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

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

11	UNITED STATES OF AMERICA,)	CR No. 12-712 (A) -DDP
12	Plaintiff,)	
13	v.)	<u>F I R S T</u>
14	EDDIE CHOI,)	<u>S U P E R S E D I N G</u>
15	Defendant.)	<u>I N F O R M A T I O N</u>
16)	[42 U.S.C. § 1320a-
17)	7b(b) (2) (A): Illegal
)	Remunerations for Health Care
)	Referrals]

The United States Attorney charges:

[42 U.S.C. § 1320a-7b(b) (2) (A)]

On or about August 9, 2010, in Los Angeles County, within the Central District of California, and elsewhere, defendant EDDIE CHOI knowingly and willfully offered and paid remuneration, that is, check number 2395 drawn on the Bank of America business bank account of California Neuro-Rehabilitation Institute, Inc. ("CNR"), in the amount of \$3,322.07 and payable to Won Suk Lee's Acupuncture, to induce Won Suk Lee to refer individuals to CNR for physical therapy services for which

1 payment could be made in whole and in part under a Federal
2 health care program, namely, Medicare.

3
4 ANDRÉ BIROTTE JR.
United States Attorney

5 
6 ROBERT E. DUGDALE
7 Assistant United States Attorney
Chief, Criminal Division

8
9 RICHARD E. ROBINSON
Assistant United States Attorney
Chief, Major Frauds Section

10
11 CONSUELO S. WOODHEAD
Assistant United States Attorney
Deputy Chief, Major Frauds Section

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13 KRISTEN A. WILLIAMS
Assistant United States Attorney
Major Frauds Section
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1 ANDRÉ BIROTTE JR.
United States Attorney
2 ROBERT E. DUGDALE
Assistant United States Attorney
3 Chief, Criminal Division
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8 Attorneys for Plaintiff
UNITED STATES OF AMERICA

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

12 UNITED STATES OF AMERICA,) CR No. 12-712-DDP
13)
Plaintiff,) PLEA AGREEMENT FOR DEFENDANT
14) EDDIE CHOI
v.)
15)
EDDIE CHOI,)
16)
Defendant.)
17)
18)

19 1. This constitutes the plea agreement between defendant
20 Eddie Choi ("defendant") and the United States Attorney's Office
21 for the Central District of California ("the USAO") in the
22 above-captioned case. This agreement is limited to the USAO and
23 cannot bind any other federal, state, local, or foreign
24 prosecuting, enforcement, administrative, or regulatory
25 authorities.

DEFENDANT'S OBLIGATIONS

26 2. Defendant agrees to:

27 a) Give up the right to indictment by a grand jury and,
28

1 at the earliest opportunity requested by the USAO and provided by
2 the Court, appear and plead guilty to a single-count information
3 in the form attached to this agreement as Exhibit A or a
4 substantially similar form, which charges defendant with illegal
5 remunerations for health care referrals, in violation of 42
6 U.S.C. § 1320a-7b(b) (2).

7 b) Not contest facts agreed to in this agreement.

8 c) Abide by all agreements regarding sentencing
9 contained in this agreement.

10 d) Appear for all court appearances, surrender as
11 ordered for service of sentence, obey all conditions of any bond,
12 and obey any other ongoing court order in this matter.

13 e) Not commit any crime; however, offenses that would
14 be excluded for sentencing purposes under United States
15 Sentencing Guidelines ("U.S.S.G." or "Sentencing Guidelines")
16 § 4A1.2(c) are not within the scope of this agreement.

17 f) Be truthful at all times with Pretrial Services, the
18 United States Probation Office, and the Court.

19 g) Pay the applicable special assessment at or before
20 the time of sentencing unless defendant lacks the ability to pay
21 and prior to sentencing submits a completed financial statement
22 on a form to be provided by the USAO.

23 h) Not seek the discharge of any restitution
24 obligation, in whole or in part, in any present or future
25 bankruptcy proceeding.

26 THE USAO'S OBLIGATIONS

27 3. The USAO agrees to:
28

1 a) Not contest facts agreed to in this agreement.

2 b) Abide by all agreements regarding sentencing

3 contained in this agreement.

4 c) At the time of sentencing, move to dismiss the
5 underlying indictment as against defendant. Defendant agrees,
6 however, that at the time of sentencing the Court may consider
7 any dismissed charges in determining the applicable Sentencing
8 Guidelines range, the propriety and extent of any departure from
9 that range, and the sentence to be imposed:

10 d) At the time of sentencing, provided that defendant
11 demonstrates an acceptance of responsibility for the offense up
12 to and including the time of sentencing, recommend a two-level
13 reduction in the applicable Sentencing Guidelines offense level,
14 pursuant to U.S.S.G. § 3E1.1, and recommend and, if necessary,
15 move for an additional one-level reduction if available under
16 that section.

17 e) Recommend that defendant be sentenced to a term of
18 imprisonment no higher than the low end of the applicable
19 Sentencing Guidelines range, provided that the offense level used
20 by the Court to determine that range is 21 or higher and provided
21 that the Court does not depart downward in offense level or
22 criminal history category. For purposes of this agreement, the
23 low end of the Sentencing Guidelines range is that defined by the
24 Sentencing Table in U.S.S.G. Chapter 5, Part A.

25 f) Recommend that sentencing be set for a date six
26 months after the entry of defendant's guilty plea.

27 g) Except for criminal tax violations (including
28 conspiracy to commit such violations chargeable under 18 U.S.C.

1 § 371), not further criminally prosecute defendant for violations
2 of 18 U.S.C. §§ 1347 and 1349 and 42 U.S.C. § 1320a-7b(b) arising
3 out of defendant's association with Mission Home Health Agency.
4 Defendant understands that the USAO is free to criminally
5 prosecute defendant for any other unlawful past conduct or any
6 unlawful conduct that occurs after the date of this agreement.
7 Defendant agrees that at the time of sentencing the Court may
8 consider the uncharged conduct in determining the applicable
9 Sentencing Guidelines range, the propriety and extent of any
10 departure from that range, and the sentence to be imposed after
11 consideration of the Sentencing Guidelines and all other relevant
12 factors under 18 U.S.C. § 3553(a).

13 NATURE OF THE OFFENSE

14 4. Defendant understands that for defendant to be guilty of
15 the crime charged in the single-count information, that is,
16 payment of illegal remuneration for health care referrals, in
17 violation of Title 42, United States Code, Section 1320a-
18 7b(b) (2), the following must be true: (1) defendant offered or
19 paid remuneration in cash or in kind; (2) defendant offered or
20 paid remuneration in return for the referral of an individual for
21 the furnishing of a service for which payment may be made under a
22 Federal health care program; and (3) defendant acted knowingly
23 and willfully.

24 PENALTIES AND RESTITUTION

25 5. Defendant understands that the statutory maximum
26 sentence that the Court can impose for a violation of Title 42,
27 United States Code, Section 1320a-7b(b) (2), is 5 years
28 imprisonment; a 3-year period of supervised release; a fine of

1 \$25,000; and a mandatory special assessment of \$100.

2 6. Defendant understands that defendant will be required to
3 pay full restitution to the victim(s) of the offense to which
4 defendant is pleading guilty. Defendant agrees that, in return
5 for the USAO's compliance with its obligations under this
6 agreement, the Court may order restitution to persons other than
7 the victim(s) of the offenses to which defendant is pleading
8 guilty and in amounts greater than those alleged in the count to
9 which defendant is pleading guilty. In particular, defendant
10 agrees that the Court may order restitution to any victim of any
11 of the following for any losses suffered by that victim as a
12 result: (a) any relevant conduct, as defined in U.S.S.G. § 1B1.3,
13 in connection with the offenses to which defendant is pleading
14 guilty; and (b) any counts dismissed pursuant to this agreement
15 as well as all relevant conduct, as defined in U.S.S.G. § 1B1.3,
16 in connection with those counts. The parties currently believe
17 that the applicable amount of restitution is approximately
18 \$1,058,047.26, but recognize and agree that this amount could
19 change based on facts that come to the attention of the parties
20 prior to sentencing. The parties further agree that the
21 applicable amount of restitution should be decreased by the
22 amount of any principal payments made by defendant to Medicare
23 prior to sentencing to compensate Medicare for losses included in
24 the restitution calculation.

25 7. Defendant understands that supervised release is a
26 period of time following imprisonment during which defendant will
27 be subject to various restrictions and requirements. Defendant
28 understands that if defendant violates one or more of the

1 conditions of any supervised release imposed, defendant may be
2 returned to prison for all or part of the term of supervised
3 release authorized by statute for the offense that resulted in
4 the term of supervised release, which could result in defendant
5 serving a total term of imprisonment greater than the statutory
6 maximum stated above.

7 8. Defendant understands that, by pleading guilty,
8 defendant may be giving up valuable government benefits and
9 valuable civic rights, such as the right to vote, the right to
10 possess a firearm, the right to hold office, and the right to
11 serve on a jury. Defendant understands that once the court
12 accepts defendant's guilty plea, it will be a federal felony for
13 defendant to possess a firearm or ammunition. Defendant
14 understands that the conviction in this case may also subject
15 defendant to various other collateral consequences, including but
16 not limited to mandatory exclusion from federal health care
17 benefit programs for a minimum of five years, suspension or
18 revocation of a professional license, and revocation of
19 probation, parole, or supervised release in another case.
20 Defendant understands that unanticipated collateral consequences
21 will not serve as grounds to withdraw defendant's guilty plea.

22 9. Defendant understands that, if defendant is not a
23 United States citizen, the felony conviction in this case may
24 subject defendant to: removal, also known as deportation, which
25 may, under some circumstances, be mandatory; denial of
26 citizenship; and denial of admission to the United States in the
27 future. The court cannot, and defendant's attorney also may not
28 be able to, advise defendant fully regarding the immigration

1 consequences of the felony conviction in this case. Defendant
2 understands that unexpected immigration consequences will not
3 serve as grounds to withdraw defendant's guilty plea.

4 FACTUAL BASIS

5 10. Defendant admits that defendant is, in fact, guilty of
6 the offense to which defendant is agreeing to plead guilty.
7 Defendant and the USAO agree to the statement of facts provided
8 below and agree that this statement of facts is sufficient to
9 support a plea of guilty to the charge described in this
10 agreement and to establish the Sentencing Guidelines factors set
11 forth in paragraph 12 below but is not meant to be a complete
12 recitation of all facts relevant to the underlying criminal
13 conduct or all facts known to either party that relate to that
14 conduct.

15 Background

16 At all times relevant to this case, defendant was a licensed
17 physical therapist who was enrolled as a Medicare provider.
18 Between in or about January 2006 and on or about March 5, 2011,
19 defendant was co-owner, together with co-schemer S.K., of
20 California Neuro-Rehabilitation Institute, Inc. ("CNR"), a
21 physical therapy clinic that provided - and, in some cases,
22 purported to provide - physical therapy services to Medicare
23 beneficiaries. Between on or about March 5, 2011 and the
24 present, defendant has been the sole owner of CNR. Medicare is a
25 federal health care benefit program affecting commerce that
26 provides reimbursement for medically necessary services to
27 persons age sixty-five years and older and to certain disabled
28 persons. Defendant knew that it was illegal to offer or pay

1 kickbacks in exchange for the referral of patients for health
2 services paid for by Medicare.

3 The Kickback Scheme

4 Between on or about January 18, 2010, and on or about March
5 17, 2011, in Los Angeles County, within the Central District of
6 California, defendant, together with S.K., knowingly and
7 willfully offered and paid kickbacks to Won Suk Lee, an
8 acupuncturist who was not a licensed physical therapist, in
9 exchange for Lee's referral of Medicare beneficiaries to CNR.
10 During that time period, Lee sent patient information for
11 approximately 220 Medicare beneficiaries to CNR, which did not
12 provide any services to the beneficiaries. CNR then submitted
13 claims to Medicare for physical therapy services CNR had
14 purportedly provided to the beneficiaries.

15 In exchange for these referrals, defendant and S.K. would
16 pay Lee 60% of the amount Medicare reimbursed CNR for the claimed
17 physical therapy services. In particular, defendant paid
18 \$3,322.07 to Lee's business Won Suk Lee's Acupuncture by a check
19 dated August 9, 2010, and drawn on CNR's Bank of America business
20 bank account, in exchange for referring Medicare beneficiaries to
21 CNR. Defendant also paid \$2,658.58 to Lee's business Variety
22 Choice, Inc., by check dated March 17, 2011, and drawn on CNR's
23 Bank of America business bank account, in exchange for referring
24 Medicare beneficiaries to CNR.

25 The amount Medicare paid CNR for patients referred by Lee is
26 approximately \$1,058,047.

SENTENCING FACTORS

11. Defendant understands that in determining defendant's sentence the Court is required to calculate the applicable Sentencing Guidelines range and to consider that range, possible departures under the Sentencing Guidelines, and the other sentencing factors set forth in 18 U.S.C. § 3553(a). Defendant understands that the Sentencing Guidelines are advisory only, that defendant cannot have any expectation of receiving a sentence within the calculated Sentencing Guidelines range, and that after considering the Sentencing Guidelines and the other § 3553(a) factors, the Court will be free to exercise its discretion to impose any sentence it finds appropriate up to the maximum set by statute for the crime of conviction.

12. Defendant and the USAO agree to the following applicable Sentencing Guidelines factors:

Base Offense Level	:	6	[U.S.S.G. § 2B1.1(a)(1)]
Loss Between \$1-\$2.5 Million	:	16	[U.S.S.G. § 2B1.1(b)(1)(I)]
Abuse of Position of Trust	:	2	[U.S.S.G. § 3B1.3]
Acceptance of Responsibility	:	-3	[U.S.S.G. § 3E1.1(b)]

Total Offense Level : 21

Defendant and the USAO further agree that the November 2010 edition of the Guidelines should be used in the calculation of defendant's Guidelines range. The USAO will agree to a two-level downward adjustment for acceptance of responsibility (and, if applicable, move for an additional one-level downward adjustment under U.S.S.G. § 3E1.1(b)) only if the conditions set forth in

1 paragraph 3(d)) are met. Subject to paragraph 25 below,
2 defendant and the USAO agree not to seek, argue, or suggest in
3 any way, either orally or in writing, that any other specific
4 offense characteristics, adjustments, or departures relating to
5 the offense level be imposed. Defendant agrees, however, that
6 if, after signing this agreement but prior to sentencing,
7 defendant were to commit an act, or the USAO were to discover a
8 previously undiscovered act committed by defendant prior to
9 signing this agreement, which act, in the judgment of the USAO,
10 constituted obstruction of justice within the meaning of U.S.S.G.
11 § 3C1.1, the USAO would be free to seek the enhancement set forth
12 in that section.

13 13. Defendant understands that there is no agreement as to
14 defendant's criminal history or criminal history category.

15 14. Defendant and the USAO reserve the right to argue for a
16 sentence outside the sentencing range established by the
17 Sentencing Guidelines based on the factors set forth in 18 U.S.C.
18 § 3553(a)(1), (a)(2), (a)(3), (a)(6), and (a)(7).

19 WAIVER OF CONSTITUTIONAL RIGHTS

20 15. Defendant understands that by pleading guilty,
21 defendant gives up the following rights:

- 22 a) The right to persist in a plea of not guilty.
- 23 b) The right to a speedy and public trial by jury.
- 24 c) The right to be represented by counsel - and if
25 necessary have the court appoint counsel - at trial. Defendant
26 understands, however, that, defendant retains the right to be
27 represented by counsel - and if necessary have the court appoint
28 counsel - at every other stage of the proceeding.

1 d) The right to be presumed innocent and to have the
2 burden of proof placed on the government to prove defendant
3 guilty beyond a reasonable doubt.

4 e) The right to confront and cross-examine witnesses
5 against defendant.

6 f) The right to testify and to present evidence in
7 opposition to the charges, including the right to compel the
8 attendance of witnesses to testify.

9 g) The right not to be compelled to testify, and, if
10 defendant chose not to testify or present evidence, to have that
11 choice not be used against defendant.

12 h) Any and all rights to pursue any affirmative
13 defenses, Fourth Amendment or Fifth Amendment claims, and other
14 pretrial motions that have been filed or could be filed.

15 WAIVER OF APPEAL OF CONVICTION

16 16. Defendant understands that, with the exception of an
17 appeal based on a claim that defendant's guilty plea was
18 involuntary, by pleading guilty defendant is waiving and giving
19 up any right to appeal defendant's conviction on the offense to
20 which defendant is pleading guilty.

21 LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE

22 17. Defendant agrees that, provided the Court imposes a
23 total term of imprisonment on all counts of conviction within or
24 below the range corresponding to an offense level of 21 and the
25 criminal history category calculated by the Court, defendant
26 gives up the right to appeal all of the following: (a) the
27 procedures and calculations used to determine and impose any
28 portion of the sentence; (b) the term of imprisonment imposed by

1 the Court; (c) the fine imposed by the court, provided it is
2 within the statutory maximum; (d) the amount and terms of any
3 restitution order, provided it requires payment of no more than
4 \$1,058,047.26, minus any agreed-upon credits for the amount of
5 any principal payments made by defendant to Medicare prior to
6 sentencing to compensate Medicare for losses included in the
7 restitution calculation; (e) the term of probation or supervised
8 release imposed by the Court, provided it is within the statutory
9 maximum; and (f) any of the following conditions of probation or
10 supervised release imposed by the Court: the conditions set forth
11 in General Orders 318, 01-05, and/or 05-02 of this Court; the
12 drug testing conditions mandated by 18 U.S.C. §§ 3563(a)(5) and
13 3583(d); and the alcohol and drug use conditions authorized by 18
14 U.S.C. § 3563(b)(7).

15 18. The USAO agrees that, provided (a) all portions of the
16 sentence are at or below the statutory maximum specified above
17 and (b) the Court calculates the offense level to be used for
18 selecting a sentencing range under the Sentencing Guidelines to
19 be 21 or above, the USAO gives up its right to appeal any portion
20 of the sentence, with the exception that the USAO reserves the
21 right to appeal the amount of restitution ordered if that amount
22 is less than \$1,058,047.26, minus any agreed-upon credits for the
23 amount of any principal payments made by defendant to Medicare
24 prior to sentencing to compensate Medicare for losses included in
25 the restitution calculation.

26 RESULT OF WITHDRAWAL OF GUILTY PLEA

27 19. Defendant agrees that if, after entering a guilty plea
28 pursuant to this agreement, defendant seeks to withdraw and

1 succeeds in withdrawing defendant's guilty plea on any basis
2 other than a claim and finding that entry into this plea
3 agreement was involuntary, then (a) the USAO will be relieved of
4 all of its obligations under this agreement; and (b) should the
5 USAO choose to pursue any charge that was either dismissed or not
6 filed as a result of this agreement, then (i) any applicable
7 statute of limitations will be tolled between the date of
8 defendant's signing of this agreement and the filing commencing
9 any such action; and (ii) defendant waives and gives up all
10 defenses based on the statute of limitations, any claim of pre-
11 indictment delay, or any speedy trial claim with respect to any
12 such action, except to the extent that such defenses existed as
13 of the date of defendant's signing this agreement.

14 20. Defendant agrees that if the count of conviction is
15 vacated, reversed, or set aside, both the USAO and defendant will
16 be released from all their obligations under this agreement.

17 EFFECTIVE DATE OF AGREEMENT

18 21. This agreement is effective upon signature and
19 execution of all required certifications by defendant,
20 defendant's counsel, and an Assistant United States Attorney.

21 BREACH OF AGREEMENT

22 22. Defendant agrees that if defendant, at any time after
23 the signature of this agreement and execution of all required
24 certifications by defendant, defendant's counsel, and an
25 Assistant United States Attorney, knowingly violates or fails to
26 perform any of defendant's obligations under this agreement ("a
27 breach"), the USAO may declare this agreement breached. All of
28 defendant's obligations are material, a single breach of this

1 agreement is sufficient for the USAO to declare a breach, and
2 defendant shall not be deemed to have cured a breach without the
3 express agreement of the USAO in writing. If the USAO declares
4 this agreement breached, and the Court finds such a breach to
5 have occurred, then: (a) if defendant has previously entered a
6 guilty plea pursuant to this agreement, defendant will not be
7 able to withdraw the guilty plea, and (b) the USAO will be
8 relieved of all its obligations under this agreement.

9 23. Following the Court's finding of a knowing breach of
10 this agreement by defendant, should the USAO choose to pursue any
11 charge that was either dismissed or not filed as a result of this
12 agreement, then:

13 a) Defendant agrees that any applicable statute of
14 limitations is tolled between the date of defendant's signing of
15 this agreement and the filing commencing any such action.

16 b) Defendant waives and gives up all defenses based on
17 the statute of limitations, any claim of pre-indictment delay, or
18 any speedy trial claim with respect to any such action, except to
19 the extent that such defenses existed as of the date of
20 defendant's signing this agreement.

21 c) Defendant agrees that: (i) any statements made by
22 defendant, under oath, at the guilty plea hearing (if such a
23 hearing occurred prior to the breach); (ii) the agreed to factual
24 basis statement in this agreement; and (iii) any evidence derived
25 from such statements, shall be admissible against defendant in
26 any such action against defendant, and defendant waives and gives
27 up any claim under the United States Constitution, any statute,
28 Rule 410 of the Federal Rules of Evidence, Rule 11(f) of the

1 Federal Rules of Criminal Procedure, or any other federal rule,
2 that the statements or any evidence derived from the statements
3 should be suppressed or are inadmissible.

4 COURT AND PROBATION OFFICE NOT PARTIES

5 24. Defendant understands that the Court and the United
6 States Probation Office are not parties to this agreement and
7 need not accept any of the USAO's sentencing recommendations or
8 the parties' agreements to facts or sentencing factors.

9 25. Defendant understands that both defendant and the USAO
10 are free to: (a) supplement the facts by supplying relevant
11 information to the United States Probation Office and the Court,
12 (b) correct any and all factual misstatements relating to the
13 Court's Sentencing Guidelines calculations and determination of
14 sentence, and (c) argue on appeal and collateral review that the
15 Court's Sentencing Guidelines calculations and the sentence it
16 chooses to impose are not error, although each party agrees to
17 maintain its view that the calculations in paragraph 12 are
18 consistent with the facts of this case. While this paragraph
19 permits both the USAO and defendant to submit full and complete
20 factual information to the United States Probation Office and the
21 Court, even if that factual information may be viewed as
22 inconsistent with the facts agreed to in this agreement, this
23 paragraph does not affect defendant's and the USAO's obligations
24 not to contest the facts agreed to in this agreement.

25 26. Defendant understands that even if the Court ignores
26 any sentencing recommendation, finds facts or reaches conclusions
27 different from those agreed to, and/or imposes any sentence up to
28 the maximum established by statute, defendant cannot, for that

1 reason, withdraw defendant's guilty plea, and defendant will
2 remain bound to fulfill all defendant's obligations under this
3 agreement. Defendant understands that no one -- not the
4 prosecutor, defendant's attorney, or the Court -- can make a
5 binding prediction or promise regarding the sentence defendant
6 will receive, except that it will be within the statutory
7 maximum.

8 NO ADDITIONAL AGREEMENTS

9 27. Defendant understands that, except as set forth herein,
10 there are no promises, understandings, or agreements between the
11 USAO and defendant or defendant's attorney, and that no
12 additional promise, understanding, or agreement may be entered
13 into unless in a writing signed by all parties or on the record
14 in court.

15 PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

16 28. The parties agree that this agreement will be
17 considered part of the record of defendant's guilty plea hearing

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1 proceeding.

2 AGREED AND ACCEPTED

3 UNITED STATES ATTORNEY'S OFFICE
4 FOR THE CENTRAL DISTRICT OF CALIFORNIA

5 ANDRE BIROTTE JR.
6 United States Attorney

7
8
9 KRISTEN A. WILLIAMS
Assistant United States Attorney

Date

10 EDDIE CHOI
11 Defendant

Date

12 Gregory Nicolajsen
13 GREGORY NICOLAJSEN
14 Attorney for Defendant
15 EDDIE CHOI

3-1-2013
Date

1 as if the entire agreement had been read into the record of the
2 proceeding.

3 AGREED AND ACCEPTED

4 UNITED STATES ATTORNEY'S OFFICE
5 FOR THE CENTRAL DISTRICT OF CALIFORNIA

6 ANDRÉ BIROTE JR.
7 United States Attorney

8 KRISTEN A. WILLIAMS
9 Assistant United States Attorney

Date

10 

Mar 1, 2013

11 EDDIE CHOI
12 Defendant

Date

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14 GREGORY NICOLAYSEN
15 Attorney for Defendant
16 EDDIE CHOI

Date

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CERTIFICATION OF DEFENDANT

I have read this agreement in its entirety. I have had enough time to review and consider this agreement, and I have carefully and thoroughly discussed every part of it with my attorney. I understand the terms of this agreement, and I voluntarily agree to those terms. I have discussed the evidence with my attorney, and my attorney has advised me of my rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. No promises, inducements, or representations of any kind have been made to me other than those contained in this agreement. No one has threatened or forced me in any way to enter into this agreement. I am satisfied with the representation of my attorney in this matter, and I am pleading guilty because I am guilty of the charges and wish to take advantage of the promises set forth in this agreement; and not for any other reason.



EDDIE CHOI
Defendant

Mar. 1 2013
Date

CERTIFICATION OF DEFENDANT'S ATTORNEY

I am EDDIE CHOI's attorney. I have carefully and thoroughly discussed every part of this agreement with my client. Further, I have fully advised my client of his rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. To my knowledge, no promises, inducements, or representations of any kind have been made to my client other than those contained in this agreement; no one has threatened or forced my client in any way to enter into this agreement; my client's decision to enter into this agreement is an informed and voluntary one; and the factual basis set forth in this agreement is sufficient to support my client's entry of a guilty plea pursuant to this agreement.


GREGORY NICOLAYSEN
Attorney for Defendant
EDDIE CHOI

3-1-2013
Date

United States District Court
Central District of California

UNITED STATES OF AMERICA vs.

Docket No. CR 12-00712 DDP (A) (2)

Defendant EDDIE CHOI
Eddie Chang Ho Choi; Eddie Ho Choi;
akas: Chang Choi.

Social Security No.
(Last 4 digits)

JUDGMENT AND PROBATION/COMMITMENT ORDER

In the presence of the attorney for the government, the defendant appeared in person

Table with columns: MONTH, DAY, YEAR. Values: June, 09, 2014

COUNSEL [] Gregory Nicolaysen, Panel.
(Name of Counsel)

PLEA [X] 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:
42 U.S.C. § 1320a - 7b(b)(2)(A): Illegal Remunerations for Health Care Referrals as charged in the Single Count First Superseding Information.

JUDGMENT AND PROBATION/COMMITMENT 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, Eddie Choi, is hereby committed on the Single Count First Superseding Information to the custody of the Bureau of Prisons for a term of 15 months.

Upon release from imprisonment, the defendant shall be placed on supervised release for a term of three years 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. The defendant shall participate in and reside at a residential re-entry center (RRC) for a period of 12 months, and shall comply with all rules and regulations of the RRC, until discharged by the program director, with the approval of the Probation Officer.
3. 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.

USA vs. EDDIE CHOI

Docket No.: CR 12-00712 DDP (2)

4. The defendant shall apply monies received from income tax refunds, lottery winnings, inheritance, judgments, and any anticipated or unexpected financial gains to the outstanding Court-ordered financial obligation.
5. The defendant shall not be employed in any position that requires licensing and/or certification by any local, state, or federal agency without the prior written approval of the Probation Officer.
6. The defendant shall cooperate in the collection of a DNA sample from the defendant.

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 \$ 935,149.03. 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 \$1,000, 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.

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 be held jointly and severally liable with co-participants Won Suk Lee (if convicted in Docket no. CR-12-00712) and Seonweon Kim (Docket no. CR-12-00009) for the amount of restitution ordered in this judgment. The victim's recovery is limited to the amount of its loss and the defendant's liability for restitution ceases if and when the victim receives full restitution.

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 \$100, 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. EDDIE CHOI

Docket No.: CR 12-00712 DDP (2)

The Court RECOMMENDS a BOP facility as close to the Southern California vicinity as possible.

The Court RECOMMENDS that the defendant be considered for placement in a camp facility.

IT IS ORDERED that the defendant shall self-surrender to the institution designated by the BOP on or before 12 noon, on August 8, 2014 and, on the absence of such designation, the defendant shall report on or before the same date and time, to the United States Marshal at 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.

June 10, 2014

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

June 10, 2014

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:

- | | |
|--|--|
| <ol style="list-style-type: none"> 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; | <ol style="list-style-type: none"> 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, <u>for felony cases only</u>: not possess a firearm, destructive device, or any other dangerous weapon. |
|--|--|

The defendant will also comply with the following special conditions pursuant to General Order 01-05 (set forth below).

USA vs. EDDIE CHOI

Docket No.: CR 12-00712 DDP (2)

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.

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:

USA vs. EDDIE CHOI Docket No.: CR 12-00712 DDP (2)

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 _____
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

_____ By _____
Filed Date 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

_____ Date
U. S. Probation Officer/Designated Witness

BEFORE THE
PHYSICAL THERAPY BOARD
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation
Against:

Eddie Choi, PT
24127 Matthew Place
Santa Clarita, California 91321

Physical Therapist License No. PT 27249

Respondent.

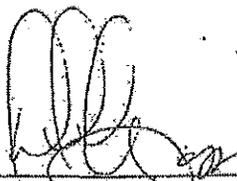
Case No.: ID 2013 74610
OAH Case No.: 2014080887

DECISION AND ORDER

The attached Stipulated Revocation of License and Order is hereby adopted by the Physical Therapy Board, Department of Consumer Affairs, State of California, as its Decision in the above-entitled matter.

This decision shall become effective on: March 11, 2015

It is so ordered on February 9, 2015



DEBRA J. ALVISO, PT, DPT, PRESIDENT
FOR THE PHYSICAL THERAPY BOARD
OF CALIFORNIA, DEPARTMENT OF
CONSUMER AFFAIRS

1 KAMALA D. HARRIS
Attorney General of California
2 JUDITH T. ALVARADO
Supervising Deputy Attorney General
3 WENDY WIDLUS
Deputy Attorney General
4 State Bar No. 82958
California Department of Justice
5 300 South Spring Street, Suite 1702
Los Angeles, California 90013
6 Telephone: (213) 897-2867
Facsimile: (213) 897-9395
7 E-mail: Wendy.Widlus@doj.ca.gov
Attorneys for Complainant
8

9 **BEFORE THE**
PHYSICAL THERAPY BOARD OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS
10 **STATE OF CALIFORNIA**

11 In the Matter of the Amended Accusation
12 Against:

13 **EDDIE CHOI, PT**
24127 Matthew Place
14 Santa Clarita, CA 91321
15 Physical Therapist License No. PT 27249,

16 Respondent.

Case No. 1D 2013 74610

OAH No. 2014080887

**STIPULATED REVOCATION OF
LICENSE AND ORDER**

17
18 **IT IS HEREBY STIPULATED AND AGREED** by and between the parties to the above-
19 entitled proceedings that the following matters are true:
20

21 **PARTIES**

22 1. Jason Kaiser (Complainant) is the Executive Officer of the Physical Therapy Board of
23 California. He brought this action solely in his official capacity and is represented in this matter
24 by Kamala D. Harris, Attorney General of the State of California, by Wendy Widlus, Deputy
25 Attorney General.

26 2. EDDIE CHOI, PT (Respondent) is represented in this proceeding by attorney
27 Gregory Nicolaysen, whose address is 27240 Turnberry Ln., Suite 200, Valencia, CA 91355.

28 3. On or about May 23, 2002, the Physical Therapy Board of California issued Physical
Therapist License No. PT 27249 to EDDIE CHOI, PT. The Physical Therapist License was in

1 full force and effect at all times relevant to the charges brought in Accusation No. 1D 2013 74610
2 and will expire on November 30, 2015, unless renewed.

3 JURISDICTION

4 4. Accusation No. 1D 2013 74610 was filed before the Physical Therapy Board of
5 California (Board), Department of Consumer Affairs. The Accusation and all other statutorily
6 required documents were properly served on Respondent on July 23, 2014. Respondent timely
7 filed his Notice of Defense contesting the Accusation. Thereafter, an Amended Accusation was
8 file on September 5, 2014, and is currently pending against Respondent.

9 A copy of Amended Accusation No. 1D 2013 74610 is attached as Exhibit A and
10 incorporated by reference.

11 ADVISEMENT AND WAIVERS

12 5. Respondent has carefully read, fully discussed with counsel, and understands the
13 charges and allegations in Amended Accusation No. 1D 2013 74610. Respondent also has
14 carefully read, fully discussed with counsel, and understands the effects of this Stipulated
15 Revocation of License and Order.

16 6. Respondent is fully aware of his legal rights in this matter, including the right to a
17 hearing on the charges and allegations in the Amended Accusation; the right to be represented by
18 counsel, at his own expense; the right to confront and cross-examine the witnesses against him;
19 the right to present evidence and to testify on his own behalf; the right to the issuance of
20 subpoenas to compel the attendance of witnesses and the production of documents; the right to
21 reconsideration and court review of an adverse decision; and all other rights accorded by the
22 California Administrative Procedure Act and other applicable laws.

23 7. Respondent voluntarily, knowingly, and intelligently waives and gives up each and
24 every right set forth above.

25 CULPABILITY

26 8. Respondent admits the truth of each and every charge and allegation in Amended
27 Accusation No. 1D 2013 74610, agrees that cause exists for discipline and hereby stipulates to the
28 revocation of his Physical Therapist License No. PT 27249 for the Board's formal acceptance.

1 3. Respondent shall cause to be delivered to the Board his pocket license and, if one was
2 issued, his wall certificate on or before the effective date of the Decision and Order.

3 4. If Respondent ever files an application for licensure or a petition for reinstatement in
4 the State of California, the Board shall treat it as a petition for reinstatement of a revoked license.
5 Respondent must comply with all the laws, regulations and procedures for reinstatement of a
6 revoked license in effect at the time the petition is filed, and all of the charges and allegations
7 contained in Amended Accusation No. 1D 2013 74610 shall be deemed to be true, correct and
8 admitted by Respondent when the Board determines whether to grant or deny the petition.

9 5. If Respondent should ever apply or reapply for a new license or certification, or
10 petition for reinstatement of a license, by any other health care licensing agency in the State of
11 California, all of the charges and allegations contained in Amended Accusation, No. 1D 2013
12 74610 shall be deemed to be true, correct, and admitted by Respondent for the purpose of any
13 Statement of Issues or any other proceeding seeking to deny or restrict licensure.

14 6. Respondent shall pay the Board its costs of investigation and enforcement in the
15 amount of \$4220.00 prior to the filing of an application for new licensure or a petition for
16 reinstatement.

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DATED: 10-2-14


EDDIE CHOI, PT
Respondent

I have read and fully discussed with Respondent EDDIE CHOI, PT the terms and conditions and other matters contained in this Stipulated Surrender of License and Order, I approve its form and content.

DATED: 10/3/2014


GREGORY NICOLAYSEN
Attorney for Respondent

ENDORSEMENT

The foregoing Stipulated Surrender of License and Order is hereby respectfully submitted for consideration by the Physical Therapy Board of California of the Department of Consumer Affairs.

Dated: 10/4/14

Respectfully submitted,
KAMALA D. HARRIS
Attorney General of California
JUDITH T. ALVARADO
Supervising Deputy Attorney General


WENDY WIDLUS
Deputy Attorney General
Attorneys for Complainant

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Exhibit A

Amended Accusation No. 1D 2013 74610

1 KAMALA D. HARRIS
Attorney General of California
2 JUDITH T. ALVARADO
Supervising Deputy Attorney General
3 WENDY WIDLUS
Deputy Attorney General
4 State Bar No. 82958
California Department of Justice
5 300 South Spring Street, Suite 1702
Los Angeles, California 90013
6 Telephone: (213) 897-2867
Facsimile: (213) 897-9395
7 E-mail: Wendy.Widlus@doj.ca.gov
8 *Attorneys for Complainant*

FILED
STATE OF CALIFORNIA
PHYSICAL THERAPY BOARD OF CALIFORNIA
SACRAMENTO, CA September 5, 2014
BY C. Swamoto ANALYST

9 **BEFORE THE**
10 **PHYSICAL THERAPY BOARD OF CALIFORNIA**
11 **DEPARTMENT OF CONSUMER AFFAIRS**
12 **STATE OF CALIFORNIA**

13 In the Matter of the Amended Accusation
14 Against:

Case No. 1D-2013 74610

15 **EDDIE CHOI, PT**
24127 Matthew Place
Santa Clarita, CA 91321
Physical Therapist No. PT 27249,

AMENDED ACCUSATION

16 Respondent.

17
18
19
20 Complainant alleges:

21 **PARTIES**

22 1. Jason Kaiser (Complainant) brings this Amended Accusation solely in his official
23 capacity as the Executive Officer of the Physical Therapy Board of California, Department of
24 Consumer Affairs.

25 2. On or about May 23, 2002, the Physical Therapy Board of California issued Physical
26 Therapist License Number PT 27249 to EDDIE CHOI, PT (Respondent). The Physical Therapist
27 License was in full force and effect at all times relevant to the charges brought herein and will
28 expire on November 30, 2015, unless renewed.

JURISDICTION

3. This Amended Accusation is brought before the Physical Therapy Board of California (Board), Department of Consumer Affairs, under the authority of the following laws. All section references are to the Business and Professions Code unless otherwise indicated.

4. Section 2602.1 of the Code states:

"Protection of the public shall be the highest priority for the Physical Therapy Board of California in exercising its licensing, regulatory, and disciplinary functions. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount."

5. Section 2605 of the Code states, in pertinent part:

"The board shall do all of the following:

" ...

"(d) Suspend and revoke licenses and otherwise enforce the provisions of this chapter.

" ..."

6. Section 2660 of the Code states, in pertinent part:

"Unprofessional conduct constitutes grounds for citation, discipline, denial of a license, or issuance of a probationary license. The board may, after the conduct of appropriate proceedings under the Administrative Procedure Act (Chapter 4.5 (commencing with Section 11400) of Part 1 of Division 3 of Title 2 of the Government Code), issue a citation, impose discipline, deny a license, suspend for not more than 12 months, or revoke, or impose probationary conditions upon any license issued under this chapter for unprofessional conduct that includes, in addition to other provisions of this chapter, but is not limited to, the following:

"(a) Violating or attempting to violate, directly or indirectly, assisting in or abetting the violation of, or conspiring to violate any provision of this chapter, any regulations duly adopted under this chapter, or the Medical Practice Act (Chapter 5 (commencing with Section 2000)).

" ...

//

//

1 “(e) Conviction of a crime that substantially relates to the qualifications, functions, or duties
2 of a physical therapist or physical therapist assistant. The record of conviction or a certified copy
3 thereof shall be conclusive evidence of that conviction.

4 “... ”

5 “(j) The commission of any fraudulent, dishonest, or corrupt act that is substantially related
6 to the qualifications, functions, or duties of a physical therapist or physical therapist assistant.

7 “... ”

8 “(r) Charging a fee for services not performed.

9 “(s) Misrepresenting documentation of patient care or deliberate falsifying of patient
10 records.

11 “(t) Except as otherwise allowed by law, the employment of runners, cappers, sterers, or
12 other persons to procure patients.

13 “... ”

14 7. Section 2661 of the Code states:

15 “A plea or verdict of guilty or a conviction following a plea of nolo contendere is deemed
16 to be a conviction within the meaning of this article. The board may order discipline of the
17 licensee in accordance with Section 2660 or the board may take action as authorized in Section
18 2660.2 on an application when the time for appeal has elapsed, or the judgment of conviction has
19 been affirmed on appeal or when an order granting probation is made suspending the imposition
20 of sentence, irrespective of a subsequent order under Section 1203.4 of the Penal Code allowing
21 that person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside
22 the verdict of guilty, or dismissing the accusation, information, or indictment.”

23 8. Section 490 states, in pertinent part:

24 “(a) In addition to any other action that a board is permitted to take against a licensee, a
25 board may suspend or revoke a license on the ground that the licensee has been convicted of a
26 crime, if the crime is substantially related to the qualifications, functions, or duties of the business
27 or profession for which the license was issued.

28 //

1 “(b) Notwithstanding any other provision of law, a board may exercise any authority to
2 discipline a licensee for conviction of a crime that is independent of the authority granted under
3 subdivision (a) only if the crime is substantially related to the qualifications, functions, or duties
4 of the business or profession for which the licensee's license was issued.

5 “(c) A conviction within the meaning of this section means a plea or verdict of guilty or a
6 conviction following a plea of nolo contendere. An action that a board is permitted to take
7 following the establishment of a conviction may be taken when the time for appeal has elapsed, or
8 the judgment of conviction has been affirmed on appeal, or when an order granting probation is
9 made suspending the imposition of sentence, irrespective of a subsequent order under Section
10 1203.4 of the Penal Code.

11 “ . . . ”

12 9. Section 493 of the Code states, in pertinent part:

13 “Notwithstanding any other provision of law, in a proceeding conducted by a board within
14 the department pursuant to law to deny an application for a license or to suspend or revoke a
15 license or otherwise take disciplinary action against a person who holds a license, upon the

16 ground that the applicant or the licensee has been convicted of a crime substantially related to the
17 qualifications, functions, and duties of the licensee in question, the record of conviction of the
18 crime shall be conclusive evidence of the fact that the conviction occurred, but only of that fact,
19 and the board may inquire into the circumstances surrounding the commission of the crime in
20 order to fix the degree of discipline or to determine if the conviction is substantially related to the
21 qualifications, functions, and duties of the licensee in question.

22 “ . . . ”

23 10. Section 810 of the Code states, in pertinent part:

24 “(a) It shall constitute unprofessional conduct and grounds for disciplinary action, including
25 suspension or revocation of a license or certificate, for a health care professional to do any of the
26 following in connection with his or her professional activities:

27 “(1) Knowingly present or cause to be presented any false or fraudulent claim for the
28 payment of a loss under a contract of insurance.

1 “(2) Knowingly prepare, make, or subscribe any writing, with intent to present or use the
2 same, or to allow it to be presented or used in support of any false or fraudulent claim.

3 “...”

4 11. California Code of Regulations, Title 16, section 1399.20, states:

5 “For the purposes of denial, suspension or revocation of a license, pursuant to Division 1.5
6 (commencing with Section 475) of the code, a crime or act shall be considered to be substantially
7 related to the qualifications, functions or duties of a person holding a license under the Physical
8 Therapy Practice Act if to a substantial degree it evidences present or potential unfitness of a
9 person to perform the functions authorized by the license or approval in a manner consistent with
10 the public health, safety or welfare. Such crimes or acts shall include but not be limited to the
11 following:

12 “(a) Violating or attempting to violate, directly or indirectly, or assisting in or abetting the
13 violation of, or conspiring to violate any provision or term of the Physical Therapy Practice Act.

14 “(b) Conviction of a crime involving fiscal dishonesty arising out of or in connection with
15 the practice of physical therapy.

16 “(c) Violating or attempting to violate any provision or term of the Medical Practice Act.”

17 12. California Code of Regulations, Title 16, section 1399.24, states, in pertinent part:

18 “In addition to the conduct described in Section 2660 of the Code, “unprofessional conduct”
19 also includes but is not limited to the following:

20 “...”

21 “(d) Failure to report to the board within 30 days any of the following:

22 “...”

23 “(3) The conviction of the licensee, including any verdict of guilty, or pleas of guilty or no
24 contest, of any felony or misdemeanor.

25 “...”

26 13. California Penal Code section 550 states, in pertinent part:

27 “(a) It is unlawful to do any of the following, or to aid, abet, solicit, or conspire with any
28 person to do any of the following:

1 "..."
2 (5) Knowingly prepare, make, or subscribe any writing, with the intent to present or use it,
3 or to allow it to be presented, in support of any false or fraudulent claim.

4 (6) Knowingly make or cause to be made any false or fraudulent claim for payment of a
5 health care benefit.

6 (7) Knowingly submit a claim for a health care benefit that was not used by, or on behalf
7 of, the claimant.

8 "..."

9 COST RECOVERY

10 14. Section 2661.5 of the Code states:

11 "(a) In any order issued in resolution of a disciplinary proceeding before the board, the
12 board may request the administrative law judge to direct any licensee found guilty of
13 unprofessional conduct to pay to the board a sum not to exceed the actual and reasonable costs of
14 the investigation and prosecution of the case.

15 "(b) The costs to be assessed shall be fixed by the administrative law judge and shall not in
16 any event be increased by the board. When the board does not adopt a proposed decision and
17 remands the case to an administrative law judge, the administrative law judge shall not increase
18 the amount of the assessed costs specified in the proposed decision.

19 "(c) When the payment directed in an order for payment of costs is not made by the
20 licensee, the board may enforce the order of payment by bringing an action in any appropriate
21 court. This right of enforcement shall be in addition to any other rights the board may have as to
22 any licensee directed to pay costs.

23 "(d) In any judicial action for the recovery of costs, proof of the board's decision shall be
24 conclusive proof of the validity of the order of payment and the terms for payment.

25 "(e) (1) Except as provided in paragraph (2), the board shall not renew or reinstate the
26 license or approval of any person who has failed to pay all of the costs ordered under this section.

27 "(2) Notwithstanding paragraph (1), the board may, in its discretion, conditionally renew or
28 reinstate for a maximum of one year the license or approval of any person who demonstrates

1 financial hardship and who enters into a formal agreement with the board to reimburse the board
2 within that one year period for those unpaid costs.

3 "(f) All costs recovered under this section shall be deposited in the Physical Therapy Fund
4 as a reimbursement in either the fiscal year in which the costs are actually recovered or the
5 previous fiscal year, as the board may direct."

6 **FACTUAL SUMMARY**

7 15. On or about March 18, 2013, Respondent plead guilty to the single felony offense as
8 alleged in a First Superseding Information in United States District Court for the Central District
9 of California, Case No. CR No. 12-712(A)-DDP: Making Illegal Remunerations for Health Care
10 Referrals in violation of 42 U.S.C. 1320a-7b(b)(2).

11 Respondent practiced physical therapy at a physical therapy clinic, California Neuro-
12 Rehabilitation Institute, located in Los Angeles, California, which he and a partner owned. The
13 First Superseding Information alleged that on or about on or about August 9, 2010, Respondent
14 paid an acupuncturist \$3,322.07 to refer Medicare beneficiaries to California Neuro-
15 Rehabilitation Institute.

16 Between January 18, 2010, and March 17, 2011, the acupuncturist referred approximately
17 220 Medical beneficiaries to California Neuro-Rehabilitation Institute. California Neuro-
18 Rehabilitation Institute billed Medicare for physical therapy services for those 220 patients.
19 Respondent paid the acupuncturist a portion of the charges which he billed to Medicare, through
20 California Neuro-Rehabilitation Institute, for physical therapy which was never provided to those
21 patients. Neither Respondent nor California Neuro-Rehabilitation Institute provided any
22 legitimate Medicare-reimbursable services to the patients. As a result of this illegal scheme
23 Medicare suffered an actual loss of \$1,058,047.26.

24 16. As alleged in paragraph 15, Respondent pled guilty to a felony on or about March 18,
25 2013. Pursuant to Board regulation, Respondent was obligated to inform the Board of his plea
26 with 30 days of the occurrence. Respondent reported his conviction to the Board in November of
27 2013, seven months after he was mandated to report his conviction.

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1 **FIRST CAUSE FOR DISCIPLINE.**

2 (Conviction of a Substantially Related Crime)

3 17. Respondent is subject to disciplinary action under sections 490, 2660 subsection (e),
4 and section 2661 of the Code and Title 16, section 1399.20, subdivisions (a), (b) and (c) for
5 conviction of a crime which is substantially related to the qualifications, functions, or duties of his
6 profession. The circumstances are as follows:

7 18. Complainant refers to and, by reference incorporates herein paragraph 15 inclusive,
8 above as though fully set forth here.

9 19. Respondent's acts and/or omissions set forth in paragraph 18 above, whether proven
10 individually, jointly, or in any combination thereof, constitute conviction of a crime substantially
11 related to the practice of a physical therapist, in violation of section 490, section 2660,
12 subdivision (e), section 2661, of the Code and Title 16, California Code of Regulations, section
13 1399.20, subdivisions (a), (b) and (c). Therefore, cause for discipline exists.

14 **SECOND CAUSE FOR DISCIPLINE**

15 (Fraud)

16 20. Respondent is subject to disciplinary action pursuant to section 810, subdivision (a)
17 (1) and (2), section 2660, subdivisions (a), (e), (j), (r), (s), and (t) of the Code, and California
18 Code of Regulations, Title 16, section 1399.20, subdivisions (a), (b) and (c) in that he engaged in
19 fraud. The circumstances are as follows:

20 21. Respondent illegally procured patients by paying an acupuncturist to refer patients to
21 him and to his physical therapy business as set forth in paragraph 15 above, which includes the
22 following acts and/or omissions which deviate from the standard of care:

23 A. Respondent, a licensed physical therapist, participated in an illegal scheme with
24 an acupuncturist to refer patients to his physical therapy business.

25 B. Respondent prepared and submitted false patient medical records stating physical
26 therapy services were provided to 220 Medicare eligible patients for approximately 14 months.

27 C. Respondent's preparation of false patient medical records stating physical therapy
28 services were provided to 220 Medicare eligible patients, were prepared by Respondent with the

1 intention that the records be utilized to obtain payment from Medi-care for the purported physical
2 therapy services.

3 22. Respondent's acts and/or omissions as set forth in as set forth in paragraphs 16 and 21
4 above, whether proven individually, jointly, or in any combination thereof, constitute fraud
5 pursuant to section 2660, subdivisions (a), (e), (j), (r), (s), and (t) of the Code, and California
6 Code of Regulations, Title 16, section 1399.20, subdivisions (a), (b) and (c).

7 **THIRD CAUSE FOR DISCIPLINE**

8 (Failure to Report a Conviction to the Board Within The Required Time)

9 23. Respondent is subject to disciplinary action pursuant to section 2660, subdivision (a),
10 of the Code, and California Code of Regulations, Title 16, section 1399.24.

11 24. Complainant refers to and, by reference incorporates herein paragraphs 15 and 16,
12 inclusive, above as though fully set forth here.

13 **DISCIPLINARY CONSIDERATIONS**

14 25. To determine the degree of discipline, if any, to be imposed on Respondent,
15 Complainant alleges that on or about March 18, 2013, Respondent plead guilty to the single
16 felony offense as alleged in a First Superseding Information in United States District Court for the
17 Central District of California, Case No. CR No. 12-712(A)-DDP: Making Illegal Remunerations
18 for Health Care Referrals in violation of 42 U.S.C. 1320a-7b(b)(2).

19 26. On or about June 10, 2014, in Case No. CR No. 12-712(A)-DDP, Respondent was
20 sentenced to 15 months in prison. Upon his release from prison Respondent shall be placed on
21 supervised release for three years under the following terms and conditions:

22 A. The defendant shall comply with the rules and regulations of the United States
23 Probation Office, General Order 05-02, and General Order 01-05, including the three special
24 conditions delineated in General Order 01-05.

25 B. The defendant shall participate in and reside at a residential re-entry center (RRC) for
26 a period of 12 months, and shall comply with all rules and regulations of the RRC, until
27 discharged by the program director, with the approval of the Probation Officer.

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1 C. During the period of community supervision, the defendant shall pay the special
2 assessment and restitution in accordance with this judgment's orders pertaining to such payment.

3 D. The defendant shall apply monies received from income tax refunds, lottery
4 winnings, inheritance, judgments, and any anticipated or unexpected financial gains to the
5 outstanding Court-ordered financial obligation.

6 E. The defendant shall not be employed in any position that requires licensing and/or
7 certification by any local, state, or federal agency without the prior written approval of the
8 Probation Officer.

9 F. The defendant shall cooperate in the collection of a DNA sample from the defendant.
10 The drug testing condition mandated by statute is suspended based on the Court's determination
11 that the defendant poses a low risk of future substance abuse.

12 PRAYER

13 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
14 and that following the hearing, the Physical Therapy Board of California issue a decision:

15 1. Revoking or suspending Physical Therapist Number PT 27249, issued to Eddie Choi,

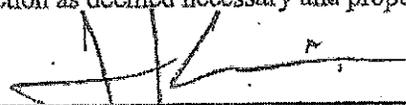
16 P.T.;

17 2. Ordering Eddie Choi, P.T., to pay the Physical Therapy Board of California the
18 reasonable costs of the investigation and enforcement of this case, pursuant to Business and
19 Professions Code section 2661.5;

20 3. Ordering Eddie Choi, P.T., if placed on probation, to pay the costs of probation
21 monitoring; and

22 4. Taking such other and further action as deemed necessary and proper.

23 DATED: September 5, 2014

24 
25 JASON KAISER
26 Executive Officer
27 Physical Therapy Board of California
28 Department of Consumer Affairs
State of California
Complainant

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