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CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

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8 UNITED STATES DISTRICT COURT
9 FOR THE CENTRAL DISTRICT OF CALIFORNIA
10 January 2014 Grand Jury

11 UNITED STATES OF AMERICA,
12 Plaintiff,
13 v.

CR No. 11-922(B)-DDP

S E C O N D
S U P E R S E D I N G
I N D I C T M E N T

14 ASHOT SANAMIAN,
15 DAVID GARRISON,
16 ELZA BUDAGOVA,
17 THEODORE CHANGKI YOON,
18 PHIC LIM,
19 aka "PK," and
20 PERRY TAN NGUYEN,
21

[21 U.S.C. § 846; Conspiracy to
Distribute Controlled
Substances; 18 U.S.C. § 1349;
Conspiracy to Commit Health Care
Fraud; 31 U.S.C. § 5324(a)(3):
Structuring Financial
Transactions; 18 U.S.C.
§ 1957(a): Transactional Money
Laundering; 18 U.S.C. § 2:
Aiding and Abetting and Causing
an Act to Be Done; and 21 U.S.C.
§ 853; 18 U.S.C. § 981(a)(1)(C);
28 U.S.C. § 2461(c); 18 U.S.C.
§ 982; 31 U.S.C. § 5317:
Forfeiture]

Defendants.

22
23 The Grand Jury charges:

24 GENERAL ALLEGATIONS

25 At all times relevant to this Second Superseding

26 Indictment:

27 The Clinic and its Operations

28 1. Co-Conspirators Mike Mikaelian ("Mikaelian"), and

1 Angelika Sanamian ("Angelika Sanamian"), and others operated a
2 purported medical clinic that did business, at different times,
3 at the following locations: 2120 West 8th Street, Los Angeles,
4 California; 5250 Santa Monica Boulevard, Los Angeles,
5 California; and 13746 Victory Boulevard #106, Van Nuys,
6 California, each within the Central District of California
7 (hereinafter, collectively referred to as the "Clinic").

8 2. The Clinic functioned as a "prescription mill" that
9 generated prescriptions for OxyContin that the Clinic's
10 purported "patients" did not need and submitted claims to
11 Medicare and Medi-Cal for services that were medically
12 unnecessary, not ordered by a doctor and/or not performed.

13 3. The Clinic used patient recruiters, or "Cappers," who
14 brought Medicare beneficiaries, Medi-Cal beneficiaries, and
15 other "patients" to the Clinic (the "recruited patients") in
16 exchange for cash or other inducements.

17 4. At the Clinic, the recruited patients were routinely
18 issued a prescription for 90 pills of OxyContin 80mg strength.

19 5. For many Medicare and Medi-Cal patients, the Clinic
20 also ordered unnecessary medical tests, such as nerve conduction
21 velocity ("NCV") studies, electrocardiograms, ultrasounds, and
22 spirometry (a type of pulmonary test). Some of the tests were
23 performed; others were not. The Clinic further created
24 falsified medical paperwork for Medicare and Medi-Cal patients
25 to provide a false appearance of legitimacy for the Clinic, its
26 OxyContin prescriptions, and its billings to Medicare and Medi-
27 Cal.

28 6. Through a company called A & A Billing Services

1 ("A & A"), owned by defendant ASHOT SANAMIAN and operated by co-
2 conspirator Angelika Sanamian, the Clinic billed Medicare Part B
3 and/or Medi-Cal for unnecessary office visits and tests, and for
4 tests and procedures that were not ordered by a doctor and/or
5 not performed as represented in the claims submitted to Medicare
6 and Medi-Cal.

7 7. After the OxyContin prescriptions were issued,
8 "Runners" employed by the Clinic either took the recruited
9 patients, or only the prescriptions and related documentation,
10 to pharmacies, including pharmacies owned and/or operated by
11 defendants THEODORE CHANGKI YOON ("YOON"), PHIC LIM ("LIM"),
12 also known as ("aka") "PK," PERRY TAN NGUYEN ("NGUYEN"), and co-
13 conspirators Theana Khou ("Khou") and Matthew Cho ("Cho"),
14 which filled the prescriptions. The Runners, rather than the
15 patients, took the OxyContin and delivered it to co-conspirator
16 Mikaelian, who then sold it on the streets.

17 8. For patients who had Medicare prescription drug
18 coverage (Medicare Part D), the pharmacies that dispensed the
19 OxyContin either billed the patient's prescription drug plan
20 ("PDP") for the OxyContin prescriptions they filled or were paid
21 in cash by the Runners and did not bill the PDP.

22 9. The Clinic also generated OxyContin prescriptions in
23 the names of individuals who never visited the Clinic or had
24 visited the Clinic once in the past. In these instances, using
25 falsified patient authorization forms Runners took the
26 prescriptions for these "patients" to the pharmacies and paid
27 the pharmacies in cash for the OxyContin, which they then
28 delivered to co-conspirator Mikaelian for resale on the streets.

1 10. During the Clinic's operation, it diverted more than
2 13,000 bottles of OxyContin. Because the Clinic almost
3 exclusively prescribed 90 quantity pill bottles, more than 1.1
4 million OxyContin pills were diverted during the course of the
5 conspiracy described herein.

6 11. During this same time period, the Clinic and its
7 doctors fraudulently billed Medicare approximately \$4.6 million
8 for medical services and fraudulently billed Medi-Cal
9 approximately \$1.6 million for such services. Medicare Part B
10 paid approximately \$473,595.23 on those claims and Medi-Cal paid
11 approximately \$546,551.00 on those claims. In addition,
12 Medicare Part D and Medicare PDPs paid approximately \$2.7
13 million for OxyContin prescribed by the Clinic and its doctors.

14 12. Defendants LIM and NGUYEN, together with co-
15 conspirator Khou, structured the deposits of cash generated from
16 the sale of OxyContin prescribed by the Clinic and its doctors
17 into their bank accounts by depositing the cash in amounts of
18 \$10,000 or less to evade bank reporting requirements for
19 transactions over \$10,000.

20 13. Co-conspirators Mikaelian and Angelika Sanamian used
21 cash proceeds of the conspiracy to gamble at casinos, to
22 purchase luxury goods, including automobiles and jewelry, and to
23 buy OxyContin.

24 Defendants and Their Co-Conspirators

25 14. Co-conspirator Mikaelian was the administrator of the
26 Clinic and sold the OxyContin obtained via prescriptions issued
27 at the Clinic on the streets.

28 15. Co-conspirator Angelika Sanamian was the manager of

1 the Clinic, as well as the contact person and biller for
2 Medicare and Medi-Cal claims at the Clinic.

3 16. Defendant ASHOT SANAMIAN was a co-owner and CEO of A &
4 A and was also a Runner for the Clinic.

5 17. Co-conspirator Eleanor Santiago, MD ("Santiago") was a
6 medical doctor, licensed to practice medicine in California and
7 authorized to prescribe Schedule II narcotic drugs, who worked
8 at the Clinic throughout its operation. Co-conspirator Santiago
9 was the Medical Director of the Clinic.

10 18. Co-conspirator Dr. H ("Dr. H") was a medical doctor,
11 licensed to practice medicine in California and authorized to
12 prescribe Schedule II narcotic drugs, who worked at the Clinic
13 from in or about late 2008 through in or about August 2010.

14 19. Defendant DAVID GARRISON ("GARRISON") was a
15 physician's assistant, licensed in California, who worked at the
16 Clinic from approximately the summer of 2009 until the Clinic
17 closed in or about August 2010.

18 20. Co-conspirator Julie Shishalovsky ("Shishalovsky")
19 worked at the Clinic as a medical assistant, receptionist, and
20 office manager from the fall of 2008 until the Clinic closed in
21 or about August 2010.

22 21. Defendant ELZA BUDAGOVA ("BUDAGOVA") was a medical
23 assistant at the Clinic from in or about December 2008 until the
24 Clinic closed in or about August 2010. While at the Clinic,
25 defendant BUDAGOVA acted as an unlicensed Physician's Assistant
26 and created medical files for patients purportedly seen by a
27 doctor or a physician's assistant at the Clinic.

28 22. Co-Conspirator Lilit Mekteryan ("Mekteryan") was an

1 ultrasound technician who worked at the Clinic from
2 approximately January 2009 through approximately August 2009.

3 23. Co-Conspirators Edgar Hovannisyan ("Hovannisyan"),
4 Keith Pullam, aka "Keith Pulman," aka "KMAC" ("Pullam"), and
5 Miran Derderian ("Derderian") were Runners for the Clinic during
6 the Clinic's operation.

7 24. Co-conspirators David Smith, aka "Green Eyes"
8 ("Smith"), Pullam, and Rosa Garcia Suarez, aka "Maria"
9 ("Suarez"), were Cappers who recruited patients for the Clinic
10 during the Clinic's operation.

11 25. Defendant YOON was a pharmacist, licensed in
12 California to lawfully dispense prescribed Schedule II narcotic
13 drugs. Defendant YOON was the part-owner, officer, operator of,
14 and/or licensed pharmacist at Gemmel Pharmacy, Inc., including:
15 (1) Gemmel Pharmacy of Cucamonga, located in Rancho Cucamonga,
16 California; (2) Gemmel Pharmacy of Ontario, located in Ontario,
17 California; (3) Gemmel Pharmacy Rancho, located in Rancho
18 Cucamonga, California; (4) East L.A. Health Pharmacy ("East
19 L.A."), located in Los Angeles, California; and (5) B&B Pharmacy
20 ("B&B"), located in Bellflower, California (collectively the
21 "Gemmel Pharmacies"). Defendant YOON also owned and operated
22 Better Value Pharmacy ("Better Value"), located in West Covina
23 California, and Better Care Pharmacy ("Better Care"), located in
24 Van Nuys, California. Defendant YOON filled and caused to be
25 filled prescriptions from the Clinic at the Gemmel Pharmacies,
26 Better Value Pharmacy, and Better Care Pharmacy starting in or
27 about July 2009. Defendant YOON controlled a bank account
28 ending in 5701 at Nara Bank, a domestic financial institution

1 ("Nara Account 1"), from which he withdrew proceeds derived from
2 the sale of OxyContin and transferred them into a Gemmel
3 Pharmacy, Inc. bank account ending in 5471 at Wilshire State
4 Bank, a domestic financial institution ("Wilshire Account 1").

5 26. Defendant LIM was a pharmacist, licensed in California
6 to lawfully dispense prescribed Schedule II narcotic drugs.
7 Defendant LIM was the part-owner, officer, operator of, and/or
8 licensed pharmacist at the Gemmel Pharmacies, from which
9 defendant LIM filled and caused to be filled prescriptions from
10 the Clinic, starting in or about July 2009.

11 27. Defendant LIM and co-conspirator Khou were the owners
12 and operators of Huntington Pharmacy, located in San Marino,
13 California. Defendant LIM filled and caused to be filled
14 prescriptions from the Clinic at Huntington Pharmacy starting in
15 or about July 2009. Defendant LIM and co-conspirator Khou
16 maintained control over accounts at Chase Bank, a domestic
17 financial institution, ending in 0725 ("Chase Account 1"), 8303
18 ("Chase Account 2"), and 2674 ("Chase Account 3"), and at HSBC
19 Bank, a domestic financial institution, ending in 0993 ("HSBC
20 Account 1"), into which defendant LIM and co-conspirator Khou
21 deposited proceeds from the sale of OxyContin.

22 28. Co-conspirator Cho was a pharmacist, licensed in
23 California to lawfully dispense prescribed Schedule II narcotic
24 drugs. Co-conspirator Cho was the part-owner, officer, operator
25 of, and/or licensed pharmacist at the Gemmel Pharmacies, from
26 which Cho filled and caused to be filled prescriptions from the
27 Clinic, starting in or about July 2009.

28 29. Defendant NGUYEN was a pharmacist, licensed in

1 California to lawfully dispense prescribed Schedule II narcotic
2 drugs. Defendant NGUYEN owned and operated St. Paul's Pharmacy
3 ("St. Paul's"), located in Huntington Park, California, from
4 which defendant NGUYEN filled and caused to be filled
5 prescriptions from the Clinic, starting in or about December
6 2008. Defendant NGUYEN controlled bank accounts at Bank of
7 America, a domestic financial institution, ending in 1213 ("Bank
8 of America Account 1") and 1025 ("Bank of America Account 2"),
9 into which defendant NGUYEN deposited proceeds from the sale of
10 OxyContin.

11 30. Co-Conspirator Tran was a pharmacist, licensed in
12 California to lawfully dispense prescribed Schedule II narcotic
13 drugs. Co-Conspirator Tran owned and operated Mission Pharmacy
14 ("Mission"), located in Panorama City and Fountain Valley,
15 California, from which Tran filled and caused to be filled
16 prescriptions from the Clinic, starting in or about August 2008.

17 OxyContin and CURES Data

18 31. OxyContin was a brand name for the generic drug
19 oxycodone, a Schedule II narcotic drug, and was manufactured by
20 Purdue Pharma L.P. ("Purdue") in Connecticut.

21 32. Purdue manufactured OxyContin in a controlled release
22 pill form in 10mg, 15mg, 20mg, 30mg, 40mg, 60mg, 80mg, and 160mg
23 doses. The 80mg pill was one of the strongest strength of
24 OxyContin produced in prescription form for the relevant period.

25 33. The dispensing of all Schedule II narcotic drugs was
26 monitored by law enforcement through the Controlled Substance
27 Utilization Review & Evaluation System ("CURES"). Pharmacies
28 dispensing Schedule II narcotic drugs were required to self-

1 report when such drugs were dispensed.

2 34. Based on CURES data, from in or about August 2008 to
3 in or about August 2010, purported medical professionals working
4 at the Clinic prescribed OxyContin over 13,000 times,
5 approximately 99% of which were for 80mg doses.

6 35. During this same time period, co-conspirator Santiago
7 prescribed OxyContin more than 6,151 reported times, and co-
8 conspirator Dr. H prescribed OxyContin more than 2,301 reported
9 times.

10 36. Based on CURES data, from in or about August 2008 to
11 in or about August 2010, the Gemmel Pharmacies, Better Value
12 Pharmacy, Better Care Pharmacy, Huntington Pharmacy, St. Paul's
13 Pharmacy, and Mission Pharmacy (collectively, the "Subject
14 Pharmacies") dispensed more than 9,706 of the Clinic doctors'
15 reported prescriptions for OxyContin, or approximately 74% of
16 the total number of prescriptions issued from the Clinic. The
17 Clinic prescriptions made up approximately 51% of the Subject
18 Pharmacies' 80mg OxyContin sales.

19 The Medicare Program

20 37. Medicare was a federal health care benefit program,
21 affecting commerce, that provided benefits to persons who were
22 over the age of 65 or disabled. Medicare was administered by
23 the Centers for Medicare and Medicaid Services ("CMS"), a
24 federal agency under the United States Department of Health and
25 Human Services ("HHS"). Individuals who received benefits under
26 Medicare were referred to as Medicare "beneficiaries."

27 Medicare Part B

28 38. Medicare Part B covered, among other things, medically

1 necessary physician services and medically necessary outpatient
2 tests ordered by a physician.

3 39. Health care providers, including doctors and clinics,
4 could receive direct reimbursement from Medicare by applying to
5 Medicare and receiving a Medicare provider number. By signing
6 the provider application, the doctor agreed to abide by Medicare
7 rules and regulations, including the Anti-Kickback Statute (42
8 U.S.C. § 1320a-7b(b)), which prohibits the knowing and willful
9 payment of remuneration for the referral of Medicare patients.

10 40. To obtain payment for Part B services, an enrolled
11 physician or clinic, using its Medicare provider number, would
12 submit claims to Medicare, certifying that the information on
13 the claim form was truthful and accurate and that the services
14 provided were reasonable and necessary to the health of the
15 Medicare beneficiary.

16 41. Medicare Part B generally paid 80% of the Medicare
17 allowed amount for physician services and outpatient tests. The
18 remaining 20% was a co-payment for which the Medicare
19 beneficiary or a secondary insurer was responsible.

20 Medicare Part D

21 42. Medicare Part D provided coverage for outpatient
22 prescription drugs through qualified private insurance plans
23 that receive reimbursement from Medicare. Beneficiaries
24 enrolled under Medicare Part B could obtain Part D benefits by
25 enrolling with any one of many qualified PDPs.

26 43. To obtain payment for prescription drugs provided to
27 such Medicare beneficiaries, pharmacies would submit their
28 claims for payment to the beneficiary's PDP. The beneficiary

1 would be responsible for any deductible or co-payment required
2 under his PDP.

3 44. Medicare PDPs, including those offered by
4 UnitedHealthcare Insurance Company, Health Net Life Insurance
5 Company, Anthem Insurance Companies, and Unicare Life and Health
6 Insurance Company, are health care benefit programs, affecting
7 commerce, under which outpatient prescription drugs are provided
8 to Medicare beneficiaries.

9 45. Medicare PDPs commonly provided plan participants with
10 identification cards for use in obtaining prescription drugs.

11 The Medi-Cal Program

12 46. Medi-Cal was a health care benefit program, affecting
13 commerce, that provided reimbursement for medically necessary
14 health care services to indigent persons in California. Funding
15 for Medi-Cal was shared between the federal government and the
16 State of California.

17 47. The California Department of Health Care Services
18 ("CAL-DHCS") administered the Medi-Cal program. CAL-DHCS
19 authorized provider participation, determined beneficiary
20 eligibility, issued Medi-Cal cards to beneficiaries, and
21 promulgated regulations for the administration of the program.

22 48. Individuals who qualified for Medi-Cal benefits were
23 referred to as "beneficiaries."

24 49. Medi-Cal reimbursed physicians and other health care
25 providers for medically necessary treatment and services
26 rendered to Medi-Cal beneficiaries.

27 50. Health care providers, including doctors and
28 pharmacies, could receive direct reimbursement from Medi-Cal by

1 applying to Medi-Cal and receiving a Medi-Cal provider number.

2 51. To obtain payment for services, an enrolled provider,
3 using its unique provider number, would submit claims to Medi-
4 Cal certifying that the information on the claim form was
5 truthful and accurate and that the services provided were
6 reasonable and necessary to the health of the Medi-Cal
7 beneficiary.

8 52. Medi-Cal provided coverage for the cost of some
9 prescription drugs, but Medi-Cal required preauthorization in
10 order to pay for oxycodone.

11 53. Medi-Cal provided coverage for medically necessary
12 ultrasound tests ordered by a physician, but it would not pay
13 separately for both an upper extremity study (ultrasound) and a
14 lower extremity study (ultrasound) performed on the same day.

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COUNT ONE

[21 U.S.C. § 846]

54. The Grand Jury hereby repeats and re-alleges paragraphs 1 through 53 of this Second Superseding Indictment, as though fully set forth herein.

A. OBJECT OF THE CONSPIRACY

55. Beginning in or about August 2008, and continuing until in or about August 2010, within the Central District of California and elsewhere, defendants ASHOT SANAMIAN, GARRISON, BUDAGOVA, YOON, LIM, and NGUYEN, along with co-conspirators Mikaelian, Angelika Sanamian, Santiago, Dr. H, Hovannisyan, Pullam, Derderian, Khou, Cho, Tran, and Smith, and others known and unknown to the Grand Jury, conspired and agreed with each other to knowingly and intentionally distribute and divert oxycodone in the form of OxyContin, a Schedule II narcotic drug, outside the course of usual medical practice and for no legitimate medical purpose, in violation of 21 U.S.C. §§ 841(a)(1) and 841(b)(1)(C).

B. MEANS BY WHICH THE OBJECT OF THE CONSPIRACY WAS TO BE ACCOMPLISHED

56. The object of the conspiracy was to be accomplished in substance as set forth in paragraphs 1-13 above and as follows:

a. Co-conspirators Pullam, Suarez, Smith, and other Cappers, would recruit Medicare and Medi-Cal beneficiaries and other individuals to go to the Clinic by promises of cash, free medical care, or medications, and other inducements.

b. Once the recruited patients were at the Clinic, co-conspirators Pullam, Suarez, Smith, and others would instruct

1 the patients to sign intake forms provided at the Clinic and
2 indicate that they suffered from various medical ailments. In
3 many cases, the recruited patients would sign such forms without
4 completing them.

5 c. In some cases, the recruited patients would sign
6 forms authorizing the Clinic to obtain prescribed medications
7 from pharmacies for them and to do so without their presence.

8 d. After a recruited Medicare or Medi-Cal patient
9 signed the forms, defendants GARRISON and BUDAGOVA, together
10 with co-conspirators Santiago, Dr. H, or another individual
11 working at the Clinic, would meet briefly with the patient and
12 issue a prescription for 90 pills of OxyContin 80mg strength,
13 regardless of the patient's medical condition or history.

14 e. Defendants GARRISON, BUDAVOGA, and co-
15 conspirators Santiago and Dr. H would write medical notes in the
16 recruited patients' medical files indicating that the recruited
17 patients required OxyContin for pain, when in fact, as these
18 defendants then well knew, there was no medical necessity
19 justifying the use of OxyContin by these recruited patients.

20 f. Defendants GARRISON, BUDAGOVA, and co-
21 conspirators Santiago and Dr. H, would also write and/or sign
22 prescriptions for Oxycontin for recruited patients who did not
23 have Medicare or Medi-Cal coverage ("cash patients") and for
24 patients who never actually visited the Clinic or had not
25 visited the Clinic on the dates recorded in the medical records,
26 in some cases pre-signing such prescriptions. In some
27 instances, the cash patients were individuals whose identities
28 had been stolen.

1 g. Defendants GARRISON, BUDAGOVA, and co-
2 conspirators Santiago and Dr. H, would also write and/or sign
3 medical notes indicating that cash patients had been examined at
4 the Clinic and required OxyContin for medical treatment, when in
5 fact, as defendants GARRISON, BUDAGOVA, and co-conspirators
6 Santiago and Dr. H, then well knew, the patients had not been
7 seen at the Clinic on the date written in the medical notes
8 and/or there was no medical basis supporting the prescriptions
9 of OxyContin for these individuals.

10 h. On many occasions, one or more unknown co-
11 conspirators would forge cash patients' signatures on forms
12 authorizing the Clinic to obtain prescribed medications from
13 pharmacies for them, without their presence, or forge
14 documentation indicating when the patient had been seen by a
15 licensed medical professional. These forms were maintained in
16 the cash patient files at the Clinic.

17 i. Defendants ASHOT SANAMIAN, and co-conspirators
18 Hovannisyan, Pullam, Derderian, and other Runners, would take
19 recruited patients and signed authorization forms, along with
20 the OxyContin prescriptions, to the Subject Pharmacies as well
21 as other pharmacies.

22 j. Defendants YOON, LIM, NGUYEN, co-conspirators
23 Cho, Tran, and others known and unknown to the Grand Jury, would
24 dispense or cause to be dispensed the OxyContin to defendant
25 ASHOT SANAMIAN, co-conspirators Hovannisyan, Derderian, and
26 other Runners, or to the recruited patients, who would in turn
27 give the OxyContin to the Runners.

28 k. For cash patients, patients who had Medi-Cal

1 only, and, in many instances, patients who had Medicare Part D
2 coverage, defendant ASHOT SANAMIAN, co-conspirators Hovannisyan,
3 Derderian, and other Runners would pay the Subject Pharmacies
4 the retail price of the OxyContin, approximately \$900-\$1300 per
5 prescription, in cash. For some Medicare Part D patients,
6 pharmacists dispensed the OxyContin, including defendants YOON,
7 LIM, NGUYEN, and co-conspirator Cho, and the Subject Pharmacies
8 billed the patients' PDP. For those patients, defendant ASHOT
9 SANAMIAN, co-conspirators Hovannisyan, Derderian, and the other
10 Runners would either pay the co-payment amount or obtain the
11 OxyContin without charge.

12 l. Clinic employees, including co-conspirators
13 Mikaelian and Angelika Sanamian were also prescribed OxyContin
14 by the Clinic's doctors and these prescriptions were filled by
15 paying cash at the Subject Pharmacies.

16 m. However, to conceal the full extent of their
17 OxyContin sales, the Subject Pharmacies would not always bill
18 the PDP and would not report all the OxyContin prescriptions
19 issued by the Clinic to CURES.

20 n. Once the OxyContin was dispensed, defendants
21 ASHOT SANAMIAN, YOON, co-conspirators Derderian, Hovannisyan,
22 Pullam, and others known and unknown to the Grand Jury would
23 give the OxyContin to co-conspirator Mikaelian.

24 o. Co-conspirator Mikaelian and others known and
25 unknown to the Grand Jury would then sell the OxyContin for
26 between approximately \$23 and \$27 per pill.

27 p. To dispose of cash proceeds generated from the
28 sales of OxyContin without drawing scrutiny, defendant YOON

1 deposited and caused to be deposited proceeds from the sales of
2 OxyContin into bank accounts in amounts less than \$10,000 and,
3 for at least one account then transferred the money into a
4 Gemmel Pharmacy, Inc. bank account at a different bank.

5 q. To dispose of cash proceeds generated from the
6 proceeds of OxyContin without drawing scrutiny, defendant LIM,
7 co-conspirator Khou, and defendant NGUYEN, would structure
8 deposits of cash proceeds from the sale of OxyContin by
9 regularly depositing the cash proceeds in amounts of \$10,000 or
10 less to evade bank reporting requirements.

11 r. Co-conspirators Mikaelian and Angelika Sanamian
12 would use proceeds from the sale of OxyContin to gamble at
13 casinos, to purchase automobiles and jewelry, and to buy more
14 OxyContin.

15 C. OVERT ACTS

16 57. In furtherance of the conspiracy, and to accomplish
17 its object, defendants ASHOT SANAMIAN, GARRISON, BUDAGOVA, YOON,
18 LIM, and NGUYEN, along with co-conspirators Mikaelian, Angelika
19 Sanamian, Santiago, Dr. H, Derderian, Hovannisyan, Pullam, Cho,
20 Khou, Tran, and Smith, together with others known and unknown to
21 the Grand Jury, committed and willfully caused others to commit
22 the following overt acts, among others, in the Central District
23 of California and elsewhere:

24 Co-Conspirator Mikaelian

25 Overt Act No. 1: On or about November 2, 2009, co-
26 conspirator Mikaelian knowingly diverted and sold 17 bottles of
27 OxyContin 80mg (approximately 1530 pills) to a confidential
28 government informant ("CI-1").

1 Overt Act No. 2: On or about December 10, 2009, co-
2 conspirator Mikaelian knowingly diverted and sold five bottles
3 of OxyContin 80mg (approximately 450 pills) to CI-1.

4 Overt Act No. 3: On or about December 5, 2009, co-
5 conspirator Mikaelian inserted approximately \$31,300 in cash
6 into slot machines at San Manuel Bingo & Casino in Highland,
7 California.

8 Overt Act No. 4: On or about January 18, 2010, co-
9 conspirator Mikaelian inserted approximately \$33,400 in cash
10 into slot machines at San Manuel Bingo & Casino in Highland,
11 California.

12 Overt Act No. 5: On or about February 10, 2010, co-
13 conspirator Mikaelian inserted approximately \$24,820 in cash
14 into slot machines at San Manuel Bingo & Casino in Highland,
15 California.

16 Co-Conspirator Angelika Sanamian

17 Overt Act No. 6: On or about November 21, 2008, co-
18 conspirator Angelika Sanamian obtained a Clinic prescription for
19 OxyContin for herself and caused St. Paul's Pharmacy to dispense
20 90 pills of OxyContin 80 mg on that prescription.

21 Overt Act No. 7: On or about April 4, 2009, co-conspirator
22 Angelika Sanamian obtained a Clinic prescription for OxyContin
23 for herself and caused Mission Pharmacy to dispense 90 pills of
24 OxyContin 80 mg on that prescription.

25 Overt Act No. 8: On or about February 10, 2010, co-
26 conspirator Angelika Sanamian inserted approximately \$11,000 in
27 cash into slot machines at San Manuel Bingo & Casino in
28 Highland, California.

1 Overt Act No. 9: On or about February 26, 2010, co-
2 conspirator Angelika Sanamian inserted approximately \$50,540 in
3 cash into slot machines at Wynn Las Vegas in Las Vegas, Nevada.

4 DEFENDANT ASHOT SANAMIAN

5 Overt Act No. 10: On or about June 16, 2009, defendant
6 ASHOT SANAMIAN obtained 90 pills of OxyContin 80mg from Pacific
7 Side Pharmacy, in Huntington Beach, California, in the name of
8 recruited patient A.D.

9 Overt Act No. 11: On or about June 16, 2009, defendant
10 ASHOT SANAMIAN obtained 90 pills of OxyContin 80mg from Med
11 Center Pharmacy, in Van Nuys, California, in the name of
12 recruited patient D.A.

13 Overt Act No. 12: On or about September 18, 2009,
14 defendant ASHOT SANAMIAN paid approximately \$1,290 to Colonial
15 Pharmacy for 90 pills labeled OxyContin 80mg in the name of
16 recruited patient J.T.

17 Overt Act No. 13: On or about September 18, 2009,
18 defendant ASHOT SANAMIAN obtained 90 pills labeled OxyContin
19 80mg from Huntington Pharmacy in San Marino, California, in the
20 name of recruited patient D.O.

21 Overt Act No. 14: On or about September 18, 2009,
22 defendant ASHOT SANAMIAN obtained 90 pills of OxyContin 80mg
23 from Huntington Pharmacy, San Marino, California, in the name of
24 recruited patient A.A.

25 Co-Conspirator Santiago

26 Overt Act No. 15: On or about December 16, 2008, co-
27 conspirator Santiago issued a prescription for 90 pills of
28 OxyContin 80mg in the name of recruited patient R.H.

1 Overt Act No. 16: On or about March 26, 2009, co-
2 conspirator Santiago allowed a prescription for 90 pills of
3 OxyContin 80mg in the name of recruited patient A.A. to be
4 issued in co-conspirator Santiago's name and thereafter signed
5 the patient's chart.

6 DEFENDANT GARRISON

7 Overt Act No. 17: On or about March 3, 2009, defendant
8 GARRISON wrote medical notes in co-conspirator Derderian's
9 medical chart and prescribed, under co-conspirator Santiago's
10 prescription, 90 pills of OxyContin 80mg in co-conspirator
11 Derderian's name.

12 Overt Act No. 18: On or about March 26, 2009, defendant
13 GARRISON wrote medical notes in recruited patient A.A.'s medical
14 chart and prescribed, under co-conspirator Santiago's
15 prescription, 90 pills of OxyContin 80mg in the name of
16 recruited patient A.A.

17 Overt Act No. 19: On or about May 18, 2009, defendant
18 GARRISON wrote medical notes in recruited patient R.H.'s medical
19 chart and prescribed, under co-conspirator Santiago's
20 prescription, 90 pills of OxyContin 80mg in the name of
21 recruited patient R.H.

22 Overt Act No. 20: On or about August 3, 2009, defendant
23 GARRISON wrote medical notes in recruited patient V.F.'s medical
24 chart and prescribed, under co-conspirator Santiago's
25 prescription, 90 pills of OxyContin 80mg in the name of
26 recruited patient V.F.

27 Overt Act No. 21: On or about January 13, 2010, defendant
28 GARRISON saw recruited patient C.P. and prescribed, under a

1 Clinic doctor's prescription, 90 pills of OxyContin 80mg in the
2 name of recruited patient C.P.

3 Co-Conspirator Dr. H

4 Overt Act No. 22: On or about April 16, 2009, co-
5 conspirator Dr. H issued a prescription of 90 pills of OxyContin
6 80mg in the name of recruited patient G.G.

7 Overt Act No. 23: On or about June 23, 2009, co-
8 conspirator Dr. H issued a prescription of 90 pills of OxyContin
9 80mg in the name of recruited patient G.G.

10 Overt Act No. 24: On or about July 14, 2009, co-
11 conspirator Dr. H issued a prescription of 90 pills of OxyContin
12 80mg in the name of recruited patient G.G.

13 Co-Conspirator Hovannisyan

14 Overt Act No. 25: On or about September 28, 2009, co-
15 conspirator Hovannisyan picked up OxyContin at Mission Pharmacy
16 and delivered the OxyContin to co-conspirator Mikaelian.

17 Overt Act No. 26: On or about September 28, 2009, co-
18 conspirator Hovannisyan picked up OxyContin at Avalon Pharmacy
19 in Wilmington, California, and delivered the OxyContin to co-
20 conspirator Mikaelian.

21 Overt Act No. 27: On or about October 26, 2009, co-
22 conspirator Hovannisyan picked up OxyContin dispensed in the
23 names of recruited Clinic patients at Better Value Pharmacy, in
24 West Covina, California, and delivered the OxyContin to co-
25 conspirator Mikaelian.

26 Overt Act No. 28: On a date unknown, but between in and
27 about September 2008, and in and about May 2009, co-Conspirator
28 Hovannisyan accompanied recruited patients to a pharmacy in

1 order to obtain OxyContin.

2
3 Co-Conspirator Derderian

4 Overt Act No. 29: On a date unknown, but between in or
5 about September 2008, and in or about May 2009, co-conspirator
6 Derderian accompanied recruited patients to a pharmacy in order
7 to obtain OxyContin.

8 Co-Conspirator Pullam

9 Overt Act No. 30: On or about December 8, 2008, co-
10 conspirator Pullam obtained a prescription in his own name for
11 90 pills of OxyContin 80mg from co-conspirator Santiago.

12 Overt Act No. 31: On or about January 7, 2009, co-
13 conspirator Pullam obtained a prescription in his own name for
14 90 pills of OxyContin 80mg strength from co-conspirator
15 Santiago.

16 Overt Act No. 32: On or about January 13, 2010, co-
17 conspirator Pullam paid recruited patient C.P. \$300 for 90 pills
18 of OxyContin 80mg.

19 Co-Conspirator Smith

20 Overt Act No. 33: On or about January 13, 2010, co-
21 conspirator Smith offered to pay recruited patient C.P. \$500 to
22 obtain a prescription for OxyContin using patient C.P.'s
23 Medicare Part D coverage.

24 Overt Act No. 34: On or about January 13, 2010, co-
25 conspirator Smith wrote "back pain" on recruited patient C.P.'s
26 medical intake form at the Clinic.

27 Overt Act No. 35: On or about June 18, 2009, co-
28 conspirator Smith offered to pay recruited patient E.D. \$30 to

1 go to the Clinic and receive a prescription for OxyContin.

2 Overt Act No. 36: On or about December 16, 2008, co-
3 conspirator Smith offered to pay recruited patient R.H. between
4 \$50 and \$100 to go to the Clinic and receive a prescription for
5 OxyContin.

6 DEFENDANT BUDAGOVA

7 Overt Act Nos. 37-41: On or about July 6, 2009, August 5,
8 2009, September 1, 2009, September 29, 2009, and October 19,
9 2009, defendant BUDAGOVA wrote fabricated information in
10 recruited patient L.H.'s medical chart.

11 Overt Act Nos. 42-43: On or about April 6, 2009, and
12 August 20, 2009, defendant BUDAGOVA wrote fabricated information
13 in recruited patient R.H.'s medical chart.

14 Overt Act Nos. 44-46: On or about June 16, 2009, July 27,
15 2009, and August 24, 2009, defendant BUDAGOVA wrote fabricated
16 information in recruited patient G.M.'s medical chart.

17 Overt Act Nos. 47-48: On or about September 14, 2009, and
18 October 13, 2009, defendant BUDAGOVA wrote fabricated
19 information in recruited patient E.D.'s medical chart.

20 DEFENDANT YOON

21 Overt Act No. 49: On or about June 28, 2009, defendant
22 YOON dispensed or caused to be dispensed 90 pills of OxyContin
23 80mg in the name of recruited patient G.G.

24 Overt Act No. 50: Between on or about June 30, 2009, and
25 on or about October 19, 2009, defendant YOON dispensed or caused
26 to be dispensed five bottles of 90 pills each of OxyContin 80mg
27 to co-conspirator Mikaelian.

28 Overt Act No. 51: Between on or about August 30, 2009, and

1 on or about September 17, 2009, defendant YOON dispensed or
2 caused to be dispensed three bottles of 90 pills each of
3 OxyContin 80mg to co-conspirator Smith.

4 Overt Act No. 52: Between on or about September 18, 2009,
5 and on or about December 23, 2009, defendant YOON dispensed or
6 caused to be dispensed four bottles of 90 pills each of
7 OxyContin 80mg in the name of recruited patient E.D.

8 Overt Act No. 53: On or about November 11, 2009, defendant
9 YOON knowingly dispensed or caused to be dispensed 90 pills each
10 of OxyContin 80mg to co-conspirator Mekteryan.

11 Overt Act No. 54: On or about November 12, 2009, defendant
12 YOON dispensed or caused to be dispensed 90 pills each of
13 OxyContin 80mg to co-conspirator Hovannisyan.

14 Overt Act No. 55: On or about September 14, 2009,
15 defendant YOON wrote check number 10004 payable to Gemmel
16 Pharmacy, Inc. in the amount of \$28,000 from Nara Account 1.

17 Overt Act No. 56: On or about September 14, 2009,
18 defendant YOON deposited or caused to be deposited check number
19 10004 payable to Gemmel Pharmacy, Inc. in the amount of \$28,000
20 from Nara Account 1 into Wilshire Account 1.

21 Overt Act No. 57: On or about September 22, 2009,
22 defendant YOON wrote check number 10001 payable to Gemmel
23 Pharmacy, Inc. in the amount of \$14,000 from Nara Account 1.

24 Overt Act No. 58: On or about September 22, 2009, defendant
25 YOON deposited or caused to be deposited check number 10001
26 payable to Gemmel Pharmacy, Inc. in the amount of \$14,000 from
27 Nara Account 1 into Wilshire Account 1.

28 Overt Act No. 59: On or about October 22, 2009, defendant

1 YOON wrote check number 10005 payable to Gemmel Pharmacy, Inc.
2 in the amount of \$17,000 from Nara Account 1.

3 Overt Act No. 60: On or about October 23, 2009, defendant
4 YOON deposited or caused to be deposited check number 10005
5 payable to Gemmel Pharmacy, Inc. in the amount of \$17,000 from
6 Nara Account 1 into Wilshire Account 1.

7 Overt Act Nos. 61-62: On or about April 27, 2010, and
8 August 18, 2010, defendant YOON dispensed or caused to be
9 dispensed two bottles of OxyContin 80mg in the name of recruited
10 patient A.G.

11 DEFENDANT LIM

12 Overt Act Nos. 63-65: On or about July 17, 2009, August
13 21, 2009, and September 18, 2009, defendant LIM dispensed or
14 caused to be dispensed three bottles of 90 pills each of
15 OxyContin 80mg in the name of recruited patient G.G.

16 Overt Act Nos. 66-67: On or about July 27, 2009, and
17 September 18, 2009, defendant LIM dispensed or caused to be
18 dispensed two bottles of 90 pills each of OxyContin 80mg in the
19 name of recruited patient A.A.

20 Overt Act Nos. 68-69: On or about July 28, 2009, and
21 September 18, 2009, defendant LIM dispensed or caused to be
22 dispensed two bottles of 90 pills each of OxyContin 80mg in the
23 name of recruited patient D.O.

24 Overt Act No. 70: On or about November 27, 2009, defendant
25 LIM dispensed or caused to be dispensed 90 pills of OxyContin
26 80mg in the name of recruited patient D.P.

27 Overt Act No. 71: On or about April 16, 2010, defendant
28 LIM dispensed or caused to be dispensed one bottle of 90 pills

1 of OxyContin 80mg in the name of recruited patient K.A.

2
3 Co-Conspirator Khou

4 Overt Act No. 72: On or about August 5, 2009, co-
5 conspirator Khou made or caused three separate deposits of cash
6 in the amounts \$2,377, \$8,000, and \$8,040 into Chase Account 1.

7 Overt Act No. 73: On or about August 6, 2009, co-
8 conspirator Khou made or caused three separate deposits of cash
9 in the amounts of \$2,000, \$2,726, and \$8,000 into Chase Account
10 1.

11 Overt Act No. 74: On or about September 5, 2009, co-
12 conspirator Khou made or caused four separate deposits of cash
13 in the amounts of \$3,741 and \$9,000 into Chase Account 1, \$9,000
14 into Chase Account 2, and \$7,000 into Chase Account 3.

15 Overt Act No. 75: On or about September 24, 2009, co-
16 conspirator Khou made or caused two separate deposits of cash in
17 the amounts of \$9,000 into Chase Account 1 and \$9,000 into Chase
18 Account 2.

19 Overt Act No. 76: On or about September 25, 2009, co-
20 conspirator Khou deposited or caused to be deposited cash in the
21 amount of \$9,000 into Chase Account 1.

22 Overt Act No. 77: On or about September 26, 2009, co-
23 conspirator Khou made or caused three separate cash deposits in
24 the amounts of \$4,000 and \$4,320 into Chase Account 1 and \$9,000
25 into Chase Account 2.

26 Overt Act No. 78: On or about October 13, 2009, co-
27 conspirator Khou deposited or caused to be deposited cash in the
28 amount of \$9,000 into HSBC Account 1.

1 Overt Act No. 79: On or about October 14, 2009, co-
2 conspirator Khou deposited or caused to be deposited cash in the
3 amount of \$9,000 into HSBC Account 1.

4 Overt Act No. 80: On or about October 15, 2009, co-
5 conspirator Khou deposited or caused to be deposited cash in the
6 amount of \$9,000 into HSBC Account 1.

7 Overt Act No. 81: On or about October 16, 2009, co-
8 conspirator Khou deposited or caused to be deposited cash in the
9 amount of \$9,800 into HSBC Account 1.

10 Co-Conspirator Cho

11 Overt Act Nos. 82-86: On or about July 15, 2009, August
12 11, 2009, August 21, 2009, September 18, 2009, and November 18,
13 2009, co-conspirator Cho dispensed or caused to be dispensed
14 five bottles of 90 pills each of OxyContin 80mg strength to
15 recruited patient R.H.

16 Overt Act Nos. 87-91: On or about July 6, 2009, August 6,
17 2009, September 1, 2009, September 28, 2009, and November 18,
18 2009, co-conspirator Cho dispensed or caused to be dispensed
19 five bottles of 90 pills each of OxyContin 80mg strength to
20 recruited patient J.M.

21 Overt Act Nos. 92-96: On or about July 10, 2009, August 6,
22 2009, September 1, 2009, September 28, 2009, and November 18,
23 2009, co-conspirator Cho dispensed or caused to be dispensed
24 five bottles of 90 pills each of OxyContin 80mg to recruited
25 patient T.M.

26 Overt Act No. 97: On or about August 18, 2009, co-
27 conspirator Cho dispensed or caused to be dispensed one bottle
28 of 90 pills each of OxyContin 80mg strength to recruited patient.

1 E.D.

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3 DEFENDANT NGUYEN

4 Overt Act No. 98: On or about November 21, 2008, defendant
5 NGUYEN dispensed or caused to be dispensed 90 pills of OxyContin
6 80mg to co-conspirator Mikaelian.

7 Overt Act No. 99: On or about November 21, 2008, defendant
8 NGUYEN dispensed or caused to be dispensed 90 pills of OxyContin
9 80mg to co-conspirator Angelika Sanamian.

10 Overt Act Nos. 100-104: On or about March 20, 2009, April
11 16, 2009, June 23, 2009, July 16, 2009, and August 27, 2009,
12 defendant NGUYEN dispensed or caused to be dispensed five
13 bottles of 90 pills of OxyContin 80mg to recruited patient G.G.

14 Overt Act No. 105: On or about January 28, 2009,
15 defendant NGUYEN made or caused two separate deposits of cash in
16 the amount of \$10,000 into Bank of America Account 1 and \$10,000
17 into Bank of America Account 2.

18 Overt Act No. 106: On or about August 19, 2009, defendant
19 NGUYEN made or caused two separate deposits of cash in the
20 amounts \$9,000 and \$10,000 into Bank of America Account 1.

21 Co-Conspirator Tran

22 Overt Act No. 107: On or about December 4, 2008, co-
23 conspirator Tran dispensed or caused to be dispensed 90 pills of
24 OxyContin 80mg to recruited patient B.H.

25 Overt Act Nos. 108-111: On or about March 26, 2009, May
26 30, 2009, June 25, 2009, and July 17, 2009, co-conspirator Tran
27 dispensed or caused to be dispensed four bottles of 90 pills
28 each of OxyContin 80mg strength to co-conspirator Hovannisyan.

1 Overt Act Nos. 112-114: On or about November 8, 2008,
2 April 4, 2009, and July 2, 2009, co-conspirator Tran dispensed
3 or caused to be dispensed three bottles of 90 pills each of
4 OxyContin 80mg to co-conspirator Angelika Sanamian.

5 Overt Act Nos. 115-116: On or about December 19, 2008 and
6 April 6, 2009, co-conspirator Tran dispensed or caused to be
7 dispensed two bottles of 90 pills each of OxyContin 80mg to co-
8 conspirator Mikaelian.

9 Overt Act No. 117: On or about April 2, 2009, defendant
10 TRAN dispensed or caused to be dispensed one bottle of 90 pills
11 of OxyContin 80mg to co-conspirator Derderian.

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1 c. The provider applications would designate co-
2 conspirator Angelika Sanamian as the contact person and A & A as
3 the billing entity for co-conspirator Santiago and other Clinic
4 doctors.

5 d. Co-conspirator Santiago and others at the Clinic
6 would write orders for unnecessary medical tests and procedures
7 for the recruited patients who were Medicare and Medi-Cal
8 beneficiaries.

9 e. Unknown individuals at the Clinic would perform
10 tests on recruited patients before any medical examination was
11 conducted or following a cursory examination that did not
12 provide a basis for performing the tests.

13 f. Co-conspirator Mekteryan would perform
14 unnecessary ultrasound tests on recruited patients.

15 g. Defendant BUDAGOVA, and co-conspirators Angelika
16 Sanamian, Mekteryan and Shishalovsky, would create false
17 clinical records to make it appear as if legitimate and
18 necessary medical services had been performed on the recruited
19 patients.

20 h. Co-conspirator Angelika Sanamian, through A & A,
21 would submit false and fraudulent claims to Medicare and Medi-
22 Cal related to the recruited patients for medical services that
23 were not medically necessary and/or not performed as represented
24 in the claims, including:

25 i. Claims for office visits with physicians
26 that either did not take place or were shorter and more
27 superficial than represented in the claims;

28 ii. Claims for NCVs, electrocardiograms,

1 ultrasounds, and other tests and procedures that were not in
2 fact performed:

3 iii. Claims for ultrasounds purportedly performed
4 one or a few days apart, on dates when the beneficiary was not
5 in fact at the Clinic to be tested.

6 iv. Claims for tests and procedures that had
7 not been ordered by a physician.

8 i. Medicare Part B and Medi-Cal would pay some of
9 the false and fraudulent claims.

10 C. OVERT ACTS

11 61. In furtherance of the conspiracy, and to accomplish
12 its object, defendant BUDAGOVA, together with co-conspirators
13 Angelika Sanamian, Santiago, Suarez, Mekteryan, and Shishalovsky
14 and others known and unknown to the Grand Jury, committed and
15 willfully caused others to commit Overt Act Nos. 37 through 48
16 as set forth in paragraph 57 of this Second Superseding
17 Indictment, and the following overt acts, among others, in the
18 Central District of California and elsewhere:

19 Recruited Patient B.H.

20 Overt Act No. 118: On or about April 29, 2009, co-
21 conspirator Angelika Sanamian submitted a claim to Medicare for
22 services allegedly provided to recruited patient B.H. on March
23 5, 2009, specifically, a Level 3 (approximately 30 minute face-
24 to-face) office visit with co-conspirator Dr. H, a duplex scan,
25 and venipuncture.

26 Recruited Patient D.P.

27 Overt Act No. 119: On or about June 25, 2009, co-
28 conspirator Shishalovsky confirmed recruited patient D.P.'s

1 Medicare and Medi-Cal eligibility.

2 Overt Act No. 120: On or about July 7, 2009, co-
3 conspirator Angelika Sanamian submitted a claim to Medicare for
4 services allegedly provided to recruited patient D.P. on June
5 25, 2009, including a Level 3 office visit with co-conspirator
6 Dr. H, a duplex scan ultrasound, an ECG, and an NCV.

7 Overt Act No. 121: On or before July 7, 2009, co-
8 conspirator Angelika Sanamian submitted a claim to Medicare for
9 services allegedly provided to recruited patient D.P. on June
10 26, 2009, specifically, a duplex scan (lower) ultrasound test.

11 Overt Act No. 122: On or about September 1, 2009, co-
12 conspirator Angelika Sanamian submitted a claim to Medicare for
13 services allegedly provided to recruited patient D.P. on August
14 27, 2009, including a Level 3 office visit with co-conspirator
15 Dr. H, an amplitude and latency study, and an NCV.

16 Recruited Patient E.D.

17 Overt Act No. 123: On or about June 18, 2009, co-
18 conspirator Shishalovsky confirmed recruited patient E.D.'s
19 Medi-Cal eligibility.

20 Overt Act No. 124: On or before July 13, 2009, co-
21 conspirator Angelika Sanamian submitted a claim to Medi-Cal for
22 services allegedly provided to recruited patient E.D. on June
23 18, 2009, including a Level 3 office visit with co-conspirator
24 Santiago, an EKG, ultrasounds and a breathing capacity test.

25 Overt Act No. 125: On or before July 13, 2009, co-
26 conspirator Angelika Sanamian submitted a claim to Medi-Cal for
27 services allegedly provided to recruited patient E.D. on June
28 19, 2009, including an NCV.

1 Overt Act No. 126: On or before September 8, 2009, co-
2 conspirator Angelika Sanamian submitted a claim to Medi-Cal for
3 services allegedly provided to recruited patient E.D. on August
4 14, 2009, including a Level 3 office visit with co-conspirator
5 Santiago, an EKG, and pulmonary function tests.

6 Overt Act No. 127: On or about September 14, 2009, co-
7 conspirator Mekteryan created or altered an ultrasound test
8 result for recruited patient E.D.

9 Overt Act No. 128: On or about September 14, 2009,
10 defendant BUDAGOVA wrote fabricated information in recruited
11 patient E.D.'s medical chart.

12 Overt Act No. 129: On or before October 5, 2009, co-
13 conspirator Angelika Sanamian submitted a claim to Medi-Cal for
14 services allegedly provided to recruited patient E.D. on
15 September 14, 2009, specifically, a Level 3 office visit with
16 co-conspirator Santiago, and an extremity study (ultrasound).

17 Overt Act No. 130: On or before October 5, 2009, co-
18 conspirator Angelika Sanamian submitted a claim to Medi-Cal for
19 services allegedly provided to recruited patient E.D. on
20 September 15, 2009, specifically an extremity study
21 (ultrasound).

22 Overt Act No. 131: On or about October 13, 2009, defendant
23 BUDAGOVA wrote fabricated information in recruited patient
24 E.D.'s medical chart.

25 Overt Act No. 132: On or before November 9, 2009, co-
26 conspirator Angelika Sanamian submitted a claim to Medi-Cal for
27 services allegedly provided to recruited patient E.D. on October
28 13, 2009, specifically an extremity study (ultrasound).

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Recruited Patient R.H.

Overt Act No. 133: On or about January 8, 2009, co-conspirator Shishalovsky confirmed recruited patient R.H.'s Medi-Cal eligibility.

Overt Act No. 134: On or before March 16, 2009, co-conspirator Angelika Sanamian submitted a claim to Medi-Cal for services allegedly provided to recruited patient R.H. on March 3, 2009, including a Level 3 office visit with co-conspirator Santiago.

Overt Act No. 135: On or about April 6, 2009, co-conspirator Santiago approved the ordering of an NCV for recruited patient R.H., a Medi-Cal beneficiary.

Overt Act No. 136: On or about April 6, 2009, defendant BUDAGOVA wrote fabricated information in recruited patient R.H.'s medical chart.

Overt Act No. 137: On or before April 27, 2009, co-conspirator Angelika Sanamian submitted a claim to Medi-Cal for services allegedly provided to recruited patient R.H. on April 6, 2009, specifically, a Level 3 office visit with co-conspirator Santiago, an NCV, and ultrasound tests.

Overt Act No. 138: On or before April 27, 2009, co-conspirator Angelika Sanamian submitted a claim to Medi-Cal for services allegedly provided to recruited patient R.H. on April 7, 2009, specifically a visceral vascular study.

Overt Act No. 139: On or about August 20, 2009, defendant BUDAGOVA wrote fabricated information in recruited patient R.H.'s medical chart.

1 Overt Act No. 140: On or before September 8, 2009, co-
2 conspirator Angelika Sanamian submitted a claim to Medi-Cal for
3 services allegedly provided to recruited patient R.H. on August
4 20, 2009, specifically, a lower extremity study (ultrasound).

5 Recruited Patient L.H.

6 Overt Act No. 141: On or about June 9, 2009, co-
7 conspirator Mekteryan created or altered an ultrasound test
8 result for recruited patient L.H.

9 Overt Act No. 142: On or before October 5, 2009, co-
10 conspirator Angelika Sanamian submitted a claim to Medi-Cal for
11 services allegedly provided to recruited patient L.H. on June 9,
12 2009, including Level 3 office visit with co-conspirator
13 Santiago, an EKG, and extremity study (ultrasound).

14 Overt Act No. 143: On or before October 5, 2009, co-
15 conspirator Angelika Sanamian submitted a claim to Medi-Cal for
16 services allegedly provided to recruited patient L.H. on June
17 10, 2009, specifically, an extremity study (ultrasound).

18 Additional Acts

19 Overt Act No. 144: On or about August 19, 2009, co-
20 conspirator Suarez promised a confidential government informant
21 (hereinafter "CI2"), a Medi-Cal beneficiary, \$30 to go to the
22 Clinic for unnecessary medical care.

23 Overt Act No. 145: On or about September 29, 2009, co-
24 conspirator Suarez informed an undercover officer that co-
25 conspirator Suarez would pay the undercover officer \$10 for each
26 "patient" profile the undercover officer referred to the Clinic
27 and \$40 for the use of the undercover officer's Medi-Cal card.

28 Overt Act No. 146: On or about May 8, 2009, co-conspirator

1 Smith promised recruited patient R.B., a Medi-Cal beneficiary,
2 \$25 to go to the Clinic.

3 Overt Act No. 147: On or about May 8, 2009, co-conspirator
4 Smith instructed recruited patient R.B., a Medi-Cal beneficiary,
5 to "come back" to the Clinic another time for more money.

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1 co-conspirator Cho.

2 b. The pharmacies, including the Gemmel Pharmacies,
3 Better Value Pharmacy, Huntington Pharmacy, and St. Paul's
4 Pharmacy, owned and/or operated by defendants YOON, LIM, and
5 NGUYEN, and co-conspirator Cho would submit or cause to be
6 submitted claims to the PDPs for the OxyContin they dispensed to
7 fill the prescriptions.

8 c. The PDPs and Medicare Part D would pay some of
9 the claims submitted.

10 C. OVERT ACTS

11 65. In furtherance of the conspiracy, and to accomplish
12 its object, defendants ASHOT SANAMIAN, YOON, LIM, NGUYEN,
13 together with co-conspirators Mikaelian, Hovannisyan, Pullam,
14 Derderian, Cho and Smith, and others known and unknown to the
15 Grand Jury, committed and willfully caused others to commit
16 Overt Act Nos. 28 and 29, 33, 35, and 36 as set forth in
17 paragraphs 57 and 61, of this Second Superseding Indictment and
18 the following overt acts, among others, in the Central District
19 of California and elsewhere:

20 Overt Act No. 148: On an unknown date after August 2008,
21 and before on or about May 6, 2009, co-conspirator Mikaelian
22 paid B.H., a recruited Medicare/Medi-Cal patient, \$400 in order
23 to obtain a prescription for OxyContin.

24 Overt Act No. 149: On or about December 12, 2008,
25 defendant NGUYEN dispensed or caused to be dispensed from St.
26 Paul's 90 pills of OxyContin 80mg to recruited Medicare Part D
27 beneficiary D.P.

28 Overt Act No. 150: On or about December 18, 2008,

1 defendant NGUYEN dispensed or caused to be dispensed 90 pills of
2 OxyContin 80mg to recruited Medicare Part D beneficiary B.H.

3 Overt Act Nos. 151-153: On or about May 4, 2009, June 3,
4 2009, and July 2, 2009, defendant YOON dispensed or caused to be
5 dispensed from Better Value three bottles of 90 pills each of
6 OxyContin 80mg to recruited Medicare Part D beneficiary S.D.

7 Overt Act No. 154: On or about July 2, 2009, defendant LIM
8 dispensed or caused to be dispensed from Huntington Pharmacy 90
9 pills of OxyContin 80mg to recruited Medicare Part D beneficiary
10 D.N.

11 Overt Act No. 155: On or about September 18, 2009,
12 defendant ASHOT SANAMIAN provided Colonial Pharmacy, in Arcadia,
13 California, with multiple PDP cards and other identifying
14 information belonging to recruited patients at the Clinic.

15 Overt Act Nos. 156-157: On or about October 29, 2009, and
16 December 9, 2009, co-conspirator Cho dispensed or caused to be
17 dispensed from B&B Pharmacy 90 pills of OxyContin 80mg strength
18 to Medicare Part D beneficiary L.J.

19 Overt Act No. 158: On or about January 13, 2010, co-
20 conspirator Pullam paid recruited patient C.P. \$7 to cover
21 recruited patient C.P.'s Medicare Part D co-payment.

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COUNTS FOUR THROUGH NINE

[31 U.S.C. §§ 5324(a)(3), (d)(2); 18 U.S.C. § 2]

66. The Grand Jury hereby repeats and re-alleges paragraph 1 through 53, 56, and Overt Act Nos. 63 through 81 of paragraph 57 of this Second Superseding Indictment, as though fully set forth herein.

67. On or about the following dates, in Los Angeles County, within the Central District of California, and elsewhere, defendant LIM and co-conspirator Khou, each aiding and abetting the other, knowingly, and for the purpose of evading the reporting requirements of Section 5313(a) of Title 31, United States Code, and the regulations promulgated thereunder, structured, assisted in structuring, and caused to be structured, the following transactions with Chase Bank, a domestic financial institution, as part of a pattern of illegal activity involving more than \$100,000 in a 12-month period, and while violating another law of the United States:

COUNT	DATE	TRANSACTION
FOUR	08/04/2009	Cash deposits in the amounts of \$1,662 and \$9,000 into Chase Account 1
FIVE	08/05/2009	Cash deposits in the amounts of \$2,377, \$8,000, and \$8,040 into Chase Account 1
SIX	08/06/2009	Cash deposits in the amounts of \$2,000, \$2,726, and \$8,000 into Chase Account 1
SEVEN	09/05/2009	Cash deposits in the amounts of \$3,741 and \$9,000 into Chase Account 1, \$9,000 into Chase Account 2, and \$7,000 into Chase Account 3
EIGHT	09/24/2009	Cash deposits in the amounts of \$9,000 into Chase Account 1 and \$9,000 into Chase Account 2
NINE	09/26/2009	Cash deposits in the amounts of \$4,000 and \$4,320 into Chase Account 1 and \$9,000 into Chase Account 2

COUNTS TEN THROUGH FOURTEEN

[31 U.S.C. §§ 5324(a)(3), (d)(2); 18 U.S.C. § 2]

68. The Grand Jury hereby repeats and re-alleges paragraph 1 through 53, 56, and Overt Act Nos. 98 through 106 of paragraph 57 of this Second Superseding Indictment, as though fully set forth herein.

69. On or about the following dates, in Los Angeles County, within the Central District of California, and elsewhere, defendant NGUYEN, aided and abetted by others known and unknown to the Grand Jury, knowingly, and for the purpose of evading the reporting requirements of Section 5313(a) of Title 31, United States Code, and the regulations promulgated thereunder, structured, assisted in structuring, and caused to be structured, the following transactions with Bank of America, a domestic financial institution, as part of a pattern of illegal activity involving more than \$100,000 in a 12-month period, and while violating another law of the United States:

COUNT	DATE	TRANSACTION
TEN	01/28/2009	Cash deposits in the amounts of \$10,000 into Bank of America Account 1 and \$10,000 into Bank of America Account 2
ELEVEN	06/02/2009	Cash deposits in the amounts of \$10,000 into Bank of America Account 1 and \$9,500 into Bank of America Account 2
TWELVE	06/03/2009	Cash deposits in the amounts of \$9,000 and \$10,000 into Bank of America Account 1
THIRTEEN	07/28/2009	Cash deposits in the amounts of \$10,000, \$10,000, and \$4,550 into Bank of America Account 1
FOURTEEN	08/19/2009	Cash deposits in the amounts of \$9,000 and \$10,000 into Bank of America Account 1

COUNTS FIFTEEN THROUGH TWENTY-TWO

[18 U.S.C. §§ 1957(a), 2]

70. The Grand Jury hereby repeats and re-alleges paragraph 1 through 53, 56, and Overt Act Nos. 49 and 62 of paragraph 57 of this Second Superseding Indictment, as though fully set forth herein.

71. On or about the following dates, in Los Angeles County, within the Central District of California, and elsewhere, defendant YOON, together with others known and unknown to the Grand Jury, knowing that the funds involved represented the proceeds of some form of unlawful activity, knowingly conducted, attempted to conduct, and caused others to conduct, the following monetary transactions in criminally derived property of a value greater than \$10,000, which property, in fact, was derived from specified unlawful activity, namely, the distribution and diversion of oxycodone in the form of OxyContin, a Schedule II narcotic drug, in violation of Title 18, United States Code Sections 841(a)(1), and 841(b)(1)(C):

COUNT	DATE	TRANSACTION
FIFTEEN	09/14/2009	Withdrawal of \$28,000 from Nara Account 1 by means of Check #10004 payable to Gemmel Pharmacy, Inc.
SIXTEEN	09/22/2009	Withdrawal of \$14,000 from Nara Account 1 by means of Check #10001 payable to Gemmel Pharmacy, Inc.
SEVENTEEN	10/22/2009	Withdrawal of \$17,000 from Nara Account 1 by means of Check #10005 payable to Gemmel Pharmacy, Inc.
EIGHTEEN	12/08/2009	Withdrawal of \$13,000 from Nara Account 1 by means of Check #10010 payable to Gemmel Pharmacy, Inc.
NINETEEN	01/06/2010	Withdrawal of \$13,000 from Nara Account 1 by means of Check #10013 payable to Gemmel, Inc.

COUNT	DATE	TRANSACTION
TWENTY	01/21/2010	Withdrawal of \$23,000 from Nara Account 1 by means of Check #10014 payable to Gemmel Pharmacy, Inc.
TWENTY-ONE	01/28/2010	Withdrawal of \$17,000 from Nara Account 1 by means of Check #10015 payable to Gemmel Pharmacy, Inc.
TWENTY-TWO	02/12/2010	Withdrawal of \$21,000 from Nara Account 1 by means of Check #10016 payable to Gemmel Pharmacy, Inc.

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FORFEITURE ALLEGATION I

[21 U.S.C. § 853]

[Conspiracy to Distribute Controlled Substances]

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4 1. The Grand Jury incorporates and re-alleges all of the
5 allegations contained in the Introductory Allegations and Count
6 One of the Second Superseding Indictment as though fully set
7 forth in their entirety herein for the purpose of alleging
8 forfeiture pursuant to the provisions of Title 21, United States
9 Code, Section 853.

10 2. Each defendant convicted under Count One of this
11 Second Superseding Indictment shall forfeit to the United States
12 the following property:

13 a. All right, title, and interest in any and all
14 property --

15 (1) constituting, or derived from, any proceeds
16 obtained, directly or indirectly, as a result of any such
17 offense;

18 (2) any property used, or intended to be used, in any
19 manner or part, to commit, or to facilitate the commission of
20 any such offense; and

21 b. A sum of money equal to the total value of the
22 property described in paragraph 2.a. If more than one defendant
23 is found guilty of Count One, each such defendant shall be
24 jointly and severally liable for the entire amount ordered
25 forfeited pursuant to that count.

26 3. Pursuant to Title 21, United States Code, Section
27 853(p), each defendant shall forfeit substitute property, up to
28 the value of the total amount described in paragraph 2, if, as

1 the result of any act or omission of said defendant, the
2 property described in paragraph 2, or any portion thereof (a)
3 cannot be located upon the exercise of due diligence; (b) has
4 been transferred, sold to, or deposited with a third party; (c)
5 has been placed beyond the jurisdiction of the court; (d) has
6 been substantially diminished in value; or (e) has been
7 commingled with other property which cannot be divided without
8 difficulty.

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FORFEITURE ALLEGATION II

[18 U.S.C. § 981(a)(1)(C); 28 U.S.C. § 2461(c); 21 U.S.C. § 853]

[Conspiracy to Commit Healthcare Fraud]

1. The Grand Jury incorporates and re-alleges all of the allegations contained in the Introductory Allegations and Counts Two and Three of the Second Superseding Indictment above as though fully set forth in their entirety herein for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 981(a)(1)(C); Title 28, United States Code, Section 2461(c); and Title 21, United States Code, Section 853.

2. Defendants BUDAGOVA, ASHOT SANAMIAN, YOON, LIM, and NGUYEN, if convicted of any of the offenses charged in Counts Two or Three of the Second Superseding Indictment, shall forfeit to the United States the following property:

a. All right, title, and interest in any and all property, real or personal, which constitutes or is derived from proceeds traceable to such offenses; and

b. A sum of money equal to the total amount of proceeds derived from each such offense for which the defendant is convicted. If more than one defendant is found guilty of Count Three, each such defendant shall be jointly and severally liable for the entire amount ordered forfeited pursuant to that count.

3. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), each defendant shall forfeit substitute property, up to the total value of the property described in paragraph 2 above,

1 if, by any act or omission of said defendant, the property
2 described in paragraph 2, or any portion thereof, (a) cannot be
3 located upon the exercise of due diligence; (b) has been
4 transferred or sold to, or deposited with, a third party; (c)
5 has been placed beyond the jurisdiction of the court; (d) has
6 been substantially diminished in value; or (e) has been
7 commingled with other property that cannot be divided without
8 difficulty.

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1 jointly and severally liable for the entire amount ordered
2 forfeited pursuant to that count.

3 3. Pursuant to Title 21, United States Code, Section
4 853(p), as incorporated by Title 31, United States Code, Section
5 5317, each defendant shall forfeit substitute property, up to
6 the value of the total amount described in paragraph 2, if, as
7 the result of any act or omission of said defendant, the
8 property described in paragraph 2, or any portion thereof (a)
9 cannot be located upon the exercise of due diligence; (b) has
10 been transferred, sold to, or deposited with a third party; (c)
11 has been placed beyond the jurisdiction of the court; (d) has
12 been substantially diminished in value; or (e) has been
13 commingled with other property which cannot be divided without
14 difficulty.

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FORFEITURE ALLEGATION IV

[18 U.S.C. § 982(a)(1)]

[Money Laundering]

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4 1. The Grand Jury incorporates and re-alleges all of the
5 allegations contained in the Introductory Allegations and Counts
6 Fifteen through Twenty-Two of the Second Superseding Indictment
7 above as though fully set forth in their entirety herein for the
8 purpose of alleging forfeiture pursuant to the provisions of
9 Title 18, United States Code, Section 982(a)(1).

10 2. Defendant YOON, if convicted of any of the offenses
11 charged in Counts Fifteen through Twenty-Two of this Second
12 Superseding Indictment, shall forfeit to the United States the
13 following property:

14 a. All right, title, and interest in any and all
15 property involved in each offense committed in violation of
16 Title 18, United States Code, Section 1957, or conspiracy to
17 commit such offense, for which the defendant is convicted, and
18 all property traceable to such property, including the
19 following:

20 (1) all money or other property that was the
21 subject of each transaction committed in violation of Title 18,
22 United States Code, Section 1957;

23 (2) all commissions, fees, and other property
24 constituting proceeds obtained as a result of those violations;

25 (3) all property used in any manner or part to
26 commit or to facilitate the commission of those violations; and

27 (4) all property traceable to money or property
28 described in this paragraph 2.a.(1) to 2.a.(3).

1 b. A sum of money equal to the total amount of money
2 involved in each offense committed in violation of Title 18,
3 United States Code, Section 1957, or conspiracy to commit such
4 offense, for which a defendant is convicted.

5 3. Pursuant to Title 21, United States Code, Section
6 853(p), as incorporated by Title 18, United States Code, Section
7 982, each defendant shall forfeit substitute property, up to the
8 total value of the property described in paragraph 2 above, if,
9 by any act or omission of said defendant, the property described
10 in paragraph 2, or any portion thereof, (a) cannot be located
11 upon the exercise of due diligence; (b) has been transferred or
12 sold to, or deposited with, a third party; (c) has been placed
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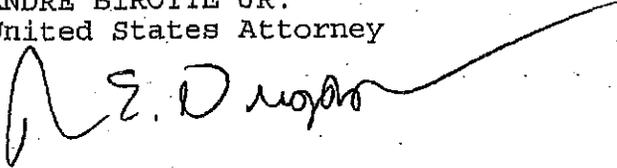
1 beyond the jurisdiction of the court;

2 (d) has been substantially diminished in value; or (e) has
3 been commingled with other property that cannot be divided
4 without difficulty.

6 A TRUE BILL

7
8 151
9 Foreperson

10 ANDRÉ BIROTTE JR.
11 United States Attorney

12 
13 ROBERT E. DUGDALE
14 Assistant United States Attorney
15 Chief, Criminal Division

16 RICHARD E. ROBINSON
17 Assistant United States Attorney
18 Chief, Major Frauds Section

19 JILL T. FEENEY
20 Assistant United States Attorney
21 Deputy Chief, Major Frauds Section

22 LANA MORTON-OWENS
23 GRANT B. GELBERG
24 Assistant United States Attorneys
25 Major Frauds Section
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OCT 22 2014
CENTRAL DISTRICT OF CALIFORNIA
BY *ja* DEPUTY

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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

ELZA BUDAGOVA

Defendant.

No. CR ¹¹12-922(B)-DDP-15

VERDICT FORM

1 DEFENDANT ELZA BUDAGOVA

2 COUNT ONE (Conspiracy to Distribute Controlled Substances)

3 We, the jury in the above-captioned case, unanimously find
4 defendant Elza Budagova:

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GUILTY

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NOT GUILTY

9
10 of conspiracy to distribute controlled substances as charged in Count
11 One of the Second Superseding Indictment.
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1 DEFENDANT ELZA BUDAGOVA

2 COUNT TWO (Conspiracy to Commit Health Care Fraud)

3 We, the jury in the above-captioned case, unanimously find
4 defendant Elza Budagova;

5
6 X

GUILTY

7
8 _____
NOT GUILTY

9
10 of conspiracy to commit health care fraud as charged in Count Two of
11 the Second Superseding Indictment.

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13
14 Please have the foreperson sign and date the form.

15 _____
16 FOREPERSON OF THE JURY

17 DATED: October 22, 2014 at Los Angeles, California.
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United States District Court
Central District of California

UNITED STATES OF AMERICA vs.

Docket No.

CR 11-00922 (B) DDP (15)

Defendant ELZA BUDAGOVA

Social Security [REDACTED]

akas: ARAMAISOVNA, Elza

(Last 4 digits)

JUDGMENT AND PROBATION/COMMITMENT ORDER

In the presence of the attorney for the government, the defendant

MONTH	DAY	YEAR
Aug.	20	2015

COUNSEL

Dominic Cantalupo, Panel.

(Name of Counsel)

PLEA

GUILTY, and the court being satisfied that there is a factual basis for the plea.

NOLO CONTENDERE

NOT GUILTY

FINDING

There being a finding/verdict of

GUILTY, defendant has been convicted as charged of the offense(s) of:

21 U.S.C. § 846, 21 U.S.C. 841(b)(1)(C): Conspiracy to Distribute Controlled Substances (Count 1)
18 U.S.C. § 1349, 18 U.S.C. 1347: Conspiracy to Commit Health Care Fraud (Count 2)
as charged in the Second Superseding Indictment.

JUDGMENT AND PROB/COMM ORDER

The Court asked whether there was any reason why judgment should not be pronounced. Because no sufficient cause to the contrary was shown, or appeared to the Court, the Court adjudged the defendant guilty as charged and convicted and ordered that: Pursuant to the Sentencing Reform Act of 1984, it is the judgment of the Court that the defendant is hereby committed to the custody of the Bureau of Prisons to be imprisoned for a term of:

Pursuant to the Sentencing Reform Act of 1984, it is the judgment of the Court that the defendant, Elza Budagova, is hereby committed on Counts One and Two of the Second Superseding Indictment to the custody of the Bureau of Prisons for a term of 36 months. This term consists of 36 months on Count One of the Second Superseding Indictment and 36 months on Count Two, to be served concurrently.

Upon release from imprisonment, the defendant shall be placed on supervised release for a term of three years. This term consists of three years on each of Counts One and Two of the Second Superseding Indictment, all such terms to run concurrently under the following terms and conditions:

1. The defendant shall comply with the rules and regulations of the United States Probation Office, General Order 05-02, and General Order 01-05, including the three special conditions delineated in General Order 01-05.
2. During the period of community supervision, the defendant shall pay the special assessment and restitution in accordance with this judgment's orders pertaining to such payment.
3. The defendant shall cooperate in the collection of a DNA sample from the defendant.

USA vs. ELZA BUDAGOVA

Docket No.: CR 11-00922 (B) DDP (15)

4. The defendant shall apply all monies received from income tax refunds to the outstanding court-ordered financial obligation. In addition, the defendant shall apply all monies received from lottery winnings, inheritance, judgments and any anticipated or unexpected financial gains to the outstanding court-ordered financial obligation.

The drug testing condition mandated by statute is suspended based on the Court's determination that the defendant poses a low risk of future substance abuse.

RESTITUTION: It is ordered that the defendant shall pay restitution pursuant to 18 U.S.C. § 3663 (A). Defendant shall pay restitution in the total amount of \$1,236,988 to victims as set forth in a separate victim list prepared by the probation office which this Court adopts and which reflects the Court's determination of the amount of restitution due to each victim. The victim list, which shall be forwarded to the fiscal section of the clerk's office, shall remain confidential to protect the privacy interests of the victims.

Restitution shall be due during the period of imprisonment, at the rate of not less than \$25 per quarter, and pursuant to the Bureau of Prisons' Inmate Financial Responsibility Program. If any amount of the restitution remains unpaid after release from custody, nominal monthly payments of at least 10% of defendant's gross monthly income but not less than \$50, whichever is greater, shall be made during the period of supervised release and shall begin 30 days after the commencement of supervision. Nominal restitution payments are ordered as the Court finds that the defendant's economic circumstances do not allow for either immediate or future payment of the amount ordered.

The amount of restitution ordered shall be paid as set forth on the list attached to this judgment. If the defendant makes a partial payment, each payee shall receive approximately proportional payment unless another priority order or percentage payment is specified.

The defendant shall be held jointly and severally liable with co-participants, Miran Derderian, Lilit Mekteryan, David Smith, Keith Pullam, Julie Monique Shishalovsky, Anjelika Sanamian, Rosa Garcia Suarez, Edgar Hovannisyan and Eleanor Melo Santiago for the amount of restitution ordered in this judgment. The victims' recovery is limited to the amount of their loss and the defendant's liability for restitution ceases if and when the victims receive full restitution.

Pursuant to 18 U.S.C. § 3612(f)(3)(A), interest on the restitution ordered is waived because the defendant does not have the ability to pay interest. Payments may be subject to penalties for default and delinquency pursuant to 18 U.S.C. § 3612(g).

The defendant shall comply with General Order No. 01-05.

FINE: All fines are waived as it is found that the defendant does not have the ability to pay a fine in addition to restitution.

SPECIAL ASSESSMENT: It is ordered that the defendant shall pay to the United States a special assessment of \$200, which is due immediately. Any unpaid balance shall be due during the period of imprisonment, at the rate of not less than \$25 per quarter, and pursuant to the Bureau of Prisons' Inmate Financial Responsibility Program.

SENTENCING FACTORS: The sentence is based upon the factors set forth in 18 U.S.C. § 3553, including the applicable sentencing range set forth in the guidelines.

USA vs. ELZA BUDAGOVA

Docket No.: CR 11-00922 (B) DDP (15)

It is further ordered that the defendant surrender herself to the institution designated by the Bureau of Prisons on or before 12 noon, on November 30, 2015. In the absence of such designation, the defendant shall report on or before the same date and time, to the United States Marshal located at the Roybal Federal Building, 255 East Temple Street, Los Angeles, California 90012.

In addition to the special conditions of supervision imposed above, it is hereby ordered that the Standard Conditions of Probation and Supervised Release within this judgment be imposed. The Court may change the conditions of supervision, reduce or extend the period of supervision, and at any time during the supervision period or within the maximum period permitted by law, may issue a warrant and revoke supervision for a violation occurring during the supervision period.

August 20, 2015

Date



United States District Judge

It is ordered that the Clerk deliver a copy of this Judgment and Probation/Commitment Order to the U.S. Marshal or other qualified officer.

Clerk, U.S. District Court

August 20, 2015

Filed Date

By John A. Chambers

Deputy Clerk

The defendant shall comply with the standard conditions that have been adopted by this court (set forth below).

STANDARD CONDITIONS OF PROBATION AND SUPERVISED RELEASE

While the defendant is on probation or supervised release pursuant to this judgment:

1. The defendant shall not commit another Federal, state or local crime;
2. the defendant shall not leave the judicial district without the written permission of the court or probation officer;
3. the defendant shall report to the probation officer as directed by the court or probation officer and shall submit a truthful and complete written report within the first five days of each month;
4. the defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
5. the defendant shall support his or her dependents and meet other family responsibilities;
6. the defendant shall work regularly at a lawful occupation unless excused by the probation officer for schooling, training, or other acceptable reasons;
7. the defendant shall notify the probation officer at least 10 days prior to any change in residence or employment;
8. the defendant shall refrain from excessive use of alcohol and shall not purchase, possess, use, distribute, or administer any narcotic or other controlled substance, or any paraphernalia related to such substances, except as prescribed by a physician;
9. the defendant shall not frequent places where controlled substances are illegally sold, used, distributed or administered;
10. the defendant shall not associate with any persons engaged in criminal activity, and shall not associate with any person convicted of a felony unless granted permission to do so by the probation officer;
11. the defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view by the probation officer;
12. the defendant shall notify the probation officer within 72 hours of being arrested or questioned by a law enforcement officer;
13. the defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court;
14. as directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics, and shall permit the probation officer to make such notifications and to conform the defendant's compliance with such notification requirement;
15. the defendant shall, upon release from any period of custody, report to the probation officer within 72 hours;
16. and, for felony cases only: not possess a firearm, destructive device, or any other dangerous weapon.

USA vs. ELZA BUDAGOVA

Docket No.: CR 11-00922 (B) DDP (15)

The defendant will also comply with the following special conditions pursuant to General Order 01-05 (set forth **STATUTORY PROVISIONS PERTAINING TO PAYMENT AND COLLECTION OF FINANCIAL SANCTIONS**)

The defendant shall pay interest on a fine or restitution of more than \$2,500, unless the court waives interest or unless the fine or restitution is paid in full before the fifteenth (15th) day after the date of the judgment pursuant to 18 U.S.C. §3612(f)(1). Payments may be subject to penalties for default and delinquency pursuant to 18 U.S.C. §3612(g). Interest and penalties pertaining to restitution, however, are not applicable for offenses completed prior to April 24, 1996.

If all or any portion of a fine or restitution ordered remains unpaid after the termination of supervision, the defendant shall pay the balance as directed by the United States Attorney's Office. 18 U.S.C. §3613.

The defendant shall notify the United States Attorney within thirty (30) days of any change in the defendant's mailing address or residence until all fines, restitution, costs, and special assessments are paid in full. 18 U.S.C. §3612(b)(1)(F).

The defendant shall notify the Court through the Probation Office, and notify the United States Attorney of any material change in the defendant's economic circumstances that might affect the defendant's ability to pay a fine or restitution, as required by 18 U.S.C. §3664(k). The Court may also accept such notification from the government or the victim, and may, on its own motion or that of a party or the victim, adjust the manner of payment of a fine or restitution-pursuant to 18 U.S.C. §3664(k). See also 18 U.S.C. §3572(d)(3) and for probation 18 U.S.C. §3563(a)(7).

Payments shall be applied in the following order:

1. Special assessments pursuant to 18 U.S.C. §3013;
2. Restitution, in this sequence:
 - Private victims (individual and corporate),
 - Providers of compensation to private victims,
 - The United States as victim;
3. Fine;
4. Community restitution, pursuant to 18 U.S.C. §3663(c); and
5. Other penalties and costs.

USA vs. ELZA BUDAGOVA

Docket No.: CR 11-00922 (B) DDP (15)

SPECIAL CONDITIONS FOR PROBATION AND SUPERVISED RELEASE

As directed by the Probation Officer, the defendant shall provide to the Probation Officer: (1) a signed release authorizing credit report inquiries; (2) federal and state income tax returns or a signed release authorizing their disclosure and (3) an accurate financial statement, with supporting documentation as to all assets, income and expenses of the defendant. In addition, the defendant shall not apply for any loan or open any line of credit without prior approval of the Probation Officer.

The defendant shall maintain one personal checking account. All of defendant's income, "monetary gains," or other pecuniary proceeds shall be deposited into this account, which shall be used for payment of all personal expenses. Records of all other bank accounts, including any business accounts, shall be disclosed to the Probation Officer upon request.

The defendant shall not transfer, sell, give away, or otherwise convey any asset with a fair market value in excess of \$500 without approval of the Probation Officer until all financial obligations imposed by the Court have been satisfied in full.

These conditions are in addition to any other conditions imposed by this judgment.

RETURN

I have executed the within Judgment and Commitment as follows:

Defendant delivered on _____ to _____

Defendant noted on appeal on _____

Defendant released on _____

Mandate issued on _____

Defendant's appeal determined on _____

Defendant delivered on _____ to _____

at _____

the institution designated by the Bureau of Prisons, with a certified copy of the within Judgment and Commitment.

United States Marshal

By

USA vs. ELZA BUDAGOVA Docket No.: CR 11-00922 (B) DDP (15)

Date

Deputy Marshal

CERTIFICATE

I hereby attest and certify this date that the foregoing document is a full, true and correct copy of the original on file in my office, and in my legal custody.

Clerk, U.S. District Court

Filed Date

By _____
Deputy Clerk

FOR U.S. PROBATION OFFICE USE ONLY

Upon a finding of violation of probation or supervised release, I understand that the court may (1) revoke supervision, (2) extend the term of supervision, and/or (3) modify the conditions of supervision.

These conditions have been read to me. I fully understand the conditions and have been provided a copy of them.

(Signed) _____
Defendant

Date

U. S. Probation Officer/Designated Witness

Date