

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

IN RE:)	Chapter 7
EUGENE NAKHSHIN)	No. 21-01528
)	
)	
Debtor)	Honorable Judge Deborah L. Thorne
)	United States Bankruptcy Judge
-----)		
AFFILIATED HEALTH GROUP, LTD.,)	
AMERICAN HEALTH CENTER, LTD.,)	
DIMENSIONS MEDICAL CENTER, LTD.))	
ACCESS HEALTH CENTER, LTD.,)	JURY TRIAL DEMANDED
ACU HEALTH CENTER, LTD.,)	
ADVANTAGE HEALTH CARE, LTD.,)	
AANCHOR HEALTH CENTER, LTD.)	
FORESTVIEW MEDICAL CENTER, LTD.))	
MICHIGAN AVENUE CENTER FOR)	
HEALTH, LTD.,)	
ACE HEALTH CENTER, LTD.,)	
CENTER FOR FAMILY HEALTH CARE,)	
SC,; VIJAY L. GOYAL, MD and)	
VINOD K. GOYAL, MD,)	
Plaintiff,)	
)	Adv. No.
v.)	
EUGENE NAKHSHIN)	
Defendant.)	

**ADVERSARY COMPLAINT FOR THE
DETERMINATION OF THE DISCHARGEABILITY OF DEBT**

Plaintiffs AFFILIATED HEALTH GROUP, LTD., AMERICAN HEALTH CENTER, LTD., DIMENSIONS MEDICAL CENTER, LTD., ACCESS HEALTH CENTER, LTD., ACU HEALTH CENTER, LTD., ADVANTAGE HEALTH CARE, LTD., AANCHOR HEALTH CENTER, LTD., FORESTVIEW MEDICAL CENTER, LTD., MICHIGAN AVENUE CENTER FOR HEALTH, LTD., ACE HEALTH CENTER, LTD., CENTER FOR FAMILY HEALTH CARE, SC,; VIJAY L. GOYAL, MD and VINOD K. GOYAL, MD, by their

attorneys, hereby complains against Defendant Eugene Nakhshin pursuant to §523 of the United States Bankruptcy Code (the "Code") and Bankruptcy Rule 7001(4) for the determination of the dischargeability of a debt and in support thereof state as follows:

JURISDICTION AND VENUE

1. This adversary proceeding arises in the Chapter 7 case of the Eugene Nakhshin, 21-01528, now pending before this Court in the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division.

2. This adversary proceeding arises under Code §523. The United States District Court for the Northern District of Illinois has jurisdiction over this proceeding pursuant to 28 U.S.C. §1334(b). This proceeding has been referred to the Bankruptcy Court pursuant to 28 U.S.C. § 157(a). An action in the Circuit Court of Cook County filed by the Plaintiffs in this case against Eugene Nakhshin (2016 L 062007) has been stayed, as to Eugene Nakhshin, by the automatic stay that took effect when the bankruptcy petition was filed with this Court.

3. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (K) and (O).

4. Venue is proper pursuant to 28 U.S.C. § 1391

PARTIES

5. Plaintiffs are creditors of Nakhshin's bankruptcy estate.

6. Defendant Eugene Nakhshin is the Debtor in a case commenced by the filing of a voluntary petition for relief under Chapter 7 of the Code on or about February 4, 2021. Mr. David R Herzog is the duly appointed, qualified and acting Trustee in that case.

7. At all relevant times, Vijay L. Goyal, MD, and Vinod K. Goyal, MD, owned and operated a for-profit healthcare business entitled Affiliated Health Group, Ltd.

8. At all relevant times, Vijay L. Goyal, MD and Vinod K. Goyal, MD owned and operated eleven (11) healthcare centers for profit including Affiliated Health Group, Ltd., American Health Center, Ltd., Dimensions Medical Center, Ltd., Access Health Center, Ltd., ACU Health Center, Ltd., AAnchor Health Center, Ltd., Forestview Medical Center, Ltd., Michigan Avenue Center for Health, Ltd., Ace Health Center Ltd., Center for Family Health Care, SC and Advantage Health Care, Ltd.

9. At all relevant times, Affiliated Health Group, Ltd. was located in Arlington Heights, Cook County, Illinois and was in the business of providing health and medical care to patients.

COMMON ALLEGATIONS

10. From approximately 1992 to 2013, Irina Nakhshin was an employee and/or agent of Affiliated Health Group, Ltd. and/or its related companies. During all relevant times, Irina Nakhshin's husband was and is Eugene Nakhshin (also known as Yevgeny Nakhshin).

11. On or after 1996, the job duties and responsibilities of Irina Nakhshin included inputting data into the computer software program at the Plaintiffs' offices. The computer software implemented by the Plaintiffs included anti-fraud software, to prevent and detect embezzling activity.

12. The anti-fraud software implemented by the Plaintiffs did not detect the embezzlement activity.

13. During the years of 1996 to 2013, Irina Nakhshin and Eugene Nakhshin incorporated with the Illinois Secretary of State and operated at least eight (8) Illinois shell imposter corporations using names somewhat similar to the names of Plaintiffs' legitimate

healthcare centers, which names included: “Affiliated Health Group Billing Inc.,” “American Health Center for Billing Inc.,” “Dimensions Medical Management Corp.,” “American Center for Management, Inc.,” “Glenn Ellyn Clinical Management, Inc.,” “Center for Family Health Management,” “American Center Family Health Management, Inc.,” “Center for Management Services, Inc.” Federal Tax Identification Numbers were obtained from the U.S. Treasury’s Internal Revenue Service for the shell imposter entities.

14. Eugene and Irina Nakshin used their home addresses at 1608 Sycamore Place, Schaumburg, IL 60173 and 1366 Meadow Lane, Round Lake, Illinois 60073 as the addresses for three of the imposter entities that were incorporated with the Illinois Secretary of State: American Health Center for Billing, Inc; Glen Ellyn Clinical Management, Inc. and Dimension Medical Management Corporation.

15. From 1996 to 2013, Irina Nakhshin and her co-conspirator Eugene Nakhshin, embezzled hundreds of health insurance payments from insurance carriers made payable to “Affiliated Health Group, Ltd.,” and its related entities, and then fraudulently indorsed and deposited them into fraudulent business checking accounts opened at TCF Bank and Devon Bank. Afterwards, the money was transferred to personal checking accounts co-owned by Irina Nakhshin and Eugene Nakhshin, and then funneled to other personal accounts and/or gambled with the funds at casinos.

16. From 1996 to prior to mid-2013, the various payor insurance companies’ drawee banks failed to detect the fraudulent and improper endorsements of hundreds of checks worth millions of dollars over the course of approximately twenty years presented to them by Devon Bank and TCF Bank and, therefore, the payor insurance companies’ drawee banks accepted the

checks and credited millions of dollars to illegitimate entity bank accounts.

17. The embezzled funds were used for the personal gains of Irina Nakhshin and her co-conspirator, Eugene Nakhshin.

18. In June 2013, a Northern Trust check dated May 23, 2013, written by insurer Ingals and made payable to Plaintiff Affiliated Health Group, Ltd. was discovered by Plaintiffs to have been fraudulently endorsed. This was the first embezzled check Plaintiffs discovered.

19. On or about July 2013, Plaintiffs notified the FBI of the embezzlement activity and the FBI conducted an investigation and following the FBI's investigation, Irina Nakhshin was convicted of embezzlement and fraud and was sentenced to 63 months of prison. Irina Nakhshin was also ordered to pay Plaintiffs approximately \$6.9 Million in restitution. See *United States of America v. Irina Nakhshin*, 15 CR 569-1 (N.D. Ill., Judge Amy St. Eve).

20. Through 2013, Irina Nakhshin worked together in concert with Eugene Nakhshin to launder the stolen funds by transferring the funds from its initial placement in the economy in Irina Nakhshin's sham business account at Devon Bank under account number 15826950 into Eugene and Irina Nakhshin's joint personal account at Devon Bank under account number 0921501606 or into Eugene and Irina Nakhshin's joint personal account at Citibank under account number 906510921.

21. After they deposited the illegal funds into their joint personal checking accounts, Irina along with Eugene gambled with the stolen funds to launder same.

22. Eugene and Irina Nakhshin reached an agreement to work together in concert to embezzle money from Plaintiffs. They agreed that Irina Nakhshin would take funds from Plaintiffs and Eugene Nakhshin would help Irina launder the funds in three ways (1) by

distancing the funds from their original point of embezzlement by depositing said funds into Eugene and Irina's joint personal funds at Devon and Citibank; (2) by comingling the stolen funds with legitimate funds in order to layer the money; and (3) by together gambling millions of dollars of stolen funds at casinos to legitimize the embezzled funds.

23. Through 2013 Eugene and Irina Nakhshin, pursuant to the aforementioned agreement together embezzled and laundered the stolen funds.

24. As part of the agreement to work in concert, Irina and Eugene would embezzle funds from Plaintiff so that both Irina and Eugene Nakhshin could live a richer lifestyle together, travel together, gift money to their children and together gamble with millions of dollars of stolen funds to launder said funds.

25. Through 2013, pursuant to the aforementioned Agreement, Irina and Eugene Nakhshin traveled together, gifted money to their children and gambled with said funds

26. Eugene Nakhshin was a co-signer on both the joint personal accounts at Devon and Citibank.

27. The joint personal account at Devon was solely funded by stolen money; no legitimate money was ever deposited into this account.

28. The statements for both the Devon and Citibank joint accounts were mailed to Irina and Eugene Nakhshin's home and Eugene Nakhshin regularly reviewed them.

29. Eugene Nakhshin knew that Irina Nakhshin was funneling stolen funds through their joint accounts at Devon and Citibank and agreed to same. In fact, this was part of their conspiratorial scheme together.

30. Eugene Nakhshin used the stolen money deposited into the joint Devon and

Citibank personal accounts to gift to his children, to gamble, and to take vacations. For instance, Eugene Nakhshin traveled to Florida in September 2011, Philadelphia in January 2011, and twice to Texas in March 2013, and to Washington, D.C. in April 2013.

31. Eugene Nakhshin spent illegal money that was deposited into his and Irina Nakhshin's personal checking accounts at Devon and Citibank. For instance, in May 2012, a check was written to Eugene Nakhshin for \$2,000 from the joint Devon account. In February 2014, a check was written to Eugene Nakhshin for \$2,700 from the joint Citibank accounts and in January 2014, a check was written to Eugene Nakhshin for \$2,580 from the joint Citibank account. Further, on December 15, 2012, Eugene write a check out to cash for \$1,225.00 from the joint Devon account.

32. From 2010 through 2013, Eugene Nakhshin deposited his paychecks, which totaled approximately \$4,000 per month into the joint Citibank account. Eugene Nakhshin had Irina co-mingle the stolen money with his legitimate salary in the joint Citibank account in order to launder the funds.

33. Eugene's paychecks of \$4,000 per month could not cover Irina and Eugene Nakhshin's living expenses, which included a mortgage, credit card payments, utilities, loan and the like. Eugene Nakhshin's salary went solely to Irina Nakhshin and Eugene Nakhshins living expenses. None of Eugene's legitimate salary was used as gifts to their children, to take vacations or gamble.

34. Eugene and Irina Nakhshin had an agreement that was created prior to Irina being caught for embezzlement that if the embezzlement activity were discovered, Eugene would help afterwards by giving her money, which he did. Within one month after the embezzlement was

discovered, Eugene liquidated \$50,000 from his IRA at Fidelity and gave it to Irina Nakhshin. Irina Nakhshin then wrote a check to Plaintiffs for \$50,000.

35. Eugene and Irina Nakhshin also had an agreement that they would hide stolen funds so that if the embezzlement was discovered, or if the money was confiscated, the embezzled moneys could still be obtained. Eugene and Irina Nakhshin wrote checks to third parties and their children, so that these third parties could hold the money in trust and/or hide the money in the event that Irina and/or Eugene Nakhshin needed money.

36. On May 23, 2016, Eugene Nakhshin sent a check to an out-of-state friend Lyudmila Ostrovsky, in Brooklyn, New York, for \$20,010,00 so that the money could be held in trust and/or hidden, in case Irina and/or Eugene Nakhshin needed said funds in the future.

37. Eugene Nakhshin was also involved with suspect banking activity after the embezzlement was discovered in July 2013; Eugene Nakhshin deposited \$18,000 in cash into his personal Chase Bank account in September 2013.

38. Also, after the embezzlement was discovered, Eugene Nakhshin deposited on a monthly basis, a check and/or cash from an unknown source (ranging from \$1,000 to \$18,000) into his Chase account.

39. Irina and Eugene Nakhshin had a pattern and practice of using the stolen money to gamble together on a weekly or biweekly basis over at least an eleven-year period of time.

40. Between 2002 through 2013, Eugene Nakhshin gambled 582 times (that is, on average 48.5 times per year).

41. Between 2002 and 2013, Eugene Nakhshin gambled with approximately \$11,000,000 (Eleven Million Dollars), averaging \$18,400 per visit and a win percentage of

97.11%. Also, Between 2002 and 2013, Irina Nakhshin gambled approximately 694 times (that is on average 57 times per year) and gambled approximately \$20,500 (Twenty Million Five Hundred Thousand Dollars) averaging \$29,500 per visit and had a win percentage rate of 94.59%.

42. Plaintiffs have lost business expansion and strengthening opportunities as a direct result of the embezzlement and money-laundering scheme of Eugene and Irina Nakhshin.

43. Plaintiffs have been forced to take out substantial loans in order to keep their businesses running as a direct result of the embezzlement and money-laundering scheme of Eugene and Irina Nakhshin.

44. Plaintiffs have been forced to sell certain of their real properties as a direct result of the embezzlement and money-laundering scheme of Eugene and Irina Nakhshin.

45. Plaintiffs have been forced to incur substantial credit card debt with accruing interest as a direct result of the embezzlement and money-laundering scheme of Eugene and Irina Nakhshin.

46. Plaintiffs have been forced to incur substantial litigation costs and attorney's fees as a direct result of the embezzlement and money-laundering scheme of Eugene and Irina Nakhshin.

47. Eugene Nakhshin fraudulently concealed the embezzlement and laundering scheme from Plaintiffs.

48. Eugene Nakhshin had a duty to inform Plaintiffs of the embezzlement scheme because Eugene was held in a position of trust by Plaintiffs concerning the facts giving rise in this matter. Eugene Nakhshin was in a position of trust because he was in privity with Irina

Nakhshin with respect to the embezzlement, and Irina Nakhshin was in a position of trust because she was Plaintiff' employee. Eugene Nakhshin never told Plaintiffs about the embezzlement scheme.

49. Fraudulent concealment tolls the statute of limitations where the person fraudulently concealing the cause of action is in privity with the defendant. Eugene Nakhshin intended to deceive Plaintiffs, actually deceived Plaintiffs and Plaintiffs to their detriment relied upon Eugene's silence and were induced to fail to discover the embezzlement. Eugene Nakhshin's silence tolls the statute of limitations in this matter.

Count I
CIVIL CONSPIRACY
and Objections, Pursuant to 11 U.S.C. 523 (a)(2)(A), 11 U.S.C. 523 (a)(4) and 11 U.S.C. 523
11 U.S.C. 523 (a)(6)

50. Plaintiffs repeat and reallege paragraphs 1-49 of this Complaint, as if stated fully herein.

51. In 1996, Eugene Nakhshin and Irina Nakhshin entered into an agreement to work in concert and together embezzle money from Plaintiffs and together launder the funds through the aforementioned fraudulent conduct. As part of this agreement, they together stole more than \$6.9 million from Plaintiffs.

52. Eugene Nakhshin planned, assisted and encouraged Irina Nakhshin to steal funds from Plaintiffs through a number of acts, agreements and promises:

a. Eugene and Irina Nakshin agreed that Irina Nakhshin would steal funds from Plaintiff (the underlying fraud) and Eugene Nakhshin would launder the stolen funds.

b. Eugene Nakhshin worked together with Irina Nakhshin to launder the

money by funneling the money from the sham business accounts into Eugene and Irina's joint personal accounts to distance the illegal funds from their original source.

c. Eugene Nakhshin deposited his paychecks into the joint Citibank account and had Irina deposit the stolen funds into the same joint Citibank account in order to commingle illegitimate and legitimate funds as another form of laundering said funds.

d. Eugene Nakhshin also laundered the stolen money by gambling with Irina on a bi-weekly basis over the course of eleven years.

e. Eugene Nakhshin agreed with Irina Nakhshin that they would use the embezzled funds that they embezzled together to promote their lifestyle by traveling, buying personal items, and gifting large amounts of money to their children;

f. Eugene Nakhshin agreed to work with Irina Nakhshin to conceal their fraudulent activity.

g. Eugene Nakhshin agreed to help Irina Nakhshin if she was ever caught by providing her with his personal IRA moneys, which he did.

53 As alleged above, Eugene Nakhshin committed further overt acts in furtherance of the agreement and conspiracy to embezzle and launder money from the Plaintiffs.

54. The aforementioned acts of the Nakhshin conspiracy to together embezzle and launder proximately caused Plaintiffs to suffer injuries and damages.

55. 11 U.S.C. 523 (a)(2)(A) provides in pertinent part that:

“(a) A discharge under section 727, 1147, 1228(a), 1228(b), or 1328(b) of this title does not discharge an individual debtor from any debt- ... for money, property, services, or an extension, renewal, or refinancing of credit, to the extent obtained by-false pretenses, a false

representation, or actual fraud.”

56. By reason of the foregoing, Eugene Nakhshin obtained Plaintiffs’ money by false pretenses, a false representations, and/or actual fraud, and is an exception to discharge under Section 523 of the United States Bankruptcy Code in the amount of \$6.9 million, less amounts received in restitution or otherwise recovered already.

57. 11 U.S.C. 523 (a)(4) provides in pertinent part that:

“(a) A discharge under section 727, 1147, 1228(a), 1228(b), or 1328(b) of this title does not discharge an individual debtor from any debt- ...for fraud or defalcation while acting in a fiduciary capacity, **embezzlement**, or larceny; (emphasis added).

58. By reason of the foregoing, Eugene Nakhshin obtained Plaintiffs’ money by his agreement to embezzle together with his partner Irina Nakshin and is an exception to discharge under Section 523 of the United States Bankruptcy Code in the amount of \$6.9 million, less amounts received in restitution or otherwise recovered already.

59. 11 U.S.C. 523 (a)(6) provides in pertinent part that:

“(a) A discharge under section 727, 1147, 1228(a), 1228(b), or 1328(b) of this title does not discharge an individual debtor from any debt- ... **for willful and malicious injury by the debtor to another entity** or to the property of another entity” (emphasis added).

60. Judge St. Eve stated that in her years on the bench, as a defense attorney and as a prosecutor, this was one of the most serious and lengthy frauds that she had seen.

61. By reason of the foregoing, Eugene Nakhshin obtained Plaintiffs’ money by his agreement to embezzle together with his partner Irina Nakshin, causing a willful and malicious injury, and is an exception to discharge under Section 523 of the United States Bankruptcy Code

in the amount of \$6.9 million, less amounts received in restitution or otherwise recovered already.

WHEREFORE, Plaintiffs pray that this Court determine that Debtor's debt, in the amount of not less than \$6.9 million, less amounts received in restitution or otherwise recovered already, plus attorneys fees and costs and accrued interest be determined not dischargeable pursuant to sections 11 U.S.C. 523 (a)(2)(A), 11 U.S.C. 523 (a)(4) and 11 U.S.C. 523 11 U.S.C. 523 (a)(6) of the Bankruptcy Code; that this Court enter judgment against Eugene Nakhshin for the same amount; and for such further relief as this Court deems fitting and proper.

Count II
UNJUST ENRICHMENT
and Objections, Pursuant to 11 U.S.C. 523 (a)(2)(A) and 11 U.S.C. 523 (a)(4)

62. Plaintiffs repeat and reallege paragraphs 1-61 of this Complaint, as if stated fully herein.

63. Eugene Nakhshin and Irina Nakhshin, in concert together as part of their conspiracy to embezzle, embezzled money from Plaintiffs and laundered the funds. Together, they stole more than \$6.9 million from Plaintiffs and therefore Eugene Nakhshin received millions of dollars of illegal funds of the Plaintiffs for his personal use and/or to gamble with said money.

64. Eugene Nakhshin knew the stolen funds were illegally obtained, took part in the stealing of said funds, never provided consideration for said funds, had no right to the subject funds, yet unjustly retained this benefit to the Plaintiff's detriment.

65. Eugene Nakhshin has no valid claim to the funds he embezzled together with Irina Nakshin due to their aforementioned fraudulent conduct. Eugene Nakhshin would be

unjustly enriched if he were able to use the bankruptcy process to discharge the debt arising from the funds that he stole, that rightfully belong to the Plaintiffs. Bankruptcy protection and discharge should be denied to a debtor, such as Eugene Nakhshin who was less than honest.

66. 11 U.S.C. 523 (a)(2)(A) provides in pertinent part that:

“(a) A discharge under section 727, 1147, 1228(a), 1228(b), or 1328(b) of this title does not discharge an individual debtor from any debt- ... for money, property, services, or an extension, renewal, or refinancing of credit, to the extent obtained by-false pretenses, a false representation, or actual fraud.”

67. By reason of the foregoing, Eugene Nakhshin obtained Plaintiffs’ money by false pretenses, a false representations, and/or actual fraud, and is an exception to discharge under Section 523 of the United States Bankruptcy Code in the amount of \$6.9 million, less amounts received in restitution or otherwise recovered already.

68. 11 U.S.C. 523 (a)(4) provides in pertinent part that:

“(a) A discharge under section 727, 1147, 1228(a), 1228(b), or 1328(b) of this title does not discharge an individual debtor from any debt- ...for fraud or defalcation while acting in a fiduciary capacity, **embezzlement**, or larceny; (emphasis added).

69. By reason of the foregoing, Eugene Nakhshin obtained Plaintiffs’ money through embezzlement and is an exception to discharge under Section 523 of the United States Bankruptcy Code in the amount of \$6.9 million, less amounts received in restitution or otherwise recovered already.

WHEREFORE, Plaintiffs pray that this Court determine that Debtor's debt, in the amount of not less than \$6.9 million, less amounts received in restitution or otherwise recovered

already, plus attorneys fees and costs and accrued interest be determined not dischargeable pursuant to sections 11 U.S.C. 523 (a)(2)(A) and 11 U.S.C. 523 (a)(4) of the Bankruptcy Code; that this Court enter judgment against Eugene Nakhshin for the same amount; and for such further relief as this Court deems fitting and proper.

PLAINTIFFS DEMAND A TRIAL BY JURY ON ALL COUNTS

Dated: April 22, 2021

Respectfully submitted,

**AFFILIATED HEALTH GROUP, LTD,
*et al.***

By: /s/ Alon Stein
One of Their Attorneys

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