

NEWS RELEASE

News Release No.: 2017-12

Date: February 16, 2017

DIR and Division of Workers' Compensation Suspend Seven Providers for Fraud

Liens associated with the suspended providers total \$59 million

Oakland—The Department of Industrial Relations and its Division of Workers' Compensation today announced it has suspended seven medical providers from participating in California's workers' compensation system. The providers have been convicted of workers' comp fraud or have been suspended from the Medicare or Medicaid programs for medical fraud. The suspended providers have filed more than 8,500 liens in California's workers' compensation system, with a total of claim value of at least \$59 million.

"We are moving quickly to use new anti-fraud tools at our disposal to suspend those proven to game the workers' comp system at the expense of injured workers and employers," said Division of Workers' Compensation Acting Administrative Director George Parisotto.

"Workers' compensation fraud undermines the state's efforts to increase payments and improve services to injured workers, and to reduce costs for employers," said DIR Director Christine Baker. "Removing fraudulent providers and staying lien claims of those criminally-charged with fraud will further reduce costs in the system."

The suspended providers include:

- Philip Sobol, an orthopedic surgeon in Los Angeles convicted in Santa Ana's federal District Court for insurance mail fraud and other charges connected to receiving workers' comp kickbacks. Dr. Sobol has nearly 6,000 active workers' compensation liens with an estimated total claim value of more than \$42.7 million.
- Jason Hui-Tek Yang, a psychiatrist in Pasadena convicted in Riverside County Superior Court for his involvement in an insurance fraud conspiracy, including the referral of patients for unnecessary care to justify workers' compensation billing. Dr. Yang has over 2,000 active workers' compensation liens with an estimated total claim value of more than \$13.7 million.
- Alan Ivar, a chiropractor in Costa Mesa convicted in Santa Ana's federal District Court for referring patients to a Long Beach hospital in a kickback scheme for

well over a decade. Dr. Ivar still has over 400 active workers' compensation liens with an estimated total claim value of more than \$2.5 million.

- Thomas M. Heric, a physician in Los Angeles convicted in Sacramento's federal District Court for health care fraud related to the Medicare and Medicaid programs who was suspended from those programs.
- Carlos Arguello, a Chula Vista businessman convicted in San Diego's federal District Court for his role in a kickback scheme that involved referring injured workers to specific chiropractors for medical care regardless of their injuries.
- Daniel Dahan, a former chiropractor in Long Beach suspended from the Medicare and Medicaid programs who surrendered his license to practice.
- Boniface Okwudili Onubah, a former neurologist in Marina Del Rey suspended from the Medicare and Medicaid programs whose medical license was revoked.

Suspension notices were issued to the providers on January 17, 2017, by the Division of Workers' Compensation's Acting Administrative Director George Parisotto. The suspension becomes effective 30 days later if the provider does not appeal the action.

An additional three providers who were notified of the pending suspension have filed appeals of the action. Those appeals are in process.

AB 1244 (Gray and Daly) requires the Division of Workers' Compensation (DWC) Administrative Director to suspend any medical provider, physician or practitioner from participating in the workers' compensation system when convicted of fraud. DWC has adopted [provider suspension regulations](#) on the new law, which requires providers to be suspended from the system for one or more of the following grounds:

- The provider has been convicted of a crime involving fraud or abuse of the Medi-Cal or Medicare programs or the workers' compensation system, fraud or abuse of a patient, or related types of misconduct;
- The provider has been suspended due to fraud or abuse from the Medicare or Medicaid (including Medi-Cal) programs; or
- The provider's license or certificate to provide health care has been surrendered or revoked.

DIR has posted information on its [fraud prevention efforts](#) online, including a report on its anti-fraud efforts in the California workers' compensation system.

DIR protects and improves the health, safety and economic well-being of over 18 million wage earners, and helps their employers comply with state labor laws. DIR's [Division of Workers' Compensation](#) monitors the administration of workers' compensation claims,

and provides administrative and judicial services to assist in resolving disputes that arise in connection with claims for workers' compensation benefits.

Members of the press may contact Erika Monterroza or Peter Melton at (510) 286-1161, and are encouraged to [subscribe to get email alerts](#) on DIR's press releases or other departmental updates.

###



The [California Department of Industrial Relations](#), established in 1927, protects and improves the health, safety, and economic well-being of over 18 million wage earners, and helps their employers comply with state labor laws. DIR is housed within the [Labor & Workforce Development Agency](#). For general inquiries, contact DIR's Communications Call Center at 844-LABOR-DIR (844-522-6734) for help in locating the appropriate [division or program](#) in our department.