementation of those sham
24 ownership arrangements in furtherance of the fraud and in violation of California
25 law.
26
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1 107. The ownership and management structure at Anaheim West
2 illustrates how this was done. In June 2002, Vu and his partners at Anaheim West
3 got into a dispute over money, and the other partners locked Vu out of the clinic.
4 Vu responded by suing his partners. In the ensuing litigation, both Vu and the
5 other partners placed their once-secret ownership and management arrangement
6 on full display. The filings in the litigation (Lincoln Management Group, LLC v.
7 Anaheim West Outpatient Surgery Center, Inc., Superior Court of California,
8 Orange County, Case No. 02 CC 10632) (the "Lincoln Management Case"),
9 including sworn Declarations by Vu and one of the partners, provide a window
10 into their arrangement.
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15 108. The filings in the Lincoln Management Case reveal that the owners of
16 Lincoln Management -- and not Dr. Sah who supposedly owned Anaheim West --
17 actually owned, operated, and received profits from, the clinic. The owners of
18 Lincoln Management and their respective ownership shares were as follows:
19 Defendant Ocher County Clinics, Inc. (a company owned by, among others,
20 Defendants Mitchell Rubin and his brother, Defendant Steven Rubin) -- 40%;
21 Sorrento Equities, LLC (a company owned by Defendants Vu and Ngo) -- 40%;
22 Defendant Gordon Merrick-- 10%; Defendant Rosalinda Landon --5%; and
23 Defendant Daniel Romanello -- 5%.
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1 109. The Management Services Agreement between Lincoln Management
2 and Anaheim West provides that Lincoln Management would receive all the
3 proceeds of the business of Anaheim West. Specifically, that Agreement provides
4 that, in return for managing the clinic (Tom Vu was designated as the "office
5 manager in charge of the day-to-day requirements of Site operations"), Lincoln
6 Management was to receive "all Provider Collections generated by the Provider at
7 the Site." "Provider Collections" is defined in the Agreement as "all fees"
8 generated and received by the clinic "in connection with the performance of
9 professional services," "including but not limited to office or hospital visits,
10 consultation fees, medical treatment, medical diagnoses, surgery, diagnostic
11 imaging, drugs, supplies and equipment," "whether payable directly by the
12 patients or by private insurance or other third-party payors."
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18 110. As for Defendant Hamilton Sah, the nominal doctor/owner of
19 Anaheim West, Vu's Declaration in the Lincoln Management Case stated that Sah
20 actually owned and controlled nothing at the clinic, was almost never at the clinic,
21 and received only a monthly stipend from Lincoln Management -- essentially a
22 monthly payment for the lease and prostitution of Sah's medical license. Vu's
23 Declaration also stated that Lincoln Management had the same arrangement with
24 Defendant Daniel Rose, an absentee doctor who was the nominal owner of St.
25 Francis. In a sworn Declaration dated July 2, 2002, Vu stated:
26
27
28

1 In April 2001 plaintiff Lincoln Management founded
2 and set up the Anaheim West Outpatient Surgery Center,
3 and recruited Dr. [Hamilton] Sah as its medical director.
4 He had no part in setting up the center, did not practice
5 medicine there, generated none of its business, and was
6 on the premises only twice in the last year. About a year
7 later, the principals of Lincoln Management formed
8 another entity, Inland Orange Medical Management Inc.,
9 to set up the St. Francis Outpatient Medical Center, and
10 recruited Daniel M. Rose, M.D. to be its medical director
11 on terms similar to those we had with Dr. Sah.

12 I and my wife Huong Ngo, principals of plaintiff Lincoln
13 Management (we actually hold our interest through
14 another limited liability company, Sorrento Equities,
15 LLC), invested \$300,000 in the physical and
16 administrative setup of the Anaheim West operation,
17 which [Lincoln Management] operated and managed
18 until June 7, 2002. We purchased or leased all the
19 equipment, and though Anaheim West Outpatient
20 Surgery Center, Inc. was the named lessee on the lease
21 of the premises at 408 South Beach Boulevard, Lincoln
22 Management made the lease payments. In short, Lincoln
23 Management did all the work at the surgery center
24 except for the actual surgeries.

25 In return for our establishing, investing in and managing
26 the facility, Lincoln Management was entitled to all of
27 the facilities fees charged to patients . . .

28 Dr. Sah had been paid \$6,000 per month by Lincoln
Management to act as medical director of the surgery
center, even though he did no work in that position, did
not practice medicine there, and rarely even visited the
premises before his sudden June 7, 2002 takeover.
Defendant Mitchell Rubin told me that Rubin paid Sah
an additional \$16,000 per month.

1 111. In substance, Vu stated that Defendant Sah was a shill and did
2 virtually nothing with respect to Anaheim West other than to allow the misuse of
3 his license and collect about \$22,000 per month; rather, Vu and Ngo organized
4 and ran the clinic, and they divided the fraudulent proceeds with Ocher County
5 Clinics (i.e., Mitchell and Steven Rubin), Merrick, Landon and Romanello. Those
6 proceeds were very substantial. As Vu stated in his July 2, 2002 Declaration:
7

8 Under our management, the business had been thriving.
9 As of June 7, 2002, the facilities fees were being
10 collected at the rate of about \$2,000,000 per month.
11

12 112. The ownership and management structure at the other Vu Enterprise
13 clinics was similar to that at Anaheim West. At Unity, for example, Unity LLC
14 was the management company, and the owners of Unity LLC included a company
15 controlled by Vu and Ngo called Nordenham Capital. Sharing in the proceeds
16 were, again, Defendants Gordon Merrick and Rosalinda Landon, now joined by
17 Defendants Dee Francis and Andrew Harnen. Michael Chan was more active at
18 Unity than Dr. Sah had been at Anaheim West -- performing and billing for
19 medical procedures that were carried out as part of the scheme. Nevertheless, the
20 lion's share of the clinic's profits went to Vu, Ngo, Merrick, Landon, Francis and
21 Harnen, even though Chan nominally owned the clinic.
22

23 113. The same arrangement had been implemented previously at Newport
24 Superior, where Lars Hanson was the doctor/owner. So, too, at St. Paul, where
25
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1 Defendant Martha Madrid was the President and “medical director” but Vu and
2 others got the money through the St. Paul management company, St. Paul LLC.
3

4 **4. Patient Recruiting Organization of the Vu Enterprise**

5 **a. Anaheim West and Unity**

6
7 114. In his Declaration in the Lincoln Management Case, Vu stated that
8 “we spent generously on advertising and marketing [at Anaheim West] which is
9 why business was as good as it was.” The “generous” spending on “marketing” to
10 which Vu referred consisted of illegal payments to patient recruiters (and to
11 patients) to get patients in the door to have the unnecessary endoscopies,
12 colonoscopies, sweaty palms and other procedures that were the source of the
13 clinic’s substantial revenues. The hub of that recruiting effort and those payments
14 was Defendant Rosalinda Landon.
15
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18 115. As previously noted, Landon was a veteran of illegal patient
19 recruiting to corrupt Southern California surgery clinics, having recruited many
20 patients herself to such clinics in previous incarnations of the scheme. The
21 recruiting operation that Landon oversaw at Anaheim West, however, was larger
22 than in any of the prior schemes. Landon ran that operation using, inter alia, bank
23 accounts of two patient recruiting companies that she had started years before,
24 called Professional Services Management and Professional Services Exchange.
25
26 Much of the funding for that illicit recruiting operation was provided to Landon’s
27
28

1 recruiting companies via checks from Lincoln Management signed by Vu's wife
2 Huong Ngo. Landon then paid the recruiters through checks that Landon signed
3 on the accounts of Professional Services Management and Professional Services
4 Exchange.
5

6 116. Between June 2001, shortly after Anaheim West was formed, and
7 June 2002, when Vu fell out with his partners, Lincoln Management wrote scores
8 of large checks to Professional Services Management and Professional Services
9 Exchange to pay for recruiting patients to Anaheim West. During that 12-month
10 period, Lincoln Management wrote as many as 6 checks a week to Professional
11 Services Management and Professional Services Exchange, in amounts that
12 routinely ranged from \$20,000 to \$60,000 per check, and that totaled more than
13 \$1.7 million. A chart of those checks is attached as Appendix A.
14

15 117. After Lincoln Management made those transfers to Landon's
16 recruiting companies, Landon disbursed those funds to patient recruiters. Among
17 the 20-odd recruiters that Landon paid with the funds supplied by Lincoln
18 Management are several who are now defendants in the criminal cases brought by
19 State and Federal prosecutors, including Sue Nanda (and her company Beauty
20 Enhancement Specialists), Maria Rosales, Olga Toscano and Pancha
21 Keophimphone. Other Anaheim West patient recruiters to whom Landon paid
22 thousands of dollars in illegal recruiter fees included Bina Park, Lynn Lavong and
23
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1 Kim Pham. A chart of checks that Landon paid to those recruiters is attached as
2 Appendix B.
3

4 118. The State Felony Complaint previously identified charges five
5 recruiters (and identifies others) that Vu, Ngo and Landon paid to recruit patients
6 to Unity. The Felony Complaint identifies those recruiters and the amounts they
7 received for delivering people to Unity as follows:
8

9	1.	Thuy Huynh	\$ 90,250.00
10	2..	Phuc Nhat Nguyen	\$204,800.00
11	3.	Olga Lilia Toscano	\$103,250.00
12	4.	Sue Nanda	\$247,500.00
13	5.	Maria Rosales	\$ 78,250.00
14	6.	Pancha Keophimphone	\$208,750.00
15	7.	Amanda Tran	\$ 23,500.00

16 **b. Thuy Huynh**

17 119. One of the recruiters identified in the State Felony Complaint is Thuy
18 Huynh. In separate civil litigation involving Plaintiff Alabama Blue Cross, Huynh
19 has admitted to recruiting patients for Defendant clinics for at least four years,
20 from 1999-2003.
21

22 120. Using a combination of community contacts and newspaper
23 advertising, Huynh recruited patients covered by Plaintiffs and other insurers in
24 areas across the country, including in Houston, San Jose, Virginia and Chicago.
25 As part of her role in the scheme, Huynh met her recruits at Los Angeles Airport
26 and drove them to Defendant clinics where they were immediately subjected to
27
28

1 endoscopies and colonoscopies without any prior diagnosis or screening.

2 Following the procedures, Huynh brought the patients to a Best Western or other
3 motel for a brief recovery period, and then returned them to the airport to fly
4 home.
5

6 121. Huynh ran her recruiting business through two companies, Pleasant
7 Services, Inc. and T&T Medical Solutions, and also did business as Trang Thu
8 Thuy Marketing. Huynh recruited patients to all the clinics in the Vu Enterprise.
9 For example:
10

11 -- Between September 2001 and June 2002, Lincoln Management paid
12 17 checks totaling \$301,500 to Pleasant Services, Inc. and T&T Medical Solutions
13 for recruiting patients to Anaheim West. Vu's wife, Defendant Huong Ngo,
14 signed most of those checks. A chart of those checks is attached as Appendix C.
15

16 -- Between January 1999 and February 2003, Newport Superior
17 Outpatient Medical Center and Newport Superior Management Group LLC paid
18 more than 80 checks totaling almost \$200,000 to Huynh and her recruiting
19 companies for recruiting patients to Newport Superior. Defendants Catherine Bach
20 or Lars Hanson signed most of those checks. A chart of some of those checks is
21 attached as Appendix D.
22

23 -- Between September 2002 and October 2002, Huynh deposited eleven
24 checks, totaling \$86,500, that were made payable to Pleasant Services by
25
26
27
28

1 Healthstar Surgical Group ("Healthstar"). Defendant Huong Ngo signed most of
2 those checks. The officers of Healthstar are Merrick, Landon and Francis, and
3 Healthstar is one of the entities referred to in the State Felony Complaint as having
4 been established by Vu and his co-conspirators to serve as a billing alias for the
5 submission of fraudulent claims by Unity. A chart of those checks is attached as
6 Appendix E.
7

8 -- Between October 2002 and June 2003, Huynh deposited eight checks,
9 totaling \$35,100, that were made payable to her or to Pleasant Services by North
10 Orange County Imaging. North Orange County Imaging is another Merrick-
11 Landon-Francis entity that is identified as a Unity billing alias in the Felony
12 Complaint. A chart of those checks is attached as Appendix F.
13

14 -- Between May 2003 and July 2003, Huynh deposited five checks,
15 totaling \$42,900 that were made payable to her by Antioch Management, Inc.
16 ("Antioch"). Defendant Andrew Harnen, the accountant for Unity and other
17 components of the Vu Enterprise, signed those Antioch checks. A chart of those
18 checks is attached as Appendix G.
19

20 -- And between October 2003 and March 2004, St. Paul paid 14 checks
21 totaling more than \$58,000 to Huynh and Pleasant Services. Defendant Huong
22 Ngo signed all of those checks except one, which was signed by Defendant
23 Andrew Harnen. A chart of those checks is attached as Appendix H.
24
25
26
27
28

1 **B. The Millennium Enterprise**

2 **1. Connections to the Vu Enterprise**

3
4 122. The head of the Millennium Enterprise was Thu Ngoc Pham, known
5 as Perry Pham ("Pham"). As previously noted, Pham and Vu participated in
6 surgery clinic fraud together in the mid-90's as principals of Advanced Laser
7 Surgical Center, a forerunner of the criminal enterprises at issue here.

8
9 123. The Millennium Enterprise committed the same fraud in the same
10 way as the clinics in the Vu Enterprise. Like the Vu Enterprise clinics,
11 Millennium used a network of patient recruiters to solicit patients from across the
12 country to have unnecessary procedures at Millennium in exchange for cash
13 payments or credits toward free or discounted cosmetic surgery. The fraudulent
14 procedures performed at Millennium were the same as those performed at the Vu
15 Enterprise clinics -- primarily endoscopies, colonoscopies and sweaty palms
16 procedures, as well as other procedures, including nasal and gynecological
17 procedures.

18
19 124. The Vu Enterprise and Millennium shared common doctors. For
20 example, Defendant surgeons Rosenberg, Alamy, Babaknia, Chun, Chan and Patel
21 performed, documented and billed for fraudulent procedures at both Vu Enterprise
22 clinics and at Millennium.

23
24 125. They also shared common patient recruiters. For example, the
25
26
27
28 Federal Indictment against Pham and Millennium, and the State Felony Complaint

1 against Vu and others, state that both those sets of Defendants made illegal
2 payments to recruiters Olga Toscano and Maria Rosales. Thuy Huynh, the patient
3 recruiter discussed above in connection with the Vu Enterprise, also recruited
4 patients to, and was paid by, Millennium. For example, between April and June,
5 2002, Millennium paid Huynh's recruiting company, Pleasant Services, 6 checks
6 totaling \$27,000. A chart of those checks is attached as Appendix I.
7

8
9 126. Because the same patient recruiters brought patients both to Vu's
10 clinics and to Millennium, the clinics also shared numerous individual patients.
11 As illustrated in the patient clusters described below, many patients in those
12 clusters who had multiple procedures had some of their procedures at Vu
13 Enterprise clinics and others at Millennium.
14
15

16 **2. Fraud at Millennium**
17

18 127. Millennium was located at 1200 N. Tustin Avenue in Santa Ana.
19 Pham opened the clinic in 1998 under another clinic name. He recruited a surgeon
20 who had previously participated in the fraud at Advanced Laser to be the medical
21 director of the clinic. In 2000, Pham changed the name of the clinic to
22 Millennium.
23

24 128. The individual named in Millennium's corporate filings as the
25 President of Millennium is Defendant Youn Toh, an anesthesiologist. Pham,
26 however, was the actual owner and mastermind of the Millennium fraud.
27
28

1 129. The Federal Indictment against Pham and recruiters Olga Toscano,
2 Maria Rosales and Esmeralda Tello, alleges that Pham managed and conducted the
3
4 affairs of this enterprise with the assistance of his co-defendants and others.

5 130. The Federal Indictment states:

6 11. . . . defendants MOSC [Millennium] PHAM,
7 TOSCANO, ROSALES, and ORTIZ, together with other
8 coconspirators, caused and intended losses to health
9 insurers of approximately \$34,000,000.

10 12. Defendants PHAM and TOSCANO were managers,
11 supervisors, organizers, and leaders of the criminal
12 activity described in this count, which involved five or
13 more persons criminally responsible for the commission
of the offense and was otherwise extensive.

14 131. Summarizing the operations of the Millennium Enterprise, the
15 Federal Indictment states, inter alia, that:

16
17 8. The objects of the conspiracy were to be
18 accomplished as follows:

19 (a) Defendant PHAM operated MOSC and
20 directed and managed its employees and agents,
21 including, without limitation, defendants, TOSCANO,
ROSALES, and ORTIZ;

22 (b) Defendant PHAM unlawfully compensated
23 defendants TOSCANO, ROSALES, ORTIZ, and other
24 patient recruiters for referring patients to MOSC;

25 (c) Defendants PHAM, TOSCANO, ROSALES,
26 and ORTIZ offered money and discounted cosmetic
27 surgery to people who had private health insurance
28 coverage sponsored by their employers in order to
persuade them to undergo unnecessary outpatient
medical procedures as patients at MOSC

* * *

(f) Defendants MOSC, PHAM, TOSCANO, ROSALES, and ORTIZ, using the United States mail and other private or commercial interstate carriers, fraudulently billed private health insurers, and caused them to be fraudulently billed, for medical procedures performed on recruited patients that defendants MOSC, PHAM, TOSCANO, ROSALES, and ORTIZ knew to be unnecessary, corruptly induced, and falsely justified;

* * *

(h) Defendants MOSC, PHAM, TOSCANO, ROSALES, and ORTIZ, knowingly concealed and failed to disclose to health insurers, and knowingly caused others to conceal and fail to disclose to such health insurers, the true facts about their fraudulent and unlawful practices.

9. The false statements, half truths, concealed and omitted facts, and deceptive acts and practices used by defendants in furtherance of the Outpatient Fraud Scheme were material in that, had the private health insurers known the true and complete facts, they:

(a) would not have authorized treatment of recruited patients at MOSC;

(b) would not have paid for claims for unnecessary, corruptly induced, and falsely justified medical procedures; and

(c) would not have incurred losses and other unnecessary costs attempting to review and investigate fraudulent medical claims.

1 **C. Harbor, Pacific and Premium**

2 132. Three other Defendant clinics -- Harbor, Pacific and Premium -- have
3
4 been involved in the same fraud as the Vu Enterprise clinics and Millennium. The
5 fraud at Harbor, Pacific and Premium is identical to the fraud at those other
6
7 clinics, with patients undergoing unnecessary endoscopies, colonoscopies and
8
9 sweaty palms surgeries in exchange for cash or discounted cosmetic surgery, and
10
11 the clinics fraudulently billing those fraudulent procedures to insurers such as
12
13 Plaintiffs. That identical modus operandi is no coincidence, because Harbor,
14
15 Pacific and Premium are related to the other clinics in numerous ways.

16 133. Harbor, Pacific and Premium are connected to other Defendant clinics
17
18 through, among other connections, their common locations, owners/officers and
19
20 anesthesiologists. For example, Harbor is located at the same address as Newport
21
22 Superior. One of the owners/officers of the Harbor corporate entity, Defendant
23
24 Lars Hanson, was also an owner/officer of the Newport Superior corporate entity.
25
26 The principal anesthesiologist at Pacific, who assisted in all the Pacific procedures
27
28 at issue, is Stewart Goldstein. Before becoming affiliated with Pacific, Goldstein
had been an anesthesiologist at Newport Superior. Public records indicate that
Premium was founded in May 2002 and that one of its original officers was an
anesthesiologist, Raad Jeiroudi. Before assuming duties at Premium, Jeiroudi was
the anesthesiologist on numerous procedures at Newport Superior.

1 134. Surgeons who participated in the fraud at Harbor, Pacific and
2 Premium also participated in the fraud at other Defendant clinics. For example:

3
4 -- Defendants Alamy and Rayyes, who performed fraudulent procedures at
5 Pacific, also performed fraudulent procedures at other Defendant clinics -- Alamy
6 at Millennium, Anaheim West and Newport Superior, and Rayyes at Newport
7 Superior.
8

9 -- Defendants Hampton and Chun, who performed fraudulent procedures at
10 Premium, also performed procedures at other Defendant clinics -- Hampton at
11 Unity and St. Paul and Chun at Millennium and Anaheim West.
12

13 -- Defendant Govindarajan, who performed fraudulent procedures at
14 Harbor, also performed procedures at Anaheim West and Newport Superior.
15

16 135. Harbor, Pacific and Premium also used the same patient recruiters as
17 the other clinics. For example, as detailed above, all of the Vu Enterprise clinics,
18 as well as Millennium, made substantial payments to a Texas-based patient
19 recruiter named Thuy Huynh. Pacific's management company, Defendant Pacific
20 Outpatient Medical Marketing Group, Inc. ("POMMGI"), also made payments to
21 Thuy Huynh. In particular, between August and November 2001, POMMGI
22 issued at least 8 checks totaling more than \$100,000 in illegal recruiter payments
23 to one of Thuy Huynh's recruiting companies, T & T Medical Solutions. Those
24 checks were signed by an individual identified in public records as POMMGI's
25
26
27
28

1 registered agent, Andy Andalibian. A chart of those checks is attached as
2
3 Appendix J.

4 136. One of the patient "clusters" in this fraud involved a large group of
5 workers from an environmental services company in Phoenix, Arizona called
6 Onyx, that received health benefits administered by Plaintiff Highmark. As
7 detailed below, the patient recruiter who brought those patients to Southern
8 California was an Onyx employee named Qui Pham. Though most of the patients
9 in that cluster had fraudulent procedures at the Unity clinic, Qui Pham also
10 brought several of the patients to have fraudulent procedures at Premium.
11
12

13 137. The Onyx cluster is only one of several examples detailed later in this
14 Complaint in which particular patients had some fraudulent procedures at one of
15 the Vu Enterprise clinics or Millennium, and also had one or more fraudulent
16 procedures at Harbor, Pacific or Premium. See, e.g., Patient Examples HI-2, HI-5,
17 HI-40, EX-16, MA-4, RE-4, RE-5 and CF-1, *infra*. That sharing of patients
18 between the Vu Enterprise clinics, Millennium, and Harbor, Pacific and Premium
19 is proof positive that they were all engaged in the same coordinated fraud.
20
21
22

23 **D. Case-Wide Conspiracy**

24 138. Those commonalities between the Vu Enterprise clinics, Millennium,
25 Harbor, Pacific and Premium establish the existence of a case-wide conspiracy
26 involving all of the fraud Defendants and the network of patient recruiters that
27
28

1 supplied patients to all of them.

2 139. The common modus operandi, common surgeons, common recruiters
3 and common patients within the scheme, as illustrated in the patient examples and
4 patient clusters detailed below, establish the elements of a case-wide conspiracy to
5 which all the fraud Defendants agreed and in which all of them participated. Each
6 of those Defendants was aware of the existence of the overall scheme and of the
7 participation of others in it, and that the benefits of each were dependent on the
8 success of the broader fraudulent venture.
9

10 140. As a result, in addition to the joint and several liability within each
11 RICO Enterprise alleged below, all the fraud Defendants are jointly and severally
12 liable as co-conspirators for all of Plaintiffs' fraud damages caused by any of the
13 Defendants.
14

15 V.
16

17 **PARTICULARIZED FRAUDULENT ACTS**
18 **AND ILLUSTRATIVE PATIENT EXAMPLES**
19

20 141. Because of the magnitude of the fraud, and the deceptive tactics that
21 Defendants employed, it is not feasible to provide detailed descriptions of all of
22 Defendants' fraudulent claims in this Complaint. The following pages therefore
23 describe a series of illustrative fraudulent claims, organized according to the
24 Plaintiff involved. Many of these illustrative claims involve "clusters" of
25 employees from the same workplace, which is one of the red flags of the fraud in
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27
28

1 this case.

2
3 142. For many of the patient examples detailed below, it is believed that
4 Defendants actually performed the procedures that they fraudulently billed,
5 knowing that the procedures were completely unnecessary, and performing them
6 solely as a pretext for fraudulent billing. In some cases, however, Defendants did
7 not actually perform the procedure that was billed, and the billings were
8 completely fictitious. Ultimately, it makes no difference whether, in a particular
9 case, the procedures were performed but completely unnecessary or not performed
10 at all, because either way the claims were fraudulent.
11
12

13 143. Because some surgeons were part of corporate practice groups, in
14 some instances a procedure performed by one surgeon was billed under the name
15 of another surgeon. In the examples below, an allegation that a particular
16 Defendant surgeon was the surgeon on a particular fraudulent procedure means
17 that the Defendant either performed, or claimed to perform, the procedure himself,
18 knowing that it was fraudulent, or billed for it under the name of his corporate
19 practice group, knowing that it was fraudulent. Again, it makes no difference
20 whether the surgeon performed and billed for the procedure or only billed for the
21 procedure, because both the performing and billing of the procedure were essential
22 aspects of the fraud.
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1 **A. Plaintiff Highmark**

2 **1. The Onyx Employee Cluster From Phoenix, Arizona**

3
4 144. As part of the fraud targeted in this Complaint, approximately 40
5 employees of Onyx Environmental Services ("Onyx") and their dependents, all of
6 whom live in the vicinity of Phoenix, Arizona, were transported to California to
7 undergo out-patient surgical procedures, usually on a Saturday or Sunday, at
8 Unity, St. Francis, Premium and other clinics during a one-year period from May
9 2002 through April 2003. Highmark received bills for more than 100 diagnostic
10 and surgical procedures that Defendants ostensibly performed on the Onyx
11 employees or family members during that year. Those bills were fraudulent.
12
13

14
15 145. Defendants billed for at least 33 endoscopies, 28 colonoscopies, and
16 four laparoscopies on those Onyx beneficiaries -- a total of 65 diagnostic
17 procedures that diagnosed no actual conditions and led to no actual treatment.
18

19 146. Defendants also billed for performing "sweaty palm" surgery on at
20 least 17 of the Onyx employees and family members. Five of those patients
21 supposedly underwent this procedure twice, bringing the total to 22 sweaty palm
22 surgeries. Moreover, at least 19 of those sweaty palms surgeries were ostensibly
23 performed following colonoscopies and/or endoscopies, frequently performed in
24 rapid succession.
25
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1 147. In seven instances, Onyx patients who had endoscopies and
2 colonoscopies returned for nasal surgeries referred to as septoplasties. In two
3 cases, patients who had upper and lower GI procedures returned for both nasal
4 surgery and supposed circumcisions.
5

6 148. Six of the Onyx patients who underwent procedures as part of this
7 scam have admitted that the procedures were wholly unnecessary, and that a
8 recruiter at their workplace paid them to undergo procedures at Unity and other
9 clinics. The individuals who made those admissions are identified in this
10 Complaint as patients HI-01, HI-02, HI-03, HI-04, HI-05 and HI-06. To protect
11 patient confidentiality, patients are identified throughout this Complaint by
12 numerical code rather than by name.
13
14
15

16 149. In each case, money, transportation and motel rooms were provided
17 by the recruiter, who drove them to and from the surgical center.
18

19 150. In addition, the patients were told to lie to Highmark about symptoms
20 that they did not actually experience, and to lie about how they chose the
21 Defendant doctors and surgical centers, if they were contacted about their claims.
22 The patients were also instructed, in the event Highmark forwarded the benefit
23 checks to them rather than to the doctor or surgical center, to deposit the check in
24 a bank and then withdraw the same amount in cash and pay it to the recruiter. The
25 employees were also told to keep each cash withdrawal below \$10,000, the
26
27
28

threshold at which banks report cash transactions to the federal government.

151. The procedures that those 6 Onyx patients were paid to undergo are set forth in the following table. The amounts paid to the patients to induce them to participate in the scheme are set forth to the extent that information is presently available. ("N/A" in this and other charts in this Complaint denotes information not presently available.)

ONYX PATIENTS WHO ADMITTED ACCEPTING PAYMENTS FOR UNNECESSARY PROCEDURES					
Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure	Amount Paid to Patient
HI-6	3/8/03	Unity	Rosenberg	Endoscopy	\$400+
HI-6	3/9/03	Unity	Rosenberg	Colonoscopy	\$400+
HI-6	3/15/03	N/A	Hampton	Sweaty Palm Surgery	\$400+
HI-4	5/19/02	N/A	Kim	Endoscopy	N/A
HI-4	6/1/02	N/A	Non-Defendant	Sweaty Palm Surgery	\$1,000
HI-4	7/19/02	Non-Defendant	Non-Defendant	Colonoscopy	\$400
HI-4	8/17/02	Non-Defendant	Non-Defendant	Circumcision	\$700
HI-4	9/8/02	Unity	Non-Defendant	Sweaty Palm Surgery	\$1,000
HI-4	10/25/02	Unity	White	Septoplasty	\$900
HI-5	9/14/02	Unity	N/A	Endoscopy	\$400+
HI-5	9/15/02	Unity	N/A	Colonoscopy	\$400+
HI-5	9/21/02	N/A	N/A	Sweaty Palm Surgery	\$400+
HI-5	10/12/02	Premium	Non-Defendant	Circumcision	\$400+
HI-5	10/25/02	N/A	White	Septoplasty	\$400+
HI-3	5/25/02	N/A	Kim	Endoscopy	\$400+
HI-3	5/26/02	N/A	Non-Defendant	Colonoscopy	\$400+

1	HI-3	10/4/02	Unity	White	Septoplasty	\$400+
2	HI-1	7/19/02	Non-Defendant	N/A	Endoscopy	\$400+
3	HI-1	8/3/02	Non-Defendant	Rosenberg	Colonoscopy	\$400+
4	HI-2	5/25/02	N/A	Govindarajan	Endoscopy	\$900
5	HI-2	5/26/02	N/A	Non-Defendant	Colonoscopy	\$900
6	HI-2	8/24/02	Premium	N/A	Hernia	\$400+
7	HI-2	10/4/02	Unity	White	Septoplasty	\$800

152. Each of the Onyx patients who Defendants used to generate fraudulent claims was recruited and paid by a recruiter named Qui Pham, who Defendants paid to bring in patients. Qui Pham, a former Onyx supervisor who was fired by Onyx when his role in this scheme was exposed, also drove HI-1, HI-2, HI-4, HI-6 and other participants to and from the surgical centers, shuttling them between Phoenix and Los Angeles in a rented van.

153. In order to lay the groundwork for the fraudulent claims, Qui Pham first collected health benefit identification cards and driver's licenses from the participants in Arizona, and faxed them to the clinics in California.

154. Qui Pham also acted as a collector and enforcer, making sure that, if the persons he recruited for surgeries received any benefit payments directly, they turned those payments over to the doctors or clinics. In at least one instance, Qui Pham threatened to harm a patient, the patient's wife and their daughter, if the patient did not hand over the proceeds of a \$35,000 check that the patient had received from Highmark.

155. In addition to recruiting others, Qui Pham and his wife were themselves patients at Unity and St. Francis. Indeed, the fraudulent billing of procedures on both husbands and wives is a prominent and incriminating feature of the fraud scheme. The billing histories of Onyx husband and wife pairs who were transported from Arizona to California to generate fraudulent medical bills are summarized in the table below.

CLAIMS FOR ONYX HUSBAND AND WIFE PAIRS

Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
HI-7 (wife)	5/4/02	St. Francis	Rosenberg	Endoscopy
HI-7 (wife)	5/5/02	St. Francis	Rosenberg	Colonoscopy
HI-7 (wife)	5/27/02	St. Francis	Eugene	Sweaty Palm Surgery
HI-7 (wife)	7/20/02	Non-Defendant	N/A	N/A
HI-8 (husband)	5/4/02	St. Francis	Rosenberg	Endoscopy
HI-8 (husband)	5/5/02	St. Francis	Rosenberg	Colonoscopy
HI-8 (husband)	10/04/02	Unity	Non-Defendant	Sweaty Palm Surgery
HI-8 (husband)	11/22/02	Unity	N/A	Sweaty Palm Surgery
HI-15 (wife)	5/30/02	Anaheim West	Non-Defendant	Endoscopy
HI-15 (wife)	5/31/02	N/A	Rosenberg	Colonoscopy
HI-16 (husband)	5/30/02	Anaheim West	Non-Defendant	Endoscopy
HI-16 (husband)	5/31/02	Anaheim West	Rosenberg	Colonoscopy
HI-1 (wife)	7/19/02	Non-Defendant	N/A	Endoscopy
HI-1 (wife)	7/20/02	Non-Defendant	Chan	Laparoscopy
HI-1 (wife)	8/3/02	Non-Defendant	Rosenberg	Colonoscopy
HI-4 (husband)	5/19/02	N/A	Kim	Endoscopy
HI-4 (husband)	6/1/02	N/A	Non-Defendant	Sweaty Palm Surgery
HI-4 (husband)	7/19/02	Non-Defendant	Non-Defendant	Colonoscopy
HI-4 (husband)	8/17/02	Non-Defendant	Non-Defendant	Circumcision
HI-4 (husband)	9/8/02	Unity	Non-Defendant	Sweaty Palm Surgery
HI-4 (husband)	10/25/02	Unity	White	Septoplasty

Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
HI-9 (husband)	8/2/02	Non-Defendant	Rosenberg	Endoscopy
HI-9 (husband)	8/3/02	Non-Defendant	Rosenberg	Colonoscopy
HI-9 (husband)	11/30/02	Unity	McKenna	Sweaty Palm Surgery
HI-9 (husband)	1/5/03	Unity	N/A	N/A
HI-10 (wife)	1/4/03	N/A	Rosenberg	Endoscopy
HI-10 (wife)	1/5/03	Unity	Rosenberg	Colonoscopy
HI-10 (wife)	1/11/03	N/A	McKenna	Sweaty Palm Surgery
HI-11 (wife)	6/1/02	Anaheim West	Rosenberg	Endoscopy
HI-11 (wife)	6/2/02	Anaheim West	Rosenberg	Colonoscopy
HI-11 (wife)	8/3/02	N/A	N/A	N/A
HI-11 (wife)	8/5/02	N/A	Chan	Laparoscopy
HI-12 (husband)	6/2/02	Anaheim West	Rosenberg	Endoscopy
HI-12 (husband)	8/2/02	Non-Defendant	Rosenberg	Colonoscopy
HI-13 (husband)	5/18/02	N/A	Rosenberg	Endoscopy
HI-13 (husband)	5/19/02	N/A	Rosenberg	Colonoscopy
HI-14 (wife)	5/25/02	N/A	Kim	Endoscopy
HI-14 (wife)	5/26/02	N/A	Non-Defendant	Colonoscopy
HI-14 (wife)	7/20/02	Non-Defendant	Chan	Laparoscopy
HI-19 (husband)	5/4/02	St. Francis	Rosenberg	Endoscopy
HI-19 (husband)	5/5/02	St. Francis	Rosenberg	Colonoscopy
HI-19 (husband)	10/25/02	N/A	Non-Defendant	Sweaty Palm Surgery
HI-19 (husband)	12/20/02	Unity	McKenna	Sweaty Palm Surgery
HI-38 (wife)	5/4/02	N/A	Rosenberg	Upper GI Endoscopy
HI-38 (wife)	5/27/02	N/A	N/A	Sweaty Palm Surgery
HI-38 (wife)	10/25/02	Unity	N/A	Sweaty Palm Surgery
HI-29 (husband)	1/14/03	Unity	Rosenberg	Endoscopy
HI-39 (wife)	1/11/03	N/A	McKenna	Sweaty Palm Surgery
HI-32 (wife)	4/12/03	Unity	Rosenberg	Endoscopy
HI-32 (wife)	4/13/03	Unity	Rosenberg	Colonoscopy
HI-33 (husband)	4/12/03	Unity	Rosenberg	Endoscopy
HI-33 (husband)	4/13/03	Unity	Rosenberg	Colonoscopy

1 156. The billing of procedures on these husband and wife teams further
2 reveals the fraud. For example, the possibility that a husband and wife would both
3 require sweaty palms surgery is virtually nil, yet Defendants purported to have
4 performed that rare procedure on the couples designated as patients HI-7 and HI-8,
5 HI-9 and HI-10, and HI-19 and HI-38.
6
7

8 157. Other Onyx employees were shuttled from Arizona to the Defendant
9 clinics for the same or similar combinations of procedures. A chart of the
10 fraudulent procedures that Defendants supposedly performed on these additional
11 Onyx employees is attached as Appendix K.
12

13 158. Sweaty palm surgery can produce a variety of complications, including
14 bleeding in the chest cavity, pneumothorax (air in the chest cavity that impedes
15 breathing), infection, intercostal neuralgia (rib pain), and, most frequently,
16 increased sweating in other parts of the body. Several of the sweaty palm surgeries
17 that Defendants fraudulently performed on Onyx employees injured the patients.
18 For example, patients HI-4 and HI-5 both suffered severe pain and breathing
19 difficulties following their sweaty palm surgeries. Defendants further endangered
20 both patients by discharging them while their breathing problems persisted. Patient
21 HI-5 suffers other ongoing injuries, including a need to wear gloves because his
22 hands are now too sensitive to be exposed.
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1 159. Two patients who admit being paid to undergo nasal surgery (HI-2 and
2 HI-3) have breathing problems caused by the surgery. Neither had any breathing
3 problem before the surgery.
4

5 160. Patient HI-1 was paid to undergo a laparoscopy -- a procedure in which
6 a scope is inserted through an incision in the patient's abdomen. Patient HI-1 had
7 no symptoms prior to the procedure, but now suffers pelvic pain as a result of the
8 laparoscopy.
9

10 161. Highmark paid over \$1.5 million on bills in connection with the Onyx
11 cluster.
12

13 **2. Other Highmark Patients**
14

15 162. Individual Highmark patient histories confirm the fraud that is exposed
16 in employee clusters such as the Onyx cluster. For example, patient HI-40 was
17 fraudulently billed as having had 8 separate procedures in two short bursts at
18 Defendants Harbor, Premium and St. Paul in 2003. Harbor fraudulently billed the
19 first 3 of those procedures, claiming that HI-40 underwent an endoscopy, a
20 colonoscopy and a hemorrhoid procedure in a mere 5 days (January 11-15) at that
21 clinic. Defendant Govindarajan was the surgeon on at least 1 of those procedures.
22 The venue then shifted to Defendant Premium, where Defendant Hampton
23 fraudulently claimed that he performed a sweaty palms surgery on HI-40 about two
24 weeks later, on January 28, 2003.
25
26
27
28

1 163. After a hiatus of several months, Defendants Premium and Chun
2 fraudulently billed Highmark for a gynecological procedure on HI-40 on August 29,
3 2003. A week after that, on September 6, 2003, Defendants St. Paul and Rosenberg
4 claimed to have performed a second endoscopy on HI-40, followed by a second
5 colonoscopy the next day, September 7. Finally, Defendant Rosenberg fraudulently
6 claimed to have performed a second hemorrhoid procedure on HI-40 on September
7 24, 2003.
8
9

10 164. Highmark was defrauded into paying more than \$72,000 for HI-40's
11 procedures.
12

13 **B. Plaintiff Tennessee Blue Cross (Magnetek Patient Cluster)**
14

15 165. Tennessee Blue Cross was defrauded into paying about \$400,000 for
16 approximately 100 procedures that Defendants and their co-conspirators claimed to
17 have performed on employees of Magnetek, Inc. and their dependents.
18

19 166. The bills submitted for the Magnetek patients reflect the same
20 fraudulent practices that are reflected in the Onyx examples described above. For
21 example:
22

23 a. Numerous employees and their dependents (at least 30) were recruited
24 from the same workplace.
25

26 b. Numerous employees underwent the same sequence of diagnostic
27 procedures and unrelated surgeries.
28

c. The number and frequency of diagnostic and surgical procedures billed can only be explained by fraud, as demonstrated by the billing histories of two families in the Magnetek cluster. One family of four (designated Family 1 in the following chart) underwent 14 diagnostic and surgical procedures in less than six weeks, while another family (designated Family 2) underwent 15 diagnostic and surgical procedures in less than eight weeks. The surgeries -- including two carpal tunnel surgeries and two tonsillectomies -- were unrelated to the diagnostic procedures that Defendants previously performed on the same patients.

MAGNETEK PATIENT FAMILIES

Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
Family 1				
TN-01 (Mother)	09/19/01	Anaheim West	Non-Defendant	Upper GI Endoscopy
TN-01 (Mother)	09/21/01	Anaheim West	Kim	Colonoscopy
TN-02 (Daughter 19)	09/21/01	Anaheim West	Kim	Upper GI Endoscopy
TN-03 (Daughter 15)	09/21/01	Anaheim West	Kim	Upper GI Endoscopy
TN-01 (Mother)	09/23/01	Anaheim West	Kim	Colonoscopy
TN-02 (Daughter 19)	09/23/01	Anaheim West	Kim	Colonoscopy
TN-03 (Daughter 15)	09/23/01	Anaheim West	Kim	Colonoscopy
TN-04 (Father)	09/28/01	Anaheim West	Kim	Upper GI Endoscopy
TN-04 (Father)	10/01/01	Anaheim West	Kim	Colonoscopy
TN-01 (Mother)	10/05/01	Anaheim West	Chun	Colporrhaphy
TN-04 (Father)	10/19/01	Anaheim West	White	Septoplasty
TN-05 (Son)	10/19/01	Anaheim West	Kim	Tongue tie repair

1	TN-04 (Father)	10/26/01	Anaheim West	White	Tonsillectomy
2	TN-01 (Mother)	10/30/01	Anaheim West	Chun	Hysterectomy
3	Family 2				
4	TN-06 (Father)	10/05/01	N/A	Rosenberg	Upper GI Endoscopy
5	TN-07 (Mother)	10/05/01	Newport Superior	Rosenberg	Upper GI Endoscopy
6	TN-06 (Father)	10/06/01	Non-Defendant	Non-Defendant	Upper GI Endoscopy
7	TN-08 (Son 17)	10/06/01	Non-Defendant	Non-Defendant	Upper GI Endoscopy
8	TN-09 (Daughter 12)	10/06/01	Non-Defendant	N/A	Upper GI Endoscopy
9	TN-06 (Father)	10/07/01	Non-Defendant	Rosenberg	Colonoscopy
10	TN-07 (Mother)	10/07/01	Newport Superior	Rosenberg	Colonoscopy
11	TN-06 (Father)	10/09/01	Newport Superior	Non-Defendant	Carpal tunnel surgery
12	TN-07 (Mother)	10/09/01	N/A	Non-Defendant	Sinus Exploration
13	TN-06 (Father)	10/13/01	Newport Superior	Non-Defendant	Carpal tunnel surgery
14	TN-06 (Father)	11/03/01	Anaheim West	N/A	Tonsillectomy
15	TN-08 (Son 17)	11/03/01	Anaheim West	White	Tonsillectomy
16	TN-09 (Daughter 12)	11/03/01	Anaheim West	Kim	Tongue tie repair
17	TN-06 (Father)	12/02/01	Anaheim West	Kim	Anal fistula removal
18	TN-08 (Son 17)	12/02/01	Anaheim West	Kim	Anal fistula removal

167. These claims for procedures allegedly performed on Family 1 and Family 2 are particularly revealing. Among other things:

a. All four members of each family were first subjected to explorations of their GI systems. The daughters in Family 1, aged 15 and 19, each had

1 colonoscopies and endoscopies, as did their parents. The son and daughter in
2 Family 2, aged 17 and 12, each had endoscopies, and their parents had both
3 endoscopies and colonoscopies. The mother in Family 1 supposedly underwent
4 three such procedures in a span of five days: on September 19, September 21, and
5 September 23, 2001.
6
7

8 b. After supposedly performing 17 GI diagnostic procedures on the
9 members of these two families, Defendants supposedly performed at least 11
10 surgeries that were completely unrelated to any of the diagnostic procedures. Thus:
11

12 -- Defendant Kim at Anaheim West submitted claims for "tongue tie"
13 operations on the first family's 13 year-old son and on the second family's 12 year-
14 old daughter.
15

16 -- Defendant White at Anaheim West submitted claims for
17 tonsillectomies on both fathers, as well as on the second family's 17 year-old son.
18

19 --- The colonoscopies and endoscopies performed on the two families
20 were followed by carpal tunnel (wrist) surgery, nasal surgery, a hysterectomy, and
21 "anal fistula removals."
22

23 c. Defendants performed these diagnostic and unrelated surgical
24 procedures on the same patients in rapid-fire succession, bringing some patients
25 back every other day. Defendants performed 14 exploratory and surgical
26 procedures on Family 1 during the period September 19 to October 30, 2001 and
27
28

1 performed 15 exploratory and surgical procedures on Family 2 during the period
2 October 5 to December 2, 2001. On five occasions, Defendants Kim and White
3 billed for allegedly performing procedures on three members of each family on the
4 same day.
5

6 168. The multitude of surgeries that Defendants performed on other persons
7 from the same workforce further reveals the fraud. Illustrative examples of the
8 fraudulent benefit claims that Defendants generated for other Magnetek employees,
9 including several sweaty palms surgeries by Defendant Eugene, are set forth in a
10 chart annexed as Appendix L.
11

12
13 **C. Plaintiff Michigan Blue Cross (Textron Patient Cluster)**
14

15 169. Defendants submitted fraudulent bills in connection with a cluster of
16 employees of Textron Fastening Systems and their dependents that is even larger
17 than the Onyx and Magnetek clusters. The Textron group actually included 2
18 separate clusters, one from a facility in Costa Mesa, California, and the other from a
19 facility in the Phoenix, Arizona area. The Textron employees received health
20 benefits from Michigan Blue Cross, which paid more than \$800,000 as a result of
21 fraudulent claims that Defendants and their co-conspirators submitted for
22 procedures allegedly performed on this group.
23
24
25

26 170. Between the two Textron groups, Defendants and their co-conspirators
27 submitted more than 130 fraudulent claims for diagnostic and surgical procedures
28

1 that they claimed to have performed on some 45 Textron employees and dependents
2 at Millennium, Anaheim West, Unity and related facilities. Those patients included
3
4 7 husband and wife pairs and a mother-daughter pair. All of those patients were
5 billed as having had endoscopies and colonoscopies. Some were also the subjects
6 of fraudulent claims for sweaty palms surgeries, laparoscopies, septoplasties, and
7 foot and eye procedures.
8

9 171. About three dozen of those patients were employed at a facility in
10 Costa Mesa operated by Intesys, a Textron affiliate. Examples of case histories
11 from that group are as follows:
12

13 172. One patient, MI-38, was billed as having 8 separate procedures
14 between October 2001 and December 2002. The first two of those procedures were
15 at Millennium, and were billed as an endoscopy and a colonoscopy by Defendant
16 Halac on October 28 and November 9, 2001. MI-38 did not need either of those
17 procedures, and did not have the serious abdominal pain and rectal hemorrhaging
18 that Millennium and Dr. Halac claimed she had. Rather, MI-38 needed money and
19 was told by Maria Rosales, a patient recruiter who is a criminal defendant named in
20 both the State Felony Complaint and the Federal Indictment, that she would be paid
21 if she had an endoscopy and a colonoscopy. MI-38 had the endoscopy and the
22 colonoscopy, and Rosales paid her \$300 after the procedures.
23
24
25
26
27
28

1 173. MI-38 then decided that she wanted a tummy tuck. Rosales told MI-38
2 that, because she had already had some procedures at Millennium, she could have
3 the tummy tuck at a discount. MI-38 did not have the money for even a discounted
4 tummy tuck, so she decided to have another fraudulent procedure to help her pay for
5 it. On November 26, 2001, MI-38 supposedly underwent a laparoscopy and a
6 urogenital procedure for leaking urine by Defendant Chun at Millennium. MI-38
7 did not have a leaking urine problem and only submitted to the procedures because
8 Rosales paid her another \$300. Later, MI-38 had the tummy tuck at Millennium.
9
10
11

12 174. MI-38 also wanted to have laser vision correction surgery. In May
13 2002, she received the vision correction surgery at a discount at a non-Defendant
14 clinic, paying only \$500. Michigan Blue Cross was billed for corneal transplants
15 on MI-38 in May and July 2002, but she did not actually have corneal transplants,
16 only the non-covered laser vision correction procedure.
17
18

19 175. MI-38 then started having procedures at Unity through Olga Toscano,
20 another patient recruiter who is named in both the State and Federal criminal cases.
21 On September 20, 2002, MI-38 supposedly had a septoplasty by Defendant White at
22 Unity, but she did not have the serious sinus problems that White and Unity claimed
23 she had. She only underwent the nasal surgery because Toscano promised to pay
24 her another \$300. Toscano also paid MI-38 another \$300 to undergo a second
25 round of endoscopies and colonoscopies, which were performed by Defendant
26
27
28

1 Rosenberg on December 13 and 14, 2002. Again, MI-38 did not have the serious
2 abdominal pain and hemorrhoids that Unity and Rosenberg claimed she had; she
3 only had the procedures because Toscano promised to pay her.
4

5 176. To obtain still more payments, MI-38 arranged through Toscano for her
6 husband, MI-26, to have an unnecessary endoscopy and a colonoscopy at Unity.
7 MI-26 only had one of those procedures, a colonoscopy by Defendant Rosenberg at
8 Unity on August 24, 2002. Nonetheless, Unity, through its Healthstar and Universal
9 billing aliases, fraudulently billed for both procedures. Michigan Blue Cross was
10 defrauded into paying about \$45,000 for the procedures on MI-38 and her husband.
11

12 177. Another Textron/Intesys employee, MI-14, and her husband, MI-15,
13 had 10 fraudulently-billed procedures at Millennium, St. Francis and Unity. MI-14
14 was told by a friend at work, MI-44, that she could get free cosmetic surgery at
15 Millennium, and MI-44 referred MI-14 to Olga Toscano. MI-14 told Toscano that
16 she wanted cosmetic surgery to remove the fat around her eyelids, but Toscano said
17 that if MI-14 wanted the surgery for free, she would first have to have an endoscopy
18 and a colonoscopy. MI-14 had the fraudulent endoscopy and colonoscopy at
19 Millennium on March 3 and March 10, 2001, by Defendant Jigjinni. MI-14's
20 husband, MI-15, also had an unnecessary endoscopy and colonoscopy at
21 Millennium, by Defendant Halac, so that MI-14 could have her free cosmetic eye
22 surgery. MI-14 eventually had her free cosmetic eye surgery, which was performed
23
24
25
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1 at Defendant St. Francis on May 16, 2002, and was fraudulently billed as a
2 medically necessary eye procedure.
3

4 178. Also in May 2002, MI-14 had an elective procedure to tighten her
5 vagina to increase sexual gratification. Defendant Chun performed that procedure
6 at Millennium on May 6, 2002, billing and documenting it as a urogenital procedure
7 for urinary incontinence. MI-14 did not have an incontinence problem, and only
8 wanted a vaginal tightening to enhance the sexual experience.
9
10

11 179. On consecutive weekends in December 2002, MI-14 and her husband
12 MI-15 each had a second round of unnecessary endoscopies and colonoscopies, this
13 time at Unity by Defendants Rosenberg and Kim, so that MI-14 could have another
14 free or discounted elective procedure. Again, neither MI-14 nor her husband had
15 any of the intestinal problems that Unity and the surgeons claimed they had. MI-14
16 never had the second elective surgery.
17
18

19 180. Michigan Blue Cross was defrauded into paying more than \$50,000 for
20 the fraudulent procedures on MI-14 and MI-15.
21

22 181. Other Textron/Intesys employees also had fraudulent procedures in
23 order to receive free cosmetic surgery, and also had cosmetic procedures that were
24 disguised as functional procedures. For example, MI-40, MI-41 and MI-42 had
25 unnecessary endoscopies and colonoscopies by Defendants Alamy and Halac at
26 Millennium so they could get free breast implants for themselves or a family
27
28

1 member. MI-40 and MI-21 each had a cosmetic eye surgery by a non-Defendant
2 surgeon (MI-40 on April 11, 2002 at Anaheim West and MI-21 on September 5,
3 2002 at Millennium) that the surgeon and the clinics fraudulently billed and
4 documented as a medically necessary eye procedure. Like MI-14, MI-21 and MI-41
5 had vaginal tightenings for sexual gratification that were fraudulently billed by
6 Defendant Chun and Millennium as urogenital procedures.
7

9 182. One Textron/Intesys patient, MI-34, who was billed as having had
10 multiple procedures at Millennium and Anaheim West, had 3 cosmetic procedures —
11 a tummy tuck, liposuction and a cosmetic eye surgery. Two others, MI-31 and MI-
12 44, who were billed as having had 7 and 8 procedures respectively at Millennium,
13 Anaheim West and Unity, also had multiple cosmetic procedures.
14

16 183. Defendant Toh was the anesthesiologist on many of the fraudulent
17 Millennium procedures in the Textron/Intesys cluster, including procedures on
18 patients MI-14 (March 10, 2001), MI-19 (July 6, 2002), MI-21 (March 23 and
19 September 5, 2002), MI-38 ((November 26, 2001), and MI-40 (June 18, 2002).
20

22 184. A chart of the Textron/Intesys Costa Mesa patients is annexed as
23 Appendix M.
24

25 185. While the Textron/Intesys patients were repeatedly being run through
26 Defendants' fraud mill, another group of Textron patients was being recruited for
27 fraudulent procedures from a Textron facility in Phoenix, Arizona. A summary of
28

the claims that Defendants and their co-conspirators submitted for the Arizona group of Textron employees appears in the following table:

ARIZONA TEXTRON EMPLOYEES				
Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
MI-1	9/8/2001	N/A	N/A	Sweaty Palm Surgery
MI-1	11/21/2001	Non-Defendant	N/A	Laparoscopy
MI-2 (wife)	6/22/2002	Newport Superior	Chan	D&C
MI-2 (wife)	10/19/2002	Unity	Kim	Upper GI Endoscopy
MI-2 (wife)	10/20/2002	Unity	Rosenberg	Colonoscopy
MI-2 (wife)	10/26/2002	Unity	Rosenberg	Removal of Hemorrhoids
MI-46 (husband)	6/22/2002	Newport Superior	N/A	Sweaty Palm Surgery
MI-3	3/23/2002	Anaheim West	Non-Defendant	Upper GI Endoscopy
MI-3	3/23/2002	Anaheim West	N/A	Colonoscopy
MI-3	3/24/2002	Anaheim West	N/A	Colonoscopy
MI-3	4/6/2002	Anaheim West	White	Septoplasty
MI-4	5/25/2002	Anaheim West	Kim	Upper GI Endoscopy
MI-4	5/26/2002	Anaheim West	Non-Defendant	Colonoscopy
MI-5 (Husband)	5/25/2002	Anaheim West	Kim	Upper GI Endoscopy
MI-5 (Husband)	5/26/2002	Anaheim West	Non-Defendant	Colonoscopy
MI-6 (Wife)	5/25/2002	N/A	Kim	Upper GI Endoscopy
MI-6 (Wife)	5/26/2002	N/A	Non-Defendant	Colonoscopy

ARIZONA TEXTRON EMPLOYEES				
Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
MI-7	5/18/2002	Anaheim West	Rosenberg	Upper GI Endoscopy
MI-7	5/18/2002	Anaheim West	Rosenberg	Colonoscopy
MI-7	5/19/2002	Anaheim West	Rosenberg	Colonoscopy
MI-8	5/18/2002	N/A	Rosenberg	Upper GI Endoscopy
MI-8	5/19/2002	Anaheim West	Rosenberg	Colonoscopy
MI-8	5/20/2002	Anaheim West	Rosenberg	Removal of Hemorrhoids
MI-9	2/2/2002	Anaheim West	Rosenberg	Upper GI Endoscopy
MI-9	2/3/2002	Anaheim West	Rosenberg	Colonoscopy

186. Many of those Arizona Textron patients had their fraudulent procedures on weekends. During one weekend in May 2002 (May 18 and 19, 2002), Defendants Anaheim West and Rosenberg claimed to have performed endoscopies and colonoscopies on two of those employees (MI-7 and MI-8). One of the two (MI-7) was billed as having had an endoscopy and a colonoscopy on Saturday and then another colonoscopy on Sunday.

187. The next weekend (May 25 and 26, 2002), Defendants transported two Textron employees and a spouse (MI-4, MI-5 and MI-6) to undergo six endoscopies and colonoscopies at Anaheim West. Defendant Kim fraudulently billed for performing three endoscopies and a colonoscopy on those patients on

1 Saturday, May 25, and a non-Defendant surgeon claimed to have performed three
2 colonoscopies on those patients on Sunday, May 26.

3
4 188. Less than a month later, on another weekend (June 22, 2002),
5 Defendants transported a husband and wife (MI-2 and MI-46), to undergo a
6 gynecological procedure and sweaty palms surgery at Newport Superior.
7

8 **D. Plaintiff Empire (Pepsi and Fujicare Clusters)**

9 189. Defendants submitted fraudulent bills to Empire for unnecessary
10 procedures on a cluster of patients who were recruited at a Pepsi facility in Texas.

11
12 190. Empire was defrauded into paying more than \$200,000 for 18
13 procedures that Defendants allegedly performed on 7 Pepsi employees, including
14 tell-tale combinations of endoscopies, colonoscopies, and sweaty palm surgeries.
15 Most of the procedures were performed at St. Paul. A chart of the Pepsi cluster is
16 attached as Appendix N.
17
18

19 191. Six of the seven Pepsi patients were fraudulently billed as having had
20 sweaty palms surgery at St. Paul between July 2003 and November 2003. Dr.
21 McKenna billed a sweaty palms surgery on two Pepsi employees, EM-2 and EM-3
22 on the same day (Saturday, October 4, 2003). The likelihood that six people from
23 the same Texas employer had an actual need to travel to California within several
24 months of each other to have "sweaty palms" surgery is virtually zero.
25
26
27
28

1 192. Several of the Pepsi patients were unnecessarily subjected to a trio of
2 procedures in rapid succession: an endoscopy, followed by a colonoscopy,
3 followed by sweaty palms surgery. One patient, EM-4, had three procedures in
4 five days at St. Paul: an endoscopy on October 27, 2003 by Defendant Rosenberg,
5 a colonoscopy on October 28, and sweaty palms surgery on November 1 by
6 Defendant McKenna. Another patient, EM-2, had five procedures in eight days at
7 St. Paul: an endoscopy on September 29, 2003 by Defendant Rosenberg, a
8 colonoscopy the next day by Defendant Rosenberg, another GI procedure on
9 October 2 on which Defendant Madrid was the anesthesiologist, and sweaty palms
10 surgeries on October 4 by Defendant McKenna and on October 6. EM-2 then
11 traveled back to Southern California in December 2003 for another endoscopy by
12 Defendant Rosenberg.
13
14
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16

17 193. Empire also paid over \$272,000 as a result of fraudulent health
18 benefit claims that Defendants submitted for procedures allegedly performed on
19 three employees of Fujicare, including two persons employed at an Arizona
20 facility. A chart summarizing these claims is annexed as Appendix O.
21
22

23 194. Patient EM-9 from Mesa, Arizona and EM-10 from Phoenix, Arizona,
24 account for \$192,000 of the payments, and present the type of billing pattern that
25 could only result from Defendants' scheme. Defendants billed for performing
26 endoscopies on both Arizona employees on December 7, 2002, and then
27
28

1 Defendants billed for performing sweaty palms surgery on both Arizona
2 employees on December 19, 2002.
3

4 195. Both of the sweaty palms surgeries were ostensibly performed by
5 Defendant McKenna, and were billed in the name of Universal Medical Surgical
6 Group and St. John Surgical Group, Inc., which are identified in the State Felony
7 Complaint as among the billing aliases used by Unity.
8

9 **E. Plaintiff Excellus (including Linvatec and Welch Allyn Clusters)**
10

11 196. Defendants recruited at least four employees from a Linvatec facility
12 in Florida who had health benefits through Plaintiff Excellus. Those employees
13 traveled from Florida to Southern California and were billed as having had 8
14 procedures at the Unity clinic in less than a month.
15

16 197. The first Linvatec employee to make the trip from Florida to
17 California, patient EX-1, began by having an upper GI endoscopy on November 2,
18 2002, followed the next day by a colonoscopy. EX-1 returned a few weeks later,
19 this time accompanied by 3 other Linvatec employees. EX-1 then had a sweaty
20 palms surgery (November 29, 2002), as did two of his co-workers, EX-2 and EX-
21 3, both billed by Defendant McKenna on November 30. EX-2 and EX-3 also had
22 upper GI endoscopies, at least one by Defendant Rosenberg. The fourth Linvatec
23 patient, EX-4, supposedly had a septoplasty by Defendant White.
24
25
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1 198. A chart of the Florida Linvatec procedures, for which Excellus paid
2 about \$23,000, is attached as Appendix P.
3

4 199. Another cluster of Excellus-insured patients were employees, or
5 dependents of employees, of a medical device manufacturer, Welch Allyn, in the
6 San Diego area. Eleven Welch Allyn employees or dependents, including two
7 husband and wife pairs, had a total of 23 fraudulently-billed procedures, 20 of
8 them at Defendant Pacific in the first half of 2002, and the other 3 at Defendant
9 Harbor in March 2003.
10
11

12 200. The first two patients in the Welch Allyn cluster, EX-5 and EX-6, had
13 5 fraudulently billed procedures between them at Pacific in January 2002. Each of
14 them was fraudulently billed as having had an endoscopy on January 13 and a
15 colonoscopy on January 20. The endoscopy and colonoscopy on EX-6 both were
16 performed by Defendant Rayyes.
17
18

19 201. At about the same time, two couples, EX-8 and EX-9, and EX-10 and
20 EX-11, had matching pairs of endoscopies and colonoscopies at Pacific. EX-11
21 was the subject of fraudulent bills for an endoscopy and a colonoscopy on January
22 8 and 13, 2002 respectively, both by Defendant Rayyes, and her husband, EX-10,
23 was billed as having had his procedures on February 16 and 23, both by Defendant
24 Lluncor. EX-8 and EX-9 both had endoscopies on February 10 and colonoscopies
25 on February 24, with all 4 procedures fraudulently documented and billed by
26
27
28

1 Defendant Rayyes.

2 202. In April and May 2002, three more Welch Allyn patients, EX-7, EX-
3 12 and EX-14, had 6 more upper and lower GI procedures, 5 by Defendant
4 Lluncor and 1 by Defendant Rayyes. In July 2002, EX-13 was the subject of a
5 fraudulent sweaty palms surgery at Pacific, and patient EX-12 returned in August
6 for a sweaty palms surgery as well, her third procedure overall.
7

8 203. One Welch Allyn patient, EX-15, did not go to Pacific. Instead, her
9 patient recruiter directed her to Defendant Harbor. Harbor fraudulently billed for
10 3 procedures on EX-15 within 5 days, an endoscopy on March 15, a colonoscopy
11 on March 16, and a D & C on March 19. Defendant Govindarajan fraudulently
12 performed, billed and documented the endoscopy and the colonoscopy.
13

14 204. Excellus was defrauded into paying more than \$125,000 in
15 connection with the Welch Allyn cluster. A chart of the cluster is attached as
16 Appendix Q.
17

18 205. An Excellus patient who was not part of a workplace cluster, EX-16
19 from Texas, was used to produce 4 fraudulent insurance claims, two for
20 procedures by Defendant Alamy at Defendant Pacific (an upper GI endoscopy on
21 May 29, 2001 and a colonoscopy on May 30, 2001), and two at Anaheim West (a
22 laparoscopy by Defendant Chan on January 5, 2002 and a supposed carpal tunnel
23 repair on January 9, 2002). EX-16 traveled from her home in Missouri City, Texas
24
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1 to Southern California for those supposed procedures. Subsequent medical
2 records for EX-16 expose Defendants' fraud in her case.
3

4 206. Three months after Defendants ostensibly performed a "laparoscopy"
5 and "carpal tunnel repair" on EX-16 at Anaheim West, she was treated near her
6 home in Texas for keloid scars "secondary to plastic surgery." EX-16 filled out a
7 New Patient Health History for her Texas dermatologist on April 17, 2002.
8 Responding to a request to list "prior surgeries," she identified "cosmetic surgery"
9 -- never mentioning the laparoscopy or the carpal tunnel surgery that she
10 supposedly underwent in California several months earlier. Moreover, the medical
11 history taken by her Texas dermatologist recorded that she had "plastic surgery in
12 California Jan. 2002 for 'face lift'" and that the scars for which she sought
13 treatment in Texas were "secondary to plastic surgery."
14
15
16
17

18 207. Before EX-16 had her supposed carpal tunnel surgery at Anaheim
19 West, she filled out a Patient Registration Form indicating that she was referred by
20 "Johnny Huynh." Johnny Huynh is the brother of Thuy Huynh, the capper
21 discussed in detail above, and Johnny Huynh is one of the cappers identified in
22 the State Felony Complaint. As set forth on page 14 of the State Felony
23 Complaint, Vu and his co-defendants illegally:
24
25

26 delivered rebates, refunds, commissions, and other consideration
27 in the form of money and otherwise as compensation and inducement
28 to Ngoc Huynh, a capper known to them as "Johnny", for the referral
and procurement of patients.

1 208. Excellus was defrauded into paying \$40,314 in connection with the
2 procedures on EX-16.
3

4 **F. Plaintiff Alabama Blue Cross (including Teledyne**
5 **and Mount Vernon Mills Clusters)**

6 209. Defendants recruited 11 patients from a Texas facility that is operated
7 by Teledyne with health benefits provided by Alabama Blue Cross.
8

9 210. Alabama Blue Cross paid over \$268,000 for 27 procedures that
10 Defendants allegedly performed on the 11 Teledyne employees at Newport
11 Superior in 1999 and 2000, at Millennium in 2001, at Pacific in 2001, and at a
12 clinic called Valley Multi-Specialty in 2003. (Valley Multi-Specialty is a clinic
13 that Unity rented to conduct procedures that could not be performed at the Unity
14 clinic.)
15
16

17 211. Two of the Teledyne patients, AL-2 and AL-7, testified about their
18 experiences with Defendants' fraud in depositions they gave in a case entitled,
19 Thuy Duong Nguyen et al. v. Johnny Huynh et al., Texas District Court, Harris
20 County, Cause No. 2003-35573). Those 2 patients, whose procedures accounted
21 for over \$90,000 of the damages sustained in connection with the Teledyne
22 cluster, testified that they went to California solely to obtain cosmetic surgery, and
23 that they were recruited for those trips by Thuy Huynh, the patient recruiter
24 discussed above. The bills that Defendants submitted, however, were for
25 endoscopies, colonoscopies and other supposed medical procedures.
26
27
28

1 212. AL-7 first traveled from Texas to Southern California in February
2 2000. As a result of that visit, Alabama Blue Cross was billed for two
3 endoscopies, on February 9 and 13, 2000 at Newport Superior.
4

5 213. AL-7 traveled back to Southern California in June 2003, producing
6 bills for a trio of procedures -- an endoscopy, a colonoscopy, and a gynecological
7 procedure by non-Defendant surgeons at Valley Multi-Specialty between June 20
8 and 27, 2003.
9

10 214. In the Texas case, AL-7 testified that her sole reason for going on
11 both those trips was to have cosmetic surgery and that she was recruited by Thuy
12 Huynh. AL-7 testified as follows:
13

14 Q: . . In 2000 when you went to California, what procedure was
15 performed, if any? . . .
16

17 A: Yes, redone -- redid the breasts.

18 Q: . . . Redid the breasts. What do you mean when you say that the
19 breasts were redone?

20 A: Yes. Just like what I said earlier, one side was higher than the
21 other, one side is lower; so now I want to have that done to make it
22 even.

23 215. AL-7 denied that she had any other procedures done when she was at
24 Valley Multi-Specialty in June 2003:
25

26 Q: [D]id you have anything else done in California in 2003? . . .

27 A: No, no.
28

1 Q: . . . Did you have any other medical procedures done? . . .

2 A: No.

3
4 216. With respect to the recruiter, Thuy Huynh, AL-7 testified:

5 Q: What is your understanding of Thuy Huynh's role in your going
6 back to Southern California in June 2003?

7 A: The role, I think it's to do the same thing: She send the people for
8 cosmetic surgery.

9 217. The other patient, AL-2, traveled with AL-7 on the trips to Newport
10 Superior in February 2000 and to Valley Multi-Specialty in June 2003. Alabama
11 Blue Cross was billed for an endoscopy/colonoscopy combination on AL-2 at
12 Newport Superior on February 16 and 20, 2000, respectively, and an endoscopy, a
13 colonoscopy, and a gynecological procedure at Valley Multi-Specialty between
14 June 10 through 14, 2003 by the same surgeons who performed the same
15 procedures on AL-7. Like AL-7, AL-2 testified that she made those trips solely to
16 have cosmetic surgery and was recruited by Thuy Huynh.

17 218. Alabama Blue Cross was also defrauded in connection with bills
18 submitted by Defendant Pacific and several surgeons for procedures on three
19 members of one family. Pacific and the surgeons claimed to have performed 10
20 procedures on the family between March and July of 2002.

21 219. Pacific and Defendant Lluncor fraudulently billed Alabama Blue
22 Cross for a total of 5 endoscopies and colonoscopies that they claimed to have
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1 performed on the father and mother (AL-12 and 13) in March 2002. On May 2
2 and May 5, 2002, Pacific and Defendant Rayyes fraudulently claimed to have
3 performed an endoscopy and a colonoscopy on the family's 19 year-old daughter
4 (AL-14). Defendant White also participated in the fraud involving this family,
5 claiming to have performed a medically necessary septoplasty on the mother on
6 May 14. The fraud in connection with this family concluded with a fraudulent bill
7 for a hemorrhoid procedure on the father on June 3, and a fraudulent bill for a
8 laparoscopy on the mother on July 5.
9

10
11
12 220. Alabama Blue Cross was deceived into paying more than \$130,000
13 on those fraudulent bills.
14

15 221. Alabama Blue Cross was also victimized through a cluster of at least
16 7 patients from Georgia who received benefits through Mount Vernon Mills.
17 Those patients had fraudulent procedures at Harbor, Pacific, St. Paul, Millennium
18 and Premium. One of the Mount Vernon Mills patients, AL-15, was billed as
19 having had a sweaty palms surgery by Defendant Hampton at Premium on May
20 17, 2003.
21

22
23 222. Alabama Blue Cross also received fraudulent bills in connection with
24 a husband and wife who each had three procedures at Millennium. Each of them,
25 AL-16 and AL-17, had a pair of GI procedures at Millennium (the wife on April
26 23 and May 1, 2001, and the husband on May 19 and June 2, 2001). At least three
27
28

1 of those four procedures were fraudulently billed by Defendant Halac. The wife's
2 third procedure was a supposedly necessary eye procedure on August 3, 2002.
3
4 The husband's third procedure at Millennium was a fraudulent urinary procedure
5 by Defendant Patel on March 8, 2003.
6

7 223. Alabama Blue Cross was defrauded into paying more than \$54,000 on
8 the procedures for that couple.
9

10 **G. Plaintiff Massachusetts Blue Cross**

11 224. Massachusetts Blue Cross was victimized through a cluster of
12 patients employed by an employer with facilities in Minnesota, Washington, and
13 California.
14

15 225. The cluster from Minnesota includes a core group of 4 women who
16 had 14 procedures at Defendant clinics. The Massachusetts Plan was defrauded
17 into paying more than \$182,000 for those 4 patients alone. An additional 9
18 patients from the same facility also flew from Minnesota to California and had
19 sweaty palms and other procedures at non-Defendant clinics. Those 9 additional
20 patients resulted in another \$190,000 in fraudulently procured payments.
21
22

23 226. The four women -- patients MA-1, MA-2, MA-3 and MA-4 --had
24 their 14 procedures at Newport Superior, Anaheim West, Millennium and Pacific.
25
26 A chart of those procedures is annexed as Appendix R.
27
28

1 227. MA-3 was recruited to Defendant clinics by patient recruiter Sue
2 Nanda, who is one of the recruiters charged in the State Felony Complaint. MA-3
3 flew from Minnesota to California three separate times and had 6 separate
4 procedures. The first time was over New Years weekend in 2001, when she had
5 an endoscopy and a colonoscopy by Defendant Babaknia at Millennium. Fourteen
6 months later, she came back and had three procedures in three days (March 20, 21
7 and 22 of 2002) at Anaheim West, an endoscopy by Defendant Kim, a supposed
8 urogenital surgery by Defendant Chan, and a hemorrhoidectomy by a non-
9 Defendant surgeon. MA-3 came back a third time a few months later, and on June
10 1, 2002, she had a supposed septoplasty by Defendant White. The Massachusetts
11 Plan paid more than \$83,000 on fraudulent bills for MA-3's procedures.

16 228. Between MA-3's first and second trips to California, her co-worker
17 MA-4 made her own trip, also facilitated by the indicted patient recruiter Sue
18 Nanda. MA-4 stayed at Nanda's home during a long weekend in which she had
19 three procedures. On Friday, December 14, 2001, MA-4 had an endoscopy by
20 Defendant Alamy at Anaheim West, followed by a colonoscopy the next day, also
21 by Alamy at Anaheim West. MA-4 took Sunday off, but on Monday, December
22 17, she had her third procedure in four days. In a clear indication of the close
23 relationships between the Defendant clinics, however, MA-4 did not have her third
24 procedure at Anaheim West where she had her first two procedures only days
25
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28

1 before. Rather, she had her third procedure at Defendant Pacific, a supposed
2 hemorrhoid procedure. Massachusetts Blue Cross was defrauded into paying more
3 than \$39,000 for those 3 procedures.
4

5 229. During the same period that the 4 employees from Minnesota were
6 having their procedures at various Defendant clinics, a group of 5 employees from
7 a sister facility in Washington also were flying to Southern California to have
8 procedures at Millennium. Those 5 employees -- MA-5, MA-6, MA-7, MA-8 and
9 MA-9 --had a total of 12 procedures at Millennium between August 2001 and
10 August 2002. A chart of those procedures is annexed as Appendix S.
11

12 Massachusetts Blue Cross was defrauded into paying about \$205,000 on that
13 Washington group.
14

15 230. Predictably, the patients' Millennium procedures included
16 endoscopies, colonoscopies and sweaty palms surgeries, as well as laparoscopies.
17 Several of those procedures were performed by Defendants Chun and Halac. Two
18 of the patients -- MA-5 and MA-6 -- had three procedures apiece over two
19 separate trips to California.
20

21 231. Massachusetts Blue Cross was also defrauded into paying large sums
22 on in-State patients from the same employer who had procedures at Defendant
23 clinics.
24
25
26
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28

1 232. Some patients had fraudulent procedures at both Defendant and non-
2 Defendant clinics. For example, MA-12, after having had a fraudulently-billed
3 endoscopy, colonoscopy, and sweaty palms surgery at a non-Defendant clinic, was
4 fraudulently billed as having had a laparoscopy by Defendant Chun at Premium
5 (August 23, 2003). MA-13 had a fraudulent endoscopy and another procedure at
6 a non-Defendant clinic, and also had a fraudulently billed laparoscopy by
7 Defendant Chan at Millennium (February 18, 2003).
8
9

10
11 233. Several of the California patients stand out for the extreme abuse and
12 damage involved in their cases. One of them, MA-10, had 5 fraudulent procedures
13 in three months, a laparoscopy at Millennium by Defendant Chan (1/17/03), a
14 hemorrhoidectomy by Defendant Rosenberg at Valley/Unity (3/22/03), and an
15 endoscopy, a colonoscopy, and a hernia repair at non-Defendant clinics.
16
17
18 Massachusetts Blue Cross was deceived into paying more than \$42,000 for those
19 fraudulent procedures.
20

21 234. Patient MA-11 had 4 procedures performed at Defendant Pacific in
22 2002, including two sweaty palms surgeries, and an endoscopy and colonoscopy
23 three days apart (February 6 and 9, 2002) by Defendant Lluncor. Pacific and
24 Lluncor defrauded Massachusetts Blue Cross into paying more than \$58,000 for
25 MA-14's procedures.
26
27
28

1 **H. Plaintiff Premera Blue Cross**

2
3 235. Premera Blue Cross patients who were drawn into the fraud included
4 patients from Arizona, Alaska and Washington. From each of those States, there
5 was at least one husband and wife pair who had matching surgeries.

6
7 236. The Arizona couple had the identical three procedures on the same
8 days at Unity. On March 22, 2003, both PR-1 and her husband PR-2 had
9 endoscopies. The next day, both had colonoscopies. Six days later, on March 29,
10 PR-1 and PR-2 both had sweaty palms surgeries at Unity by Defendant Hampton,
11 with Defendant Madrid as the anesthesiologist on both procedures. As described
12 earlier and illustrated in numerous patient examples from various of the Plaintiffs,
13 that unlikely trio of procedures -- endoscopy, then colonoscopy, then sweaty palms
14 surgery -- is one of the defining and unmistakable patterns of the fraud in this case.
15 It is even more damning when a husband and wife from out of State both have the
16 same sequence of fraudulent procedures on the same days. The fraud involving
17 PR-1 and PR-2 cost Premera \$42,464.
18

19
20
21
22 237. The Alaska couple -- PR-3 and PR-4 -- had the identical procedures
23 on the same consecutive days at St. Paul. On December 17, 2003, both PR-3 and
24 PR-4 had endoscopies by Defendant Rosenberg at St. Paul, and the next day both
25 had colonoscopies by Defendant Rosenberg at St. Paul. They then flew back to
26 Alaska. Premera was defrauded into paying \$64,157.47.
27
28

1 238. PR-5 and PR-6 are from Washington. Both PR-5, the husband, and
2 PR-6, the wife, were billed as having had three fraudulent procedures at St. Paul.
3
4 PR-5 was the subject of fraudulent bills for an endoscopy by Defendant Rosenberg
5 on July 31, 2003 and a sweaty palms surgery on August 2, 2003. The sweaty
6 palms surgery was supposedly performed by a non-Defendant surgeon and was
7 billed by Defendant McKenna. PR-5 was paid about \$400 for those two
8 procedures.
9

10
11 239. On September 13, 2003, PR-5 had a fraudulent bladder procedure at
12 St. Paul by Defendant Patel, for which he was paid an additional \$600. PR-5
13 returned to Washington after the bladder procedure, but soon developed a severe
14 infection as a result of the procedure, went into septic shock, passed out while he
15 was on the phone calling 911, and had to be rushed to a local hospital where he
16 was hospitalized for four days.
17
18

19 240. Though St. Paul and its surgeons also billed for three procedures on
20 the wife, PR-6, the wife in fact never had any procedures. In fact, the wife had not
21 left the State of Washington for about 10 years because of illness. PR-6 never
22 went to St. Paul, but that did not stop the clinic and its surgeons from billing for an
23 endoscopy and a colonoscopy on September 12 and 13 and a bladder procedure by
24 Defendant Patel on September 17. Defendant Martha Madrid billed for non-
25 existent anesthesia services on the bladder procedure. Premera was defrauded
26
27
28

1 into paying \$85,334 in connection with PR-5 and PR-6.

2 241. A chart of the procedures on the Arizona, Alaska and Washington
3 couples is annexed as Appendix T.
4

5 242. Another pair of Premera patients, fellow Alaskans with benefits
6 provided by the Association of General Contractors, are notable both for the
7 number of fraudulent procedures they had in a short period of time, and for the
8 huge bills that were submitted in connection with those procedures.
9

10 243. One of them, PR-7, had four procedures at St. Paul. Three of those
11 procedures were performed within 5 days in August 2003, an endoscopy and a
12 colonoscopy by Defendant Rosenberg on August 23 and 24, and a sweaty palms
13 surgery by Defendant McKenna on August 28. The fourth procedure, a bladder
14 procedure, was supposedly performed by Defendant Patel two months later, on
15 October 22, 2003, with Defendant Madrid as the anesthesiologist.
16
17

18 244. The total bills submitted to Premera in connection with PR-7's four
19 St. Paul procedures topped \$183,000. Those fraudulent bills included a bill from
20 St. Paul for the sweaty palms surgery for \$63,558, and another bill from St. Paul
21 for the supposed bladder procedure for \$45,025. Premera paid \$37,375.73 on
22 those fraudulent bills.
23
24

25 245. The other Alaska patient from the Contractors' Association, PR-8,
26 had 5 procedures at St. Paul in less than a month, from November 22 to December
27
28

1 17, 2003. Those procedures included an endoscopy, two colonoscopies, a sweaty
2 palms procedure by Defendant Hampton, and, like his fellow contractor, a
3 supposed bladder procedure by Defendant Patel. The charges for PR-8 were more
4 than \$178,000, including a \$58,640 bill from St. Paul for the sweaty palms
5 surgery, and a \$43,207 bill from St. Paul for the supposed bladder procedure.
6
7

8 246. A chart of the procedures on the two Alaska patients is annexed as
9 Appendix U.
10

11 **I. Plaintiff Regence (including Leatherman Tools and OHSU Clusters)**

12 247. One of the most damaging husband and wife pairs in the case was a
13 couple from Washington who were covered by the benefit plan of a furniture
14 company, Strasser Woodenworks, administered by Regence BlueCross BlueShield
15 of Oregon. The spouses, RE-1 and RE-2, each had 4 procedures at Unity, three of
16 them the same procedures by the same surgeons on the same days. On October 6,
17 2002, both had endoscopies by Defendant Rosenberg; on October 7 they both had
18 colonoscopies by a non-Defendant surgeon; and on November 2 they both had
19 supposed hemorrhoidectomies by a non-Defendant surgeon. After a few weeks
20 off, each came back to Southern California and had a fourth unnecessary surgery,
21 first RE-2 (a sweaty palms procedure by Defendant McKenna on December 20)
22 and then RE-1, a septoplasty by Defendant White on January 25, 2003.
23
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1 248. Unity and the surgeons defrauded Regence into paying about
2 \$216,000 just for the unnecessary procedures on that one couple.
3

4 249. A group of Regence patients from the Leatherman Tools company in
5 Portland, Oregon, had procedures at four of the Defendant clinics in 2002 and
6 2003. One of the patients, RE-3, had 3 procedures at Unity in March and April
7 2003, an endoscopy, a colonoscopy, and a D&C. Another patient, RE-4, had 3
8 procedures in 5 days at 2 different Defendant clinics, a D&C at Millennium on
9 February 19, 2003, and then an endoscopy and a colonoscopy at Defendant Harbor
10 on February 22 and 24. Because RE-4 was from Oregon and must have been
11 shepherded by a patient recruiter, that recruiter obviously was recruiting both for
12 Millennium and for Harbor.
13
14
15

16 250. A third Leatherman patient, RE-5, had procedures at Millennium and
17 Premium (a D&C by Defendant Chun on September 16, 2002 and a
18 hemorrhoidectomy on November 30, 2002), and a fourth Leatherman patient, RE-
19 6, had a laparoscopy by Defendant Chun at Millennium on January 29, 2002. All
20 told, Defendants and others caused at least \$101,000 in damages in connection
21 with the Leatherman group.
22
23
24

25 251. Another group of Regence patients who had fraudulent procedures at
26 Unity worked for Oregon Health Sciences University ("OHSU") in Portland,
27 Oregon. The first OHSU patient to make the trip to Southern California was RE-7.
28

1 RE-7 first had an endoscopy and a colonoscopy by Defendant Rosenberg on
2 December 22 and 23, 2002. RE-7 came back 3 weeks later with a husband and
3 wife from OHSU, RE-8 and RE-9. RE-8 and RE-9 proceeded to have his-and-hers
4 endoscopies and colonoscopies at Unity on January 18 and 19, 2003. While the
5 new recruits were having their unnecessary endoscopies on January 18, RE-7 was
6 having a third procedure at Unity, a hemorrhoidectomy. Damages on those three
7 OSHU patients exceeded \$67,000.

10
11 252. A chart of the Regence patients described above is attached as
12 Appendix V.

13 **J. Plaintiff CareFirst (including Vertis Cluster)**

14
15 253. CareFirst's coverage area includes the District of Columbia and
16 portions of Maryland and Virginia. Several CareFirst insureds from those areas
17 traveled to Southern California to have unnecessary procedures at Defendant
18 clinics.

19
20 254. For example, a husband and wife from Centreville, Virginia -- CF-1
21 and CF-2 -- had multiple unnecessary procedures over a few days in late 2003.
22 The wife was billed as having had 4 separate procedures on 4 consecutive days at
23 St. Paul -- three GI procedures (at least 2 by Defendant Rosenberg) and one
24 urogenital procedure, on November 23, 24, 25 and 26 of 2003. Over the same
25
26
27
28

1 period, the husband had an endoscopy by Rosenberg and a supposed abdominal
2 procedure, both also at St. Paul.
3

4 255. The run of procedures was then suspended for a few days for the long
5 Thanksgiving weekend, but on the following Monday, December 1, 2003, the
6 husband had a third procedure, a colonoscopy. However, in another example of
7 the interrelationship and interchangeability of the Defendant clinics, the husband's
8 colonoscopy was performed not at St. Paul, where the couple's 6 prior procedures
9 had been performed, but at Defendant Harbor.
10
11

12 256. CareFirst was defrauded into paying more than \$63,000 in connection
13 with the unnecessary procedures on CF-1 and CF-2.
14

15 257. Several other Capital-area CareFirst insureds also made the trip to
16 Southern California and became the subject of fraudulent billings to CareFirst. In
17 April 2001, CF-3, from Silver Springs, Maryland, had an endoscopy (April 25)
18 and two days later a colonoscopy (April 23), both by Defendant Rayyes at
19 Defendant Newport Superior.
20
21

22 258. A CareFirst insured from Rockville, Maryland, CF-4, traveled to
23 Southern California in August 2003 and within a few days had an endoscopy by
24 Defendant Rosenberg at St. Paul (August 7, 2003) and a sweaty palms surgery by
25 Defendant McKenna at St. Paul (August 11, 2003).
26
27
28

1 259. And in October 2003, a CareFirst insured from Woodbridge, Virginia,
2 CF-5, had three procedures in 5 days at St. Paul, starting with an endoscopy and a
3 colonoscopy by Defendant Rosenberg on consecutive days (October 18 and 19,
4 2003), followed by supposed gynecological procedures on October 23.
5

6 260. Some CareFirst insureds did not travel as far, but the billings for their
7 procedures were no less fraudulent. For example, CF-6, a CareFirst insured from
8 Las Vegas, had a fraudulent endoscopy by Defendant Kim and a fraudulent
9 gynecological procedure by Defendant Chan on consecutive days (May 28 and 29,
10 2002) at Defendant Anaheim West. That was followed by a fraudulent septoplasty
11 a few months later (October 30, 2002) at a non-Defendant clinic. The
12 anesthesiologist on both the May 28 and the October 30 procedures was Defendant
13 Martha Madrid. Defendant Madrid was also the anesthesiologist on two
14 procedures performed on a local patient, CF-7, at Defendant St. Francis, an
15 endoscopy on April 11, 2002 and a colonoscopy the next day by Defendant
16 Rosenberg.
17

18 261. CareFirst was also victimized in connection with a cluster of local
19 patients employed by an advertising and marketing company called Vertis. Four
20 Vertis employees -- CF-8, CF-9, CF-10 and CF-11 -- had a total of 9 procedures
21 at Defendant clinics, for which CareFirst was defrauded into paying more than
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1 \$136,000.

2 262. Of the 9 procedures on the Vertis patients, six were performed at the
3
4 Unity spillover clinic, Valley Multi-Specialty (5 endoscopies and colonoscopies
5 by Defendant Rosenberg and a sweaty palms surgery by Defendant McKenna),
6
7 two at Anaheim West (an endoscopy by Defendant Kim and a colonoscopy by
8 Defendant Rosenberg), and one at a non-Defendant clinic.

9 263. A chart of the CareFirst patients described above is attached as
10
11 Appendix W.

12 **K. Plaintiff Nebraska Blue Cross (Swift and Millard Clusters)**

13 264. Patients insured by Nebraska Blue Cross who were drawn into the
14
15 fraud included individuals who were part of clusters of employees from two
16
17 companies. One is the meat company, Swift & Company. Among the Swift
18
19 employees were two from Minnesota, NE-1 and NE-2. NE-1 had three procedures
20
21 in 5 days at Newport Superior, an endoscopy and a colonoscopy by Defendant
22 Babaknia (January 9 and 12, 2001) and a circumcision on January 13, 2001. NE-2
23
24 had at least one procedure at Newport Superior, an endoscopy on May 19, 2000.

25 265. Nebraska Blue Cross was defrauded into paying more than \$41,000
26
27 for those two Swift patients.
28

1 266. Another cluster of Nebraska-insured patients were local patients who
2 had employee health coverage through Millard Refrigerated Services. One of
3 those patients, NE- 3, had at least 7 procedures at Newport Superior and
4 Millennium between July 2000 and September 2002. Those 7 procedures included
5 at least 1 endoscopy (July 6, 2002 by Defendant Rosenberg at Millennium), 2
6 colonoscopies (July 16, 2000 by Defendant Babaknia at Newport Superior and
7 August 24, 2002 by Defendant Rosenberg at Millennium), a hemorrhoidectomy
8 (August 12, 2000 at Newport Superior), a septoplasty (November 4, 2000 at
9 Newport Superior) and an apparent urological procedure (September 21, 2002 at
10 Millennium).

11
12 267. Nebraska Blue Cross was defrauded into paying more than \$90,000
13 on patient NE-3 alone.

14
15 268. Two other Millard employees or their spouses also had unnecessary
16 procedures at Newport Superior. Patient NE-4 had an endoscopy and a
17 colonoscopy on April 7 and April 15, 2001, both performed by Defendant Alamy.
18 On the same day that NE-4 had her second procedure by Alamy, April 15, patient
19 NE-5 had her first, an endoscopy by Defendant Alamy, which was followed a few
20 weeks later by a colonoscopy by Defendant Alamy on May 8, 2001. Nebraska
21 Blue Cross was defrauded into paying \$31,000 on those two other Millard
22 patients.

1 269. A chart of the Nebraska Blue Cross patients described above is
2 attached as Appendix X.
3

4 **L. Plaintiff North Carolina Blue Cross**

5 270. In 2003, 4 patients insured by North Carolina Blue Cross traveled
6 from North Carolina to have procedures at Defendant clinics. In March 2003, the
7 first patient, NC-1, had an endoscopy and a colonoscopy by Defendant Rosenberg
8 on consecutive days at Unity (March 15 and 16, 2003). Six months later, a second
9 patient from North Carolina, NC-2, had the fraudulent 3-procedure sequence --
10 endoscopy, colonoscopy, and sweaty palms surgery -- between August 29 and
11 September 5, 2003 at St. Paul. Defendant Rosenberg performed the endoscopy
12 and the colonoscopy.
13
14
15

16 271. In November 2003, a third North Carolina patient, NC-3, had a back-
17 to-back endoscopy and colonoscopy at St. Paul (November 8 by Defendant
18 Rosenberg and November 9 by a non-Defendant surgeon). Two weeks later, on
19 November 23, 2003, she had a third procedure, a supposed gynecological
20 procedure, again at St. Paul. The last North Carolina patient, NC-4, had an
21 endoscopy by Defendant Rosenberg at St. Paul on November 22, 2003, followed
22 by a sweaty palms surgery by Dr. Hampton at St. Paul on November 26, 2003.
23
24
25

26 272. A husband and wife from Fontana, California, NC-5 and NC-6, had a
27 total of 5 procedures in rapid succession at St. Paul that were fraudulently billed to
28

1 North Carolina Blue Cross. On August 9, 2003, both NC-5 and NC-6 had
2 endoscopies by a non-Defendant surgeon at St. Paul. Two days later, on August
3 11, the wife had a colonoscopy by Defendant Rosenberg at St. Paul. A week after
4 that, the husband had a colonoscopy, and then finished up a week later with a
5 sweaty palms surgery.
6

7
8 273. A chart of the North Carolina Blue Cross patients described above is
9 attached as Appendix Y.
10

11 CLAIMS FOR RELIEF

12 FIRST CLAIM FOR RELIEF

13
14 Violation of 18 U.S.C. § 1962(c) by Defendants
15 Unity Outpatient Surgery Center, Inc.; Unity Outpatient Surgery
16 Center LLC; St. Paul Outpatient Surgery Medical Center, Inc.; St.
17 Paul Surgery Medical Center LLC; Anaheim West Outpatient
18 Surgery Center Inc.; Lincoln Management Group, LLC.; St. Francis
19 Outpatient Medical Center, Inc.; Inland Orange Medical Management,
20 Inc.; Newport Superior Outpatient Medical Center, Inc.; Newport
21 Superior Management Group LLC; Tam Vu Pham a/k/a Tom Vu;
22 Huong Thien Ngo; Rosalinda Landon; Andrew Harnen; Catherine
23 Bach; Ardalan Babaknia, M.D.; Michael Chan, M.D.; Byung Chun,
24 M.D.; Moustafa El Alamy, M.D.; John Eugene, M.D.; William
25 Hampton, M.D.; Lars Hanson, M.D.; Chin Kim, M.D.; Robert J.
26 McKenna, M.D.; Martha Madrid, M.D.; Bharat Patel, M.D.;
27 Amer Rayyes, M.D.; Mario Z. Rosenberg, M.D.; Lloyd White, M.D.

28 (Vu Enterprise)

25 274. Plaintiffs repeat and reallege each and every allegation contained in
26 paragraphs 1 through 273 above as if set forth here in its entirety.
27

275. In executing their fraudulent scheme, Defendants Unity Outpatient Surgery Center, Inc.; Unity Outpatient Surgery Center LLC; St. Paul Outpatient Surgery Medical Center, Inc.; St. Paul Surgery Medical Center LLC; Anaheim West Outpatient Surgery Center Inc.; Lincoln Management Group, LLC.; St. Francis Outpatient Medical Center, Inc.; Inland Orange Medical Management, Inc.; Newport Superior Outpatient Medical Center, Inc.; Newport Superior Management Group LLC; Tam Vu Pham a/k/a Tom Vu; Huong Thien Ngo; Rosalinda Landon; Andrew Harnen; Catherine Bach; Ardalan Babaknia, M.D.; Michael Chan, M.D.; Byung Chun, M.D.; Moustafa El Alamy, M.D.; John Eugene, M.D.; William Hampton, M.D.; Lars Hanson, M.D.; Chin Kim, M.D.; Robert J. McKenna, M.D.; Martha Madrid, M.D.; Bharat Patel, M.D.; Amer Rayyes, M.D.; Mario Z. Rosenberg, M.D.; and Lloyd White, M.D., and their agents, made extensive use of the United States mails, including by mailing fraudulent claims, fraudulent medical records, and fraudulent correspondence to Plaintiffs and by receiving via the mails fraudulently procured benefits from Plaintiffs. Those Defendants and their agents also used interstate wires during interstate phone calls with prospective patients and recruiters as part of the patient recruitment process, and with Plaintiffs in their fraudulent attempts to obtain pre-authorization for surgeries and to collect benefits after the surgeries.

1 276. Each such use of the mails and each interstate wire communication in
2 furtherance of Defendants' fraudulent scheme violated the federal mail fraud and
3 federal wire fraud statutes, 18 U.S.C. §§ 1341 and 1343.
4

5 277. Each of those violations constitutes "racketeering activity" within the
6 meaning of 18 U.S.C. § 1961(1). Collectively, those violations, carried out over
7 an extended period of time, constitute a "pattern of racketeering activity" within
8 the meaning of 18 U.S.C. § 1961(5).
9

10 278. The Vu clinics -- Unity, St. Paul, Anaheim West, St. Francis and
11 Newport Superior -- constitute an enterprise within the meaning of 18 U.S.C. §
12 1961(4) that engages in or affects interstate commerce.
13
14

15 279. The Defendants named in this Claim are "persons" within the
16 meaning of 18 U.S.C. § 1961(3) who conducted, participated in, operated,
17 managed and/or controlled the affairs of the Vu Enterprise through a pattern of
18 racketeering activity, in violation of 18 U.S.C. § 1962(c).
19

20 280. Plaintiffs have been injured in their business and property as a
21 proximate result of this violation of 18 U.S.C. § 1962(c), in that they have paid
22 substantial sums in health care benefits to those Defendants and others in
23 justifiable reliance on the fraudulent bills, medical records, and other documents
24 submitted to them by Defendants.
25
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281. By reason of this violation of 18 U.S.C. § 1962(c), these Defendants are jointly and severally liable to Plaintiffs for three times the damages Plaintiffs have sustained, plus Plaintiffs' costs in this suit, including reasonable attorneys' fees.

SECOND CLAIM FOR RELIEF

**Violation of 18 U.S.C. § 1962(c) by Defendants
Unity Outpatient Surgery Center, Inc.; Unity Outpatient Surgery
Center LLC; Tam Vu Pham a/k/a Tom Vu; Huong Thien Ngo;
Rosalinda Landon; Andrew Harnen; Michael Chan, M.D.; William
Hampton, M.D.; Chin Kim, M.D.; Robert J. McKenna, M.D.;
Martha Madrid, M.D.; Mario Z. Rosenberg, M.D.; Lloyd White, M.D.**

(Unity Clinic Enterprise)

282. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 273 above as if set forth here in its entirety.

283. In executing their fraudulent scheme, Defendants Unity Outpatient Surgery Center, Inc.; Unity Outpatient Surgery Center LLC; Tam Vu Pham a/k/a Tom Vu; Huong Thien Ngo; Rosalinda Landon; Andrew Harnen; Michael Chan, M.D.; William Hampton, M.D.; Chin Kim, M.D.; Robert J. McKenna, M.D.; Martha Madrid, M.D.; Mario Z. Rosenberg, M.D.; and Lloyd White, M.D., and their agents, made extensive use of the United States mails, including by mailing fraudulent claims, fraudulent medical records, and fraudulent correspondence to Plaintiffs and by receiving via the mails fraudulently procured benefits from

1 Plaintiffs. Those Defendants and their agents also used interstate wires during
2 interstate phone calls with prospective patients and recruiters as part of the patient
3 recruitment process, and with Plaintiffs in their fraudulent attempts to obtain pre-
4 authorization for surgeries and to collect benefits after the surgeries.
5

6 284. Each such use of the mails and each interstate wire communication in
7 furtherance of Defendants' fraudulent scheme violated the federal mail fraud and
8 federal wire fraud statutes, 18 U.S.C. §§ 1341 and 1343.
9

10 285. Each of those violations constitutes "racketeering activity" within the
11 meaning of 18 U.S.C. § 1961(1). Collectively, those violations, carried out over
12 an extended period of time, constitute a "pattern of racketeering activity" within
13 the meaning of 18 U.S.C. § 1961(5).
14

15 286. The Unity clinic constitutes an enterprise within the meaning of 18
16 U.S.C. § 1961(4) that engages in or affects interstate commerce.
17

18 287. The Defendants named in this Claim are "persons" within the
19 meaning of 18 U.S.C. § 1961(3) who conducted, participated in, operated,
20 managed and/or controlled the affairs of the Unity Clinic Enterprise through a
21 pattern of racketeering activity, in violation of 18 U.S.C. § 1962(c).
22

23 288. Plaintiffs have been injured in their business and property as a
24 proximate result of this violation of 18 U.S.C. § 1962(c), in that they have paid
25 substantial sums in health care benefits to Defendants and others in justifiable
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1 reliance on the fraudulent bills, medical records, and other documents submitted to
2 them by Defendants.

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4 289. By reason of this violation of 18 U.S.C. § 1962(c), these Defendants
5 are jointly and severally liable to Plaintiffs for three times the damages Plaintiffs
6 have sustained, plus Plaintiffs' costs in this suit, including reasonable attorneys'
7 fees.
8

9
10 **THIRD CLAIM FOR RELIEF**

11 **Violation of 18 U.S.C. § 1962(c) by Defendants**
12 **St. Paul Outpatient Surgery Medical Center, Inc., St. Paul**
13 **Surgery Medical Center LLC; Tam Vu Pham a/k/a Tom Vu;**
14 **Huong Thien Ngo; Andrew Harnen; William Hampton, M.D.;**
15 **Robert J. McKenna, M.D.; Martha Madrid, M.D.;**
16 **Bharat Patel, M.D.; Mario Z. Rosenberg, M.D.**

17 **(St. Paul Clinic Enterprise)**

18 290. Plaintiffs repeat and reallege each and every allegation contained in
19 paragraphs 1 through 273 above as if set forth here in its entirety.

20 291. In executing their fraudulent scheme, Defendants St. Paul Outpatient
21 Surgery Medical Center, Inc.; St. Paul Surgery Medical Center LLC; Tam Vu
22 Pham a/k/a Tom Vu; Huong Thien Ngo; Andrew Harnen; William Hampton,
23 M.D.; Robert J. McKenna, M.D.; Martha Madrid, M.D.; Bharat Patel, M.D.; and
24 Mario Z. Rosenberg, M.D.; and their agents, made extensive use of the United
25 States mails, including by mailing fraudulent claims, fraudulent medical records,
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1 and fraudulent correspondence to Plaintiffs and by receiving via the mails
2 fraudulently procured benefits from Plaintiffs. Those Defendants and their agents
3 also used interstate wires during interstate phone calls with prospective patients
4 and recruiters as part of the patient recruitment process, and with Plaintiffs in their
5 fraudulent attempts to obtain pre-authorization for surgeries and to collect benefits
6 after the surgeries.
7

8
9 292. Each such use of the mails and each interstate wire communication in
10 furtherance of Defendants' fraudulent scheme violated the federal mail fraud and
11 federal wire fraud statutes, 18 U.S.C. §§ 1341 and 1343.
12

13 293. Each of those violations constitutes "racketeering activity" within the
14 meaning of 18 U.S.C. § 1961(1). Collectively, those violations, carried out over
15 an extended period of time, constitute a "pattern of racketeering activity" within
16 the meaning of 18 U.S.C. § 1961(5).
17

18 294. The St. Paul clinic constitutes an enterprise within the meaning of 18
19 U.S.C. § 1961(4) that engages in or affects interstate commerce.
20

21 295. The Defendants named in this Claim are "persons" within the
22 meaning of 18 U.S.C. § 1961(3) who conducted, participated in, operated,
23 managed and/or controlled the affairs of the St. Paul Clinic Enterprise through a
24 pattern of racketeering activity, in violation of 18 U.S.C. § 1962(c).
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1 296. Plaintiffs have been injured in their business and property as a
2 proximate result of this violation of 18 U.S.C. § 1962(c), in that they have paid
3 substantial sums in health care benefits to Defendants and others in justifiable
4 reliance on the fraudulent bills, medical records, and other documents submitted to
5 them by Defendants.
6

7
8 297. By reason of this violation of 18 U.S.C. § 1962(c), these Defendants
9 are jointly and severally liable to Plaintiffs for three times the damages Plaintiffs
10 have sustained, plus Plaintiffs' costs in this suit, including reasonable attorneys'
11 fees.
12

13 **FOURTH CLAIM FOR RELIEF**
14

15 **Violation of 18 U.S.C. § 1962(c) by Defendants**
16 **Anaheim West Outpatient Surgery Center Inc.; Lincoln Management**
17 **Group, LLC.; Tam Vu Pham a/k/a Tom Vu; Huong Thien Ngo;**
18 **Rosalinda Landon; Andrew Harnen; Michael Chan, M.D.; Byung**
19 **Chun, M.D.; Moustafa El Alamy, M.D.; John Eugene, M.D.; Chin**
20 **Kim, M.D.; Mario Z. Rosenberg, M.D.; Lloyd White, M.D.**

21 **(Anaheim West Clinic Enterprise)**
22

23 298. Plaintiffs repeat and reallege each and every allegation contained in
24 paragraphs 1 through 273 above as if set forth here in its entirety.
25

26 299. In executing their fraudulent scheme, Defendants Anaheim West
27 Outpatient Surgery Center Inc.; Lincoln Management Group, LLC.; Tam Vu Pham
28 a/k/a Tom Vu; Huong Thien Ngo; Rosalinda Landon; Andrew Harnen; Michael

1 Chan, M.D.; Byung Chun, M.D.; Moustafa El Alamy, M.D.; John Eugene, M.D.;
2 Chin Kim, M.D.; Mario Z. Rosenberg, M.D.; and Lloyd White, M.D., and their
3 agents, made extensive use of the United States mails, including by mailing
4 fraudulent claims, fraudulent medical records, and fraudulent correspondence to
5 Plaintiffs and by receiving via the mails fraudulently procured benefits from
6 Plaintiffs. Those Defendants and their agents also used interstate wires during
7 interstate phone calls with prospective patients and recruiters as part of the patient
8 recruitment process, and with Plaintiffs in their fraudulent attempts to obtain pre-
9 authorization for surgeries and to collect benefits after the surgeries.
10
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13 300. Each such use of the mails and each interstate wire communication in
14 furtherance of Defendants' fraudulent scheme violated the federal mail fraud and
15 federal wire fraud statutes, 18 U.S.C. §§ 1341 and 1343.
16
17

18 301. Each of those violations constitutes "racketeering activity" within the
19 meaning of 18 U.S.C. § 1961(1). Collectively, those violations, carried out over
20 an extended period of time, constitute a "pattern of racketeering activity" within
21 the meaning of 18 U.S.C. § 1961(5).
22

23 302. The Anaheim West clinic constitutes an enterprise within the
24 meaning of 18 U.S.C. § 1961(4) that engages in or affects interstate commerce.
25

26 303. The Defendants on this Claim are "persons" within the meaning of 18
27 U.S.C. § 1961(3) who conducted, participated in, operated, managed and/or
28

1 controlled the affairs of the Anaheim West Clinic Enterprise through a pattern of
2 racketeering activity, in violation of 18 U.S.C. § 1962(c).
3

4 304. Plaintiffs have been injured in their business and property as a
5 proximate result of this violation of 18 U.S.C. § 1962(c), in that they have paid
6 substantial sums in health care benefits to Defendants and others in justifiable
7 reliance on the fraudulent bills, medical records, and other documents submitted to
8 them by Defendants.
9

10 305. By reason of this violation of 18 U.S.C. § 1962(c), these Defendants
11 are jointly and severally liable to Plaintiffs for three times the damages Plaintiffs
12 have sustained, plus Plaintiffs' costs in this suit, including reasonable attorneys'
13 fees.
14
15

16 **FIFTH CLAIM FOR RELIEF**

17 **St. Francis Outpatient Medical Center, Inc.; Inland Orange**
18 **Medical Management, Inc.; Tam Vu Pham a/k/a Tom Vu; Huong**
19 **Thien Ngo; Martha Madrid, M.D.; Mario Z. Rosenberg, M.D.**

20 **(St. Francis Clinic Enterprise)**
21

22 306. Plaintiffs repeat and reallege each and every allegation contained in
23 paragraphs 1 through 273 above as if set forth here in its entirety.
24

25 307. In executing their fraudulent scheme, Defendants St. Francis
26 Outpatient Medical Center, Inc.; Inland Orange Medical Management, Inc.; Tam
27
28

1 Vu Pham a/k/a Tom Vu; Huong Thien Ngo; Martha Madrid, M.D.; and Mario Z.
2 Rosenberg, M.D., and their agents, made extensive use of the United States mails,
3 including by mailing fraudulent claims, fraudulent medical records, and fraudulent
4 correspondence to Plaintiffs and by receiving via the mails fraudulently procured
5 benefits from Plaintiffs. Those Defendants and their agents also used interstate
6 wires during interstate phone calls with prospective patients and recruiters as part
7 of the patient recruitment process, and with Plaintiffs in their fraudulent attempts
8 to obtain pre-authorization for surgeries and to collect benefits after the surgeries.
9
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11

12 308. Each such use of the mails and each interstate wire communication in
13 furtherance of Defendants' fraudulent scheme violated the federal mail fraud and
14 federal wire fraud statutes, 18 U.S.C. §§ 1341 and 1343.
15

16 309. Each of those violations constitutes "racketeering activity" within the
17 meaning of 18 U.S.C. § 1961(1). Collectively, those violations, carried out over
18 an extended period of time, constitute a "pattern of racketeering activity" within
19 the meaning of 18 U.S.C. § 1961(5).
20
21

22 310. The St. Francis clinic constitutes an enterprise within the meaning of
23 18 U.S.C. § 1961(4) that engages in or affects interstate commerce.
24

25 311. The Defendants named in this Claim are "persons" within the
26 meaning of 18 U.S.C. § 1961(3) who conducted, participated in, operated,
27 managed and/or controlled the affairs of the St. Francis Clinic Enterprise through a
28

1 pattern of racketeering activity, in violation of 18 U.S.C. § 1962(c).

2
3 312. Plaintiffs have been injured in their business and property as a
4 proximate result of this violation of 18 U.S.C. § 1962(c), in that they have paid
5 substantial sums in health care benefits to those Defendants and others in
6 justifiable reliance on the fraudulent bills, medical records, and other documents
7 submitted to them by Defendants.
8

9 313. By reason of this violation of 18 U.S.C. § 1962(c), these Defendants
10 are jointly and severally liable to Plaintiffs for three times the damages Plaintiffs
11 have sustained, plus Plaintiffs' costs in this suit, including reasonable attorneys'
12 fees.
13
14

15 **SIXTH CLAIM FOR RELIEF**

16 **Violation of 18 U.S.C. § 1962(c) by Defendants**

17 **Newport Superior Outpatient Medical Center, Inc.; Newport Superior**
18 **Management Group LLC; Tam Vu Pham a/k/a Tom Vu; Huong Thien Ngo;**
19 **Catherine Bach; Ardalan Babaknia, M.D.; Moustafa El Alamy, M.D.;**
20 **Lars Hanson, M.D.; Amer Rayyes, M.D.; Mario Z. Rosenberg, M.D.**

21 **(Newport Superior Clinic Enterprise)**

22 314. Plaintiffs repeat and reallege each and every allegation contained in
23 paragraphs 1 through 273 above as if set forth here in its entirety.
24

25 315. In executing their fraudulent scheme, Defendants Newport Superior
26 Outpatient Medical Center, Inc.; Newport Superior Management Group LLC; Tam
27

1 Vu Pham a/k/a Tom Vu; Huong Thien Ngo; Catherine Bach; Ardalan Babaknia,
2 M.D.; Moustafa El Alamy, M.D.; Lars Hanson, M.D.; Amer Rayyes, M.D.; and
3 Mario Z. Rosenberg, M.D., and their agents, made extensive use of the United
4 States mails, including by mailing fraudulent claims, fraudulent medical records,
5 and fraudulent correspondence to Plaintiffs and by receiving via the mails
6
7 fraudulently procured benefits from Plaintiffs. Those Defendants and their agents
8 also used interstate wires during interstate phone calls with prospective patients
9
10 and recruiters as part of the patient recruitment process, and with Plaintiffs in their
11 fraudulent attempts to obtain pre-authorization for surgeries and to collect benefits
12 after the surgeries.
13
14

15 316. Each such use of the mails and each interstate wire communication in
16 furtherance of Defendants' fraudulent scheme violated the federal mail fraud and
17 federal wire fraud statutes, 18 U.S.C. §§ 1341 and 1343.
18

19 317. Each of those violations constitutes "racketeering activity" within the
20 meaning of 18 U.S.C. § 1961(1). Collectively, those violations, carried out over
21 an extended period of time, constitute a "pattern of racketeering activity" within
22 the meaning of 18 U.S.C. § 1961(5).
23

24 318. The Newport Superior clinic constitutes an enterprise within the
25 meaning of 18 U.S.C. § 1961(4) that engages in or affects interstate commerce.
26
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28

1 319. The Defendants named in this Claim are "persons" within the
2 meaning of 18 U.S.C. § 1961(3) who conducted, participated in, operated,
3 managed and/or controlled the affairs of the Newport Superior Clinic Enterprise
4 through a pattern of racketeering activity, in violation of 18 U.S.C. § 1962(c).
5

6 320. Plaintiffs have been injured in their business and property as a
7 proximate result of this violation of 18 U.S.C. § 1962(c), in that they have paid
8 substantial sums in health care benefits to Defendants and others in justifiable
9 reliance on the fraudulent bills, medical records, and other documents submitted to
10 them by Defendants.
11

12 321. By reason of this violation of 18 U.S.C. § 1962(c), these Defendants
13 are jointly and severally liable to Plaintiffs for three times the damages Plaintiffs
14 have sustained, plus Plaintiffs' costs in this suit, including reasonable attorneys'
15 fees.
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18

19 **SEVENTH CLAIM FOR RELIEF**

20 **Violation of 18 U.S.C. § 1962(c) by Defendants**
21 **Millennium Outpatient Surgery Center, A Medical**
22 **Corporation; Thu Ngoc Pham a/k/a Perry Pham; Ardalan**
23 **Babaknia, M.D.; Michael Chan, M.D.; Byung Chun, M.D.;**
24 **Moustafa El Alamy, M.D.; Leon Halac, M.D.; Madhukar Jigjinni,**
25 **M.D.; Bharat Patel, M.D.; Mario Z. Rosenberg, M.D.; Youn S. Toh, M.D.**

26 **(Millennium Clinic Enterprise)**

27 322. Plaintiffs repeat and reallege each and every allegation contained in
28 paragraphs 1 through 273 above as if set forth here in its entirety.

1 323. In executing their fraudulent scheme, Defendants Millennium
2 Outpatient Surgery Center, A Medical Corporation; Thu Ngoc Pham a/k/a Perry
3 Pham; Ardalan Babaknia, M.D.; Michael Chan, M.D.; Byung Chun, M.D.;
4 Moustafa El Alamy, M.D.; Leon Halac, M.D.; Madhukar Jigjinni, M.D.; Bharat
5 Patel, M.D.; Mario Z. Rosenberg, M.D.; and Youn S. Toh, M.D., and their agents,
6 made extensive use of the United States mails, including by mailing fraudulent
7 claims, fraudulent medical records, and fraudulent correspondence to Plaintiffs
8 and by receiving via the mails fraudulently procured benefits from Plaintiffs.
9 Those Defendants and their agents also used interstate wires during interstate
10 phone calls with prospective patients and recruiters as part of the patient
11 recruitment process, and with Plaintiffs in their fraudulent attempts to obtain pre-
12 authorization for surgeries and to collect benefits after the surgeries.

13 324. Each such use of the mails and each interstate wire communication in
14 furtherance of Defendants' fraudulent scheme violated the federal mail fraud and
15 federal wire fraud statutes, 18 U.S.C. §§ 1341 and 1343.

16 325. Each of those violations constitutes "racketeering activity" within the
17 meaning of 18 U.S.C. § 1961(1). Collectively, those violations, carried out over
18 an extended period of time, constitute a "pattern of racketeering activity" within
19 the meaning of 18 U.S.C. § 1961(5).

1 326. The Millennium clinic constitutes an enterprise within the meaning of
2 18 U.S.C. § 1961(4) that engages in or affects interstate commerce.

3
4 327. The Defendants named in this Claim are "persons" within the
5 meaning of 18 U.S.C. § 1961(3) who conducted, participated in, operated,
6 managed and/or controlled the affairs of the Millennium Clinic Enterprise through
7 a pattern of racketeering activity, in violation of 18 U.S.C. § 1962(c).

8
9 328. Plaintiffs have been injured in their business and property as a
10 proximate result of this violation of 18 U.S.C. § 1962(c), in that they have paid
11 substantial sums in health care benefits to Defendants and others in justifiable
12 reliance on the fraudulent bills, medical records, and other documents submitted to
13 them by Defendants.

14
15
16 329. By reason of this violation of 18 U.S.C. § 1962(c), these Defendants
17 are jointly and severally liable to Plaintiffs for three times the damages Plaintiffs
18 have sustained, plus Plaintiffs' costs in this suit, including reasonable attorneys'
19 fees.

20
21
22 **EIGHTH CLAIM FOR RELIEF**

23 **Violation of 18 U.S.C. § 1962(c) by Defendants**
24 **Harbor Multi-Specialty Surgical Center, Inc.; Paratha Govindarajan, M.D.**
25 **(Harbor Clinic Enterprise)**

26
27 330. Plaintiffs repeat and reallege each and every allegation contained in
28 paragraphs 1 through 273 above as if set forth here in its entirety.

1 331. In executing their fraudulent scheme, Harbor Multi-Specialty Surgical
2 Center, Inc. and Paratha Govindarajan, M.D., and their agents, made extensive use
3 of the United States mails, including by mailing fraudulent claims, fraudulent
4 medical records, and fraudulent correspondence to Plaintiffs and by receiving via
5 the mails fraudulently procured benefits from Plaintiffs. Those Defendants and
6 their agents also used interstate wires during interstate phone calls with
7 prospective patients and recruiters as part of the patient recruitment process, and
8 with Plaintiffs in their fraudulent attempts to obtain pre-authorization for surgeries
9 and to collect benefits after the surgeries.
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13 332. Each such use of the mails and each interstate wire communication in
14 furtherance of Defendants' fraudulent scheme violated the federal mail fraud and
15 federal wire fraud statutes, 18 U.S.C. §§ 1341 and 1343.
16
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18 333. Each of those violations constitutes "racketeering activity" within the
19 meaning of 18 U.S.C. § 1961(1). Collectively, those violations, carried out over
20 an extended period of time, constitute a "pattern of racketeering activity" within
21 the meaning of 18 U.S.C. § 1961(5).
22

23 334. The Harbor clinic constitutes an enterprise within the meaning of 18
24 U.S.C. § 1961(4) that engages in or affects interstate commerce.
25

26 335. The Defendants named in this Claim are "persons" within the
27 meaning of 18 U.S.C. § 1961(3) who conducted, participated in, operated,
28

1 managed and/or controlled the affairs of the Harbor Clinic Enterprise through a
2 pattern of racketeering activity, in violation of 18 U.S.C. § 1962(c).
3

4 336. Plaintiffs have been injured in their business and property as a
5 proximate result of this violation of 18 U.S.C. § 1962(c), in that they have paid
6 substantial sums in health care benefits to Defendants and others in justifiable
7 reliance on the fraudulent bills, medical records, and other documents submitted to
8 them by Defendants.
9

10 337. By reason of this violation of 18 U.S.C. § 1962(c), these Defendants
11 are jointly and severally liable to Plaintiffs for three times the damages Plaintiffs
12 have sustained, plus Plaintiffs' costs in this suit, including reasonable attorneys'
13 fees.
14
15

16 **NINTH CLAIM FOR RELIEF**

17 **Violation of 18 U.S.C. § 1962(c) by Defendants**
18 **Pacific Outpatient Medical Center, A Medical Corporation;**
19 **Pacific Outpatient Medical Management Group LLC; Moustafa El**
20 **Alamy, M.D.; Edgar Lluncor, M.D.; and Amer Rayyes, M.D.**

21 **(Pacific Clinic Enterprise)**

22 338. Plaintiffs repeat and reallege each and every allegation contained in
23 paragraphs 1 through 273 above as if set forth here in its entirety.
24

25 339. In executing their fraudulent scheme, Defendants Pacific Outpatient
26 Medical Center, A Medical Corporation; Pacific Outpatient Medical Management
27 Group LLC; Moustafa El Alamy, M.D.; Edgar Lluncor, M.D.; and Amer Rayyes,
28

1 M.D., and their agents, made extensive use of the United States mails, including
2 by mailing fraudulent claims, fraudulent medical records, and fraudulent
3 correspondence to Plaintiffs and by receiving via the mails fraudulently procured
4 benefits from Plaintiffs. Those Defendants and their agents also used interstate
5 wires during interstate phone calls with prospective patients and recruiters as part
6 of the patient recruitment process, and with Plaintiffs in their fraudulent attempts
7 to obtain pre-authorization for surgeries and to collect benefits after the surgeries.
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11 340. Each such use of the mails and each interstate wire communication in
12 furtherance of Defendants' fraudulent scheme violated the federal mail fraud and
13 federal wire fraud statutes, 18 U.S.C. §§ 1341 and 1343.
14

15 341. Each of those violations constitutes "racketeering activity" within the
16 meaning of 18 U.S.C. § 1961(1). Collectively, those violations, carried out over
17 an extended period of time, constitute a "pattern of racketeering activity" within
18 the meaning of 18 U.S.C. § 1961(5).
19

20 342. The Pacific clinic constitutes an enterprise within the meaning of 18
21 U.S.C. § 1961(4) that engages in or affects interstate commerce.
22

23 343. The Defendants named in this Claim are "persons" within the
24 meaning of 18 U.S.C. § 1961(3) who conducted, participated in, operated,
25 managed and/or controlled the affairs of the Pacific Clinic Enterprise through a
26 pattern of racketeering activity, in violation of 18 U.S.C. § 1962(c).
27
28

1 344. Plaintiffs have been injured in their business and property as a
2 proximate result of this violation of 18 U.S.C. § 1962(c), in that they have paid
3 substantial sums in health care benefits to Defendants and others in justifiable
4 reliance on the fraudulent bills, medical records, and other documents submitted to
5 them by Defendants.
6
7

8 345. By reason of this violation of 18 U.S.C. § 1962(c), these Defendants
9 are jointly and severally liable to Plaintiffs for three times the damages Plaintiffs
10 have sustained, plus Plaintiffs' costs in this suit, including reasonable attorneys'
11 fees.
12

13 **TENTH CLAIM FOR RELIEF**
14

15 **Violation of 18 U.S.C. § 1962(c) by Defendants**
16 **Premium Outpatient Surgery Center, A Medical**
17 **Corporation; Byung Chun, M.D.; William Hampton, M.D.**

18 **(Premium Clinic Enterprise)**

19 346. Plaintiffs repeat and reallege each and every allegation contained in
20 paragraphs 1 through 273 above as if set forth here in its entirety.
21

22 347. In executing their fraudulent scheme, Defendants Premium Outpatient
23 Surgery Center, A Medical Corporation; Byung Chun, M.D.; and William
24 Hampton, M.D., and their agents, made extensive use of the United States mails,
25 including by mailing fraudulent claims, fraudulent medical records, and fraudulent
26 correspondence to Plaintiffs and by receiving via the mails fraudulently procured
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28

1 benefits from Plaintiffs. Those Defendants and their agents also used interstate
2 wires during interstate phone calls with prospective patients and recruiters as part
3 of the patient recruitment process, and with Plaintiffs in their fraudulent attempts
4 to obtain pre-authorization for surgeries and to collect benefits after the surgeries.
5

6 348. Each such use of the mails and each interstate wire communication in
7 furtherance of Defendants' fraudulent scheme violated the federal mail fraud and
8 federal wire fraud statutes, 18 U.S.C. §§ 1341 and 1343.
9

10 349. Each of those violations constitutes "racketeering activity" within the
11 meaning of 18 U.S.C. § 1961(1). Collectively, those violations, carried out over
12 an extended period of time, constitute a "pattern of racketeering activity" within
13 the meaning of 18 U.S.C. § 1961(5).
14

15 350. The Premium clinic constitutes an enterprise within the meaning of
16 18 U.S.C. § 1961(4) that engages in or affects interstate commerce.
17

18 351. The Defendants named in this Claim are "persons" within the
19 meaning of 18 U.S.C. § 1961(3) who conducted, participated in, operated,
20 managed and/or controlled the affairs of the Premium Clinic Enterprise through a
21 pattern of racketeering activity, in violation of 18 U.S.C. § 1962(c).
22

23 352. Plaintiffs have been injured in their business and property as a
24 proximate result of this violation of 18 U.S.C. § 1962(c), in that they have paid
25 substantial sums in health care benefits to Defendants and others in justifiable
26
27
28

1 reliance on the fraudulent bills, medical records, and other documents submitted to
2 them by Defendants.

3
4 353. By reason of this violation of 18 U.S.C. § 1962(c), these Defendants
5 are jointly and severally liable to Plaintiffs for three times the damages Plaintiffs
6 have sustained, plus Plaintiffs' costs in this suit, including reasonable attorneys'
7 fees.
8

9
10 **ELEVENTH CLAIM FOR RELIEF**

11 **Common Law Fraud By Defendants**

12 **Unity Outpatient Surgery Center, Inc.; Unity Outpatient Surgery**
13 **Center LLC; Millennium Outpatient Surgery Center, A Medical**
14 **Corporation; St. Paul Outpatient Surgery Medical Center, Inc.;**
15 **St. Paul Surgery Medical Center LLC; Anaheim West Outpatient**
16 **Surgery Center Inc.; Lincoln Management Group, LLC.; St. Francis**
17 **Outpatient Medical Center, Inc.; Inland Orange Medical Management,**
18 **Inc.; Newport Superior Outpatient Medical Center, Inc.; Newport**
19 **Superior Management Group LLC; Harbor Multi-Specialty Surgical**
20 **Center, Inc.; Pacific Outpatient Medical Center, A Medical Corporation;**
21 **Pacific Outpatient Medical Management Group LLC; Premium**
22 **Outpatient Surgery Center, A Medical Corporation; Tam Vu Pham**
23 **a/k/a Tom Vu; Huong Thien Ngo; Gordon Merrick; Rosalinda Landon;**
24 **Andrew Harnen; Catherine Bach; Thu Ngoc Pham a/k/a Perry Pham;**
25 **Ardalan Babaknia, M.D.; Michael Chan, M.D.; Byung Chun, M.D.;**
26 **Moustafa El Alamy, M.D.; John Eugene, M.D.; Paratha Govindarajan,**
27 **M.D.; Leon Halac, M.D.; William Hampton, M.D.; Lars Hanson, M.D.;**
28 **Madhukar Jigjinni, M.D.; Chin Kim, M.D.; Edgar Lluncor, M.D.;**
Robert J. McKenna, M.D.; Martha Madrid, M.D.; Bharat Patel, M.D.;
Amer Rayyes, M.D.; Daniel Rose, M.D.; Mario Z. Rosenberg, M.D.;
Hamilton Sah, M.D.; Youn S. Toh, M.D.; Lloyd White, M.D.

354. Plaintiffs repeat and reallege each and every allegation contained in
paragraphs 1 through 273 above as if set forth here in its entirety.

1 355. Over the course of their fraudulent schemes, and in furtherance
2 thereof, the Defendants named in this Claim knowingly made, directed others to
3 make, aided and abetted the making of, and conspired with respect to the making
4 of, false representations to Plaintiffs and others, and concealed material facts from
5 Plaintiffs and others, concerning, among other subjects, patients' medical
6 conditions, patients' symptoms, histories and diagnoses, patients' need for surgery,
7 the surgical procedures performed on patients, the illegal recruitment of patients,
8 and sham ownership of the clinics. Defendants made, directed others to make,
9 aided and abetted the making of, and conspired with respect to the making of, such
10 false representations, and concealed material facts, with the intent and effect of
11 inducing Plaintiffs to rely thereon, and to pay health benefits to Defendants and
12 others that Plaintiffs were not obligated to pay and that Plaintiffs would not have
13 paid if not for the misrepresentations. Plaintiffs reasonably and justifiably relied
14 on those knowingly false representations and omissions, and suffered damages as
15 a result.
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22 356. Defendants' conduct was fraudulent, oppressive, intentional, wanton,
23 willful, malicious and in disregard of Plaintiffs' rights.
24

25 357. The fraud committed by the surgeon Defendants for which Plaintiffs
26 seek damages includes fraud committed in connection with surgeries they
27 performed at non-Defendant clinics, including but not limited to Pacific Wilshire
28

1 Medical and Surgical Center and Carmel Surgical Center.

2
3 358. By reason of Defendants' fraud and their conspiracy, these
4 Defendants are jointly and severally liable to Plaintiffs for the damages Plaintiffs
5 have sustained, plus punitive damages in an amount to be determined at trial.

6
7 **TWELFTH CLAIM FOR RELIEF**

8 **Unjust Enrichment/Restitution Against Defendants**
9 **Unity Outpatient Surgery Center, Inc.; Unity Outpatient Surgery**
10 **Center LLC; Millennium Outpatient Surgery Center, A Medical**
11 **Corporation; St. Paul Outpatient Surgery Medical Center, Inc.; St.**
12 **Paul Surgery Medical Center LLC; Anaheim West Outpatient Surgery**
13 **Center Inc.; Lincoln Management Group, LLC.; St. Francis Outpatient**
14 **Medical Center, Inc.; Inland Orange Medical Management, Inc.;**
15 **Newport Superior Outpatient Medical Center, Inc.; Newport Superior**
16 **Management Group LLC; Harbor Multi-Specialty Surgical Center, Inc.;**
17 **Pacific Outpatient Medical Center, A Medical Corporation; Pacific**
18 **Outpatient Medical Management Group LLC; Premium Outpatient**
19 **Surgery Center, A Medical Corporation; Tam Vu Pham a/k/a**
20 **Tom Vu; Huong Thien Ngo; Lan Thi Ngoc Nguyen; Gordon Merrick;**
21 **Rosalinda Landon; Dee Francis; Andrew Harnen; Daniel Romanello;**
22 **Ocher County Clinics, Inc.; Mitchell Rubin; Steven Rubin; Catherine**
23 **Bach; Thu Ngoc Pham a/k/a Perry Pham; Michael Schneider;**
24 **Ardalan Babaknia, M.D.; Michael Chan, M.D.; Byung Chun, M.D.;**
25 **Moustafa El Alamy, M.D.; John Eugene, M.D.; Paratha**
26 **Govindarajan, M.D.; Leon Halac, M.D.; William Hampton, M.D.;**
27 **Lars Hanson, M.D.; Madhukar Jigjinni, M.D.; Chin Kim, M.D.;**
28 **Edgar Lluncor, M.D.; Robert J. McKenna, M.D.; Martha**
Madrid, M.D.; Bharat Patel, M.D.; Amer Rayyes, M.D.;
Daniel Rose, M.D.; Mario Z. Rosenberg, M.D.; Hamilton
Sah, M.D.; Youn S. Toh, M.D.; Lloyd White, M.D.

25 359. Plaintiffs repeat and reallege each and every allegation contained in
26 paragraphs 1 through 273 above as if set forth here in its entirety.
27
28

1 360. By reason of their wrongdoing as alleged above, Defendants named in
2 this Claim have been unjustly enriched, in that they have received monies in
3 connection with illegal activities directed at Plaintiffs that in equity and good
4 conscience they should not be permitted to keep.
5

6 361. Plaintiffs are entitled to restitution from Defendants under state
7 and/or federal common law in the amount by which Defendants have been unjustly
8 enriched.
9

10 **THIRTEENTH CLAIM FOR RELIEF**
11

12 **Negligent Misrepresentation By Defendants**

13 **Unity Outpatient Surgery Center, Inc.; Millennium Outpatient**
14 **Surgery Center, A Medical Corporation; St. Paul Outpatient Surgery**
15 **Medical Center, Inc.; Anaheim West Outpatient Surgery Center Inc.;**
16 **St. Francis Outpatient Medical Center, Inc.; Newport Superior**
17 **Outpatient Medical Center, Inc.; Harbor Multi-Specialty Surgical**
18 **Center, Inc.; Pacific Outpatient Medical Center, A Medical**
19 **Corporation; Premium Outpatient Surgery Center, A Medical**
20 **Corporation; Ardalan Babaknia, M.D.; Michael Chan, M.D.;**
21 **Byung Chun, M.D.; Moustafa El Alamy, M.D.; John Eugene, M.D.;**
22 **Paratha Govindarajan, M.D.; Leon Halac, M.D.; William**
23 **Hampton, M.D.; Madhukar Jigjinni, M.D.; Chin Kim, M.D.;**
24 **Edgar Lluncor, M.D.; Robert J. McKenna, M.D.; Martha**
25 **Madrid, M.D.; Bharat Patel, M.D.; Amer Rayyes, M.D.; Daniel Rose,**
26 **M.D.; Mario Z. Rosenberg, M.D.; Youn S. Toh, M.D.; Lloyd White, M.D.**

27 362. Plaintiffs repeat and reallege each and every allegation contained in
28 paragraphs 1 through 273 above as if set forth here in its entirety.

363. In submitting claims, medical records, and other materials to
Plaintiffs, Defendants named in this Claim made, or caused to be made, materially

1 false representations to Plaintiffs with no reasonable ground for believing them to
2 be true, and omitted, or caused to be omitted, material information that they had a
3 duty to disclose. If any of those material misrepresentations or omissions were
4 made without knowledge or a conscious intent to deceive, then, at a minimum,
5 such misrepresentations or omissions were made negligently and/or recklessly and
6 without regard to their truth or falsity or their likelihood to mislead.
7
8

9 364. Plaintiffs justifiably relied on Defendants' material
10 misrepresentations and omissions, which proximately caused damage to Plaintiffs.
11

12 365. Defendants are jointly and severally liable to Plaintiffs for the
13 damages Plaintiffs sustained as a result of those material misrepresentations and
14 omissions.
15

16 **FOURTEENTH CLAIM FOR RELIEF**
17

18 **Imposition of a Constructive Trust on Assets of Defendants**
19 **Unity Outpatient Surgery Center, Inc.; Unity Outpatient Surgery Center**
20 **LLC; Millennium Outpatient Surgery Center, A Medical Corporation; St.**
21 **Paul Outpatient Surgery Medical Center, Inc.; St. Paul Surgery Medical**
22 **Center LLC; Anaheim West Outpatient Surgery Center Inc.; Lincoln**
23 **Management Group, LLC.; St. Francis Outpatient Medical Center, Inc.;**
24 **Inland Orange Medical Management, Inc.; Newport Superior Outpatient**
25 **Medical Center, Inc.; Newport Superior Management Group LLC; Harbor**
26 **Multi-Specialty Surgical Center, Inc.; Pacific Outpatient Medical Center, A**
27 **Medical Corporation; Pacific Outpatient Medical Management Group LLC;**
28 **Premium Outpatient Surgery Center, A Medical Corporation; Tam Vu Pham**
a/k/a Tom Vu; Huong Thien Ngo; Lan Thi Ngoc Nguyen; Gordon Merrick;
Rosalinda Landon; Dee Francis; Andrew Harnen; Daniel Romanello; Ocher
County Clinics, Inc.; Mitchell Rubin; Steven Rubin; Catherine Bach; Thu
Ngoc Pham a/k/a Perry Pham; Michael Schneider; Ardalan Babaknia, M.D.;
Michael Chan, M.D.; Byung Chun, M.D.; Moustafa El Alamy, M.D.; John

Eugene, M.D.; Paratha Govindarajan, M.D.; Leon Halac, M.D.; William Hampton, M.D.; Lars Hanson, M.D.; Madhukar Jigjinni, M.D.; Chin Kim, M.D.; Edgar Lluncor, M.D.; Robert J. McKenna, M.D.; Martha Madrid, M.D.; Bharat Patel, M.D.; Amer Rayyes, M.D.; Daniel Rose, M.D.; Mario Z. Rosenberg, M.D.; Hamilton Sah, M.D.; Youn S. Toh, M.D.; Lloyd White, M.D.

366. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 273 above as if set forth here in its entirety.

367. Each of the Defendants named in this Claim received monies, whether directly from Plaintiffs, as distributions from corporations, or otherwise, which were obtained through fraudulent benefit claims submitted to Plaintiffs, represented the proceeds of fraudulent benefit claims submitted to Plaintiffs, or were traceable or attributable to fraudulent benefit claims submitted to Plaintiffs.

368. Defendants named in this Claim received those monies with actual knowledge or with actual or constructive notice that the monies were obtained through fraudulent benefit claims, represented the proceeds of fraudulent benefit claims, or were traceable or attributable to fraudulent benefit claims.

369. Under the common law of California, Defendants received those monies as constructive trustees for Plaintiffs, and a constructive trust is imposed on Defendants' assets to the full extent of those monies.

FIFTEENTH CLAIM FOR RELIEF

**Violation of California Business & Professions Code §§ 17200 et seq.
Against Defendants Unity Outpatient Surgery Center, Inc.; Unity
Outpatient Surgery Center LLC; Millennium Outpatient Surgery
Center, A Medical Corporation; St. Paul Outpatient Surgery Medical
Center, Inc.; St. Paul Surgery Medical Center LLC; Anaheim West
Outpatient Surgery Center Inc.; Lincoln Management Group, LLC;
St. Francis Outpatient Medical Center, Inc.; Inland Orange Medical
Management, Inc.; Newport Superior Outpatient Medical Center, Inc.;
Newport Superior Management Group LLC; Harbor Multi-Specialty
Surgical Center, Inc.; Pacific Outpatient Medical Center, A Medical
Corporation; Pacific Outpatient Medical Management Group LLC;
Premium Outpatient Surgery Center, A Medical Corporation;
Tam Vu Pham a/k/a Tom Vu; Huong Thien Ngo; Lan Thi Ngoc
Nguyen; Gordon Merrick; Rosalinda Landon; Dee Francis; Andrew
Harnen; Daniel Romanello; Ocher County Clinics, Inc.; Mitchell
Rubin; Steven Rubin; Catherine Bach; Thu Ngoc Pham a/k/a Perry
Pham; Michael Schneider; Ardalan Babaknia, M.D.; Michael
Chan, M.D.; Byung Chun, M.D.; Moustafa El Alamy, M.D.; John
Eugene, M.D.; Paratha Govindarajan, M.D.; Leon Halac, M.D.;
William Hampton, M.D.; Lars Hanson, M.D.; Madhukar Jigjinni,
M.D.; Chin Kim, M.D.; Edgar Lluncor, M.D.; Robert J.
McKenna, M.D.; Martha Madrid, M.D.; Bharat Patel, M.D.;
Amer Rayyes, M.D.; Daniel Rose, M.D.; Mario Z. Rosenberg, M.D.;
Hamilton Sah, M.D.; Youn S. Toh, M.D.; Lloyd White, M.D.**

370. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 273 above as if set forth here in its entirety.

371. Defendants named in this claim have engaged in unfair competition, within the meaning of Section 17200 of the California Business & Professions Code, by committing, directing, and facilitating violations of civil and criminal statutes.

1 372. With respect to patient recruiting and payments to patient recruiters,
2 California Business and Professions Code § 650 makes it unlawful for any health
3 care provider to offer or pay a commission or any other consideration “as
4 compensation or inducement for referring patients.” California Insurance Code §
5 750 prohibits anyone who regularly presents insurance claims from paying any
6 commission or other consideration “as compensation or inducement . . . for the
7 referral or procurement of . . . patients.” Violations of both of these statutes are
8 punishable by fine or imprisonment or both.
9
10
11

12 373. In addition, California Insurance Code § 1871.7 makes it “unlawful to
13 knowingly employ runners, cappers, steerers or other persons . . . to procure clients
14 or patients to perform or obtain services or benefits under a contract of insurance
15 or that will be the basis for a claim against an insured individual or his or her
16 insurer.” Violations of that statute are subject to a civil penalty plus an assessment
17 of up to three times the amount of each claim pursuant to a contract of insurance.
18
19
20

21 374. Further, § 549 of the California Penal Code makes it a crime to
22 “solicit[], accept[], or refer[] any business to or from any individual or entity
23 with the knowledge that, or with reckless disregard for whether, the individual or
24 entity for or from whom the solicitation or referral is made, or the individual or
25 entity who is solicited or referred, intends to violate Section 550 of this code.”
26 California Penal Code § 550, in turn, makes it a crime to, inter alia, “aid, abet,
27
28

1 solicit, or conspire with any person to . . .[k]nowingly make or cause to be made
2 any false or fraudulent claim for payment of a health care benefit.” Violations of
3 both of these Penal Code sections are punishable by fine or imprisonment or both.
4

5 375. Defendant clinics and their agents have made violations of these
6 statutes a daily business practice. Defendant clinics have regularly paid bounties
7 to numerous recruiters, both inside and outside the State of California, for
8 delivering patients to them to have unnecessary surgeries.
9

10 376. California Penal Code § 471.5 also makes it a crime to “create[] any
11 false medical record” “with fraudulent intent.” Similarly, California Business &
12 Professions Code § 2262 authorizes the State Division of Medical Quality to
13 impose a disciplinary penalty and a fine on any doctor who “creat[es] any false
14 medical record.”
15

16 377. Defendant clinics and surgeons have created false operative reports,
17 and other false medical records, for hundreds of patients drawn into their scheme,
18 and they have done so for the sole purpose of defrauding insurance companies into
19 paying for unnecessary surgeries.
20

21 378. Numerous Defendants have also violated, or aided and abetted the
22 violation of, California statutes requiring that medical clinics be wholly owned by
23 licensed physicians or their professional corporations, and prohibiting the
24 corporate practice of medicine (e.g., Cal. Business & Professions Code §§ 2400
25
26
27
28

1 and 2415).

2
3 379. As detailed above, Defendant clinics and their owners, together with
4 Defendant doctors willing to misuse their medical licenses, participated in sham
5 ownership arrangements to make it appear that the clinics were wholly owned by
6 licensed physicians, when in fact the beneficial ownership of the clinics belonged
7 to laypersons and lay corporations.
8

9 380. Defendants' statutory violations and acts of unfair competition have
10 injured, and continue to injure, Plaintiffs in the following manner:
11

12 (a) by creating a medical sub-industry that is predicated on deceiving
13 insurers;
14

15 (b) by recruiting hundreds of people into the scheme to be used as vehicles
16 for the submission of untold numbers of fraudulent claims;
17

18 (c) by completely falsifying the medical records on which insurers must rely
19 in making benefit decisions;
20

21 (d) by falsifying records to create the appearance of a covered procedure
22 when the actual procedure under the circumstances is most definitely not covered;
23

24 (e) by lying in order to cause Plaintiffs to pay Defendants millions of dollars
25 that Plaintiffs would not have paid if the truth had been told.

26 381. Defendants' statutory violations and unfair competition have injured,
27 and continue to injure, Plaintiffs' insureds and Defendants' patients generally,
28

1 because they have created a market in which patients are bartered and exploited
2 for their insurance benefits; because Defendants are too busy trying to scam
3 insurers to give patients the type of care and attention they are entitled to; because
4 they have exposed patients to serious and unnecessary medical risks; and because
5 they have burdened countless patients with false medical and surgical histories.
6
7

8 382. The aforesaid violations continue and pose a threat to the general
9 public.
10

11 383. Pursuant to Section 17203 of the California Business & Professions
12 Code, these facts require that Defendants and their agents be:
13

14 (a) enjoined from paying any monies or giving any other consideration to
15 patient recruiters, doctors, or any other person in exchange for patient referrals;
16

17 (b) enjoined from creating any false or misleading medical record or from
18 withholding any true medical record from any insurer;
19

20 (c) enjoined from submitting any bill to an insurer, or from requesting
21 payment on any previously submitted bill, if the patient was recruited as detailed
22 above, and unless the bill and associated medical records each fully and accurately
23 reflect necessary medical procedures actually performed on the patient; and
24

25 (d) enjoined from owning, operating or managing any medical clinic,
26 directly or indirectly, and from participating in any sham or deceptive ownership
27 arrangement.
28

1 384. Pursuant to Section 17203 of the California Business & Professions
2 Code, the foregoing facts also require that Defendants be ordered to restore to
3 Plaintiffs, and otherwise disgorge, any money that has been acquired from
4 Plaintiffs, or acquired as part of a scheme to defraud Plaintiffs, by means of the
5 foregoing acts of unfair competition.
6
7

8 WHEREFORE, Plaintiffs demand judgment against the Defendants named
9 in each Claim for Relief, jointly and severally, as follows:
10

11 1. On the First through Tenth Claims for Relief under RICO, three times
12 the damages Plaintiffs have sustained as a result of the fraudulent conduct
13 complained of, such amount to be determined at trial, plus Plaintiffs' costs in this
14 action, including reasonable attorneys' fees;
15

16 2. On the Eleventh Claim for Relief for fraud, the damages sustained by
17 Plaintiffs, plus punitive damages, such amounts to be determined at trial;
18

19 3. On the Twelfth Claim for Relief for unjust enrichment, the amount by
20 which Defendants have been unjustly enriched, such amounts to be determined at
21 trial;
22

23 4. On the Thirteenth Claim for Relief for negligent misrepresentation,
24 the damages Plaintiffs sustained as a result of those misrepresentations and/or
25 omissions, such amounts to be determined at trial;
26

27 5. On the Fourteenth Claim for imposition of a constructive trust, the
28

1 imposition of a trust on Defendants' assets on behalf of Plaintiffs, to the full extent
2 of Plaintiffs' payments procured by Defendants' wrongful acts, such amounts to be
3 determined at trial;
4

5 6. On the Fifteenth Claim for statutory unfair competition:

6 (a) Permanently enjoining Defendants from paying any monies or giving
7 any other consideration to patient recruiters or any other person in exchange for
8 patient referrals;
9

10 (b) Permanently enjoining Defendants from creating any false or
11 misleading medical record or from withholding any true medical record from any
12 insurer;
13

14 (c) Permanently enjoining Defendants from submitting any bill to an
15 insurer, or from requesting payment on any previously submitted bill, if the patient
16 was procured by unlawful patient recruiting and unless the bill and associated
17 medical records each fully and accurately reflect all medical procedures actually
18 performed on the patient;
19

20 (d) Permanently enjoining Defendants from owning, operating or
21 managing any medical clinic, directly or indirectly, from participating in any sham
22 or deceptive ownership arrangement, and otherwise from violating California law
23 concerning the ownership, operation or management of medical clinics or any
24 similar facility; and
25
26
27
28

1 (e) Requiring Defendants to restore to Plaintiffs, and otherwise to
2 disgorge, any money that has been acquired from Plaintiffs, or acquired as part of
3 a scheme to defraud Plaintiffs, by means of Defendants' acts of unfair competition.
4

5 7. Permanently enjoining Defendants from engaging in any of the
6 fraudulent acts or practices identified herein, and from submitting to Plaintiffs any
7 fraudulent or otherwise improper claim or request for payment, together with any
8 other appropriate injunctive relief;
9

10 8. Awarding Plaintiffs interest and costs, including attorneys' fees; and
11

12 9. Awarding Plaintiffs such other and further relief as the Court deems
13 just and proper.
14

15 Dated: March 10, 2005

16 KORNSTEIN VEISZ WEXLER
17 & POLLARD, LLP

18 By: 

19 Marvin Wexler

20 757 Third Avenue
21 New York, New York 10017
22 (212) 418-8600

23 -and-

24 HENNELLY & GROSSFELD LLP
25 4640 Admiralty Way, Suite 850
26 Marina Del Rey, California 90292-6695
27 (310) 305-2100

28 Attorneys for Plaintiffs

DEMAND FOR JURY TRIAL

Plaintiffs Blue Cross and Blue Shield of Alabama, Blue Cross and Blue
Shield of Massachusetts, Inc., Blue Cross and Blue Shield of Michigan, Blue
Cross and Blue Shield of Nebraska, Blue Cross and Blue Shield of North Carolina,
BlueCross BlueShield Tennessee, Inc., CareFirst Blue Cross and Blue Shield,
Empire HealthChoice Assurance, Inc. d/b/a Empire Blue Cross Blue Shield,
Excellus Health Plan, Inc. d/b/a Excellus Blue Cross Blue Shield, R.M.S.C.O.,
Inc., Highmark Inc. d/b/a Highmark Blue Cross Blue Shield and d/b/a Highmark
Blue Shield, Premera Blue Cross, Regence Blue Shield, Regence BlueCross
BlueShield of Utah, Regence BlueCross BlueShield of Oregon, and Regence
BlueShield of Idaho, hereby demand a trial by jury.

Dated: March 10, 2005

KORNSTEIN VEISZ WEXLER
& POLLARD, LLP

By: 

Marvin Wexler

757 Third Avenue
New York, New York 10017
(212) 418-8600

-and-

HENNELLY & GROSSFELD LLP
4640 Admiralty Way, Suite 850
Marina Del Rey, California 90292-6695
(310) 305-2100

Attorneys for Plaintiffs

APPENDIX A

APPENDIX A

**Checks Issued by Lincoln Management Group, LLC
to Professional Services Management and
Professional Services Exchange
(Premier Commercial Bank # 122243350; Bank of Orange County # 020217121)**

Check #	Date	Amount
1299	02/24/01	\$20,000.00
1026	06/18/01	\$5,450.00
1214	07/20/01	\$18,560.00
1196	07/24/01	\$1,000.00
1195	07/24/01	\$10,000.00
1204	07/25/01	\$13,000.00
1191	07/25/01	\$1,440.00
1190	07/25/01	\$18,660.00
1194	07/25/01	\$1,500.00
1215	07/26/01	\$10,000.00
1222	07/27/01	\$1,350.00
1225	07/27/01	\$5,000.00
1203	07/27/01	\$100.00
1179	07/27/01	\$2,000.00
1232	07/28/01	\$24,000.00
1260	08/01/01	\$10,000.00
1242	08/01/01	\$2,800.00
1283	08/02/01	\$1,000.00
1280	08/02/01	\$13,500.00
1261	08/02/01	\$7,400.00
1307	08/03/01	\$5,300.00
1315	08/03/01	\$5,000.00
1252	08/03/01	\$3,000.00
1304	08/04/01	\$14,000.00
1343	08/05/01	\$1,200.00
1281	08/05/01	\$4,700.00
1317	08/06/01	\$4,000.00
1347	08/07/01	\$4,300.00
1337	08/07/01	\$29,000.00
1323	08/08/01	\$9,700.00
1339	08/09/01	\$3,200.00
1364	08/10/01	\$9,000.00
1359	08/10/01	\$6,000.00
1354	08/10/01	\$4,700.00
1352	08/10/01	\$1,850.00

Check #	Date	Amount
1373	08/10/01	\$7,350.00
1365	08/10/01	\$14,000.00
1362	08/12/01	\$6,600.00
N/A	01/19/02	\$20,000.00
N/A	01/21/02	\$24,000.00
N/A	01/23/02	\$41,000.00
1020	01/27/02	\$60,500.00
1047	01/28/02	\$2,000.00
1104	02/02/02	\$1,000.00
1085	02/02/02	\$26,000.00
1105	02/04/02	\$30,500.00
1129	02/05/02	\$45,000.00
1140	02/07/02	\$20,000.00
1142	02/08/02	\$8,000.00
1147	02/08/02	\$26,400.00
1204	02/12/02	\$28,500.00
1239	02/13/02	\$25,000.00
1235	02/14/02	\$15,000.00
1240	02/14/02	\$20,000.00
1268	02/18/02	\$30,000.00
1280	02/20/02	\$27,800.00
1286	02/23/02	\$20,000.00
1304	02/26/02	\$42,000.00
1334	03/01/02	\$15,000.00
1370	03/05/02	\$4,000.00
1381	03/06/02	\$30,000.00
1121	03/06/02	\$23,000.00
1433	03/12/02	\$30,000.00
1446	03/13/02	\$33,500.00
1449	03/14/02	\$30,000.00
1462	03/15/02	\$15,000.00
1466	03/16/02	\$2,000.00
1508	03/19/02	\$30,000.00
1223	03/23/02	\$20,000.00
1563	03/24/02	\$15,000.00
1493	03/25/02	\$25,000.00
1588	03/26/02	\$20,000.00
1577	03/26/02	\$15,000.00
1605	03/29/02	\$50,000.00
1641	04/01/02	\$10,000.00
1648	04/02/02	\$20,000.00
1681	04/06/02	\$15,000.00

Check #	Date	Amount
1690	04/07/02	\$15,000.00
1720	04/09/02	\$25,000.00
1736	04/11/02	\$10,000.00
1746	04/11/02	\$27,000.00
1769	04/12/02	\$15,000.00
1803	04/15/02	\$20,000.00
1814	04/16/02	\$10,000.00
1877	04/20/02	\$20,000.00
1867	04/20/02	\$30,000.00
1900	04/23/02	\$10,000.00
1894	04/23/02	\$10,000.00
1909	04/24/02	\$25,000.00
1919	04/25/02	\$50,000.00
1926	04/26/02	\$10,000.00
1963	04/30/02	\$15,000.00
2028	05/08/02	\$15,000.00
2016	05/08/02	\$25,000.00
2051	05/14/02	\$15,000.00
2093	05/16/02	\$30,000.00
2111	05/17/02	\$15,000.00
2138	05/20/02	\$10,000.00
2149	05/21/02	\$10,000.00
2185	05/24/02	\$20,000.00
2198	05/25/02	\$20,000.00
2241	06/04/02	\$10,000.00
2237	06/04/02	\$20,000.00
2249	06/06/02	\$10,000.00
2253	06/07/02	\$30,000.00
TOTAL		\$1,736,860.00

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APPENDIX B

APPENDIX B

**Checks Issued by Professional Services Exchange and
Professional Services Management
to Certain Patient Recruiters**

(Wells Fargo # 1420736900, 0219386547; Bank of Orange County #010061245)

Check #	Date	Amount	Paid to Order of
2277	04/05/02	\$6,750.00	Beauty Enhancement Specialist Inc
2278	04/12/02	\$6,750.00	Beauty Enhancement Specialist Inc
2324	04/15/02	\$7,500.00	Beauty Enhancement Specialist Inc
2325	04/20/02	\$6,400.00	Beauty Enhancement Specialist Inc
2326	04/25/02	\$12,400.00	Beauty Enhancement Specialist Inc
Total for Beauty Enhancement			\$39,800.00
5246	06/28/01	\$4,320.00	Bina Park
5315	07/23/01	\$2,000.00	Bina Park
5335	07/26/01	\$5,460.00	Bina Park
5423	08/11/01	\$2,600.00	Bina Park
5427	08/13/01	\$7,350.00	Bina Park
Total for Bina Park			\$21,730.00
2218	03/12/02	\$2,500.00	Kim Pham
2127	02/21/02	\$6,250.00	Kim Pham
2317	04/10/02	\$5,000.00	Kim Pham
2318	04/10/02	\$5,000.00	Kim Pham
2271	04/06/02	\$5,000.00	Kim Pham
2270	03/31/02	\$5,000.00	Kim Pham
2128	02/21/02	\$2,500.00	Kim Pham
2049	01/26/02	\$3,750.00	Kim Pham
2412	05/03/02	\$2,500.00	Kim Pham
Total for Kim Pham			\$37,500.00
5336	07/27/01	\$2,500.00	Lynn Lavong
5262	07/03/01	\$2,000.00	Lynn Lavong
5407	08/04/01	\$2,500.00	Lynn Lavong
Total for Lynn Lavong			\$7,000.00
2247	03/18/02	\$2,000.00	Maria Rosales
2357	04/24/02	\$6,600.00	Maria Rosales
2470	05/20/02	\$3,125.00	Maria Rosales
2407	05/15/02	\$8,600.00	Maria Rosales
Total for Maria Rosales			\$20,325.00
2515	06/04/02	\$4,000.00	Olga Toscano
2347	04/23/02	\$2,500.00	Olga Toscano
Total for Olga Toscano			\$6,500.00

Check #	Date	Amount	Paid to Order of
2449	05/15/02	\$3,000.00	Pancha Keophimphone
2414	05/10/02	\$3,500.00	Pancha Keophimphone
2369	04/29/02	\$7,500.00	Pancha Keophimphone
2198	03/06/02	\$4,000.00	Pancha Keophimphone
2137	02/23/02	\$13,000.00	Pancha Keophimphone
2164	02/26/02	\$8,000.00	Pancha Keophimphone
2252	03/21/02	\$4,500.00	Pancha Keophimphone
2408	05/03/02	\$4,500.00	Pancha Keophimphone
2344	04/23/02	\$5,000.00	Pancha Keophimphone
2321	04/20/02	\$7,000.00	Pancha Keophimphone
2481	06/05/02	\$7,000.00	Pancha Keophimphone
2437	06/04/02	\$6,750.00	Pancha Keophimphone
2491	05/29/02	\$9,000.00	Pancha Keophimphone
2029	01/25/02	\$5,000.00	Pancha Keophimphone
2028	01/25/02	\$6,500.00	Pancha Keophimphone
2204	04/06/02	\$6,500.00	Pancha Keophimphone
2296	04/01/02	\$3,000.00	Pancha Keophimphone
2230	03/30/02	\$7,500.00	Pancha Keophimphone
2468	05/20/02	\$4,500.00	Pancha Keophimphone
2275	03/29/02	\$4,000.00	Pancha Keophimphone
2264	03/25/02	\$3,000.00	Pancha Keophimphone
2205	03/26/02	\$8,500.00	Pancha Keophimphone
2231	03/23/02	\$7,500.00	Pancha Keophimphone
2435	05/11/02	\$4,500.00	Pancha Keophimphone
2065	01/29/02	\$3,500.00	Pancha Keophimphone
2371	05/13/02	\$6,750.00	Pancha Keophimphone
2031	01/29/02	\$9,000.00	Pancha Keophimphone
2027	01/25/02	\$3,000.00	Pancha Keophimphone
Total for Pancha Keophimphone			\$165,500.00
2210	04/03/02	\$6,000.00	Sue Nanda
2220	03/31/02	\$9,000.00	Sue Nanda
2209	03/27/02	\$6,000.00	Sue Nanda
2021	01/22/02	\$7,500.00	Sue Nanda
Total for Sue Nanda			\$28,500.00

APPENDIX C

APPENDIX C

**Checks Issued by Lincoln Management Group
to Thuy Huynh Recruiting Companies
(Bank of Orange County # 020217121, 122237955;
Premier Commercial Bank # 122243350)**

Check #	Date	Amount	Paid to Order of
1803	09/23/01	\$5,000.00	T&T Medical Solutions
2422	11/19/01	\$3,500.00	T&T Medical Solutions
2510	12/04/01	\$14,000.00	T&T Medical Solutions
2701	12/20/01	\$20,000.00	T&T Medical Solutions
2702	12/24/01	\$15,000.00	T&T Medical Solutions
2755	12/26/01	\$16,500.00	T&T Medical Solutions
2759	12/30/01	\$16,000.00	T&T Medical Solutions
1505	03/19/02	\$25,000.00	T&T Medical Solutions
1506	03/26/02	\$26,000.00	T&T Medical Solutions
1582	03/27/02	\$14,000.00	T&T Medical Solutions
1581	03/27/02	\$15,000.00	T&T Medical Solutions
1888	04/23/02	\$20,000.00	T&T Medical Solutions
1889	04/30/02	\$20,000.00	T&T Medical Solutions
1968	05/01/02	\$20,200.00	T&T Medical Solutions
2160	05/20/02	\$25,000.00	Pleasant Services, Inc.
1105	06/01/02	\$25,000.00	T&T Medical Solutions
2161	06/03/02	\$21,300.00	Pleasant Services, Inc.
		\$301,500.00	

APPENDIX D

APPENDIX D

**Checks Issued by Newport Superior Management Group, LLC
and Newport Superior Outpatient Medical Center
to Thuy Huynh Recruiting Companies**

(Downey Savings # 322270356; Bank of America # 0202205630; Union Bank of CA # 0670031721;
Bank West # 322070381; Pacific Business Bank # 041036109;
ChinaTrust Bank # 122210406, 01017403; First Continental Bank # 001153706)

Check #	Date	Amount	Paid to Order of
1789*	01/07/99	\$2,000.00	Trang Thu Thuy Mrkt Consultant
455†	04/15/99	\$6,000.00	Trang Thu Thuy
485†	04/20/99	\$2,000.00	Trang Thu Thuy
1063†	06/10/99	\$4,000.00	Trang Thu Thuy
1065†	06/11/99	\$5,000.00	Trang Thu Thuy
1068†	06/12/99	\$4,000.00	Trang Thu Thuy
1606	09/25/99	\$2,000.00	Trang Thu Thuy Mrkt Consultant
1599†	09/25/99	\$3,000.00	Trang Thu Thuy Mrkt Consultant
1788*	11/06/99	\$4,000.00	Trang Thu Thuy Mrkt Consultant
1045†	01/18/00	\$2,600.00	Trang Thu Thuy Mrkt Consultant
1073*	02/12/00	\$1,350.00	Trang Thu Thuy Mrkt Consultant
1122*	02/16/00	\$7,920.00	Trang Thu Thuy
4602*	02/22/00	\$8,000.00	TT Medical Solutions
1515*	03/31/00	\$1,000.00	Trang Thu Thuy Mrkt Consultant
1520*	03/31/00	\$2,000.00	Trang Thu Thuy Mrkt Consultant
1510*	03/31/00	\$2,000.00	Trang Thu Thuy Mrkt Consultant
1497	04/01/00	\$2,000.00	Trang Thu Thuy Mrkt Consultant
1542*	04/09/00	\$4,000.00	Trang Thu Thuy Mrkt Consultant
2690	07/31/00	\$1,000.00	T&T Medical Solutions
2706	08/03/00	\$1,000.00	T&T Medical Solutions
2891	08/23/00	\$2,000.00	T&T Medical Solutions
2888	08/23/00	\$2,000.00	T&T Medical Solutions
2899	08/24/00	\$2,200.00	T&T Medical Solutions
3112*	09/26/00	\$1,100.00	T&T Medical Solutions
3123*	10/03/00	\$1,300.00	T&T Medical Solutions
3174*	10/04/00	\$1,000.00	T&T Medical Solutions
3188*	10/05/00	\$4,000.00	T&T Medical Solutions
3206*	10/08/00	\$1,000.00	T&T Medical Solutions
3199*	10/08/00	\$5,000.00	T&T Medical Solutions
3229†	10/09/00	\$3,000.00	T&T Medical Solutions
3256*	10/11/00	\$2,200.00	T&T Medical Solutions
3280*	10/12/00	\$1,100.00	T&T Medical Solutions

* Check signed by defendant Catherine Bach.

† Check signed by defendant Lars Hanson.

Check #	Date	Amount	Paid to Order of
3286*	10/14/00	\$1,100.00	T&T Medical Solutions
3307*	10/15/00	\$2,100.00	T&T Medical Solutions
3317*	10/16/00	\$2,100.00	T&T Medical Solutions
3330†	10/16/00	\$2,000.00	T&T Medical Solutions
3826*	12/07/00	\$2,000.00	T&T Medical Solutions
3868*	12/07/00	\$1,400.00	T&T Medical Solutions
3884*	12/08/00	\$2,000.00	T&T Medical Solutions
3850*	12/09/00	\$7,000.00	T&T Medical Solutions
3890*	12/11/00	\$2,000.00	T&T Medical Solutions
3871*	12/11/00	\$1,000.00	T&T Medical Solutions
3861*	12/11/00	\$5,000.00	T&T Medical Solutions
3949*	12/17/00	\$6,000.00	T&T Medical Solutions
3967†	12/20/00	\$2,000.00	T&T Medical Solutions
3960†	12/20/00	\$6,200.00	T&T Medical Solutions
4286*	01/22/01	\$2,000.00	T&T Medical Solutions
4271*	01/22/01	\$8,200.00	T&T Medical Solutions
4299*	01/24/01	\$6,000.00	T&T Medical Solutions
1122	04/26/01	\$2,300.00	T&T Medical Solutions
1471	01/16/02	\$6,400.00	Pleasant Services, Inc.
1363	06/25/02	\$7,600.00	Pleasant Services, Inc.
1380	06/30/02	\$6,500.00	Pleasant Services, Inc.
1497	07/23/02	\$4,000.00	Pleasant Services, Inc.
5521	07/29/02	\$4,600.00	Pleasant Services, Inc.
1525	08/02/02	\$2,500.00	Pleasant Services, Inc.
1579	08/08/02	\$1,000.00	Pleasant Services, Inc.
1314	10/15/02	\$4,420.00	Pleasant Services, Inc.
1061	01/11/03	\$2,500.00	Pleasant Services, Inc.
1109	02/20/03	\$3,000.00	Pleasant Services, Inc.
		\$193,690.00	

APPENDIX E

APPENDIX E

**Checks Issued by Healthstar Surgical Group
to Pleasant Services, Inc.
(Uniti Bank # 001301944)**

Check #	Date	Amount	Paid to Order of
1314	09/07/02	\$4,000.00	Pleasant Services, Inc.
1232	09/13/02	\$17,700.00	Pleasant Services, Inc.
1390	09/14/02	\$8,750.00	Pleasant Services, Inc.
1315	09/16/02	\$7,750.00	Pleasant Services, Inc.
1315	09/16/02	\$7,750.00	Pleasant Services, Inc.
1340	09/18/02	\$9,000.00	Pleasant Services, Inc.
1430	09/20/02	\$3,750.00	Pleasant Services, Inc.
1432	09/26/02	\$13,000.00	Pleasant Services, Inc.
1433	09/27/02	\$3,000.00	Pleasant Services, Inc.
1551	10/01/02	\$5,900.00	Pleasant Services, Inc.
1550	10/01/02	\$5,900.00	Pleasant Services, Inc.
		\$86,500.00	

APPENDIX F

APPENDIX F

**Checks Issued by North Orange County Imaging
to Pleasant Services, Inc. and Thuy Huynh
(Bank West # 657001251; Uniti Bank # 001302157)**

Check #	Date	Amount	Paid to Order of
1005	10/03/02	\$2,000.00	Pleasant Services, Inc.
1141	10/15/02	\$13,250.00	Pleasant Services, Inc.
1517	01/25/03	\$2,500.00	Thuy Huynh
1553	02/08/03	\$3,750.00	Thuy Huynh
1167	03/23/03	\$3,500.00	Thuy Huynh
1196	05/23/03	\$5,000.00	Thuy Huynh
1257	06/12/03	\$2,300.00	Thuy Huynh
1276	06/13/03	\$2,800.00	Thuy Huynh
		\$35,100.00	

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APPENDIX G

APPENDIX G

**Checks Issued by Antioch Management Inc.
to Thuy Huynh**

(Cal. Nat'l Bank # 062058011; Citibank # 200411700)

Check #	Date	Amount	Paid to Order of
13106	05/09/03	\$10,000.00	Thuy Huynh
1185	06/20/03	\$3,400.00	Thuy Huynh
1334	07/02/03	\$10,000.00	Thuy Huynh
1378	07/19/03	\$10,500.00	Thuy Huynh
1385	07/24/03	\$9,000.00	Thuy Huynh
		\$42,900.00	

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APPENDIX H

APPENDIX H

**Checks Issued by St. Paul Outpatient Surgical Center
to Pleasant Services, Inc. and Thuy Huynh
(Center Bank # 015301899, 001305366)**

Check #	Date	Amount	Paid to Order of
2419	10/01/03	\$3,500.00	Thuy Huynh
1226	11/05/03	\$2,800.00	Pleasant Services Inc
1394	11/13/03	\$3,500.00	Thuy Huynh
1600	12/02/03	\$1,400.00	Thuy Huynh
1597	12/02/03	\$2,300.00	Thuy Huynh
1648	12/10/03	\$5,900.00	Thuy Huynh
1713	12/16/03	\$2,800.00	Thuy Huynh
1773	12/22/03	\$3,500.00	Thuy Huynh
1512	02/07/04	\$5,600.00	Thuy Huynh
1279	02/19/04	\$8,000.00	Thuy Huynh
1279	02/19/04	\$8,000.00	Thuy Huynh
1707	02/24/04	\$4,500.00	Thuy Huynh
1771	03/05/04	\$2,800.00	Thuy Huynh
1802	03/10/04	\$3,500.00	Thuy Huynh
		\$58,100.00	

APPENDIX I

APPENDIX I

**Checks Issued by Millennium to
Pleasant Services, Inc.
(East West Bank # 81308975, 322070381)**

Check #	Date	Amount	Paid to Order of
1509	04/15/02	\$4,500.00	Pleasant Services, Inc.
1511	04/30/02	\$4,500.00	Pleasant Services, Inc.
1512	05/15/02	\$4,500.00	Pleasant Services, Inc.
1626	05/31/02	\$4,500.00	Pleasant Services, Inc.
1717	06/15/02	\$4,500.00	Pleasant Services, Inc.
1710	06/30/02	\$4,500.00	Pleasant Services, Inc.
		\$27,000.00	

APPENDIX J

APPENDIX J

Checks Issued by POMMGI to T&T Medical Solutions
(Bank of America # 0760805778)

Check #	Date	Amount	Paid to Order of
13644	08/07/01	\$34,800.00	T&T Medical Solutions
13935	09/26/01	\$19,400.00	T&T Medical Solutions
13936	09/26/01	\$9,300.00	T&T Medical Solutions
13937	09/26/01	\$2,400.00	T&T Medical Solutions
14202	11/15/01	\$4,700.00	T&T Medical Solutions
14203	11/26/01	\$3,800.00	T&T Medical Solutions
14280	11/30/01	\$23,700.00	T&T Medical Solutions
14281	11/30/01	\$2,500.00	T&T Medical Solutions
		\$100,600.00	

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APPENDIX K

APPENDIX K

HIGHMARK – OTHER ONYX EMPLOYEES				
Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
HI-17	12/21/02	Unity	Rosenberg	endoscopy
HI-17	12/22/02	Unity	Rosenberg	colonoscopy
HI-17	1/4/03	Unity	McKenna	sweaty palm surgery
HI-18	11/9/02	Unity	Kim	endoscopy
HI-18	11/10/02	Unity	N/A	N/A
HI-18	12/7/02	Unity	McKenna	sweaty palm surgery
HI-19	5/4/02	St. Francis	Rosenberg	endoscopy
HI-19	5/5/02	St. Francis	Rosenberg	colonoscopy
HI-19	10/25/02	N/A	Non-Defendant	sweaty palm surgery
HI-19	12/20/02	Unity	McKenna	sweaty palm surgery
HI-20	8/2/02	Non-Defendant	Rosenberg	endoscopy
HI-20	8/3/02	Non-Defendant	Rosenberg	colonoscopy
HI-20	9/14/02	Unity	N/A	sweaty palm surgery
HI-20	11/15/02	N/A	N/A	sweaty palm surgery
HI-21	2/8/03	Unity	Rosenberg	endoscopy
HI-21	2/9/03	Unity	Rosenberg	colonoscopy
HI-21	2/15/03	Unity	N/A	septoplasty
HI-22	4/5/03	Unity	Kim	endoscopy
HI-22	4/6/03	Unity	Rosenberg	colonoscopy
HI-22	4/19/03	Unity	White	septoplasty
HI-23	5/18/02	St. Francis	N/A	N/A
HI-23	5/29/02	St. Francis	N/A	N/A
HI-23	11/29/02	N/A	White	septoplasty
HI-24	10/19/02	Unity	Kim	endoscopy
HI-24	10/20/02	Unity	Rosenberg	colonoscopy
HI-24	11/30/02	Unity	N/A	circumcision
HI-24	4/19/03	Unity	N/A	septoplasty
HI-25	3/15/03	Unity	Rosenberg	endoscopy
HI-25	3/16/03	Unity	Rosenberg	colonoscopy
HI-25	3/22/03	Unity	Hampton	sweaty palm surgery
HI-26	3/14/03	N/A	Non-Defendant	sweaty palm surgery
HI-26	3/29/03	N/A	N/A	N/A
HI-27	9/28/02	Unity	Kim	endoscopy
HI-27	11/2/02	Unity	Non-Defendant	sweaty palm surgery
HI-28	11/9/02	N/A	Kim	endoscopy
HI-28	11/10/02	N/A	N/A	colonoscopy
HI-28	2/8/03	N/A	White	septoplasty
HI-29	1/14/03	Unity	Rosenberg	endoscopy
HI-30	5/27/02	Non-Defendant	Non-Defendant	sweaty palm surgery
HI-30	7/20/02	Non-Defendant	Chan	laparoscopy

Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
HI-30	9/7/02	Unity	Non-Defendant	sweaty palm surgery
HI-31	3/15/03	Unity	Hampton	sweaty palm surgery
HI-32	4/12/03	Unity	Rosenberg	endoscopy
HI-32	4/13/03	Unity	Rosenberg	colonoscopy
HI-33	4/12/03	Unity	Rosenberg	endoscopy
HI-33	4/13/03	Unity	Rosenberg	colonoscopy
HI-34	12/21/02	N/A	Rosenberg	endoscopy
HI-34	12/22/02	N/A	Rosenberg	colonoscopy
HI-35	5/4/02	N/A	Rosenberg	endoscopy
HI-35	5/27/02	N/A	Non-Defendant	sweaty palm surgery
HI-36	11/9/02	Unity	Non-Defendant	endoscopy
HI-36	11/10/02	Unity	N/A	N/A
HI-38	7/19/02	N/A	N/A	endoscopy
HI-38	8/3/02	N/A	N/A	N/A

APPENDIX L

APPENDIX L

TENNESSEE BLUE CROSS -- MAGNETEK EMPLOYEE CLUSTER				
Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
TN-10	10/05/01	Newport Superior	N/A	Upper GI Endoscopy
TN-10	10/07/01	Newport Superior	N/A	Colonoscopy
TN-10	10/20/01	Anaheim West	White	Septoplasty
TN-10	11/01/01	Anaheim West	Chun	Laparoscopy
TN-11	09/18/01	N/A	Non-Defendant	Upper GI Endoscopy
TN-11	09/20/01	Newport Superior	Rosenberg	Colonoscopy
TN-11	09/21/01	Anaheim West	Eugene	Sweaty Palm Surgery
TN-12	07/04/01	Anaheim West	Kim	Upper GI Endoscopy
TN-12	07/07/01	Anaheim West	Kim	Colonoscopy
TN-12	08/13/01	N/A	N/A	Colonoscopy
TN-12	11/10/01	Anaheim West	Eugene	Sweaty Palm Surgery
TN-13	07/21/01	Anaheim West	N/A	Upper GI Endoscopy
TN-13	07/26/01	Anaheim West	Alamy	Colonoscopy
TN-13	11/16/01	Anaheim West	Eugene	Sweaty Palm Surgery
TN-13	12/08/01	Anaheim West	Eugene	Sweaty Palm Surgery
TN-14	06/08/01	Outpatient Surgery	N/A	Septoplasty
TN-14	07/14/01	N/A	Kim	Upper GI Endoscopy
TN-14	07/21/01	Anaheim West	Kim	Colonoscopy
TN-14	11/10/01	Anaheim West	Eugene	Sweaty Palm Surgery
TN-14	12/08/01	Anaheim West	Eugene	Sweaty Palm Surgery
TN-15	10/19/01	Anaheim West	Alamy	Upper GI Endoscopy
TN-15	10/20/01	N/A	Alamy	Colonoscopy
TN-15	12/09/01	Anaheim West	Eugene	Sweaty Palm Surgery
TN-15	12/27/01	Anaheim West	Eugene	Sweaty Palm Surgery

APPENDIX M

APPENDIX M

MICHIGAN BLUE CROSS – CALIFORNIA TEXTRON CLUSTER

Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
MI-10 (Wife)	6/21/2001	Millennium	Halac	Upper GI Endoscopy
MI-10 (Wife)	6/30/2001	Millennium	Halac	Colonoscopy
MI-10 (Wife)	1/17/2002	Millennium	Chun	Laparoscopy
MI-11 (Husband)	4/11/2001	Non-Defendant	N/A	Nasal Endoscopy
MI-11 (Husband)	7/6/2001	Non-Defendant	N/A	Septoplasty
MI-11 (Husband)	2/3/2002	Millennium	Jigjinni	Upper GI Endoscopy
MI-11 (Husband)	5/3/2002	Millennium	Jigjinni	Colonoscopy
MI-15 (Husband)	12/6/2001	Millennium	Halac	Upper GI Endoscopy
MI-15 (Husband)	12/11/2001	Millennium	Halac	Colonoscopy
MI-15 (Husband)	12/21/2002	Unity	Rosenberg	Upper GI Endoscopy
MI-15 (Husband)	12/28/2002	Unity	Kim	Colonoscopy
MI-14 (Wife)	3/3/2001	Millennium	Jigjinni	Upper GI Endoscopy
MI-14 (Wife)	3/10/2001	Millennium	Jigjinni	Colonoscopy
MI-14 (Wife)	5/6/2002	Millennium	Chun	Laparoscopy
MI-14 (Wife)	5/16/2002	St. Francis	N/A	Blepharoplasty
MI-14 (Wife)	12/22/2002	Unity	Rosenberg	Upper GI Endoscopy
MI-14 (Wife)	12/29/2002	N/A	Kim	Colonoscopy
MI-16 (Husband)	12/14/2002	N/A	Rosenberg	Upper GI Endoscopy
MI-16 (Husband)	12/15/2002	N/A	Rosenberg	Colonoscopy
MI-16 (Husband)	12/19/2002	N/A	Non-Defendant	Male Genital
MI-17 (Wife)	12/16/2002	Unity	Kim	Upper GI Endoscopy
MI-17 (Wife)	12/17/2002	Unity	Rosenberg	Colonoscopy
MI-17 (Wife)	12/27/2002	N/A	N/A	Hemorrhoids
MI-18 (Wife)	8/4/2002	Millennium	Rosenberg	Upper GI Endoscopy
MI-18 (Wife)	8/11/2002	Millennium	Rosenberg	Colonoscopy
MI-18 (Wife)	9/6/2002	Millennium	Chun	Laparoscopy
MI-18 (Wife)	10/1/2002	Unity	Chan	D&C
MI-19 (Husband)	7/6/2002	Millennium	Alamy	Upper GI Endoscopy
MI-19 (Husband)	7/21/2002	Millennium	Alamy	Colonoscopy
MI-19 (Husband)	9/27/2002	Millennium	N/A	Septoplasty
MI-20 (Husband)	3/7/2002	Millennium	N/A	Remove Eye Growth
MI-21 (Wife)	3/23/2002	Millennium	Chun	Laparoscopy
MI-21 (Wife)	9/5/2002	Millennium	N/A	Eye Procedure
MI-22 (Wife)	11/10/2002	Millennium	Alamy	Upper GI Endoscopy
MI-22 (Wife)	12/27/2002	N/A	N/A	Remove Eye Growth
MI-23 (Husband)	10/6/2002	Millennium	Alamy	Upper GI Endoscopy
MI-24 (Mother)	5/11/2001	N/A	Alamy	Upper GI Endoscopy

	Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
1	MI-24 (Mother)	5/24/2001	Non-Defendant	N/A	Upper GI Endoscopy
2	MI-25 (Daughter)	5/24/2001	Non-Defendant	Alamy	Upper GI Endoscopy
3	MI-26 (Husband)	8/17/2002	N/A	Kim	Upper GI Endoscopy
4	MI-26 (Husband)	8/24/2002	N/A	Rosenberg	Colonoscopy
5	MI-38 (Wife)	10/28/2001	Millennium	Halac	Upper GI Endoscopy
6	MI-38 (Wife)	11/9/2001	Millennium	Halac	Colonoscopy
7	MI-38 (Wife)	11/26/2001	Millennium	Chun	Laparoscopy
8	MI-38 (Wife)	9/20/2002	Unity	White	Septoplasty
9	MI-38 (Wife)	12/13/2002	Unity	Rosenberg	Upper GI Endoscopy
10	MI-38 (Wife)	12/13/2002	Unity	N/A	Colonoscopy
11	MI-38 (Wife)	12/14/2002	Unity	Rosenberg	Colonoscopy
12	MI-27	8/4/2002	Millennium	Rosenberg	Upper GI Endoscopy
13	MI-27	8/11/2002	Millennium	Rosenberg	Colonoscopy
14	MI-27	9/6/2002	Millennium	Chun	Laparoscopy
15	MI-27	12/28/2002	Unity	Chan	Laparoscopy
16	MI-28	5/18/2002	Anaheim West	Rosenberg	Upper GI Endoscopy
17	MI-28	5/25/2002	Anaheim West	Kim	Colonoscopy
18	MI-28	8/27/2002	Millennium	Non-Defendant	Septoplasty
19	MI-28	9/14/2002	Millennium	Patel	Circumcision
20	MI-28	12/5/2002	Millennium	N/A	Tonsillectomy
21	MI-29	10/12/2002	Unity	Rosenberg	Upper GI Endoscopy
22	MI-29	10/21/2002	Unity	Rosenberg	Colonoscopy
23	MI-29	5/8/2002	St. Francis	Kim	Upper GI Endoscopy
24	MI-30	5/14/2002	St. Francis	Rosenberg	Colonoscopy
25	MI-30	7/23/2002	Millennium	Non-Defendant	Vein therapy
26	MI-31	11/10/2001	Millennium	Halac	Upper GI Endoscopy
27	MI-31	12/12/2001	Millennium	Halac	Colonoscopy
28	MI-31	12/24/2001	Anaheim West	N/A	Laparoscopy
	MI-31	1/28/2002	Millennium	N/A	Bunion Surgery
	MI-31	12/21/2002	Unity	Rosenberg	Upper GI Endoscopy
	MI-31	12/28/2002	Unity	Kim	Colonoscopy
	MI-31	12/30/2002	Unity	N/A	Laparoscopy
	MI-32	9/14/2002	Unity	Rosenberg	Colonoscopy
	MI-32	9/15/2002	Unity	Rosenberg	Upper GI Endoscopy
	MI-32	12/5/2002	Millennium	N/A	Septoplasty
	MI-33	4/28/2001	Millennium	Halac	Upper GI Endoscopy
	MI-33	12/21/2002	N/A	N/A	Upper GI Endoscopy
	MI-34	1/26/2002	Anaheim West	Chun	Laparoscopy
	MI-34	2/19/2002	N/A	Chun	Hysterectomy
	MI-34	6/18/2002	Millennium	Alamy	Upper GI Endoscopy
	MI-34	6/23/2002	Millennium	Alamy	Colonoscopy

Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
MI-34	8/3/2002	Millennium	N/A	Blepharoplasty
MI-36	10/3/2002	N/A	Non-Defendant	Colonoscopy
MI-36	11/27/2002	Non-Defendant	Non-Defendant	Upper GI Endoscopy
MI-37	7/21/2001	Millennium	Alamy	Upper GI Endoscopy
MI-37	7/28/2001	Millennium	Alamy	Colonoscopy
MI-37	3/15/2002	Non-Defendant	N/A	Remove anal fistula
MI-39	3/20/2001	Millennium	Jiginni	Upper GI Endoscopy
MI-39	4/7/2001	Millennium	Jiginni	Colonoscopy
MI-40	1/23/2002	Millennium	Chun	Laparoscopy
MI-40	4/11/2002	Anaheim West	N/A	Revise upper eyelid
MI-40	6/18/2002	Millennium	Alamy	Upper GI Endoscopy
MI-41	3/19/2002	Millennium	Non-Defendant	Upper GI Endoscopy
MI-41	3/28/2002	Millennium	Non-Defendant	Colonoscopy
MI-41	4/23/2002	Millennium	Chun	Laparoscopy
MI-42	7/21/2002	Millennium	Alamy	Upper GI Endoscopy
MI-42	8/11/2002	Millennium	Alamy	Colonoscopy
MI-42	9/7/2002	Millennium	Chun	Laparoscopy
MI-43	5/16/2002	N/A	Rosenberg	Upper GI Endoscopy
MI-43	8/3/2002	Millennium	N/A	N/A
MI-43	9/12/2002	Unity	Rosenberg	Colonoscopy
MI-44	3/9/2001	N/A	Halac	Upper GI Endoscopy
MI-44	3/17/2001	Millennium	N/A	N/A
MI-44	3/26/2001	Millennium	Halac	Colonoscopy
MI-44	11/29/2001	Anaheim West	Chun	Laparoscopy
MI-44	5/17/2002	Millennium	N/A	Bunion Surgery
MI-44	9/14/2002	Unity	Rosenberg	Upper GI Endoscopy
MI-44	9/15/2002	Unity	Rosenberg	Colonoscopy
MI-44	10/26/2002	N/A	Rosenberg	Hemorrhoidectomy
MI-45	11/2/2001	Millennium	Halac	Upper GI Endoscopy
MI-45	11/28/2001	Millennium	Halac	Colonoscopy

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APPENDIX N

APPENDIX N

EMPIRE BLUE CROSS -- PEPSI EMPLOYEE CLUSTER				
Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
EM-1	7/12/03	Valley Multi-Specialty	McKenna	Sweaty Palms Surgery
EM-1	8/23/03	St. Paul	N/A	Bladder Procedure
EM-2	9/29/03	St. Paul	Rosenberg	Upper GI Endoscopy
EM-2	9/30/03	St. Paul	Rosenberg	Colonoscopy
EM-2	10/2/03	St. Paul	N/A	N/A
EM-2	10/4/03	St. Paul	McKenna	Sweaty Palm Surgery
EM-2	10/6/03	St. Paul	N/A	Sweaty Palm Surgery
EM-2	12/21/03	Non-Defendant	Rosenberg	Upper GI Endoscopy
EM-3	9/6/03	St. Paul	Non-Defendant	D&C
EM-3	10/4/03	St. Paul	McKenna	Sweaty Palm Surgery
EM-4	10/27/03	St. Paul	Rosenberg	Endoscopy
EM-4	10/28/03	St. Paul	Rosenberg	Colonoscopy
EM-4	11/1/03	St. Paul	McKenna	Sweaty Palm Surgery
EM-5	11/2/03	St. Paul	Rosenberg	Upper GI Endoscopy
EM-5	11/3/03	St. Paul	Rosenberg	Colonoscopy
EM-6	8/28/03	St. Paul	McKenna	Sweaty Palm Surgery
EM-6	11/26/03	St. Paul	N/A	N/A
EM-7	8/23/03	St. Paul	McKenna	Sweaty Palm Surgery
EM-7	11/1/03	St. Paul	N/A	Bladder Procedure

APPENDIX O

APPENDIX O

EMPIRE BLUE CROSS – FUJICARE EMPLOYEE CLUSTER

Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
EM-9	12/7/02	Unity	N/A	Upper GI Endoscopy
EM-9	12/19/02	N/A	McKenna	Sweaty Palm Surgery
EM-10	12/7/02	Unity	N/A	Upper GI Endoscopy
EM-10	12/8/02	N/A	N/A	N/A
EM-10	12/19/02	N/A	McKenna	Sweaty Palm Surgery
EM-11	3/2/02	Millennium	N/A	N/A
EM-11	3/29/02	Millennium	Jigjinni	Upper GI Endoscopy
EM-11	4/18/03	Unity	Rosenberg	Upper GI Endoscopy
EM-11	4/27/03	Valley Multi-Specialty	Rosenberg	Upper GI Endoscopy
EM-11	5/10/03	Valley Multi-Specialty	Rosenberg	Colonoscopy
EM-11	5/31/03	Valley Multi-Specialty	N/A	N/A

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APPENDIX P

APPENDIX P

EXCELLUS BLUE CROSS - LINVATEC FLORIDA EMPLOYEE CLUSTER				
Patient Code	Date of Procedure	Facility	Surgeon	Fraudulently Billed Procedure
EX-01	11/02/02	Unity	Non-Defendant	Upper GI Endoscopy
EX-01	11/03/02	Unity	Non-Defendant	Colonoscopy
EX-01	11/29/02	Unity	Non-Defendant	Sweaty Palm Surgery
EX-02	11/29/02	Unity	N/A	N/A
EX-02	11/30/02	Unity	McKenna	Sweaty Palm Surgery
EX-03	11/29/02	Unity	Rosenberg	Upper GI Endoscopy
EX-03	11/30/02	Unity	McKenna	Sweaty Palm Surgery
EX-04	11/29/02	Unity	White	Septoplasty

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APPENDIX Q

APPENDIX Q

EXCELLUS BLUE CROSS -- WELCH ALLYN EMPLOYEE CLUSTER

Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
EX-05	01/13/02	Pacific Outpatient	Non-Defendant	N/A
EX-05	01/20/02	Pacific Outpatient	Non-Defendant	Colonoscopy
EX-06	01/13/02	Pacific Outpatient	Rayyes	Upper GI Endoscopy
EX-06	01/20/02	Pacific Outpatient	Rayyes	Colonoscopy
EX-07	04/04/02	Pacific Outpatient	Rayyes	Upper GI Endoscopy
EX-07	05/19/02	Pacific Outpatient	Lluncor	Sigmoidoscopy
EX-08	02/10/02	Pacific Outpatient	Rayyes	Upper GI Endoscopy
EX-08	02/24/02	Pacific Outpatient	Rayyes	Lower GI Endoscopy
EX-09	02/10/02	Pacific Outpatient	Rayyes	Upper GI Endoscopy
EX-09	02/24/02	Pacific Outpatient	Rayyes	Lower GI Endoscopy
EX-10	02/16/02	Pacific Outpatient	Lluncor	Upper GI Endoscopy
EX-10	02/23/02	Pacific Outpatient	Lluncor	Colonoscopy
EX-11	01/08/02	Pacific Outpatient	Rayyes	Upper GI Endoscopy
EX-11	01/13/02	Pacific Outpatient	Rayyes	Colonoscopy
EX-12	05/11/02	Pacific Outpatient	Lluncor	Upper GI Endoscopy
EX-12	05/18/02	Pacific Outpatient	Lluncor	Colonoscopy
EX-12	08/16/02	Pacific Outpatient	Non-Defendant	Sweaty Palm Surgery
EX-13	07/13/02	Pacific Outpatient	Non-Defendant	Sweaty Palm Surgery
EX-14	05/04/02	Pacific Outpatient	Lluncor	Upper GI Endoscopy
EX-14	05/11/02	Pacific Outpatient	Lluncor	Colonoscopy
EX-15	03/15/03	Harbor Multi-Specialty	Govindarajan	Upper GI Endoscopy
EX-15	03/16/03	Harbor Multi-Specialty	Govindarajan	Colonoscopy
EX-15	03/19/03	Harbor Multi-Specialty	Non-Defendant	D&C

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APPENDIX R

APPENDIX R

MASSACHUSETTS BLUE CROSS -- MINNESOTA EMPLOYEE CLUSTER				
Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
MA-01	5/24/00	Newport Superior	Babaknia	Upper GI Endoscopy
MA-01	5/25/00	Newport Superior	Non-Defendant	AP Repair
MA-02	5/16/01	Millennium	Non-Defendant	Colonoscopy
MA-02	5/18/01	Millennium	Non-Defendant	Upper GI Endoscopy
MA-02	4/16/02	Millennium	Non-Defendant	Removal of Hemorrhoids
MA-03	12/27/00	Millennium	Babaknia	Upper GI Endoscopy
MA-03	1/2/01	Millennium	Babaknia	Colonoscopy
MA-03	3/20/02	Anaheim West	Kim	Upper GI Endoscopy
MA-03	3/21/02	Anaheim West	Non-Defendant	Removal of Hemorrhoids
MA-03	3/22/02	Anaheim West	Chan	AP Repair
MA-03	6/1/02	N/A	White	Septoplasty
MA-04	12/14/01	Anaheim West	Alamy	Upper GI Endoscopy
MA-04	12/15/01	Anaheim West	Alamy	Colonoscopy
MA-04	12/17/01	Pacific Outpatient	Non-Defendant	Removal of Hemorrhoids

APPENDIX S

APPENDIX S

MASSACHUSETTS BLUE CROSS – WASHINGTON EMPLOYEE CLUSTER				
Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
MA-05	8/21/01	Millennium	Chun	Vaginal Repair
MA-05	8/26/01	Millennium	Halac	Upper GI Endoscopy
MA-05	11/15/01	Millennium	Halac	Colonoscopy
MA-06	11/5/01	Millennium	Chun	Vaginal Repair
MA-06	11/16/01	Millennium	Halac	Upper GI Endoscopy
MA-06	8/5/02	Millennium	Chun	Laparoscopy; D&C
MA-07	2/28/02	Millennium	Non-Defendant	Colonoscopy
MA-07	3/2/02	Millennium	Non-Defendant	Removal of Hemorrhoids
MA-08	8/17/01	Millennium	Chun	Vaginal Repair
MA-08	8/28/01	Millennium	Halac	Upper GI Endoscopy
MA-09	1/14/02	Millennium	Chun	Vaginal Repair
MA-09	1/26/02	Millennium	Non-Defendant	Sweaty Palm Surgery

APPENDIX T

APPENDIX T

PREMERA -- HUSBAND AND WIFE PAIRS				
Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
Alaska - Husband and Wife				
PR-03	12/17/03	St. Paul	Rosenberg	Upper GI Endoscopy
PR-03	12/18/03	St. Paul	Rosenberg	Colonoscopy
PR-04	12/17/03	St. Paul	Non-Defendant	Upper GI Endoscopy
PR-04	12/18/03	St. Paul	Rosenberg	Colonoscopy
Arizona - Husband and Wife				
PR-01	3/22/03	Unity	N/A	Upper GI Endoscopy
PR-01	3/23/03	Unity	Non-Defendant	Colonoscopy
PR-01	3/29/03	Unity	N/A	Sweaty Palm Surgery
PR-02	3/22/03	Unity	N/A	Upper GI Endoscopy
PR-02	3/23/03	Unity	N/A	Colonoscopy
PR-02	3/29/03	Unity	N/A	Sweaty Palm Surgery
Washington - Husband and Wife				
PR-05	7/31/03	St Paul	Rosenberg	Upper GI Endoscopy
PR-05	8/2/03	St Paul	McKenna	Sweaty Palm Surgery
PR-05	9/13/03	St Paul	Patel	Bladder Procedure
PR-06	9/12/03	St Paul	Non-Defendant	Upper GI Endoscopy
PR-06	9/13/03	St Paul	Non-Defendant	Colonoscopy
PR-06	9/17/03	St Paul	Patel	Bladder Procedure

APPENDIX U

APPENDIX U

PREMERA ALASKA - ASSOCIATION OF GENERAL CONTRACTORS				
Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
PR-07	8/23/03	St. Paul	Rosenberg	Upper GI Endoscopy
PR-07	8/24/03	St. Paul	Rosenberg	Colonoscopy
PR-07	8/28/03	St. Paul	McKenna	Sweaty Palm Surgery
PR-07	10/22/03	St. Paul	Patel	Bladder Procedure
PR-08	11/22/03	St. Paul	Non-Defendant	Upper GI Endoscopy
PR-08	11/23/03	St. Paul	Rosenberg	Colonoscopy
PR-08	11/25/03	St. Paul	Non-Defendant	Colonoscopy
PR-08	12/4/03	St. Paul	Hampton	Sweaty Palm Surgery
PR-08	12/17/03	St. Paul	Patel	Bladder Procedure

APPENDIX V

APPENDIX V

REGENCE PATIENTS

Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
OREGON HUSBAND AND WIFE				
RE-1	10/06/02	Unity	Rosenberg	Upper GI Endoscopy
RE-1	10/07/02	Unity	Non-Defendant	Colonoscopy
RE-1	11/02/02	Unity	Non-Defendant	Removal of Hemorrhoids
RE-1	01/25/03	Unity	White	Septoplasty
RE-2	10/06/02	Unity	Rosenberg	Upper GI Endoscopy
RE-2	10/07/02	Unity	Non-Defendant	Colonoscopy
RE-2	11/02/02	Unity	Non-Defendant	Removal of Hemorrhoids
RE-2	12/20/02	Unity	McKenna	Sweaty Palm Surgery
RE-2	01/25/03	Unity	Chan	D&C

LEATHERMAN TOOLS EMPLOYEES

RE-3	03/08/03	Unity	N/A	Upper GI Endoscopy
RE-3	03/09/03	Unity	N/A	Colonoscopy
RE-3	03/30/03	Non-Defendant	N/A	Sweaty Palm Surgery
RE-3	04/19/03	Unity	N/A	D&C
RE-4	02/19/03	Millennium	Chun	D&C
RE-4	02/22/03	Harbor Multi-Specialty	N/A	Upper GI Endoscopy
RE-4	02/24/03	Harbor Multi-Specialty	N/A	Colonoscopy
RE-5	09/16/02	Millennium	Chun	Laparoscopy; D&C
RE-5	11/30/02	Premium	Non-Defendant	Removal of Hemorrhoids
RE-6	01/29/02	Millennium	Chun	Laparoscopy; D&C

OREGON HEALTH SCIENCES UNIVERSITY EMPLOYEES

RE-7	12/22/02	Unity	Rosenberg	Upper GI Endoscopy
RE-7	12/23/02	Unity	Rosenberg	Colonoscopy
RE-7	01/18/03	Unity	N/A	Removal of Hemorrhoids
RE-8	01/18/03	Unity	N/A	Upper GI Endoscopy
RE-8	01/19/03	Unity	N/A	Colonoscopy
RE-9	01/18/03	Unity	N/A	Upper GI Endoscopy
RE-9	01/19/03	Unity	N/A	Colonoscopy

APPENDIX W

APPENDIX W

CAREFIRST BLUE CROSS PATIENTS

Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
Out Of State Patients				
CF-01	11/25/03	St. Paul	Rosenberg	Upper GI Endoscopy
CF-01	11/26/03	St. Paul	N/A	Laparotomy
CF-01	12/1/03	Harbor	Non-Defendant	Colonoscopy
CF-02	11/23/03	St. Paul	Rosenberg	Upper GI Endoscopy
CF-02	11/24/03	St. Paul	Rosenberg	Excision Large Intestine
CF-02	11/25/03	St. Paul	N/A	GI procedure
CF-02	11/26/03	St. Paul	N/A	Urogenital procedure
CF-03	4/23/01	Newport Superior	Rayyes	Colonoscopy
CF-03	4/25/01	Newport Superior	Rayyes	GI Endoscopy
CF-04	8/7/03	St. Paul	Rosenberg	N/A
CF-04	8/11/03	St. Paul	McKenna	Sweaty Palm Surgery
CF-05	10/18/03	St. Paul	Rosenberg	Upper GI Endoscopy
CF-05	10/19/03	St. Paul	Rosenberg	Colonoscopy
CF-05	10/23/03	St. Paul	Non-Defendant	AP Repair; D&C
CF-06	5/28/02	Anaheim West	Kim	Upper GI Endoscopy
CF-06	5/29/02	Anaheim West	Chan	Laparoscopy; D&C
CF-06	10/30/02	Non-Defendant	Non-Defendant	Septoplasty
CF-07	4/11/02	St. Francis	Non-Defendant	Upper GI Endoscopy
CF-07	4/12/02	St. Francis	Rosenberg	Colonoscopy

Vertis Employees

CF-08	3/1/03	Valley Multi-Specialty	Rosenberg	Upper GI Endoscopy
CF-08	3/14/03	Valley Multi-Specialty	McKenna	Sweaty Palm Surgery
CF-09	1/10/03	Non-Defendant	Non-Defendant	Sweaty Palm Surgery
CF-09	1/29/03	Valley Multi-Specialty	Rosenberg	Upper GI Endoscopy
CF-09	1/31/03	Valley Multi-Specialty	Rosenberg	Colonoscopy
CF-10	5/9/02	Anaheim West	Kim	Upper GI Endoscopy
CF-10	5/10/02	Anaheim West	Rosenberg	Colonoscopy
CF-11	3/21/03	Valley Multi-Specialty	Rosenberg	Upper GI Endoscopy
CF-11	3/22/03	Valley Multi-Specialty	Rosenberg	Colonoscopy

APPENDIX X

APPENDIX X

NEBRASKA BLUE CROSS EMPLOYEE CLUSTERS				
Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
SWIFT EMPLOYEES				
NE-1	1/9/01	Newport Superior	Babaknia	Upper GI Endoscopy
NE-1	1/12/01	Newport Superior	Babaknia	Colonoscopy
NE-1	1/13/01	Newport Superior	Non-Defendant	Circumcision
NE-2	5/19/00	Newport Superior	N/A	Upper GI Endoscopy
MILLARD EMPLOYEES				
NE-3	7/9/00	Newport Superior	N/A	N/A
NE-3	7/16/00	Newport Superior	Babaknia	Colonoscopy
NE-3	8/12/00	Newport Superior	Non-Defendant	Removal of Hemorrhoids
NE-3	11/4/00	Newport Superior	Non-Defendant	Septoplasty
NE-3	7/6/02	Millennium	Rosenberg	Upper GI Endoscopy
NE-3	8/24/02	Millennium	Rosenberg	Colonoscopy
NE-3	9/21/02	Millennium	N/A	N/A
NE-4	4/7/01	Newport Superior	Alamy	Upper GI Endoscopy
NE-4	4/15/01	Newport Superior	Alamy	Colonoscopy
NE-5	4/15/01	Newport Superior	Alamy	Upper GI Endoscopy
NE-5	5/8/01	Newport Superior	Alamy	Colonoscopy

APPENDIX Y

APPENDIX Y

NORTH CAROLINA BLUE CROSS PATIENTS

Patient Code	Date of Procedure	Clinic	Surgeon	Fraudulently Billed Procedure
NC-1	03/15/03	Unity	Rosenberg	Upper GI Endoscopy
NC-1	03/16/03	Unity	Rosenberg	Colonoscopy
NC-2	08/29/03	St. Paul	Rosenberg	Upper GI Endoscopy
NC-2	09/02/03	St. Paul	Rosenberg	Colonoscopy
NC-2	09/05/03	St. Paul	Non-Defendant	Sweaty Palm Surgery
NC-3	11/08/03	St. Paul	Rosenberg	Upper GI Endoscopy
NC-3	11/09/03	St. Paul	Non-Defendant	Colonoscopy
NC-3	11/23/03	St. Paul	N/A	D&C
NC-4	11/22/03	St. Paul	Rosenberg	Upper GI Endoscopy
NC-4	11/23/03	N/A	Rosenberg	Colonoscopy
NC-4	11/26/03	St. Paul	Hampton	Sweaty Palm Surgery
NC-5	08/09/03	St. Paul	Non-Defendant	Upper GI Endoscopy
NC-5	08/17/03	St. Paul	Non-Defendant	Colonoscopy
NC-5	08/23/03	St. Paul	Non-Defendant	Sweaty Palm Surgery
NC-6	08/09/03	St. Paul	Non-Defendant	Upper GI Endoscopy
NC-6	08/11/03	St. Paul	Rosenberg	Colonoscopy