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Jacob E. Tauber, M.D. a Professional Corporation & Jacob Tauber, MD.

Exhibit #	Document	File Date
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2	CA Secretary of State: Statement by Domestic Stock Corporation: Jacob E. Tauber M.D., a Professional Corporation	4/2/1984
3	CA Secretary of State: Statement of Information: Jacob E. Tauber M.D., a Professional Corporation	3/7/2018

FILED
2018 JUL 12 PM 2:29
CLERK, U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

October 2017 Grand Jury

UNITED STATES OF AMERICA, Plaintiff, v. JACOB E. TAUBER and SERGE OBUKHOFF, Defendants.	SA CR No. 18-CR-18-140-DOC I N D I C T M E N T [18 U.S.C. § 371: Conspiracy; 18 U.S.C. §§ 1341, 1346: Mail Fraud Involving Deprivation of Honest Services; 18 U.S.C. §§ 1343, 1346: Wire Fraud Involving Deprivation of Honest Services; 18 U.S.C. § 1952(a)(3): Use of an Interstate Facility in Aid of Unlawful Activity; 42 U.S.C. § 1320a-7b(b)(1)(A): Soliciting and Receiving Illegal Remunerations for Health Care Referrals; 18 U.S.C. § 2: Aiding and Abetting and Causing an Act to be Done; 18 U.S.C. §§ 982(a)(7), 981(a)(1)(C) and 28 U.S.C. § 2461(c): Criminal Forfeiture]

The Grand Jury charges:

INTRODUCTORY ALLEGATIONS

At all times relevant to this Indictment:

1. Healthsmart Pacific Inc., doing business as Pacific Hospital of Long Beach ("Pacific Hospital"), was a hospital located in Long Beach, California, specializing in surgeries, particularly

spinal and orthopedic surgeries. From at least in or around 1997 to October 2013, Pacific Hospital was owned and/or operated by Michael D. Drobot ("Drobot"). Along with Drobot, unindicted co-conspirator A ("UCC-A") owned and/or operated Pacific Hospital from in or around 2005 to in or around October 2010. James Canedo ("Canedo") was the Chief Financial Officer of Pacific Hospital. UCC-B was the General Counsel and Chief Compliance Officer of Pacific Hospital. UCC-C was an executive and attorney who oversaw personal injury cases at Pacific Hospital.

2. Defendant JACOB E. TAUBER ("defendant TAUBER") was an orthopedic surgeon based in Beverly Hills and Glendale, California who, during the relevant time period, performed primarily non-spinal surgeries and referred spinal surgeries to other surgeons. UCC-D was defendant TAUBER's office manager and advised him in business matters.

3. Jacob E. Tauber, M.D., A Professional Corporation ("JET, M.D., APC") was a California professional corporation owned and operated by defendant TAUBER.

4. Defendant SERGE OBUKHOFF ("defendant OBUKHOFF") was a neurosurgeon practicing out of various medical clinics located in the Central District of California, including in Sherman Oaks, Garden Grove, Torrance, and Beverly Hills, California.

5. Serge Obukhoff, M.D., A Professional Corporation ("SO, M.D., APC"), was a California professional corporation owned and operated by defendant OBUKHOFF.

6. Lauren Papa ("Papa") was a chiropractor with a medical office located at 4955 Van Nuys Boulevard, Suite 407, in Sherman Oaks, California ("Papa's Sherman Oaks clinic"), who referred

patients requiring spinal surgery to defendant OBUKHOFF and others. Papa entered into arrangements to receive illegal kickbacks and bribes through California Authorizations, LLC, an entity she owned and controlled.

7. Philip Sobol ("Sobol") was an orthopedic surgeon who referred surgery patients to defendant TAUBER, defendant OBUKHOFF, and others, under the express understanding that the surgeries would be performed at a designated hospital where Sobol had a financial arrangement to send such surgery referrals, which consisted first of Pacific Hospital and later other hospitals.

8. Justin Paquette ("Paquette") was a neurosurgeon who, from in or about October 2010 to in or about August 2011, practiced out of defendant TAUBER's medical office in Beverly Hills, California, approximately two to four days a month, to treat patients defendant TAUBER referred to him for spinal surgery consultations.

9. Linda Martin ("Martin") was a former PSPM executive, who, in or about September 2010, returned as a PSPM "marketer" to facilitate kickback arrangements between Pacific Hospital and Affiliated Entities, on the one hand, and defendants TAUBER and OBUKHOFF, and Paquette, on the other hand.

10. UCC-H was a paralegal and risk manager for Pacific Hospital, PSPM, I2, and other Pacific Hospital-affiliated entities (collectively, "Pacific Hospital and Affiliated Entities").

11. UCC-J was a neurosurgeon to whom defendant TAUBER referred spinal surgeries with instructions to perform surgery on such patients at Pacific Hospital.

12. UCC-K was an orthopedic spinal surgery specialist to whom defendant TAUBER referred spinal surgeries with instructions to perform surgery on such patients at Pacific Hospital.

13. Pacific Specialty Physician Management, Inc. ("PSPM") was a corporation, owned and/or controlled by Drobot and others and headquartered in Newport Beach, California, that provided management services for physicians' offices and entered into various contractual arrangements with physicians, chiropractors, and others to steer business to Pacific Hospital. UCC-E was a PSPM executive and administrator who facilitated PSPM's relationships with physicians. UCC-F was the Chief Financial Officer at PSPM from approximately mid-2008 to late-2013. First Medical Management, Inc. ("FMM") was a human resources company Drobot owned and/or controlled that was affiliated with Pacific Hospital and PSPM.

14. International Implants LLC ("I2") was a limited liability company, controlled by Drobot and headquartered in Newport Beach, California, that purchased implantable medical devices, hardware, and instrumentation for spinal surgeries ("spinal hardware") from original manufacturers and sold them to hospitals, particularly Pacific Hospital.

15. California Pharmacy Management LLC ("CPM") was a limited liability company, headquartered in Newport Beach, California, that operated and managed a pharmaceutical dispensing program in medical clinics for physicians. Drobot and Michael R. Drobot ("Drobot Jr.") owned and/or operated CPM.

16. Industrial Pharmacy Management LLC ("IPM") was a limited liability company, headquartered in Newport Beach, California. IPM operated and managed a pharmaceutical dispensing program in medical

clinics for physicians through the use of pharmaceutical management agreements and claims purchase agreements. Drobot Jr. operated IPM, while Drobot principally owned IPM until approximately 2010, when Drobot Jr. assumed ownership and control of IPM. UCC-G assisted Drobot Jr. with IPM operations.

17. Advanced Practice Services, Inc., doing business as Advance Pharmacy Services ("APS"), was a "marketing" entity owned and controlled by Drobot Jr. that steered ancillary service referrals, purchases, and orders involving magnetic resonance imaging ("MRIs"), toxicology testing, and durable medical equipment ("DME") to business affiliates that paid APS for generating such business.

18. APS Affiliate A provided DME, such as braces, collars, and orthotics, to medical providers for use in treating patients. APS had an agreement with APS Affiliate A that provided compensation to APS for generating and steering DME referrals to APS Affiliate A.

19. APS Affiliate B was a laboratory that, among other services, performed testing of urine specimens, generally known as urinalysis ("UA") or, more specifically, when testing for the presence of opioids and other narcotics, urine drug testing ("UDT"). APS had an agreement with APS Affiliate B that provided compensation to APS for generating and steering UA referrals to APS Affiliate B. (APS Affiliate A and APS Affiliate B are collectively referred to herein as "APS Affiliates," while APS and APS Affiliates are collectively referred to herein as "APS and Affiliates.")

California Workers' Compensation System ("CWCS")

20. The California Workers' Compensation System ("CWCS") was a system created by California law to provide insurance covering treatment of injury or illness suffered by individuals in the course

of their employment. Under the CWCS, employers were required to purchase workers' compensation insurance policies from insurance carriers to cover their employees. When an employee suffered a covered injury or illness and received medical services, the medical service provider submitted a claim for payment to the relevant insurance carrier, which then paid the claim. Claims were submitted to and paid by insurance carriers either by mail or electronically. The CWCS was governed by various California laws and regulations.

21. The California State Compensation Insurance Fund ("SCIF") was a non-profit insurance carrier, created by the California Legislature, that provided workers' compensation insurance to employees in California, including serving as the "insurer of last resort" under the CWCS system for employers without any other coverage.

The FECA Program

22. The Federal Employees' Compensation Act, Title 5, United States Code, Sections 8101, et seq. provided certain benefits to civilian employees of the United States, for wage-loss disability due to a traumatic injury or occupational disease sustained while working as a federal employee (the "FECA program"). Benefits available to injured employees included rehabilitation, medical, surgical, hospital, pharmaceutical, and supplies for treatment of an injury.

23. The Office of Workers' Compensation Programs ("OWCP"), a component of the Department of Labor ("DOL"), administered the FECA program, which was a federal workers' compensation program focused on return to work efforts.

Health Care Programs

24. The FECA program was a "Federal health care program," as

defined by 42 U.S.C. § 1320a-7b(f).

25. SCIF and other workers' compensation insurance carriers, the FECA program, personal injury insurers, and other public and private plans and contracts, were "health care benefit programs" (as defined in 18 U.S.C. § 24(b)), that affected commerce.

Relevant California Laws Pertaining to Bribery and Kickbacks

26. California law, including but not limited to the California Business and Professions Code, the California Insurance Code, and the California Labor Code, prohibited the offering, delivering, soliciting, or receiving of anything of value in return for referring a patient for medical services.

27. California Business & Professions Code Section 650 prohibited the offer, delivery, receipt, or acceptance by certain licensees -- specifically including physicians and chiropractors -- of any commission or other consideration, whether in the form of money or otherwise, as compensation or inducement for referring patients, clients, or customers to any person.

28. California Insurance Code Section 750(a) prohibited anyone who engaged in the practice of processing, presenting, or negotiating claims -- including claims under policies of insurance -- from offering, delivering, receiving, or accepting any commission or other consideration, whether in the form of money or otherwise, as compensation or inducement to any person for the referral or procurement of clients, cases, patients, or customers.

Fiduciary Duties and the Physician-Patient Relationship

29. A "fiduciary" obligation generally existed whenever one person -- a client -- placed special trust and confidence in another -- the fiduciary -- in reliance that the fiduciary would exercise his

or her discretion and expertise with the utmost honesty and forthrightness in the interests of the client, such that the client could relax the care and vigilance she or he would ordinarily exercise, and the fiduciary knowingly accepted that special trust and confidence and thereafter undertook to act on behalf of the client based on such reliance.

30. Physicians owed a fiduciary duty to their patients, requiring physicians to act in the best interest of their patients, and not for their own professional, pecuniary, or personal gain. Physicians owed a duty of honest services to their patients for decisions made relating to the medical care of those patients, including the informed choice of whether to undergo surgery and other medical procedures, as well as the selection of a provider and facility for such surgeries and procedures. Patients' right to honest services from physicians included the right not to have physician-fiduciaries solicit or accept bribes and kickbacks connected to the medical care of such patients, specifically including decisions concerning patient-related referrals, purchasing, and ordering in connection with spinal surgeries, other types of surgeries, MRIs, UA/UDT, DME, and other services and items (the "Kickback Tainted Surgeries and Services").

COUNT ONE

[18 U.S.C. § 371]

31. Paragraphs 1 through 30 of this Indictment, including all subparagraphs, are re-alleged and incorporated by reference as if fully set forth herein.

A. OBJECTS OF THE CONSPIRACY

32. Beginning on an unknown date, but no later than in or around 2009, and continuing through at least in or around 2013, in Orange and Los Angeles Counties, within the Central District of California, and elsewhere, Drobot, Drobot Jr., defendants TAUBER and OBUKHOFF, together with Sobol, Paquette, Papa, Martin, UCC-D, UCC-E, UCC-F, and others known and unknown to the Grand Jury at various times, knowingly combined, conspired, and agreed to commit and to aid and abet in the commission of the following offenses against the United States:

a. Honest services mail and wire fraud, in violation of Title 18, United States Code, Sections 1341, 1343, and 1346;

b. Use of the mails and interstate facilities in aid of bribery, in violation of Title 18, United States Code, Section 1952(a);

c. Knowingly and willfully soliciting or receiving remuneration in return for referring an individual for the furnishing and arranging for the furnishing of any item or service, and in return for arranging for and recommending purchasing or ordering any good, service, or item, for which payment may be made in whole or in part under a federal health care program, in violation of Title 42, United States Code, Section 1320a-7b(b)(1); and

d. Knowingly and willfully offering to pay or paying any remuneration to any person to induce such person to refer an individual for the furnishing and arranging for the furnishing of any item or service, and to arrange for and recommend purchasing or ordering any good, service, or item, for which payment may be made in whole or in part under a federal health care program, in violation of Title 42, United States Code, Section 1320a-7b(b)(2).

B. MANNER AND MEANS OF THE CONSPIRACY

33. The objects of the conspiracy were to be carried out, and were carried out, in the following ways, among others:

a. Drobot, Drobot Jr., Martin, and other co-conspirators working with Pacific Hospital and Affiliated Entities (collectively, the "Kickback Paying Hospital Executives") would seek out physicians (the "Pacific Induced Physicians"), as well as chiropractors, marketers, and others (collectively, the "Pacific Kickback Recipients") to enter into related and overlapping financial arrangements to induce Pacific Kickback Recipients to refer patients to Pacific Hospital for Kickback Tainted Surgeries and Services.

b. Influenced by the promise of kickbacks and bribes, defendants TAUBER and OBUKHOFF, along with Sobol, Paquette, Papa, and other Pacific Kickback Recipients would cause patients insured by various health care benefit programs or subject to personal injury claims or liens (collectively, "Potential Claim Payers"), to receive Kickback Tainted Surgeries and Services at Pacific Hospital and Affiliated Entities.

c. To conceal and disguise the kickback and bribe arrangements from Potential Claim Payers, patients, and law enforcement, the Kickback Paying Hospital Executives, through Pacific

Hospital and Affiliated Entities, would enter into written contracts with the Pacific Kickback Recipients, including sublease agreements, option agreements, marketing agreements, and pharmacy agreements.

d. The written contracts would not specify that one purpose for the agreements would be to induce Pacific Kickback Recipients to refer Kickback Tainted Surgeries and Services to Pacific Hospital and Affiliated Entities. Additionally, the value or consideration discussed as part of these arrangements would, in fact, generally not be provided or desired; rather, the compensation would be paid, entirely or in part, depending on the arrangement, to cause Pacific Kickback Recipients to refer Kickback Tainted Surgeries and Services to Pacific Hospital and Affiliated Entities. Relatedly, the written contracts would generally allow for remuneration to Pacific Kickback Recipients far in excess of any reasonable fair market value assessment of legitimate services or things of value purportedly contracted for -- to the extent calculated without regard to the value of the Kickback Tainted Surgeries and Services.

e. Sobol would receive remuneration to induce his referral of patients potentially requiring surgery ("Sobol Referrals") to a "stable" of doctors, including, from at least 2009, defendant TAUBER, and from at least in or about June 2011 to in or about May 2012, defendant OBUKHOFF, who would both know of Sobol's kickback arrangement with Pacific Hospital, and who would facilitate that arrangement by performing surgery on Sobol Referrals at Pacific Hospital. The illegal kickback and bribe payments would be provided to Sobol under the guise of pharmacy and option agreements.

f. No later than in or about May 2010, Drobot Jr. and Sobol would introduce defendant TAUBER to Drobot for the purpose of

arranging for remuneration to be paid to defendant TAUBER to influence the referral of defendant TAUBER's own patients potentially requiring spinal surgery ("Tauber Referrals") to Pacific Induced Surgeons. These Pacific Induced Surgeons would include Paquette, defendant OBUKHOFF, and others, who would be expected to perform such surgeries at Pacific Hospital. The illegal kickback and bribe payments would be provided to defendant TAUBER under the guise of a sublease agreement with PSPM, which purported to sublease defendant TAUBER's entire Beverly Hills office to PSPM, when, in reality, defendant TAUBER, UCC-D, and PSPM, through Martin, UCC-E, and Drobot, agreed and understood that PSPM would use only a fraction of the office space on a frequency ranging from once per week to twice per month first for Paquette, and later, defendant OBUKHOFF, to treat patients defendant TAUBER referred to, between October 2010 and approximately May 2011, Paquette, or, from approximately at least July 2011 to 2013, defendant OBUKHOFF, for a spinal surgery consult.

g. Defendant OBUKHOFF would independently receive remuneration to induce his performance of Kickback Tainted Surgeries and Services at Pacific Hospital and Affiliated Entities. The illegal kickback and bribes would be provided to defendant OBUKHOFF under the guise of a bogus option agreement that provided for the purported "purchase [of] assets, including stock and goodwill" of defendant OBUKHOFF's medical practice purportedly located at, what was, in fact, Papa's Sherman Oaks clinic. Defendant OBUKHOFF's bogus option agreement further provided for fixed monthly option payments of $50,000 per month, when, in reality, the option payments varied from month-to-month and were calculated based on the number of spinal surgeries defendant OBUKHOFF performed at Pacific Hospital.

h. The Kickback Paying Hospital Executives would also provide an additional inducement to defendant OBUKHOFF, through, starting in or about May 2011, monthly payments to Papa, that defendant OBUKHOFF would arrange with Drobot, in part, to cover the rent for defendant OBUKHOFF at Papa's Sherman Oaks clinic where, approximately once every other week, defendant OBUKHOFF would see patients Papa would refer to him for spinal surgery consults. These monthly payments to Papa would far exceed her total monthly rent payments and would also be intended to provide an inducement to Papa to further ensure that all her referrals to defendant OBUKHOFF would be performed at Pacific Hospital.

i. In an effort to coordinate and capture the maximum number of surgery referrals at Pacific Hospital, Kickback Paying Hospital Executives would maintain, review, track, and communicate about the foregoing inter-connected network of surgery referrals generated by Sobol, defendants TAUBER and OBUKHOFF, Papa, Paquette, and others. Drobot and UCC-F would also offset the monthly amount of kickback and bribe payments owed to defendant OBUKHOFF to account for kickback and bribe payments paid to Papa (and another co-conspirator) for referrals to defendant OBUKHOFF.

j. In an attempt to evade law enforcement and avoid criminal liability for the foregoing illegal kickback arrangements:

i. Drobot and defendant OBUKHOFF would discuss and cause to be drafted an after-the-fact "Physician Development Agreement" to falsely explain why PSPM paid defendant OBUKHOFF's rent at defendant TAUBER's Beverly Hills office despite having no contemporaneous legal justification or basis for making such rent payments;

ii. Defendant TAUBER would instruct Paquette not to openly discuss the fact that PSPM "covered" Paquette's rent at defendant TAUBER's office in exchange for Paquette taking defendant TAUBER's surgery referrals to Pacific Hospital; and, relatedly,

iii. Defendant TAUBER would spontaneously make statements to co-conspirators and other individuals that his sublease with PSPM was "fair market value," despite the fact that PSPM covered essentially the entire lease amount for defendant TAUBER's Beverly Hills medical office, while the parties to the sublease agreement understood, at the time the sublease was executed, that PSPM would only use a fraction of the office space on limited days of the week to capture defendant TAUBER's spinal surgery referrals for the benefit of Pacific Hospital and Affiliated Entities.

C. EFFECTS OF THE CONSPIRACY

34. Had Potential Claim Payers and patients known the true facts regarding the payment of kickbacks for the referral of Kickback Tainted Surgeries and Services performed at Pacific Hospital: (a) the Potential Claim Payers would have subjected the claims to additional review, would not have paid the claims, and/or would have paid a lesser amount on the claims; and (b) patients would have more closely scrutinized a surgery or hospital service recommendation, would have sought second opinions from physicians who did not have a financial conflict of interest, would not have had the surgery or service performed, and/or would have insisted on a different hospital facility.

D. OVERT ACTS

35. On or about the following dates, in furtherance of the conspiracy and to accomplish the objects of the conspiracy, Drobot,

Drobot Jr., Sobol, defendant TAUBER, defendant OBUKHOFF, Papa, Paquette, Martin, and other co-conspirators known and unknown to the Grand Jury, committed, willfully caused others to commit, and aided and abetted the commission of the following overt acts, among others, within the Central District of California and elsewhere:

Overt Act No. 1: On or about November 3, 2008, an officer working with PSPM sent an email to Drobot and others with the subject "Sobol referrals," which identified patients Sobol referred during September and October 2008. The list included several patients that were referred to defendant TAUBER, including patient C.N.

Overt Act No. 2: On March 10, 2009, Drobot Jr. emailed Drobot, UCC-A, and others, writing:

> Dr. Tauber has agreed to bring his Sobol referrals back to PHLB. From Dec to mid March Sobol sent 15 referrals to Tauber. This equates to 5/mo. Assuming not everything is authorized we should expect 3-4 cases a month. He will try to schedule one day a month in the OR to fulfill his obligation.

Overt Act No. 3: On or about March 31, 2009, defendant OBUKHOFF began billing for medical treatments provided at Papa's Sherman Oaks clinic. Defendant OBUKHOFF did not own, operate, or control the practice at this location.

Overt Act No. 4: On or about March 9, 2010, UCC-B sent an email to defendant OBUKHOFF and Drobot stating, in part, "Dear Dr. Obukhoff, attached should be the option agreement." Attached to the email was an Option Agreement, in which the location of defendant OBUKHOFF's practice and the Option Payment amount was blank.

Overt Act No. 5: On or about March 16, 2010, UCC-B sent an email, with the subject "Revised Draft Agreement," to defendant OBUKHOFF and Drobot stating, in part, "Dear Dr. Obukhoff, here is the option agreement with the revisions we discussed with Mike Drobot." The attached agreement was between Serge Obukhoff, MD, the "Optionor" and PSPM, the "Optionee." The agreement stated, in part, that (1) defendant OBUKHOFF "owns and operates an orthopedic medical practice with offices in Southern California"; (2) that PSPM "wishes to purchase [and defendant OBUKHOFF wishes to sell] the assets, including the stock and goodwill, of [defendant OBUKHOFF's] medical practice located in 4955 Van Nuys Blvd., Suite 407, Sherman Oaks, CA 9403 [sic]." In the section of the agreement titled, "Option Payments," it stated that the payments, commencing on March 15, 2010, shall be for $50,000 per month for aggregate additional Option Payments equal to "Ten Million Dollars ($5,000,000) [sic]." The option agreement also contained a section titled, "No Payments for Referrals," which stated that "[n]o payment made or received under [the agreement] . . . is in return for the referral of patients. . ."

Overt Act No. 6: On or about April 19, 2010, Sobol emailed Drobot Jr., Drobot, and an IPM employee writing, "I assume since no check ever came and there has been no contact that you guys no longer wish to work with my office . . . [I] will look into my other hospital options and will cancel all pending surgeries and those spine consultants etc immediately[.]"

Overt Act No. 7: On or about May 10 and 11, 2010, Sobol, Drobot Jr., and defendant TAUBER exchanged emails, wherein Sobol wrote to Drobot Jr. that defendant TAUBER was "not doing my cases at Pacific." Drobot Jr. responded to defendant TAUBER writing that "we

spoke about making sure we do 3-4 cases a month[.]" Defendant TAUBER responded to Drobot Jr.: "I can assure you that I personally would never intentionally take a 'Sobol' referral elsewhere. Clearly, my office screwed up. Having said that, I have clearly brought some of my own cases to Pacific and intend to bring more[.]"

Overt Act No. 8: As part of the same email chain identified in the preceding Overt Act, on or about May 10, 2010, defendant TAUBER separately emailed UCC-D, writing, "So, here is a colossal screw-up that dwarfs anything else. Sobol referrals belong at Pacific. I also need to add to these."

Overt Act No. 9: On or about May 11, 2010, Drobot Jr. emailed defendant TAUBER "[m]y father is going to call you about putting a spine specialist in your office(s)."

Overt Act No. 10: On or about August 25, 2010, in response to UCC-J cancelling an appointment with a patient referred by defendant TAUBER, defendant TAUBER emailed UCC-D writing, "Michael Drobot Sr offered a great solution[.]"

Overt Act No. 11: As part of the same email chain identified in the preceding Overt Act, on or about August 25, 2010, UCC-D responded to defendant TAUBER, "how much space does he want and how much will he pay?"

Overt Act No. 12: As part of the same email chain identified in the preceding two Overt Acts, on or about August 25, 2010, defendant TAUBER replied to UCC-D, "He wants to put a NS [neurosurgeon] in offc [sic] and possiblycover [sic] it all".

Overt Act No. 13: On or about September 30, 2010, UCC-D sent an email to UCC-E, writing:

> Nice meeting with you and [Linda Martin] the other day. I hope I can be of some assistance as we move forward in this process. Attached are the files you should need for a complete copy of Dr. Tauber's lease.

The attached files related to the various lease documents for 9033 Wilshire Blvd., Suite 401, Beverly Hills, California, between defendant TAUBER and his various landlords. One of the lease documents included the "Second Amendment to Office Lease," executed in 2009, which identified the office as 4,559 rentable square feet with a monthly base rent of $23,706.80 as of February 1, 2010.

Overt Act No. 14: On or about October 5, 2010, defendant TAUBER emailed Drobot writing, in part, "A cervical surgery was done at Pacific Hospital on my patient [P.B.] by [UCC-J]. We should speak when you return. There are others that are my patients as well."

Overt Act No. 15: On or about October 12, 2010, UCC-B sent an email with the subject "Tauber" to UCC-H stating, in part, "Need the lease today Mike is meeting with him [defendant TAUBER] tomorrow."

Overt Act No. 16: On or about October 20, 2010, check number 18495 was issued from PSPM to JET, M.D., APC, in the amount of $23,706.80, with the memo "Sublease Beverly Hills Oct 1st 2010."

Overt Act No. 17: On or about October 20, 2010, UCC-E emailed Drobot writing, in part, that Paquette started at Pacific Hospital the previous day and that defendant TAUBER requested that PSPM/Pacific Hospital "sponsor an open house at his office on 12/9/2010."

Overt Act No. 18: On or about October 20, 2010, UCC-G sent an email to Drobot writing that "Tauber is saying that [UCC-J]

did a number of Federal w/c cases that were his @ Pacific. He wants credit and not [UCC-J]."

Overt Act No. 19: On or about December 1, 2010, Canedo sent an email to Drobot and UCC-B with the subject "Obukhoff cases," writing, in part, "The cases for Obukhoff for inpatient surgery during January 1, 2010 to November 30, 2010 were as follows: . . ." The email contained a listing of surgeries by type, the number of surgeries in each category, and whether I2 hardware was used in connection with the surgery.

Overt Act No. 20: As part of the email chain identified in the preceding Overt Act, on or about December 2, 2010, UCC-B sent an email to Drobot and Canedo writing, in part, "Based on Jim's analysis, I believe the correct amount we'd owe Dr Obukhoff is approximately $431,200." The email continued with an explanation of the calculation based exclusively on the number and type of surgeries defendant OBUKHOFF performed while the option agreement was in place and highlighted a formula where defendant OBUKHOFF was paid $15,000 for each lumbar surgery with I2 hardware and $10,000 for each cervical surgery with I2 hardware, or roughly half those amounts for the same surgeries performed without I2 hardware.

Overt Act No. 21: On or about December 13, 2010, Martin sent an email to Drobot, stating, in part, "Doctor Paquette embarrassed me . . . what about a plan B (I was thinking Obukhoff and Tauber would hit it off)."

Overt Act No. 22: On or about December 13, 2010, defendant TAUBER emailed Drobot, writing, "I have come to learn a number of things and I believe Pacific Hospital could benefit greatly." He complained about Paquette and said "[y]ou may wish to

manage his practice but I am going to defer to your opinions." He also discussed his referral of patients to UCC-J, and complained that "[UCC-J] recently took one of my referrals to TOSH [Thousand Oaks Surgical Hospital] when I wanted this done at Pacific and wanted to participate." Defendant TAUBER added:

> In my opinion, there is enough room for both Justin [Paquette] and [UCC-J] in the office. I, however, will never do anything without consulting you, especially since you essentially own the lease. I believe that [UCC-J] could bring far more to Pacific if he is permitted to participate[.]

Overt Act No. 23: On or about April 22, 2011, Martin sent an email to Drobot, writing, in part:

> Doctor Tauber called me today about Doctor Paquette . . . I told him about our ongoing meetings with Justin and that we were considering other alternatives. I brought up the name of Obukhoff and he was very receptive; not only because he hears he is a great surgeon but also that Obukhoff would not mind having Tauber do the expert witness testimony because I know Serge hates that stuff. So, Doctor Tauber sent a message to you saying happy holiday and he is behind you on whatever decision you make about Paquette. His loyalty is with you.

Overt Act No. 24: On or about May 12, 2011, UCC-E sent an email to Paquette, stating, in part, "After much thought and consideration we have decided not to move forward with your management agreement. Over the next month we will transition the existing inventory of patients to the location of your choice. . ."

Overt Act No. 25: As part of the email chain identified in the preceding Overt Act, on or about June 9, 2011, Martin sent an

email to UCC-E, writing, in part, ". . . 3 more consults have come in from Tauber to Paquette which I am holding until we can get clarification from Mike regarding his promises to [defendant OBUKHOFF] that he would get the Tauber referrals."

Overt Act No. 26: On or about May 24, 2011, Papa sent an email to UCC-B attaching a copy of a "Consulting and Business Development Agreement," between Papa and Pacific Hospital, effective May 1, 2011.

Overt Act No. 27: On or about June 8, 2011, UCC-B sent an email to Drobot, forwarding an email from Papa. UCC-B wrote:

> Here is the message from [Papa], the chiro who feeds cases to [defendant OBUKHOFF]. She is looking for $10,000. I don't know how fast we can process a check . . . I will get you the contract and other information I have that may be necessary for a check.

Overt Act No. 28: On or about June 21, 2011, defendant OBUKHOFF performed surgery on patient R.M. at Pacific Hospital, based on a referral from Papa.

Overt Act No. 29: On or about June 24, 2011, UCC-D sent an email to defendant TAUBER writing, in part, "I asked Linda [Martin] how they wanted the spine referrals handled as pertains to Paquette and Obukoff . . . here is her reply:

> . . . Drobot would like Doctor Tauber to refer some cases to Dr Obukhoff as well as Paquette. For example, Jp [Paquette] is getting so busy w hi[s] outside offices he is putting our (your) patients on the back burner. He has 3 consults from you who have been waiting a month to see him and he tried to cancel again Monday until I stepped in . . . Dr O [defendant OBUKHOFF]

on the other hand rarely r/s [reschedules] unless for a real surg[ical] emergency. So, perhaps dividing it up a bit might keep [Paquette] focused but, ultimately, our only goal is to make sure it gets to the hosp[ital.] So JET [defendant TAUBER] should refer to wh[om]ever he prefers. However, remember we are going to be doing PTP [primary treating physician] work and we are anticipating SO [defendant OBUKHOFF] will get ortho cases to refer to JET [defendant TAUBER] so I believe the relationship will eventually be more reciprocal than with JP [Paquette].

Overt Act No. 30: On or about July 7, 2011, defendant TAUBER emailed Martin and copied UCC-D, writing, in part:

I know you have been working on getting me to join the MPN's. However, we have not heard anything and I have a number of patients who want surgeries that I am unable to book yet, as a result of my non-membership thus diminishing my Pacific Hospital numbers. So, essentially, my patients are suffering, my Pacific numbers are not what they could be, etc. What should I do? Should I request applications directly? ...

Overt Act No. 31: On or about July 14, 2011, defendant TAUBER sent Drobot and email with the subject "lease," writing, "Please let me know what is happening. Thanks."

Overt Act No. 32: On or about July 21, 2011, defendant TAUBER emailed Martin and UCC-D, writing, in part,

. . . I can assure you that my cases that are accepted at Pacific will be done at Pacific, whether it is Paquette, [UCC-K] (who I am trying to lure over), [UCC-J], or Obukhoff. In fact, I was upset that [UCC-J] took a great case of mine to TOSH instead of Pacific. That case came in for high six figures in

the settlement. I did tell Sr. and Jr. that I want the sublease extended.

Later in the same email, defendant TAUBER wrote, "I intend to direct cases to Dr. Obukhoff and establish a relationship, but part of the issue is that I have plugged Paquette with so many attorneys. I will do what I can for a transition."

Overt Act No. 33: As part of the email chain in the preceding Overt Act, on or about July 21, 2011, Martin replied to defendant TAUBER and UCC-D, writing, in part, "Thanks so much for your support. I spoke with Mr. Drobot and he has renewed the office sublease as you agreed when you met."

Overt Act No. 34: As part of the email chain in the preceding two Overt Acts, on or about July 21, 2011, UCC-D emailed defendant TAUBER, stating, in part, "I am thrilled to see they renewed the lease!!"

Overt Act No. 35: On or about July 23, 2011, defendant TAUBER sent an email to Paquette, writing, in part, "We need to speak regarding the office. I was advised that as of July 1, your rent was 'not covered.' Clearly, we have to work out a rental agreement."

Overt Act No. 36: As part of the email chain in the preceding Overt Act, but several emails later in the chain, on or about July 28, 2011, defendant TAUBER emailed Martin writing, in part, "Thank you for dinner. It was a lovely evening and I believe things will work out well. I am so excited I was able to give such a good referral to Dr. [O]bukhoff. I also wanted to remind you about the lease extension."

Overt Act No. 37: As part of the email chain identified in the previous two Overt Acts, on or about July 28, 2011, Martin

replied to defendant TAUBER writing, in part, "I woke up singing this morning because I was so happy about our dinner. I knew you and Dr O [defendant OBUKHOFF] would hit it off . . ." "Now we go to work. I am on the sublease. Will keep you posted."

Overt Act No. 38: On or about July 25, 2011, defendant TAUBER texted Paquette, writing, in part, "Did u get my email on Sat?"

Overt Act No. 39: On or about July 25, as part of the text message exchange referenced in the preceding Overt Act, Paquette texted defendant TAUBER, writing, "Right on. I did get your email. Drobot did say he would pay the rent as I was doing a lot of cases at pacific, but we definitely need to sit down and get everything organized . . ."

Overt Act No. 40: On or about July 25, 2011, as part of the text message exchange identified in the two preceding Overt Acts, defendant TAUBER texted Paquette, writing, "We need to talk. This is not a text or email conversation."

Overt Act No. 41: On or about July 31, 2011, defendant TAUBER sent an email to Drobot, Martin, and UCC-D, and wrote that he will be moving referrals from Paquette to defendant OBUKHOFF and that defendant TAUBER is notifying his referral sources of this change.

Overt Act No. 42: On or about August 1, 2011, defendant TAUBER sent an email to Drobot highlighting that defendant TAUBER referred a spinal surgery case to UCC-K and "made it clear that I wanted it done at PHLB."

Overt Act No. 43: On or about August 2, 2011, as part of the email chain identified in the preceding Overt Acts, Drobot responded to defendant TAUBER and thanked him for the referral and

said "I would like to get more of your spine referrals from both o[f] your offices, either to [UCC-K] or one of my spine physicians. I believe that [UCC-K] is taking your cases elsewhere. I would prefer to use our I2 implants." Drobot added that UCC-B "is preparing an agreement to extend our lease on your BH [Beverly Hills] office."

Overt Act No. 44: On or about August 2, 2011, as part of the email chain identified in the preceding two Overt Acts, defendant TAUBER replied "[UCC-K] is not taking my cases elsewhere any longer. I have made that clear."

Overt Act No. 45: On or about August 9, 2011, defendant TAUBER emailed Paquette, writing, in part:

> With respect to our meeting last Monday night, I wanted to memorialize a few thoughts. The rent was going to be $7000 per month for use of the office on Mondays. If you want to change your day, we need to speak and make sure that the day is available. Realistically, this should have started on July 1 but I will make adjustments with you to be generous on my end.

Overt Act No. 46: On or about November 14, 2011, UCC-D emailed Martin, writing, in part, "I need two items, please. November's rent . . . and I am STILL waiting for a signed lease extension."

Overt Act No. 47: As part of the email chain in the preceding Overt Act, on or about November 14, 2011, Martin forwarded the email to UCC-E, writing, in part, "Please remember that Mike [Drobot] and Tauber verbally agreed to the lease extension . . . when Tauber agreed to move all the cases over to Obukhoff."

Overt Act No. 48: On or about January 22, 2012, defendant TAUBER sent an email to Drobot, Martin and UCC-D, writing, in part:

> I wanted to tell you that I am very pleased with Dr. Obukhoff. Additionally, I know that he likes the cases I have referred. I am confident that these will be lucrative to Pacific Hospital . . . in any case, we have not yet received the rent for January.
>
> I have a number of questions: I have been approached by others who would like to use the office. If it does not interfere with Dr. Obukhoff's time, do you have any objections. I don't know if they will commit for certain but I do not want to "negotiate" unless this is acceptable. Additionally, I do not know how long a commitment you or Dr. Obukhoff want to make to the office[.] I did three work comp total knees at Pacific on Friday (the last was a revision).

Overt Act No. 49: As part of the email chain in the preceding Overt Act, on or about January 22, 2012, Drobot replied to defendant TAUBER and copied Martin, writing, in part:

> I will check on the rent and get you a check tomorrow. I know that [a competitor] is trying to get your spines, and I prefer that he not use the office. Let's have dinner this week in (Beverly Hills) . . . Let's see what it takes to keep the current arrangement . . .

Overt Act No. 50: As part of the email chain in the preceding two Overt Acts, on or about January 22, 2012, defendant TAUBER replied, writing, in part, "First, I am committed to you, Serge Obukhoff, and PHLB . . ." " . . . there is no way my cases go elsewhere as long as we work together. Clearly, I would like a long term commitment."

Overt Act No. 51: On or about April 16, 2012, defendant

TAUBER performed surgery on patient C.N. at Pacific Hospital, based on a Sobol Referral.

Overt Act No. 52: On or about June 9, 2012, based on a referral from Papa, defendant OBUKHOFF performed surgery on patient I.G. at Pacific Hospital.

Overt Act No. 53: On or about June 27, 2012, Sobol and defendant TAUBER caused HACLA to issue check number 36753, in the amount of $27,424.21, for reimbursement of the claim related to the hospital-billing component for patient C.N., who defendant TAUBER performed surgery on at Pacific Hospital on or about April 16, 2012, based on a Sobol Referral.

Overt Act No. 54: On or about July 3, 2012, based on a referral from defendant TAUBER, defendant OBUKHOFF performed surgery on patient O.C. at Pacific Hospital.

Overt Act No. 55: On or about July 20, 2012, Travelers Insurance mailed check number 82753548 to Pacific Hospital, in the amount of $34,372.93, for reimbursement of the claim related to the hospital-billing component of the medical treatment for patient I.G., who defendant OBUKHOFF performed spinal surgery on at Pacific Hospital, based on a referral from Papa.

Overt Act No. 56: On or about August 1, 2012, defendant TAUBER sent an email to Drobot and wrote "I am pleased to note that Dr. Obukhoff has done a substantial number of cases that are my referrals with work comp and federal work comp coverage at PHLB."

Overt Act No. 57: On or about August 2, 2012, defendant OBUKHOFF caused the submission of a billing claim related to medical services provided to patient A.P. at Papa's Sherman Oaks clinic.

Overt Act No. 58: On or about August 21, 2012, co-conspirators caused PSPM to issue check number 9990 for $47,413.60 to defendant TAUBER.

Overt Act No. 59: On or about September 11, 2012, defendant OBUKHOFF performed surgery on patient A.P. at Pacific Hospital, based on a referral from Papa.

Overt Act No. 60: On or about November 15, 2012, the United Stated Treasury issued check number 403015419661 to Pacific Hospital, in the amount of $52,472.58, of which $29,909.38 was reimbursement related to the hospital-billing component of the medical treatment for patient O.C., who defendant OBUKHOFF performed spinal surgery on at Pacific Hospital, based on a referral from defendant TAUBER.

Overt Act No. 61: On various unknown dates in 2012, UCC-F maintained a spreadsheet with a tab for surgeries performed by various surgeons each month. On this spreadsheet, surgeries performed by defendant OBUKHOFF were tracked each month, including the patient name, patient referral source, surgery date, hospital charges, hospital collections, and the type of surgery, with specific notations for lumbar and cervical spinal surgeries, and utilization of I2 hardware, among other data. Referral sources for patients on which defendant OBUKOFF performed surgeries included defendant TAUBER, Papa, Sobol, and others.

Overt Act No. 62: On or about January 3, 2013, UCC-F created a spreadsheet to reconcile payments from PSPM to defendant OBUKHOFF in 2012 with what was otherwise owed applying a $15,000/$10,000 formula to defendant OBUKHOFF's respective lumbar and cervical surgeries performed during 2012. The spreadsheet calculated

surgeries performed by defendant OBUKHOFF at Pacific Hospital each month during 2012, the payment "due" to defendant OBUKHOFF for the surgeries, less payments made to certain referrals sources related to defendant OBUKHOFF. The calculation determined that defendant OBUKOFF was overpaid $190,000.

Overt Act No. 63: On or about January 3, 2013, Golden Eagle Insurance mailed check number 0882086 to Pacific Hospital, in the amount of $33,021.27, for reimbursement of the claim related to the hospital-billing component of the medical treatment for patient A.P., who defendant OBUKHOFF performed spinal surgery on at Pacific Hospital, based on a referral from Papa.

Overt Act No. 64: On or about January 9, 2013, defendant OBUKHOFF caused the submission of a billing claim related to medical services provided to patient A.P. at defendant TAUBER's Beverly Hills office.

Overt Act No. 65: On or about February 11, 2013, Sobol emailed Drobot Jr. and Drobot writing, "since I have not gotten any response and am not getting $, it looks like I should probably cancel all surgery and referrals."

Overt Act No. 66: On or about March 29, 2013, defendant TAUBER's office manager emailed Martin writing, in part, "I'm missing rent check for February, March & April."

Overt Act No. 67: As part of the email chain in the preceding Overt Act, on or about March 30, 2013, defendant TAUBER emailed his office manager, Drobot, and defendant OBUKHOFF, writing, in part, "Linda Martin has not worked for Mr. Drobot for a long time. I am copying him above. Michael, Happy Easter. My office manager

has just advised that the rent was not paid for Feb., March, and April."

Overt Act No. 68: As part of the email chain in the preceding two Overt Acts, on or about March 30, 2013, Drobot responded to defendant TAUBER, writing, "Will check on Monday . . . and catch you up."

Overt Act No. 69: After search warrants were executed at Pacific Hospital in April 2013, on an unknown date during the summer of 2013, Drobot and defendant OBUKHOFF met at L'Opera restaurant in Long Beach, California, to discuss how to explain why Drobot paid defendant OBUKHOFF's rent at defendant TAUBER's Beverly Hill's office, despite no contractual or legal basis to do so. During the meeting, Drobot and defendant OBUKHOFF discussed creating a backdated agreement to provide a cover story for the rent payments PSPM provided to defendant TAUBER for the benefit of defendant OBUKHOFF.

Overt Act No. 70: Following the meeting identified in the preceding Overt Act, on an unknown date, Drobot caused to be drafted a "Physician Development Agreement," written to purportedly be "entered into this first day of October, 2010" that falsely re-characterized PSPM's historical rent payments to defendant TAUBER as a loan to defendant OBUKHOFF, which defendant OBUKHOFF would purportedly repay under the terms of the "Physician Development Agreement," and the promissory note attached to the agreement.

Overt Act No. 71: Following the delivery of the "Physician Development Agreement" identified in the preceding Overt Act to defendant OBUKHOFF, on an unknown date, Drobot and OBUKHOFF discussed not executing the draft contract because any legitimate agreement actually created prior to April 2013 would have been seized

by law enforcement in connection with the April 2013 search warrants executed at PHLB.

Overt Act No. 72: On or about January 29, 2014, Drobot, defendant OBUKHOFF, Papa, and others caused SCIF to mail check number CT-365625 to Pacific Hospital, in the amount of $73,833.27, for reimbursement of the claim related to the hospital-billing component of the medical care provided to patient J.A., who Papa referred to defendant OBUKHOFF.

COUNT TWO

[18 U.S.C. § 371]

36. Paragraphs 1 through 30 of this Indictment, including all subparagraphs, are re-alleged and incorporated by reference as if fully set forth herein.

A. ADDITIONAL INTRODUCTORY ALLEGATIONS

37. Defendant TAUBER entered into an in-office pharmacy dispensing agreement first with CPM, and later, IPM, providing for the operation and management of a pharmacy dispensing program at defendant TAUBER's Beverly Hills and Glendale medical offices.

38. Defendant TAUBER's pharmacy agreement with IPM, as of at least 2009, was a claims purchase agreement (the "Pharmacy Dispensing Agreement") entitling Drobot Jr., through IPM, to all of defendant TAUBER's in-office pharmacy dispensing-related accounts receivables (i.e., collections on medicines dispensed from defendant TAUBER's offices) in exchange for a monthly payment.

B. OBJECTS OF THE CONSPIRACY

39. Beginning on an unknown date, but no later than in or about May 2008, and continuing through at least in or about April 2013, in Orange and Los Angeles Counties, within the Central District of California, and elsewhere, defendant TAUBER, Drobot Jr., and others known and unknown to the Grand Jury at various times, knowingly combined, conspired, and agreed to commit the following offenses against the United States:

a. Honest services mail and wire fraud, in violation of Title 18, United States Code, Sections 1341, 1343, and 1346;

b. Use of the mails and interstate facilities in aid of bribery, in violation of Title 18, United States Code, Section

1952(a);

c. Knowingly and willfully soliciting or receiving remuneration in return for referring an individual for the furnishing and arranging for the furnishing of any item or service, and in return for arranging for and recommending purchasing or ordering any good, service, or item, for which payment may be made in whole or in part under a federal health care program, in violation of Title 42, United States Code, Section 1320a-7b(b)(1); and

d. Knowingly and willfully offering to pay or paying any remuneration to any person to induce such person to refer an individual for the furnishing and arranging for the furnishing of any item or service, and to arrange for and recommend purchasing or ordering any good, service, or item, for which payment may be made in whole or in part under a federal health care program, in violation of Title 42, United States Code, Section 1320a-7b(b)(2).

C. MANNER AND MEANS OF THE CONSPIRACY

40. The objects of the conspiracy were to be carried out, and were carried out, in the following ways, among others:

a. Drobot Jr. would own and operate, at least in part, both IPM and APS.

b. For the benefit of APS and Affiliates, Drobot Jr. would use IPM to offer to pay and pay kickbacks and bribes in exchange for the referral, purchasing, and ordering of DME, MRIs, and UA/UDT (collectively, the "Kickback Tainted Ancillary Services") from defendant TAUBER and others.

c. Defendant TAUBER would solicit and receive kickbacks and bribes in exchange for the referral, purchasing, and ordering of Kickback Tainted Ancillary Services that would be billed to health

care benefit programs, subject to personal injury claims, and/or subject to liens.

d. Influenced by the promise of kickbacks and bribes, defendant TAUBER would refer, purchase, and order Kickback Tainted Ancillary Services provided by APS Affiliates, which were insured by various health care benefit programs, subject to personal injury claims, and/or subject to liens.

e. APS Affiliates would submit claims, or cause claims to be submitted, by mail and electronically, to health care benefit programs and personal injury law firms or attorneys (collectively, "Potential Claim Payers") for payments related to the Kickback Tainted Ancillary Services.

f. As defendant TAUBER, Drobot Jr., and others knew and intended, and as was reasonably foreseeable to them, in using, causing, and aiding and abetting the use of, the mails, wire communications, and facilities in interstate commerce to: (i) communicate about the Kickback Tainted Ancillary Services, (ii) submit claims to Potential Claim Payers for the Kickback Tainted Ancillary Services, and (iii) obtain payment from Potential Claim Payers for the Kickback Tainted Ancillary Services, defendant TAUBER would solicit and receive kickbacks and bribes, which would be material to patients and Potential Claim Payers.

g. In soliciting and receiving concealed kickbacks and bribes to induce the referral, purchase, and ordering of the Kickback Tainted Ancillary Services in connection with APS and Affiliates, defendant TAUBER and other medical professionals would deprive patients of their right to honest services.

h. Potential Claim Payers would pay APS Affiliates for the Kickback Tainted Ancillary Services by mail and electronically, and APS Affiliates would compensate APS.

i. To conceal the foregoing kickback and bribe payments from Potential Claim Payers, patients, and law enforcement, Drobot Jr. and defendant TAUBER would use the Pharmacy Dispensing Agreement as a vehicle to pay and receive such kickback and bribe payments. As part of the concealment, (a) IPM would have no publicly disclosed relationship with APS; and (b) the IPM Pharmacy Dispensing Agreement, as written, would not account for, address, or otherwise involve compensation from IPM to defendant TAUBER for referring, purchasing, and ordering DME, MRIs, and UA/UDT for his patients.

j. In reality, however, defendant TAUBER would receive monthly payments from IPM -- purportedly for dispensed medications -- that would, in fact, take into account defendant TAUBER's expected referrals, purchases, and orders of the Kickback Tainted Ancillary Services. For example, based on defendant TAUBER's August 2011 agreement with Drobot Jr. concerning UA/UDT business for APS and APS Affiliate B, Drobot Jr. caused IPM to increase defendant TAUBER's monthly payments under the IPM Pharmacy Dispensing Agreement -- purportedly for the dispensing of pharmaceuticals -- from $8,000 to $15,000 monthly. In other instances, in exchange for defendant TAUBER's promise of using APS Affiliate A for DME, Drobot Jr. would not adversely adjust defendant TAUBER's monthly payments under the Pharmacy Dispensing Agreement that would otherwise be lowered if the value of Kickback Tainted Ancillary Services to APS and Affiliates was not considered.

k. Drobot Jr., defendant TAUBER, and others would maintain, review, and/or communicate about the volume of the Kickback Tainted Ancillary Services to justify the monthly kickback and bribe payments for Kickback Tainted Ancillary Services disguised under the IPM Pharmacy Dispensing Agreement, and adjust the monthly payments accordingly.

D. EFFECTS OF THE CONSPIRACY

41. Had Potential Claim Payers and patients known the true facts regarding the payment of kickbacks and bribes for the referral of Kickback Tainted Ancillary Services: (a) the Potential Claim Payers would have subjected the claims to additional review; would not have paid the claims; or would have paid a lesser amount on the claims; and (b) patients would have more closely scrutinized a hospital service, product purchase, or specimen collection for laboratory testing; would have sought treatment from physicians who did not have a financial conflict of interest; would not have had the service, purchase, or test; or would have insisted on a different provider.

E. OVERT ACTS

42. On or about the following dates, in furtherance of the conspiracy and to accomplish the objects of the conspiracy, defendant TAUBER, Drobot Jr., UCC-G, UCC-D, and other co-conspirators known and unknown to the Grand Jury, committed, willfully caused others to commit, and aided and abetted the commission of the following overt acts, among others, within the Central District of California and elsewhere:

Overt Act No. 1: On or about May 20, 2008, an IPM financial officer sent an email to Drobot Jr. noting that defendant

TAUBER's $15,000 monthly advance appeared "high based on pharmacy alone. I assume there are other marketing factors at play."

Overt Act No. 2: As part of the same email chain identified in the preceding Overt Act, Drobot Jr. replied, "yes, there are other things [than just pharmacy alone]."

Overt Act No. 3: On an unknown date, Drobot Jr. and defendant TAUBER executed an additional "Amendment to Physician Office Dispensing Program Management Agreement," which set forth an internal effective date of January 29, 2009, and converted the January 3, 2005 Physician Office Dispensing Program Management Agreement to a "Claims Purchase and Assignment" Agreement (i.e., the Pharmacy Dispensing Agreement). The amendment further provided for monthly payments from IPM of $12,500 to JET, M.D., APC.

Overt Act No. 4: On or about March 10, 2009, an additional amendment to Pharmacy Dispensing Agreement decreased the monthly claims purchase payment amount to $10,000.

Overt Act No. 5: On February 18, 2010, Drobot Jr. sent an email to UCC-G and an IPM financial officer advising that Drobot Jr. had dinner with defendant TAUBER the previous night. Drobot Jr. added that:

> [D]ue to the cash loss IPM is experiencing with his med[ication dispensing] program, [defendant TAUBER] will increase his DME (currently at $4700/mo[nth] gross charges) to a target of $10,000/mo[nth]. [Defendant TAUBER] will also guarantee us 10-15 MRIs a month as long as they are sent to Rad Net.

Overt Act No. 6: On or about March 15, 2010, an employee of IPM sent an email to Drobot Jr. writing that she would be meeting with defendant TAUBER the following day to discuss MRIs. The IPM

employee inquired: "Is there anything you want me to concentrate on specifically?"

Overt Act No. 7: As part of the email chain identified in the preceding Overt Act, on or about March 15, 2010, Drobot Jr. replied: "MRIs and [defendant TAUBER] is supposed to kick up his [DME] order with [APS Affiliate A]."

Overt Act No. 8: On or about April 2, 2010, an IPM employee sent an email to Drobot Jr. writing, "Dr. Tauber has only referred 1 MRI since we started a little over a week ago. You might want to call him if he is supposed to be giving us 10/monthly?"

Overt Act No. 9: As part of the email chain identified in the preceding Overt Act, on or about April 2, 2010, Drobot Jr. forwarded the email to defendant TAUBER and stated, "Dr. Tauber, is there anything on our side that is holding up the MRIs?"

Overt Act No. 10: As part of the email chain in the preceding two Overt Acts, which was forwarded to defendant TAUBER, on or about April 2, 2010, defendant TAUBER replied, "I have begun."

Overt Act No. 11: On or about May 10, 2010, Drobot Jr. emailed defendant TAUBER writing, in part, "We also spoke about increasing DME and MRI. Please let me know." Drobot Jr. then emailed an IPM employee and wrote, "please work with Tauber's office to ensure we get the scans [MRIs] to the right places." Drobot Jr. later forwarded this email chain to defendant TAUBER, asking defendant TAUBER for his assistance.

Overt Act No. 12: On or about June 22, 2010, Drobot Jr., UCC-G, a representative from APS Affiliate B, and an IPM financial officer sent emails to each other regarding defendant TAUBER's lack of DME referrals. UCC-G wrote: "[Drobot Jr.]? Any suggestions? I

could call [defendant TAUBER] but $ is the only thing that works with him."

Overt Act No. 13: As part of the email chain identified in the preceding Overt Act, on or about June 22, 2010, Drobot Jr. requested that an IPM financial officer amend defendant TAUBER's Pharmacy Dispensing Agreement to "lower him to $8k [per month]."

Overt Act No. 14: As part of the email chain identified in the preceding two Overt Acts, on or about June 22, 2010, an IPM financial officer wrote, referring to the value of defendant TAUBER's in-office dispensing of medications to IPM, "His pharmacy is worth $5k at most. . ."

Overt Act No. 15: On or about June 22, 2010, defendant TAUBER sent an email to Drobot Jr. with the subject line "contract," writing that he left Drobot Jr. several messages and wanted to speak with him.

Overt Act No. 16: As part of the email chain identified in the preceding Overt Act, on or about June 23, 2010, defendant TAUBER emailed Drobot Jr., writing, in part:

> [W]e only recently instituted the PI drug program and I have been prescribing substantially as that part of my practice has increased. Also, I have attempted to turn you on to other MD's but never heard from you. Also, there are others coming into my offices and I believe there is yet more opportunity for you. These are matters we need to discuss personally rather than via email.

Overt Act No. 17: As part of the email chain identified in the preceding two Overt Acts, on or about June 24, 2010, Drobot Jr. replied to defendant TAUBER clarifying: "Yes, I agree. My

inquiry is solely about DME. You mentioned you would participate a little more which has not happened. If you can, then we have no problems."

Overt Act No. 18: As part of the email chain identified in the preceding three Overt Acts, on or about June 25, 2010, a representative for APS Affiliate A informed Drobot Jr., UCC-G, and others that defendant TAUBER's Beverly Hills office "hasn't ordered in several months, possibly 5-6 orders in the entire last year," and added that "[i]f he wants to start ordering from Beverly Hills, great. He can start w/ using us on his spine cases he refers to [UCC-J], not to mention stim on all his work comp pts."

Overt Act No. 19: As part of the email chain identified in the preceding four Overt Acts, on or about June 25, 2010, Drobot Jr. emailed defendant TAUBER writing, "Dr. Tauber, are you willing to order [APS Affiliate A] on at least [UCC-J] referrals, etc? This would make things easier and we would not make any cuts. Please let me know if this is possible."

Overt Act No. 20: As part of the email chain in the preceding five Overt Acts, on or about June 25, 2010, defendant TAUBER replied to Drobot Jr. writing, "As long as [UCC-J] goes along. I will talk to him."

Overt Act No. 21: As part of the email chain in the preceding six Overt Acts, on or about June 28, 2010, Drobot Jr. emailed UCC-G and a representative from APS Affiliate A writing, "Let's hold his feet to the fire and make sure this gets done immediately".

Overt Act No. 22: On or about November 21, 2010, Drobot Jr. emailed an IPM financial officer requesting that he put a profit

sheet together with the year-to-date information on defendant TAUBER's account because Drobot Jr. "want(s) to show him that we are losing in order to cut him to $8,000."

Overt Act No. 23: On or about December 10, 2010, IPM issued check number 7691 for $8,000 to JET, M.D., APC.

Overt Act No. 24: On or about August 16, 2010, Drobot Jr. sent an email to multiple IPM employees and a representative with APS Affiliate A, writing, in part, that Drobot Jr. just spoke to defendant TAUBER who "is willing to give us some MRI and DME."

Overt Act No. 25: On or about July 10, 2011, Martin emailed Drobot writing, in part:

> . . . I have been having ongoing discussions with Doctor Tauber and his manager, [UCC-D], regarding upcoming Urine Analysis Program. Unfortunately, so has [Drobot Jr.]. [Drobot Jr.] is representing things to [defendant TAUBER] that you should address. I have tried my best to explain the legalities of the programs but it's not enough . . .

Overt Act No. 26: On or about July 10, 2011, IPM issued check number 8873 for $8,000 to JET, M.D., APC.

Overt Act No. 27: On or about July 11, 2011, UCC-G emailed Drobot Jr. and notified him that Drobot was soliciting defendant TAUBER to refer his toxicology business to Drobot's competing company, rather than through APS, and is "offering to pay rent for Tauber."

Overt Act No. 28: As part of the email chain identified in the preceding Overt Act, on or about July 11, 2011, Drobot Jr. replied that Drobot "is already paying rent . . . but that is for the spines, nothing else . . . Dad would need to add something for Tauber

. . ." UCC-G responded: "Tauber said that he will offer more for rent???"

Overt Act No. 29: As part of the email chain identified in the preceding two Overt Acts, on or about July 11, 2011, Drobot Jr. replied to UCC-G, writing, in part, "Too bad we already have a deal . . . and RENT is NOT the most legal way to do this . . . our pharm contract is . . . besides we will offer more."

Overt Act No. 30: On or about July 14, 2011, Drobot Jr. met with defendant TAUBER and UCC-D to discuss capturing defendant TAUBER's UA/UDT referrals through APS.

Overt Act No. 31: As part of the meeting described in the preceding Overt Act, Drobot Jr. provided defendant TAUBER and IPM check (#8935) for $7,000.

Overt Act No. 32: On or about July 16, 2011, Drobot Jr. emailed defendant TAUBER, writing, in part, "We would still love to show you a first class UDT program . . . Please let me know[.]"

Overt Act No. 33: On or about July 21, 2011, UCC-D sent an email to defendant TAUBER, writing, in part, "I think I [should] wait to cash [Drobot Jr.'s] c[hec]k [referring to check number 8935 for $7,000] until we have something in writing about the lease . . . what do y[o]u think?"

Overt Act No. 34: On or about August 2, 2011, Martin sent an email to Drobot and wrote that she had spoken with defendant TAUBER "regarding the UA but he is still torn between our program and Michael Jr.'s." Martin added that "we again discussed the legalities of each program and he has decided he is going to ask Michael to produce a written legal opinion that his program does not violate STARK."

Overt Act No. 35: On or about August 2, 2011, defendant TAUBER sent an email to Drobot Jr. requesting a legal opinion that would say that Drobot Jr.'s toxicology program is "legal" and "does not violate Stark."

Overt Act No. 36: On or about August 9, 2011, defendant TAUBER emailed Drobot Jr. regarding "ua" and wrote, "your dad essentially gave me the go ahead to do this with you. I still would like a legal opinion that it is legal."

Overt Act No. 37: On or about August 22, 2011, Drobot Jr. emailed defendant TAUBER an opinion letter from an attorney regarding "UDT," and asked if it was sufficient to "move forward." The attached legal opinion, dated August 21, 2011, discussed an arrangement involving APS and APS Affiliate B, without any discussion, reference, or acknowledgement of IPM or defendant TAUBER.

Overt Act No. 38: On or about August 26, 2011, Drobot Jr. emailed IPM employees writing, in part, "Tauber just told me we are a go with UDT, just need to send him the signed amend[ment] again."

Overt Act No. 39: On or about August 26, 2011, Drobot Jr. emailed defendant TAUBER a contract amendment to the Pharmacy Dispensing Agreement to provide that, purportedly effective October 1, 2011, IPM "shall purchase all pharmaceutical claims arising from Physician's Dispensing Program for the sum of Fifteen Thousand Dollars ($15,000) per month."

Overt Act No. 40: On or about September 9, 2011, defendant TAUBER caused IPM check number 8935 for $7,000, issued on July 14, 2011, to be deposited into defendant TAUBER's 3002 PacWest Bank Acct.

Overt Act No. 41: On or about September 10, 2011, IPM issued check number 9319 for $15,000 to JET, M.D., APC.

Overt Act No. 42: On or about September 22, 2011, an IPM employee emailed other IPM employees noting that defendant TAUBER would start UA/UDT testing in his Glendale office on October 6, 2011 and his Beverly Hills office on October 11, 2011.

Overt Act No. 43: On or about October 10, 2011, IPM issued check number 9499 for $15,000 to JET, M.D., APC.

Overt Act No. 44: On or about October 17, 2011, employees at APS Affiliate B emailed Drobot Jr. and others a tally of the UA/UDT tests performed at defendant TAUBER's offices.

Overt Act No. 45: On or about October 20, 2011, defendant TAUBER emailed Drobot Jr. with the subject "urine" and asked for a sample letter that he could send insurance companies indicating that defendant TAUBER reviewed each urine test. In response, Drobot Jr. referred defendant TAUBER to another IPM employee for assistance and wrote, "I believe what you are looking for is called a supplemental report which allows you to bill and [sic] extra $151 per cup on your [professional] billings."

Overt Act No. 46: On or about November 30, 2011, an employee at APS Affiliate B sent an email to Drobot Jr. inquiring whether there were any new accounts, and if defendant TAUBER was the last new account.

Overt Act No. 47: As part of the email chain identified in the preceding Overt Act, on or about November 30, 2011, Drobot Jr. replied, writing, "yes, working on them. Most importantly [sic] is keeping the ones we have . . . these guys are becoming very greedy."

Overt Act No. 48: On or about January 22, 2012, defendant TAUBER emailed Drobot Jr. with the subject "urine testing," writing:

> You would not believe how many people have approached me in the last 2 weeks over this. All are questioning if I am collecting enough. This is just exploding. Clearly, when this is so rampant, it won't last so hay needs to be made while the sun is shining.

Overt Act No. 49: On or about December 27, 2012, Drobot Jr. and defendant TAUBER caused a payment to be sent from the United States Treasury to APS Affiliate B, of which $1,219.60 was for reimbursement of the claim related to the toxicology billing in connection with patient O.C., for whom defendant TAUBER ordered UA/UDT on or about December 8, 2012.

Overt Act No. 50: On or about January 2, 2013, an IPM financial officer sent an email to defendant TAUBER's office manager, writing that IPM would be billing in-office dispensed medications under defendant TAUBER's name and tax identification number for all dates of service after December 31, 2012. Attached to the email was a summary spreadsheet of the IPM agreement with defendant TAUBER for 2012. The spreadsheet showed monthly collections and subtracted out monthly expenses associated with the program, which included the $15,000 per month that was paid to defendant TAUBER purportedly only for pharmaceutical claims. The balance of the account at the end of 2012 was a debt of $172,543.66, indicating that IPM had lost this amount of money on the account since the inception of the Pharmacy Dispensing Agreement (without taking into account the value of Kickback Tainted Ancillary Services provided by APS Affiliates).

Overt Act No. 51: On or about April 16, 2013, Drobot Jr. sent an email to defendant TAUBER, copying an attorney for IPM. Drobot Jr. wrote:

> Dr. Tauber, per our meeting today this email will memorialize our agreement to terminate the medication management agreement no later than April 30, 2013 . . . Again, it is with great regret that we cannot continue to do business in CA with you due to drastic financial difficulties caused by new regulations in California. I look forward to doing business with you in the future under better circumstances.

Overt Act No. 52: On or about July 23, 2013, defendant TAUBER caused his office manager to email Drobot Jr. with "the final invoice for Dr. Tauber's office." The attached invoice was for $15,000 per month for "Rx- Dec 2012," "Rx-Jan 2013," "Rx- Feb 2013," and "Rx-March 2013," for a total of $60,000.

COUNTS THREE THROUGH FIVE

[18 U.S.C. §§ 1341, 1346, 2(b)]

43. Paragraphs 1 through 30 and 33 through 35 of this Indictment, including all subparagraphs, are re-alleged and incorporated by reference as if fully set forth herein.

A. THE SCHEME TO DEFRAUD

44. Beginning on a date unknown, but from no later than in or around 2009, and continuing through at least in or around 2013, in Orange and Los Angeles Counties, within the Central District of California, and elsewhere, Drobot, defendants TAUBER and OBUKHOFF, and others known and unknown to the Grand Jury at various times, knowingly and with intent to defraud, devised, participated in, and executed a scheme to defraud patients of their right to honest services of their physicians' performance of duties as treating physicians and medical providers by soliciting, offering, accepting, and paying bribes and kickbacks to induce the referral of Kickback Tainted Surgeries and Services to Pacific Hospital and Affiliated Entities.

B. OPERATION OF THE SCHEME TO DEFRAUD

45. The fraudulent scheme operated, in substance, as set forth in paragraph 33 of this Indictment, focusing particularly on Tauber Referrals to defendant OBUKHOFF.

C. USE OF THE MAILS

46. On or about the following dates, within the Central District of California, and elsewhere, Drobot, defendants TAUBER and OBUKHOFF, and other co-schemers, for the purpose of executing the above-described scheme to defraud, willfully caused the following items to be placed in a post office and authorized depository for

mail matter to be delivered by the Postal Service, as set forth below:

COUNT	APPROXIMATE DATE	MAILING
THREE	08/15/2012	The mailing of a claim for reimbursement from Pacific Hospital to United Healthcare in Atlanta, Georgia, for the hospital-billing component of medical care provided to patient S.R., based on a surgery performed by defendant OBUKHOFF at Pacific Hospital on or about July 31, 2012.
FOUR	10/26/2012	Check (#1883474186) from Zurich American Insurance Company, in the amount of $84,631.19, to Pacific Hospital for reimbursement of the claim related to the hospital-billing component of the medical care provided to patient D.S., who defendant OBUKHOFF performed spinal surgery on at Pacific Hospital on or about August 7, 2012, based on a referral from defendant TAUBER.
FIVE	11/15/2012	Check number 403015419661 from the United States Treasury, in the amount of $52,472.58, to Pacific Hospital, of which $29,909.38 was in reimbursement of the claim related to the hospital-billing component of the medical care provided to patient O.C., who defendant OBUKHOFF performed spinal surgery on at Pacific Hospital on or about July 3, 2012, based on a referral from defendant TAUBER.

COUNTS SIX THROUGH ELEVEN

[18 U.S.C. §§ 1343, 1346, 2(b)]

47. Paragraphs 1 through 30 and 33 through 35 of this Indictment, including all subparagraphs, are re-alleged and incorporated by reference as if fully set forth herein.

A. THE SCHEME TO DEFRAUD

48. Beginning on a date unknown, but from no later than April 2010, and continuing through at least in or around August 2013, in Orange and Los Angeles Counties, within the Central District of California, and elsewhere, Drobot, defendants TAUBER and OBUKHOFF, and others known and unknown to the Grand Jury, knowingly and with intent to defraud, devised, participated in, and executed a scheme to defraud patients of their right to honest services of their physicians' performance of duties as treating physicians and medical providers by soliciting, offering, accepting, and paying bribes and kickbacks to induce the referral of Kickback Tainted Surgeries and Services to Pacific Hospital and Affiliated Entities.

B. OPERATION OF THE SCHEME TO DEFRAUD

49. The fraudulent scheme operated, in substance, as set forth in paragraph 33 of this Indictment, focusing particularly on Tauber Referrals to defendant OBUKHOFF.

C. USE OF INTERSTATE WIRES

50. On or about the following dates, within the Central District of California, and elsewhere, Drobot, defendants TAUBER and OBUKHOFF, and other co-schemers, for the purpose of executing the above-described scheme to defraud, transmitted and caused the transmission of items by means of wire communication in interstate commerce, as set forth below:

COUNT	APPROXIMATE DATE	INTERSTATE WIRE TRANSMISSION
SIX	8/03/2012	Interstate wire through Federal Reserve Bank servers in Dallas, Texas, effectuating a transfer of $80,000 from PSPM's 9511 First Citizens Bank Acct to the SO, M.D., APC Wells Fargo Bank Acct ending in 0489 in California ("defendant OBUKHOFF's 0489 WFB Acct").
SEVEN	8/31/2012	Interstate wire through Federal Reserve Bank servers in Dallas, Texas, effectuating a transfer of $47,413.60 from PSPM's 9511 First Citizens Bank Acct to defendant TAUBER's 3002 PacWest Bank Acct.
EIGHT	9/28/2012	Interstate wire through Federal Reserve Bank servers in Dallas, Texas, effectuating a transfer of $80,000 from PSPM's 9511 First Citizens Bank Acct to defendant OBUKHOFF's 0489 WFB Acct.
NINE	10/22/2012	Interstate wire through Federal Reserve Bank servers in Dallas, Texas, effectuating a transfer of $60,000 from PSPM's 9511 First Citizens Bank Acct to defendant OBUKHOFF's 0489 WFB Acct.
TEN	11/28/2012	Interstate wire through Federal Reserve Bank servers in Dallas, Texas, effectuating a transfer of $23,706.80 from PSPM's 9511 First Citizens Bank Acct to defendant TAUBER's 3002 PacWest Bank Acct.
ELEVEN	8/14/2013	Interstate wire through Federal Reserve Bank servers in Dallas, Texas, effectuating a transfer of $71,120.40 from First Medical Management's First Citizens Bank Account ending in 7187 in California ("FMM's 7187 First Citizen's Bank Acct") to defendant TAUBER's 3002 PacWest Bank Acct.

COUNTS TWELVE THROUGH FOURTEEN

[18 U.S.C. § 1952(a)(3); 18 U.S.C. § 2]

51. Paragraphs 1 through 30, 33 through 35, 46, and 50 of this Indictment, including all subparagraphs, are re-alleged and incorporated by reference as if fully set forth herein.

52. On or about the dates set forth below, in Orange and Los Angeles Counties, within the Central District of California, and elsewhere, Drobot, defendants TAUBER and OBUKHOFF, and others, used, aided and abetted the use of, and willfully caused the use of, the mail and facilities in interstate commerce, with the intent to otherwise promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of an unlawful activity, namely, kickbacks and bribes in violation of California Business & Professions Code Section 650 and California Insurance Code Section 750, and thereafter performed, attempted to perform, and aided and abetted and willfully caused the performance of an act to promote, manage, establish, and carry on, and to facilitate the promotion, management, establishment, and carrying on of such unlawful activity as follows:

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COUNT	DATE	USE OF MAIL OR FACILITY IN INTERSTATE COMMERCE	ACTS PERFORMED THEREAFTER
TWELVE	6/29/12	Interstate wire through Federal Reserve Bank servers in Dallas, Texas, effectuating a transfer of $23,706.80 from PSPM's 9511 First Citizens Bank Acct to defendant TAUBER's 3002 PacWest Bank Acct.	On or about November 15, 2012, defendants TAUBER and OBUKHOFF caused the mailing of check number 403015419661 from the United States Treasury to Pacific Hospital in the amount of $52,472.58, of which $29,909.38 was for reimbursement for the hospital-billing component of medical care provided to patient O.C., based on a surgery defendant OBUKHOFF performed at Pacific Hospital on or about July 3, 2012.
THIRTEEN	08/15/2012	The mailing of a claim for reimbursement from Pacific Hospital to United Healthcare in Atlanta, Georgia, for the hospital-billing component of the medical care provided to patient S.R., who defendant OBUKHOFF performed surgery on at Pacific Hospital on or about July 31, 2012.	Defendants TAUBER and OBUKHOFF caused the mailing of check PH 84869876 from United Healthcare Services, Inc., in the amount of $30,574.65, to Pacific Hospital for reimbursement of the claim related to the hospital-billing component of the medical care provided to patient S.R., who defendant OBUKHOFF performed spinal surgery on at Pacific Hospital on or about July 31, 2012, based on a referral from Tauber.

COUNT	DATE	USE OF MAIL OR FACILITY IN INTERSTATE COMMERCE	ACTS PERFORMED THEREAFTER
FOURTEEN	10/22/12	Interstate wire through Federal Reserve Bank servers in Dallas, Texas, effectuating a transfer of $60,000 from PSPM's 9511 First Citizens Bank Acct to defendant OBUKHOFF's 0489 WFB Acct.	On or about October 26, 2012, defendants TAUBER and OBUKHOFF caused Zurich to pay Pacific Hospital $84,631.19 for reimbursement of the claim related to the hospital-billing component of the medical care provided to patient D.S., who defendant OBUKHOFF performed spinal surgery on at Pacific Hospital on or about August 7, 2012, based on a referral from defendant TAUBER.

COUNTS FIFTEEN THROUGH NINETEEN

[18 U.S.C. §§ 1341, 1346, 2(b)]

53. Paragraphs 1 through 30 and 36 through 42 of this Indictment, including all subparagraphs, are re-alleged and incorporated by reference as if fully set forth herein.

A. THE SCHEME TO DEFRAUD

54. Beginning on an unknown date, but no later than in or about May 2008, and continuing through at least in or about April 2013, in Orange and Los Angeles Counties, within the Central District of California, and elsewhere, defendant TAUBER, Drobot Jr., and others known and unknown to the Grand Jury at various times, knowingly and with intent to defraud, devised, participated in, and executed a scheme to defraud patients of their right to honest services of their physicians' performance of duties as treating physicians and medical providers by soliciting, offering, accepting, and paying bribes and kickbacks to induce the referral, purchasing, and/or ordering of Kickback Tainted Ancillary Services to APS and Affiliates.

B. OPERATION OF THE SCHEME TO DEFRAUD

55. The fraudulent scheme operated, in substance, as set forth in paragraph 40 of this Indictment.

C. USE OF THE MAILS

56. On or about the following dates, within the Central District of California, and elsewhere, defendant TAUBER, Drobot Jr., and other co-schemers, for the purpose of executing the above-described scheme to defraud, willfully caused the following items to be placed in a post office and authorized depository for mail matter to be delivered by the Postal Service, as set forth below:

COUNT	APPROXIMATE DATE	MAILING
FIFTEEN	6/27/2012	The mailing of a claim for reimbursement from APS Affiliate B to DOL-OWCP in London, Kentucky for toxicology testing in connection with patient S.G., for whom defendant TAUBER ordered UA/UDT on or about June 26, 2012.
SIXTEEN	11/20/2012	The mailing of a claim for reimbursement from APS Affiliate B to DOL-OWCP in London, Kentucky for toxicology testing for patient L.B., for whom defendant TAUBER caused toxicology testing to be performed on or about November 17, 2012.
SEVENTEEN	11/30/2012	The mailing of a claim for reimbursement from APS Affiliate B to DOL-OWCP in London, Kentucky for toxicology testing in connection with patient H.J., for whom defendant TAUBER ordered UA/UDT on or about November 28, 2012
EIGHTEEN	12/11/2012	The mailing of a claim for reimbursement from APS Affiliate B to DOL-OWCP in London, Kentucky for toxicology testing in connection with patient O.C., for whom defendant TAUBER ordered UA/UDT on or about December 8, 2012.
NINETEEN	12/21/2012	The mailing of a claim for reimbursement from APS Affiliate B to DOL-OWCP in London, Kentucky for toxicology testing in connection with patient R.R., for whom defendant TAUBER ordered UA/UDT on or about December 19, 2012.

COUNTS TWENTY THROUGH TWENTY-TWO

[18 U.S.C. §§ 1343, 1346, 2(b)]

57. Paragraphs 1 through 30 and 36 through 42 of this Indictment, including all subparagraphs, are re-alleged and incorporated by reference as if fully set forth herein.

A. THE SCHEME TO DEFRAUD

58. Beginning on an unknown date, but no later than in or about May 2008, and continuing through at least in or about April 2013, in Orange and Los Angeles Counties, within the Central District of California, and elsewhere, defendant TAUBER, Drobot Jr., and others known and unknown to the Grand Jury at various times, knowingly and with intent to defraud, devised, participated in, and executed a scheme to defraud patients of their right to honest services of their physicians' performance of duties as treating physicians and medical providers by soliciting, offering, accepting, and paying kickbacks and bribes to induce the referral, purchasing, and ordering of Kickback Tainted Ancillary Services to APS and Affiliates.

B. OPERATION OF THE SCHEME TO DEFRAUD

59. The fraudulent scheme operated, in substance, as set forth in paragraph 40 of this Indictment.

C. USE OF INTERSTATE WIRES

60. On or about the following dates, within the Central District of California, and elsewhere, defendant TAUBER, Drobot Jr., and other co-schemers, for the purpose of executing the above-described scheme to defraud, transmitted and caused the transmission of items by means of wire communication in interstate commerce, as set forth below:

COUNT	APPROXIMATE DATE	INTERSTATE WIRE TRANSMISSION
TWENTY	10/17/2012	Interstate wire through Federal Reserve Bank servers in Dallas, Texas, effectuating a transfer of $15,000 from IPM's 2122 City National Acct to defendant TAUBER's 3002 PacWest Bank Acct, in connection with the clearing of a check dated October 10, 2012.
TWENTY-ONE	11/19/2012	Interstate wire through Federal Reserve Bank servers in Dallas, Texas, effectuating a transfer of $15,000 from IPM's 2122 City National Acct to defendant TAUBER's 3002 PacWest Bank Acct, in connection with the clearing of a check dated November 10, 2012.
TWENTY-TWO	12/17/2012	Interstate wire through Federal Reserve Bank servers in Dallas, Texas, effectuating a transfer of $15,000 from IPM's 2122 City National Acct to defendant TAUBER's 3002 PacWest Bank Acct, in connection with the clearing of a check dated December 10, 2012.

COUNTS TWENTY-THREE AND TWENTY-FOUR

[42 U.S.C. § 1320a-7b(b)(1)(A); 18 U.S.C. § 2]

61. Paragraphs 1 through 30 and 33 through 35 of this Indictment, including all subparagraphs, are re-alleged and incorporated by reference as if fully set forth herein.

62. On or about the dates set forth below, in Orange and Los Angeles Counties, within the Central District of California, and elsewhere, defendant TAUBER knowingly and willfully solicited and received, and willfully caused to be solicited and received, remuneration, directly and indirectly, overtly and covertly, in cash and in kind, as identified below, in return for referring patients for the furnishing and arranging for the furnishing of items and services, that is, Kickback Tainted Surgeries and Services at Pacific Hospital, for which payment was made in whole and in part under a Federal health care program, namely, the FECA program:

COUNT	REFERRAL SOURCE / PATIENT	SURGEON / DATE OF SERVICE / KICKBACK TAINTED SURGERY OR SERVICE	REMUNERATION
TWENTY-THREE	Defendant TAUBER / Patient O.C.	Defendant OBUKHOFF / 07/03/2012 / Spinal Surgery	Rent check number 19864, dated June 15, 2012, in the amount of $23,706.80, from PSPM to defendant TAUBER.
TWENTY-FOUR	Defendant TAUBER / Patient M.M.	Defendant OBUKHOFF / 08/02/2013 / Spinal Surgery	Rent check number 14812, dated August 2, 2013, in the amount of $71,120.40, from FMM to defendant TAUBER.

COUNT TWENTY-FIVE

[42 U.S.C. § 1320a-7b(b)(1)(A); 18 U.S.C. § 2]

63. Paragraphs 1 through 30 and 33 through 35 of this Indictment, including all subparagraphs, are re-alleged and incorporated by reference as if fully set forth herein.

64. On or about September 27, 2012, in Orange and Los Angeles Counties, within the Central District of California, and elsewhere, defendant OBUKHOFF knowingly and willfully solicited and received, and willfully caused to be solicited and received, remuneration, directly and indirectly, overtly and covertly, in cash and in kind, namely, check number 20064, in the amount of $80,000, in return for referring patients for the furnishing and arranging for the furnishing of items and services, that is, Kickback Tainted Surgeries and Services at Pacific Hospital, including, a spinal surgery on patient O.C. on or about July 3, 2012, for which payment was made in whole and in part under a Federal health care program, namely, the FECA program.

FORFEITURE ALLEGATION ONE

[18 U.S.C. §§ 982(a)(7), 981(a)(1)(C) and 28 U.S.C. § 2461(c)]

65. Pursuant to Rule 32.2(a), Fed. R. Crim. P., notice is hereby given to defendants TAUBER and OBUKHOFF (collectively, the "defendants") that the United States will seek forfeiture as part of any sentence in accordance with Title 18, United States Code, Sections 982(a)(7) and 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), in the event of any defendant's conviction under Count One or any of Counts Three through Fourteen of this Indictment.

66. Defendants shall forfeit to the United States the following property:

a. all right, title, and interest in any and all property, real or personal, that constitutes or is derived, directly or indirectly, from the gross proceeds traceable to the commission of any offense set forth in Count One or any of Counts Three through Fourteen of this Indictment; and

b. a sum of money equal to the total value of the property described in subparagraph a. If more than one defendant is found guilty under Count One or any of Counts Three through Fourteen of this Indictment, each such defendant found guilty shall be liable for the entire amount forfeited pursuant to that Count.

67. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 982(b), each defendant shall forfeit substitute property, up to the total value of the property described in the preceding paragraph if, as a result of any act or omission of a defendant, the property described in the preceding paragraph, or any portion thereof (a) cannot be located upon the

exercise of due diligence; (b) has been transferred, sold to or deposited with a third party; (c) has been placed beyond the jurisdiction of the Court; (d) has been substantially diminished in value; or (e) has been commingled with other property that cannot be divided without difficulty.

FORFEITURE ALLEGATION TWO

[18 U.S.C. §§ 982(a)(7), 981(a)(1)(C) and 28 U.S.C. § 2461(c)]

68. Pursuant to Rule 32.2(a), Fed. R. Crim. P., notice is hereby given to defendant TAUBER that the United States will seek forfeiture as part of any sentence in accordance with Title 18, United States Code, Sections 982(a)(7) and 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), in the event of defendant TAUBER's conviction under Count Two or any of Counts Fifteen through Twenty-Four of this Indictment.

69. Defendant TAUBER shall forfeit to the United States the following property:

a. all right, title, and interest in any and all property, real or personal, that constitutes or is derived, directly or indirectly, from the gross proceeds traceable to the commission of any offense set forth in Count Two or any of Counts Fifteen through Twenty-Four of this Indictment; and

b. a sum of money equal to the total value of the property described in subparagraph a.

70. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 982(b), defendant TAUBER shall forfeit substitute property, up to the total value of the property described in the preceding paragraph if, as a result of any act or omission of defendant TAUBER, the property described in the preceding paragraph, or any portion thereof (a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to or deposited with a third party; (c) has been placed beyond the jurisdiction of the Court; (d) has been substantially diminished in

value; or (e) has been commingled with other property that cannot be divided without difficulty.

FORFEITURE ALLEGATION THREE

[18 U.S.C. §§ 982(a)(7), 981(a)(1)(C) and 28 U.S.C. § 2461(c)]

71. Pursuant to Rule 32.2(a), Fed. R. Crim. P., notice is hereby given to defendant OBUKHOFF that the United States will seek forfeiture as part of any sentence in accordance with Title 18, United States Code, Sections 982(a)(7) and 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), in the event of defendant OBUKHOFF's conviction under Count Twenty-Five of this Indictment.

72. Defendant OBUKHOFF shall forfeit to the United States the following property:

a. all right, title, and interest in any and all property, real or personal, that constitutes or is derived, directly or indirectly, from the gross proceeds traceable to the commission of any offense set forth in Count Twenty-Five of this Indictment; and

b. a sum of money equal to the total value of the property described in subparagraph a.

73. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 982(b), defendant OBUKHOFF shall forfeit substitute property, up to the total value of the property described in the preceding paragraph if, as a result of any act or omission of defendant OBUKHOFF, the property described in the preceding paragraph, or any portion thereof (a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to or deposited with a third party; (c) has been placed beyond the

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jurisdiction of the Court; (d) has been substantially diminished in value; or (e) has been commingled with other property that cannot be divided without difficulty.

A TRUE BILL

/S/

Foreperson

TRACY L. WILKISON
Attorney for the United States,
Acting Under Authority Conferred
by 28 U.S.C. § 515

LAWRENCE S. MIDDLETON
Assistant United States Attorney
Chief, Criminal Division

DENNISE D. WILLETT
Assistant United States Attorney
Chief, Santa Ana Branch Office

JOSEPH T. MCNALLY
Assistant United States Attorney
Deputy Chief, Santa Ana Branch Office

ASHWIN JANAKIRAM
Assistant United States Attorney
Major Frauds Section

SCOTT D. TENLEY
Assistant United States Attorney
Santa Ana Branch Office

State of California
March Fong Eu
Secretary of State

P.O. Box 2830
Sacramento, CA 95812
Phone: (916) 445-2020

84 123121

FILED
SACRAMENTO, CALIF.
APR 2 '84
March Fong Eu
MARCH FONG EU
SECRETARY OF STATE

STATEMENT BY DOMESTIC STOCK CORPORATION

(THIS STATEMENT MUST BE FILED WITH CALIFORNIA SECRETARY OF STATE (SEC. 1502, CORPORATIONS CODE)

A $5 FILING FEE MUST ACCOMPANY THIS STATEMENT.

WHEN COMPLETING FORM, PLEASE USE BLACK TYPEWRITER RIBBON OR BLACK INK

IMPORTANT — Please Read Instructions On Back Of Form

1. 10725540 DUE DATE 05/31/84 2188S

JACOB E. TAUBER, M.D., A PROFESSIONAL CORPORATION
~~6565 SUNSET BLVD~~
LOS ~~ANGELES~~, CA 90028 See Below

DO NOT ALTER PREPRINTED NAME IF ITEM NO. 1 IS BLANK PLEASE ENTER CORPORATE NAME

DO NOT WRITE IN THIS SPACE

THE CALIFORNIA CORPORATION NAMED HEREIN MAKES THE FOLLOWING STATEMENT

2. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE 9033 Wilshire Bl.	ROOM NO. 401	2A. CITY & STATE Beverly Hills, Ca.	2B. ZIP CODE 90211
3. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA (IF ANY) Same	ROOM NO.	3A. CITY CA	3B. ZIP CODE
4. MAILING ADDRESS Same	ROOM NO.	4A. CITY & STATE	4B. ZIP CODE

THE NAMES OF THE FOLLOWING OFFICERS ARE

5. CHIEF EXECUTIVE OFFICER Jacob E. Tauber, MD.	5A. BUSINESS OR RESIDENCE ADDRESS 9033 Wilshire Bl. #401	5B. CITY & STATE Beverly Hills, Ca.	5C. ZIP CODE 90211
6. SECRETARY Jacob E. Tauber, M.D.	6A. BUSINESS OR RESIDENCE ADDRESS 9033 Wilshire Bl. #401	6B. CITY & STATE Beverly Hills, Ca.	6C. ZIP CODE 90211
7. CHIEF FINANCIAL OFFICER Jacob E. Tauber, M.D	7A. BUSINESS OR RESIDENCE ADDRESS 9033 Wilshire Bl. #401	7B. CITY & STATE Beverly Hills, Ca.	7C. ZIP CODE 90211

INCUMBENT DIRECTORS, INCLUDING DIRECTORS WHO ARE ALSO OFFICERS (Attach supplemental list if necessary)

8. NAME Jacob E. TAUBER, M.D.	8A. BUSINESS OR RESIDENCE ADDRESS 9033 Wilshire Bl. #401	8B. CITY & STATE Beverly Hills, Ca.	8C. ZIP CODE 90211
9. NAME	9A. BUSINESS OR RESIDENCE ADDRESS	9B. CITY & STATE	9C. ZIP CODE
10. NAME	10A. BUSINESS OR RESIDENCE ADDRESS	10B. CITY & STATE	10C. ZIP CODE

11. THE NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY -0-

DESIGNATED AGENT FOR SERVICE OF PROCESS (Only one agent may be named)

12. NAME Jacob E. Tauber, M.D.

13. CALIFORNIA BUSINESS OR RESIDENCE ADDRESS IF AGENT IS AN INDIVIDUAL OR NOT A CORPORATION AUTHORIZED TO ACT AS AGENT FOR SERVICE OF PROCESS IN CALIFORNIA

14. PRINCIPAL BUSINESS ACTIVITY OF THE CORPORATION
Physicians/ Surgeon's Office

15. I DECLARE THAT I HAVE EXAMINED THIS STATEMENT AND TO THE BEST OF MY KNOWLEDGE AND BELIEF IT IS TRUE, CORRECT AND COMPLETE

SIGNATURE OF OFFICER OR AGENT — Chief Exec. Officer — 4/1/84

16. I DECLARE THERE HAS BEEN NO CHANGE IN THE INFORMATION CONTAINED IN THE ARTICLES FILED IN THE SECRETARY OF STATE'S OFFICE (READ INSTRUCTIONS BEFORE COMPLETING THIS ITEM)

Add. change only

(20)

SO-200 (REV 7-83)

State of California
Secretary of State

S

Statement of Information
(Domestic Stock and Agricultural Cooperative Corporations)
FEES (Filing and Disclosure): $25.00.
If this is an amendment, see instructions.
IMPORTANT – READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

FV13509

FILED

In the office of the Secretary of State of the State of California

MAR-07 2018

This Space for Filing Use Only

1. **CORPORATE NAME**
JACOB E. TAUBER, M.D., A PROFESSIONAL CORPORATION

2. **CALIFORNIA CORPORATE NUMBER**
C1072554

No Change Statement (Not applicable if agent address of record is a P.O. Box address. See instructions.)

3. **If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or no statement of information has been previously filed, this form must be completed in its entirety.**
☑ If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed **to Item 17.**

Complete Addresses for the Following (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE	CITY	STATE	ZIP CODE
5. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY	CITY	STATE	ZIP CODE
6. MAILING ADDRESS OF CORPORATION, IF DIFFERENT THAN ITEM 4	CITY	STATE	ZIP CODE

Names and Complete Addresses of the Following Officers (The corporation must list these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

7. CHIEF EXECUTIVE OFFICER/	ADDRESS	CITY	STATE	ZIP CODE
8. SECRETARY	ADDRESS	CITY	STATE	ZIP CODE
9. CHIEF FINANCIAL OFFICER/	ADDRESS	CITY	STATE	ZIP CODE

Names and Complete Addresses of All Directors, Including Directors Who are Also Officers (The corporation must have at least one director. Attach additional pages, if necessary.)

10. NAME	ADDRESS	CITY	STATE	ZIP CODE
11. NAME	ADDRESS	CITY	STATE	ZIP CODE
12. NAME	ADDRESS	CITY	STATE	ZIP CODE

13. NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY:

Agent for Service of Process If the agent is an individual, the agent must reside in California and Item 15 must be completed with a California street address, a P.O. Box address is not acceptable. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 15 must be left blank.

14. NAME OF AGENT FOR SERVICE OF PROCESS

15. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, **IF AN INDIVIDUAL** CITY STATE ZIP CODE

Type of Business

16. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION

17. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE CALIFORNIA SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

DATE	TYPE/PRINT NAME OF PERSON COMPLETING FORM	TITLE	SIGNATURE
03/07/2018	JACOB ERIC TAUBER	PHYSICIAN	