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BY _____

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

September 2011 Grand Jury

CR 11 01075

UNITED STATES OF AMERICA, Plaintiff, v. ARMAN GRIGORYAN, LIANNA OVSEPIAN, aka "Lili," KENNETH WAYNE JOHNSON, NURISTA GRIGORYAN, aka "Nora," PHIC LIM, aka "PK," ARTAK OVSEPIAN, EDGAR HOVANNISYAN, ARTUR HARUTYUNYAN, SAMVEL TAMAZYAN, MIKAYEL GHUKASYAN, ARTYOM YEGHIAZARYAN, THEANA KHOU, NUNE OVSEPYAN, LISA DANIELLE MENDEZ, aka "Danielle," ANTHONY GLEN JONES, DAVID SMITH, aka "Green Eyes," VINCENT VO, aka "Minh," and RICHARD BOND WASHINGTON, Defendants.	CR No. 11- _____ I N D I C T M E N T [18 U.S.C. § 1349: Conspiracy to Commit Health Care Fraud; 18 U.S.C. § 1028(f): Conspiracy to Possess at Least Five Identification Documents and Authentication Features With Intent to Use Unlawfully; 18 U.S.C. § 1028(a)(3): Possession of at Least Five Identification Documents and Authentication Features With Intent to Use Unlawfully; 18 U.S.C. § 1028A: Aggravated Identity Theft; 18 U.S.C. § 371: Conspiracy to Engage in the Misbranding of Prescription Drugs; 18 U.S.C. § 1956(h): Conspiracy to Engage in Transactions in Criminally Derived Proceeds; 18 U.S.C. § 1956: Money Laundering; 18 U.S.C. § 1957: Engaging in Transactions in Criminally Derived Proceeds; 31 U.S.C. § 5324(a)(3): Structuring; 18 U.S.C. § 1001(a)(2): False Statement to a Federal Officer; 18 U.S.C. § 2: Aiding and Abetting and Causing an Act to Be Done]

The Grand Jury charges:

GENERAL ALLEGATIONS

At all times relevant to this Indictment:

The Defendants and Manor Medical

1. Defendants ARMAN GRIGORYAN, LIANNA OVSEPIAN, also known as ("aka") "Lili," NURISTA GRIGORYAN, aka "Nora," and ARTAK OVSEPIAN operated a business known as Manor Medical Imaging, Inc. ("Manor"), located in Glendale, California, within the Central District of California.

2. Manor functioned as a "prescription mill" that generated thousands of prescriptions for expensive anti-psychotic medications ("Psych Meds"), namely, Abilify, Seroquel, and Zyprexa, which Manor's "patients" did not in fact need. Those prescriptions (the "Manor Prescriptions") were made to appear to be signed and issued by defendant KENNETH WAYNE JOHNSON ("JOHNSON"), a medical doctor, when in fact defendant JOHNSON did not issue or lawfully authorize the Manor Prescriptions, nor did defendant JOHNSON examine Manor's "patients." Instead, defendant JOHNSON allowed other Manor employees, primarily defendant NURISTA GRIGORYAN, to falsely pose as physicians and physician's assistants and to issue the Manor Prescriptions using defendant JOHNSON's name and Medi-Cal and Medicare billing information.

3. Patient recruiters, or "Cappers," would bring beneficiaries of Medicare and/or Medi-Cal ("the beneficiaries") to Manor. Cappers who recruited beneficiaries on behalf of Manor included defendants LISA DANIELLE MENDEZ, aka "Danielle" ("MENDEZ"), ANTHONY GLEN JONES ("JONES"), DAVID SMITH, aka "Green

Eyes" ("SMITH"), VINCENT VO, aka "Minh" ("VO"), and RICHARD BOND WASHINGTON ("WASHINGTON").

4. Upon arriving at Manor, each of the beneficiaries, in exchange for cash or other inducements, would receive Manor Prescriptions for one Psych Med and at least one other drug. After the Manor Prescriptions were provided to the beneficiaries, "Drivers" employed by Manor would take the recruited beneficiaries to pharmacies, where, under the supervision of the Drivers, the beneficiaries filled their Manor Prescriptions. The Drivers used by Manor included defendants ARTAK OVSEPIAN, who served as manager of Manor's Drivers, ARMAN GRIGORYAN, EDGAR HOVANNISYAN ("HOVANNISYAN"), ARTUR HARUTYUNYAN ("HARUTYUNYAN"), MIKAYEL GHUKASYAN ("GHUKASYAN"), ARTYOM YEGHIAZARYAN ("YEGHIAZARYAN"), and SAMVEL TAMAZYAN ("TAMAZYAN"), who was aided and abetted by defendant NUNE OVSEPIAN.

5. After the Manor Prescriptions were filled, the Drivers would take the Psych Meds from the beneficiaries and deliver those medications to Manor.

6. Manor also generated Psych Med prescriptions, which also were falsely made to appear to be written by defendant JOHNSON, in the names of beneficiaries who never visited Manor and whose identities were stolen. In these instances, using falsified patient authorization forms, Manor employees would either fax prescriptions to pharmacies or have the Drivers bring prescriptions to pharmacies. The Drivers would then fill the prescriptions, which included Psych Meds, and the Drivers would then deliver the Psych Meds to Manor.

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7. The following pharmacies, among others, filled Manor Prescriptions: Huntington Pharmacy ("Huntington"), owned by defendants PHIC LIM, aka "PK" ("LIM") and THEANA KHOU ("KHOU"); Pacific Grand Pharmacy ("Pacific Grand"); Adams Square Pharmacy ("Adams Square"); West Vern Pharmacy ("West Vern"); Garos Pharmacy ("Garos"); Midway Drugs Pharmacy ("Midway Drugs"); and Merced Medical Pharmacy ("Merced Medical") (collectively, "the Pharmacies").

8. As the defendants knew, the Pharmacies would bill Medicare (via the beneficiaries' prescription drug plans ("PDPs")) or Medi-Cal for each of the Manor Prescriptions. Between in or about September 2009 and in or about October 2011, the Pharmacies submitted no less than approximately $18,045,398 in claims to Medicare or Medi-Cal for at least 21,075 Manor Prescriptions. Medicare and Medi-Cal actually paid the Pharmacies a combined amount of approximately $7,291,419 for 14,705 of those claims, with Huntington alone receiving approximately $2,220,016 of those payments.

9. Defendants LIM and KHOU maintained control over the following financial accounts, into which they deposited and through which they laundered proceeds derived from their involvement in filling Manor Prescriptions: an East West bank account ending in the numbers 7236 ("the East West Account"); Chase Bank accounts ending in the numbers 0725 ("Chase Account 1") and 8303 ("Chase Account 2"); a HSBC account ending in the numbers 0993 ("HSBC Account 1"), each held in the name "P.S. Enterprise Inc. d/b/a Huntington Pharmacy"; a Chase Bank Account ending in numbers 2674 ("Chase Account 3"); and a TD Ameritrade

account ending in the numbers 9811 (the "TD Ameritrade Account"), each held in the name "Phic K Lim & Theana S Khou Family Trust."

The Medicare Program

10. Medicare was a federal health care benefit program, affecting commerce, that provided benefits to persons who were over the age of 65 or disabled. Medicare was administered by the Centers for Medicare and Medicaid Services ("CMS"), a federal agency under the United States Department of Health and Human Services ("HHS").

Medicare Part B

11. Medicare Part B covered, among other things, medically necessary physician services and medically necessary outpatient tests ordered by a physician.

12. Health care providers, including physicians and clinics, could receive direct reimbursement from Medicare by applying to Medicare and receiving a Medicare provider number. To obtain payment for Part B services, an enrolled physician or clinic, using its Medicare provider number, would submit claims to Medicare, certifying that the information on the claim form was truthful and accurate and that the services provided were reasonable and necessary to the health of the Medicare beneficiary.

Medicare Part D

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

14. To obtain payment for prescription drugs provided to such Medicare beneficiaries, pharmacies would submit their claims for payment to the beneficiary's PDP. The beneficiary would be responsible for any deductible or co-payment required under his or her PDP.

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

The Medi-Cal Program

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

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

18. Medi-Cal reimbursed physicians and other health care providers for medically necessary treatment and services rendered to Medi-Cal beneficiaries.

19. Health care providers, including doctors and pharmacies, could receive direct reimbursement from Medi-Cal by applying to Medi-Cal and receiving a Medi-Cal provider number.

20. To obtain payment for services, an enrolled provider, using its unique provider number, would submit claims to Medi-Cal certifying that the information on the claim form was truthful

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and accurate and that the services provided were reasonable and necessary to the health of the Medi-Cal beneficiary.

COUNT ONE

[18 U.S.C. § 1349]

21. The Grand Jury hereby repeats, re-alleges, and incorporates by reference paragraphs 1 through 20 of this Indictment as if set forth herein.

A. OBJECT OF THE CONSPIRACY

22. Beginning on a date unknown, and continuing through on or about October 27, 2011, in Los Angeles County, within the Central District of California, and elsewhere, defendants ARMAN GRIGORYAN, LIANNA OVSEPIAN, JOHNSON, NURISTA GRIGORYAN, LIM, ARTAK OVSEPIAN, HOVANNISYAN, HARUTYUNYAN, TAMAZYAN, GHUKASYAN, YEGHIAZARYAN, KHOU, NUNE OVSEPYAN, MENDEZ, JONES, SMITH, VO, and WASHINGTON, together with others known and unknown to the Grand Jury, conspired and agreed with each other to knowingly and intentionally commit health care fraud, in violation of Title 18, United States Code, Section 1347.

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

23-30. The means by which the object of the conspiracy was to be accomplished included the following: the Grand Jury hereby repeats, re-alleges, and incorporates by reference paragraphs 1 through 8 of this Indictment as if fully set forth herein.

C. OVERT ACTS

31. In furtherance of the conspiracy and to accomplish its object, on or about the following dates, defendants ARMAN GRIGORYAN, LIANNA OVSEPIAN, JOHNSON, NURISTA GRIGORYAN, LIM, ARTAK OVSEPIAN, HOVANNISYAN, HARUTYUNYAN, TAMAZYAN, GHUKASYAN, YEGHIAZARYAN, KHOU, NUNE OVSEPYAN, MENDEZ, JONES, SMITH, VO, and

WASHINGTON, together with unnamed co-conspirators and others known and unknown to the Grand Jury, committed and willfully caused others to commit the following overt acts, among others, within the Central District of California, and elsewhere:

DEFENDANT ARMAN GRIGORYAN

Overt Act No. 1: On August 12, 2010, defendant ARMAN GRIGORYAN collected a bag of pharmaceuticals, including Psych Meds, from defendant HARUTYUNYAN.

Overt Act No. 2: On April 15, 2010, defendant ARMAN GRIGORYAN recruited beneficiaries to fill Manor Prescriptions and drove recruited beneficiaries to Huntington to fill Manor Prescriptions.

Overt Act No. 3: On May 29, 2010, defendant ARMAN GRIGORYAN drove recruited beneficiaries to Huntington to fill Manor Prescriptions.

DEFENDANT LIANNA OVSEPIAN

Overt Act No. 4: On September 29, 2010, defendant LIANNA OVSEPIAN contacted and spoke with an auditor employed by Medicare PDP Prescription Solutions Inc. ("PSI") regarding an audit conducted by PSI of Manor Prescriptions filled by Huntington.

Overt Act No. 5: On January 24, 2011, defendant LIANNA OVSEPIAN contacted R.T., the owner of Sunny Bay Pharmacy, to recruit R.T.'s assistance in filling Manor Prescriptions.

Overt Act No. 6: On February 8, 2011, defendant LIANNA OVSEPIAN met with an undercover agent posing as an employee of Sunny Bay Pharmacy to discuss recruiting Sunny Bay Pharmacy to fill Manor Prescriptions.

Overt Act No. 7: On May 19, 2011, defendant LIANNA OVSEPIAN held a meeting with defendants GHUKASYAN, HARUTYUNYAN, and ARTAK OVSEPIAN at Manor.

Overt Act No. 8: On September 13, 2011, at Manor, defendant LIANNA OVSEPIAN assisted defendants HARUTYUNYAN and HOVANNISYAN in burning pharmacy bags and other materials.

DEFENDANT JOHNSON

Overt Act No. 9: On November 3, 2010, defendant JOHNSON contacted and spoke with a PSI auditor regarding an audit of Manor Prescriptions filled by Huntington.

Overt Act No. 10: On February 8, 2011, defendant JOHNSON met with an undercover agent posing as an employee of Sunny Bay Pharmacy to discuss recruiting Sunny Bay Pharmacy to fill Manor Prescriptions.

DEFENDANT NURISTA GRIGORYAN

Overt Act No. 11: On October 25, 2011, defendant NURISTA GRIGORYAN completed patient medical records while seated in her car parked at Manor.

DEFENDANTS LIM and KHOU

Overt Act No. 12: On August 6, 2010, defendant KHOU transferred $165,000 in funds received by Huntington from Medi-Cal for billings of Manor Prescriptions to the TD Ameritrade Account.

Overt Act No. 13: On September 6, 2010, defendant LIM transferred $67,000 in funds received by Huntington from Medi-Cal for billings of Manor Prescriptions to the TD Ameritrade Account.

Overt Act No. 14: In October 2010, defendant LIM provided a PSI auditor with statements purportedly signed by 16

beneficiaries, which falsely asserted that the beneficiaries retracted prior complaints to PSI that Manor Prescriptions were being fraudulently filled using their Medicare benefits without their knowledge or authorization.

Overt Act No. 15: On September 21, 2010, defendant LIM spoke with an auditor from the California Department of Health Care Services ("DHCS") regarding an audit conducted by DHCS of Manor Prescriptions filled by Huntington.

DEFENDANT ARTAK OVSEPIAN

Overt Act No. 16: On September 20, 2010, defendant ARTAK OVSEPIAN drove recruited beneficiaries to Pacific Grand to fill Manor Prescriptions.

Overt Act No. 17: On September 21, 2010, defendant ARTAK OVSEPIAN drove recruited beneficiaries to Pacific Grand to fill Manor Prescriptions.

Overt Act No. 18: On January 24, 2011, defendant ARTAK OVSEPIAN traveled with defendant LIANNA OVSEPIAN to Sunny Bay Pharmacy to contact R.T. and recruit R.T.'s assistance in filling Manor Prescriptions.

Overt Act No. 19: On January 25, 2011, defendant ARTAK OVSEPIAN drove a recruited beneficiary to Sunny Bay Pharmacy to fill Manor Prescriptions.

Overt Act No. 20: On January 26, 2011, defendant ARTAK OVSEPIAN drove recruited beneficiaries to Sunny Bay Pharmacy to fill Manor Prescriptions.

Overt Act No. 21: On May 19, 2011, defendant ARTAK OVSEPIAN drove recruited beneficiaries to Midway Drugs to fill Manor Prescriptions.

Overt Act No. 22: On May 25, 2011, defendant ARTAK OVSEPIAN drove recruited beneficiaries to Midway Drugs to fill Manor Prescriptions.

Overt Act No. 23: On June 14, 2011, defendant ARTAK OVSEPIAN drove recruited beneficiaries to a pharmacy to fill Manor Prescriptions.

Overt Act No. 24: On July 19, 2011, defendant ARTAK OVSEPIAN assisted in loading recruited beneficiaries into vans at Manor.

Overt Act No. 25: On July 20, 2011, defendant ARTAK OVSEPIAN drove recruited beneficiaries to Merced Medical to fill Manor Prescriptions.

Overt Act No. 26: On September 21, 2011, defendant ARTAK OVSEPIAN assisted in loading recruited beneficiaries into vans at Manor.

DEFENDANTS HOVANNISYAN, HARUTYUNYAN, and GHUKASYAN

Overt Act No. 27: On August 12, 2010, defendants HARUTYUNYAN drove recruited beneficiaries to Huntington to fill Manor Prescriptions.

Overt Act No. 28: On January 11, 2011, defendant HOVANNISYAN drove recruited beneficiaries to Midway Drugs to fill Manor Prescriptions.

Overt Act No. 29: On May 19, 2011, defendants HARUTYUNYAN and GHUKASYAN followed an investigating agent who had been conducting surveillance of Manor.

Overt Act No. 30: On May 19, 2011, defendants HOVANNISYAN and GHUKASYAN inspected cars parked near Manor to detect the presence of law enforcement surveillance of Manor.

Overt Act No. 31: On May 19, 2011, defendants HOVANNISYAN and GHUKASYAN loaded beneficiaries into vans and drove the recruited beneficiaries to Midway Drugs to fill Manor Prescriptions.

Overt Act No. 32: On July 20, 2011, defendants HOVANNISYAN and HARUTYUNYAN drove recruited beneficiaries to Merced Medical to fill Manor Prescriptions.

DEFENDANTS TAMAZYAN and NUNE OVSEPIAN

Overt Act No. 33: On February 11, 2011, defendants TAMAZYAN and NUNE OVSEPIAN possessed approximately 300 documents bearing xerox copies of beneficiaries' identification and government health insurance cards.

DEFENDANT YEGHIAZARYAN

Overt Act No. 34: On September 20, 2011, defendant YEGHIAZARYAN drove recruited beneficiaries to Merced Medical to fill Manor Prescriptions.

Overt Act No. 35: On September 21, 2011, defendant YEGHIAZARYAN drove recruited beneficiaries to a pharmacy to fill Manor Prescriptions.

DEFENDANTS MENDEZ and JONES

Overt Act No. 36: On September 20, 2010, defendant MENDEZ assisted in driving recruited beneficiaries to Pacific Grand to fill Manor Prescriptions.

Overt Act No. 37: On May 19, 2011, defendant MENDEZ took recruited beneficiaries to Manor.

Overt Act No. 38: On July 19, 2011, defendants MENDEZ and JONES brought recruited beneficiaries to Manor.

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Overt Act No. 39: On July 20, 2011, defendants MENDEZ and JONES met with recruited beneficiaries at Manor.

Overt Act No. 40: On September 20, 2011, defendants MENDEZ and JONES met with recruited beneficiaries at Manor.

Overt Act No. 41: On September 21, 2011, defendants MENDEZ and JONES met with recruited beneficiaries at Manor.

DEFENDANT SMITH

Overt Act No. 42: On May 19, 2011, defendant SMITH met with beneficiaries at Manor.

DEFENDANT VO

Overt Act No. 43: In March 2010, defendant VO took recruited beneficiaries to Manor.

DEFENDANT WASHINGTON

Overt Act No. 44: On May 29, 2010, defendant WASHINGTON recruited beneficiaries to fill Manor Prescriptions.

COUNT TWO

[18 U.S.C. § 1028(f)]

A. OBJECT OF THE CONSPIRACY

32. Beginning on a date unknown, and continuing through on or about October 27, 2011, in Los Angeles County, within the Central District of California, and elsewhere, defendants ARMAN GRIGORYAN, LIANNA OVSEPIAN, also known as ("aka") "Lili," KENNETH WAYNE JOHNSON ("JOHNSON"), NURISTA GRIGORYAN, aka "Nora," PHIC LIM, aka "PK" ("LIM"), ARTAK OVSEPIAN, EDGAR HOVANNISYAN ("HOVANNISYAN"), ARTUR HARUTYUNYAN ("HARUTYUNYAN"), SAMVEL TAMAZYAN ("TAMAZYAN"), MIKAYEL GHUKASYAN ("GHUKASYAN"), ARTYOM YEGHIAZARYAN ("YEGHIAZARYAN"), THEANA KHOU ("KHOU"), NUNE OVSEPYAN, LISA DANIELLE MENDEZ, aka "Danielle" ("MENDEZ"), ANTHONY GLEN JONES ("JONES"), DAVID SMITH, aka "Green Eyes" ("SMITH"), VINCENT VO, aka "Minh" ("VO"), and RICHARD BOND WASHINGTON ("WASHINGTON"), together with others known and unknown to the Grand Jury, conspired and agreed with each other to knowingly and intentionally possess with intent to use unlawfully and transfer unlawfully at least five identification documents and authentication features, in violation of Title 18, United States Code, Sections 1028(a)(3), (b)(1)(A)(i).

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

33. The means by which the object of the conspiracy was to be accomplished included the following:

34-41. The Grand Jury hereby repeats, re-alleges, and incorporates by reference paragraphs 1 through 8 of this Indictment as if fully set forth herein.

C. OVERT ACTS

42. In furtherance of the conspiracy and to accomplish its object, on or about following dates, defendants ARMAN GRIGORYAN, LIANNA OVSEPIAN, JOHNSON, NURISTA GRIGORYAN, LIM, ARTAK OVSEPIAN, HOVANNISYAN, HARUTYUNYAN, TAMAZYAN, GHUKASYAN, YEGHIAZARYAN, KHOU, NUNE OVSEPYAN, MENDEZ, JONES, SMITH, VO, and WASHINGTON, together with others known and unknown to the Grand Jury, committed and willfully caused others to commit the following overt acts, among others, within the Central District of California and elsewhere.

43. The Grand Jury hereby repeats, re-alleges, and incorporates by reference Overt Acts 1 through 44 of Count One of this Indictment as if fully set forth herein.

COUNT THREE

[18 U.S.C. §§ 1028(a)(3), (b)(1)(A)(i), 2(a)]

44. On or about February 16, 2011, in Los Angeles County, within the Central District of California, defendants SAMVEL TAMAZYAN ("TAMAZYAN") and NUNE OVSEPIAN ("OVSEPIAN"), each aiding and abetting the other, knowingly possessed with intent to use unlawfully and transfer unlawfully at least five identification documents not issued lawfully for the use of either defendant TAMAZYAN or OVSEPIAN, authentication features, and false identification documents, namely, health insurance identification cards and health insurance account numbers, including identification documents, authentication features, and false identification documents which were issued and which appeared to have been issued by and under the authority of the United States.

COUNT FOUR

[18 U.S.C. §§ 1028A, 2(a)]

45. On or about February 16, 2011, in Los Angeles County, within the Central District of California, and elsewhere, defendants SAMVEL TAMAZYAN and NUNE OVSEPIAN, each aiding and abetting the other, knowingly transferred, possessed, and used, without lawful authority, a means of identification of another person, that is, the names and unique government-issued public health care identification numbers of N.P., J.M., and A.T., during and in relation to a felony violation of Title 18, United States Code, Section 1028(a)(3) (Possession of At Least Five Identification Documents and Authentication Features With Intent to Use Unlawfully) as charged in Count Three of this Indictment.

COUNT FIVE

[18 U.S.C. §§ 1028A, 2]

46. The Grand Jury hereby repeats, re-alleges, and incorporates by reference paragraphs 1 through 8 of this Indictment as if set forth herein.

47. Beginning on a date unknown, and continuing through on or about October 27, 2011, in Los Angeles County, within the Central District of California, and elsewhere, defendants ARMAN GRIGORYAN, LIANNA OVSEPIAN, JOHNSON, NURISTA GRIGORYAN, LIM, ARTAK OVSEPIAN, HOVANNISYAN, HARUTYUNYAN, TAMAZYAN, GHUKASYAN, YEGHIAZARYAN, KHOU, NUNE OVSEPYAN, MENDEZ, JONES, SMITH, VO, and WASHINGTON, each aiding and abetting the others, knowingly transferred, possessed, and used, and caused to be transferred, possessed, and used, without lawful authority, a means of identification of another person, that is, the names and unique government-issued public health care identification numbers of H.T., A.V., M.V., R.E., R.R., Q.T., E.P., S.M., E.R., T.D., and J.H., during and in relation to a felony violation of Title 18, United States Code, Section 1349, Conspiracy to Commit Health Care Fraud, as charged in Count One of this Indictment.

COUNT SIX

[18 U.S.C. § 371, 21 U.S.C. § 331(k)]

48. The Grand Jury hereby repeats, re-alleges, and incorporates by reference paragraphs 1 through 8 of this Indictment as if set forth herein.

A. OBJECT OF THE CONSPIRACY

49. Beginning on a date unknown to the Grand Jury, and continuing to on or about October 27, 2011, in Los Angeles County, within the Central District of California, and elsewhere, defendants ARMAN GRIGORYAN, LIANNA OVSEPIAN, JOHNSON, NURISTA GRIGORYAN, LIM, ARTAK OVSEPIAN, HOVANNISYAN, HARUTYUNYAN, TAMAZYAN, GHUKASYAN, YEGHIAZARYAN, KHOU, and NUNE OVSEPYAN, together with others known and unknown to the Grand Jury, conspired and agreed with each other to knowingly and intentionally commit Misbranding of Pharmaceutical Drugs, in violation of Title 21, United States Code, Section 331(k).

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

50. The means by which the object of the conspiracy was to be accomplished included the following:

51-58. The Grand Jury hereby repeats, re-alleges, and incorporates by reference paragraphs 1 through 8 of this Indictment as if fully set forth herein.

C. OVERT ACTS

59. In furtherance of the conspiracy and to accomplish its object, on or about following dates, defendants ARMAN GRIGORYAN, LIANNA OVSEPIAN, JOHNSON, NURISTA GRIGORYAN, LIM, ARTAK OVSEPIAN, HOVANNISYAN, HARUTYUNYAN, TAMAZYAN, GHUKASYAN, YEGHIAZARYAN,

KHOU, and NUNE OVSEPYAN, together with unnamed co-conspirators and others known and unknown to the Grand Jury, committed and willfully caused others to commit the following overt acts, among others, within the Central District of California and elsewhere.

60. The Grand Jury hereby repeats, re-alleges, and incorporates by reference Overt Acts 1 through 35 of Count One as if fully set forth herein.

COUNT SEVEN

[18 U.S.C. § 1956(h)]

61. The Grand Jury hereby repeats, re-alleges, and incorporates by reference paragraphs 1 through 9 of this Indictment as if set forth herein.

A. OBJECTS OF THE CONSPIRACY

62. Beginning on an unknown date, and continuing through on or about October 27, 2011, in Los Angeles County, within the Central District of California, and elsewhere, defendants LIM and KHOU, and others known and unknown to the Grand Jury, conspired and agreed with each other to knowingly and intentionally commit the following offenses against the United States:

a. conducting financial transactions affecting interstate commerce knowing that property involved in the financial transactions represented the proceeds of some form of unlawful activity, and which property, in fact, involved the proceeds of specified unlawful activity, that is, health care fraud, in violation of Title 18, United States Code, Section 1349, and knowing that the transactions were designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of such specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i);

b. knowingly engaging and attempting to engage in monetary transactions in criminally derived property of a value greater than $10,000, that is, proceeds from health care fraud, knowing that the funds involved represented the proceeds of some form of unlawful activity, in violation of Title 18, United

States Code, Section 1957(a).

B. MEANS BY WHICH THE OBJECTS OF THE CONSPIRACY WERE TO BE ACCOMPLISHED

63. The objects of the conspiracy were to be accomplished in substance as follows:

a. Defendants LIM and KHOU would receive Medi-Cal check payments from the State of California as a result of the health care fraud conspiracy set forth in Count One above.

b. Defendants LIM and KHOU would deposit, and cause to be deposited, checks consisting of proceeds derived from the health care fraud conspiracy set forth in Count One above into the East West Account and into Chase Account 1.

c. Defendants LIM and KHOU would transfer, and cause to be transferred, proceeds from the East West Account to the TD Ameritrade Account.

d. Defendants LIM and KHOU would transfer, and cause to be transferred, proceeds from Chase Account 1 to HSBC Account 1.

C. OVERT ACTS

64. In furtherance of the conspiracy and to accomplish its objects, on or about the following dates, defendants LIM and KHOU, together with others known and unknown to the Grand Jury, committed, and willfully caused to be committed, various overt acts within the Central District of California, and elsewhere, including but not limited to the following:

MOVEMENT OF THE CRIMINALLY DERIVED PROCEEDS FROM EAST WEST ACCOUNT 1 TO THE TD AMERITRADE ACCOUNT

Overt Act No. 1: On April 22, 2010, defendants LIM and

KHOU deposited into the East West Account a check from Medi-Cal in the amount of $44,733.03, of which $41,963.89 was issued for reimbursement based on claims for Manor Prescriptions.

Overt Act No. 2: On June 4, 2010, defendants LIM and KHOU deposited into the East West Account a check from Medi-Cal in the amount of $39,914.54, of which $34,524.96 was issued for reimbursement based on claims for Manor Prescriptions.

Overt Act No. 3: On August 6, 2010, defendants LIM and KHOU transferred $165,000 from the East West Account by writing a check to defendant KHOU "for deposit only" to the TD Ameritrade Account.

Overt Act No. 4: On August 26, 2010, defendants LIM and KHOU deposited into the East West Account a check from Medi-Cal in the amount of $67,152.41, of which $63,845.95 was issued for reimbursement based on claims for Manor Prescriptions.

Overt Act No. 5: On September 6, 2010, defendants LIM and KHOU transferred $67,000 from the East West Account by writing a check to defendant LIM "for deposit only" to the TD Ameritrade Account.

MOVEMENT OF THE CRIMINALLY DERIVED PROCEEDS FROM CHASE ACCOUNT 1 TO HSBC ACCOUNT 1

Overt Act No. 6: On February 25, 2010, defendants LIM and KHOU deposited into Chase Account 1 a check from Medi-Cal in the amount of $75,486.57, of which $74,026.66 was issued for reimbursement based on claims for Manor Prescriptions.

Overt Act No. 7: On March 1, 2010, defendants LIM and KHOU transferred $80,000 from Chase Account 1 to HSBC Account 1.

Overt Act No. 8: On March 18, 2010, defendants LIM and

KHOU deposited into Chase Account 1 a check from Medi-Cal in the amount of $59,728.78, of which $50,575.96 was issued for reimbursement based on claims for Manor Prescriptions.

Overt Act No. 9: On March 22, 2010, defendants LIM and KHOU transferred $60,000 from Chase Account 1 to HSBC Account 1.

Overt Act No. 10: On April 8, 2010, defendants LIM and KHOU deposited into Chase Account 1 a check from Medi-Cal in the amount of $63,217.98, of which $61,428.49 was issued for reimbursement based on claims for Manor Prescriptions.

Overt Act No. 11: On April 14, 2010, defendants LIM and KHOU transferred $130,000 from Chase Account 1 to HSBC Account 1.

Overt Act No. 12: On May 6, 2010, defendants LIM and KHOU deposited into Chase Account 1 a check from Medi-Cal in the amount of $76,146.78, of which $73,055.06 was issued for reimbursement based on claims for Manor Prescriptions.

Overt Act No. 13: On May 12, 2010, defendants LIM and KHOU transferred $70,000 from Chase Account 1 to HSBC Account 1.

Overt Act No. 14: On June 17, 2010, defendants LIM and KHOU deposited into Chase Account 1 a check from Medi-Cal in the amount of $23,174.10, of which $22,008.07 was issued for reimbursement based on claims for Manor Prescriptions.

Overt Act No. 15: On June 21, 2010, defendants LIM and KHOU transferred $50,000 from Chase Account 1 to HSBC Account 1.

Overt Act No. 16: On July 1, 2010, defendants LIM and KHOU deposited into Chase Account 1 a check from Medi-Cal in the amount of $105,801.90, of which $98,890.03 was issued for reimbursement based on claims for Manor Prescriptions.

Overt Act No. 17: On July 19, 2010, defendants LIM and KHOU transferred $100,000 from Chase Account 1 to HSBC Account 1.

Overt Act No. 18: On August 19, 2010, defendants LIM and KHOU deposited into Chase Account 1 a check from Medi-Cal in the amount of $94,645.12, of which $94,396.62 was issued for reimbursement based on claims for Manor Prescriptions.

Overt Act No. 19: On August 23, 2010, defendants LIM and KHOU transferred $30,000 from Chase Account 1 to HSBC Account 1.

COUNTS EIGHT through SIXTEEN

[18 U.S.C. §§ 1956(a)(1)(B)(i), 2]

65. The Grand Jury hereby repeats, re-alleges, and incorporates by reference paragraphs 1 through 9 of this Indictment as if set forth herein.

66. On or about the following dates, in Los Angeles County, within the Central District of California, and elsewhere, defendants LIM and KHOU, each aiding and abetting the other, knowing that the property involved in each of the financial transactions described below represented the proceeds of some form of unlawful activity, conducted, and willfully caused others to conduct, the following financial transactions affecting interstate commerce, which transactions, in fact, involved the proceeds of specified unlawful activity, namely, health care fraud, in violation of Title 18, United States Code, Section 1347, knowing that each of the transactions was designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of said specified unlawful activity:

COUNT	DATE	FINANCIAL TRANSACTION
EIGHT	3/1/2010	Transfer of $80,000 from Chase Account 1 to HSBC Account 1
NINE	3/22/2010	Transfer of $60,000 from Chase Account 1 to HSBC Account 1
TEN	4/14/2010	Transfer of $130,000 from Chase Account 1 to HSBC Account 1
ELEVEN	5/12/2010	Transfer of $70,000 from Chase Account 1 to HSBC Account 1
TWELVE	6/21/2010	Transfer of $50,000 from Chase Account 1 to HSBC Account 1

THIRTEEN	7/19/2010	Transfer of $100,000 from Chase Account 1 to HSBC Account 1
FOURTEEN	8/6/2010	Transfer of $165,000 from the East West Account to the TD Ameritrade Account
FIFTEEN	8/23/2010	Transfer of $30,000 from Chase Account 1 to HSBC Account 1
SIXTEEN	9/6/2010	Transfer of $67,000 from the East West Account to the TD Ameritrade Account

COUNTS SEVENTEEN through TWENTY-THREE

[18 U.S.C. §§ 1957(a), 2]

67. The Grand Jury hereby repeats, re-alleges, and incorporates by reference paragraphs 1 through 9 of this Indictment as if set forth herein.

68. On or about the following dates, in Los Angeles County, within the Central District of California, and elsewhere, defendants LIM and KHOU, each aiding and abetting the other, knowing that the funds involved represented the proceeds of some form of unlawful activity, conducted, and willfully 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, health care fraud, in violation of Title 18, United States Code, Section 1347:

COUNT	DATE	MONETARY TRANSACTION
SEVENTEEN	4/22/2010	Deposit of check for $44,733.03 into the East West Account
EIGHTEEN	6/4/2010	Deposit of check for $39,914.54 into the East West Account
NINETEEN	8/6/2010	Transfer of $165,000 from the East West Account to the TD Ameritrade Account
TWENTY	8/26/2010	Deposit of check for $67,152.41 into the East West Account
TWENTY-ONE	9/6/2010	Transfer of $67,000 from the East West Account to the TD Ameritrade Account
TWENTY-TWO	7/1/2010	Deposit of check for $105,801.90 into Chase Account 1
TWENTY-THREE	8/19/2010	Deposit of check for $94,645.12 into Chase Account 1

COUNTS TWENTY-FOUR through THIRTY-FIVE

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

69. The Grand Jury hereby repeats, re-alleges, and incorporates by reference paragraphs 1 through 9 of this Indictment as if set forth herein.

70. On or about the following dates, in Los Angeles County, within the Central District of California, and elsewhere, defendants LIM and 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 domestic financial institutions, 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
TWENTY-FOUR	8/4/2009	Cash deposits in the amounts of $1,662 and $9,000 into Chase Account 1.
TWENTY-FIVE	8/5/2009	Cash deposits in the amounts of $2,377 and $8,000 into Chase Account 1.
TWENTY-SIX	8/6/2009	Cash deposits in the amounts of $2,000, $2,726, and $8,000 into Chase Account 1.
TWENTY-SEVEN	9/8/2009	Cash deposits in the following amounts: $3,741 and $9,000 into Chase Account 1; $9,000 into Chase Account 2; and $7,000 into Chase Account 3.
TWENTY-EIGHT	9/24/2009	Cash deposits in the amounts of $9,000 into Chase Account 1 and $9,000 into Chase Account 2.
TWENTY-NINE	9/25/2009	Cash deposit in the amount of $9,000 into Chase Account 1.

THIRTY	9/28/2009	Cash deposits in the amounts of $5,000, $4,320, $4,000, and $1,609 into Chase Account 1, and $9,000 into Chase Account 2.
THIRTY-ONE	9/29/2009	Cash deposits in the amounts of $1,509, $4,000, $4,320, and $5,000 into Chase Account 1, and $9,000 into Chase Account 3.
THIRTY-TWO	10/13/2009	Cash deposit in the amount of $9,000 into HSBC Account 1.
THIRTY-THREE	10/14/2009	Cash deposit in the amount of $9,000 into HSBC Account 1.
THIRTY-FOUR	10/15/2009	Cash deposit in the amount of $9,000 into HSBC Account 1.
THIRTY-FIVE	10/16/2009	Cash deposit in the amount of $9,800 into HSBC Account 1.

COUNT THIRTY-SIX

[18 U.S.C. § 1001(a)(2)]

71. The Grand Jury hereby repeats, re-alleges, and incorporates by reference paragraphs 1 through 8 of this Indictment as if set forth herein.

72. On or about October 27, 2011, in Los Angeles County, within the Central District of California, in a matter within the jurisdiction of the executive branch of the government of the United States, specifically, the United States Department of Health and Human Services, the United States Food and Drug Administration, and the United States Marshal's Service, defendant LIANNA OVSEPIAN knowingly and willfully made a materially false, fictitious, and fraudulent statement and representation, in that defendant LIANNA OVSEPIAN stated that she could not recognize a photograph of defendant LIM, that she did not recognize defendant LIM's name, that she was not familiar with Huntington Pharmacy, and that she does not recruit pharmacies to conduct business with Manor, when, in truth and in fact, as defendant LIANNA OVSEPIAN then well knew, defendant LIANNA OVSEPIAN knew defendant LIM, conducted business with defendant LIM and Huntington Pharmacy through her employment with Manor, and had recruited pharmacies to conduct business with Manor.

COUNT THIRTY-SEVEN

[18 U.S.C. § 1001(a)(2)]

73. The Grand Jury hereby repeats, re-alleges, and incorporates by reference paragraphs 1 through 8 of this Indictment as if set forth herein.

74. On or about October 27, 2011, in Los Angeles County, within the Central District of California, in a matter within the jurisdiction of the executive branch of the government of the United States, specifically, the United States Department of Health and Human Services, the United States Food and Drug Administration, and the United States Marshal's Service, defendant NURISTA GRIGORYAN knowingly and willfully made a materially false, fictitious, and fraudulent statement and representation, knowing the same to be a materially false, fictitious, and fraudulent statement, in that defendant NURISTA GRIGORYAN stated that defendant JOHNSON worked at Manor four times per week, when, in truth and in fact, as defendant NURISTA GRIGORYAN then well knew, defendant JOHNSON did not work at Manor four times per week.

COUNT THIRTY-EIGHT

[18 U.S.C. § 1001(a)(2)]

75. The Grand Jury hereby repeats, re-alleges, and incorporates by reference paragraphs 1 through 8 of this Indictment as if set forth herein.

76. On or about October 27, 2011, in Los Angeles County, within the Central District of California, in a matter within the jurisdiction of the executive branch of the government of the United States, specifically, the United States Department of Health and Human Services, the United States Food and Drug Administration, and the United States Marshal's Service, defendant ARTAK OVSEPIAN knowingly and willfully made a materially false, fictitious, and fraudulent statement, in that defendant ARTAK OVSEPIAN stated that he had driven patients from Manor to pharmacies on only one or two occasions when, in truth and in fact, as defendant ARTAK OVSEPIAN then well knew, defendant ARTAK OVSEPIAN had driven patients from Manor to pharmacies on multiple occasions, including at least eight occasions between September 2010 and September 2011, and defendant ARTAK OVSEPIAN had assisted in the transportation of patients from Manor to pharmacies on at least two other occasions.

FORFEITURE ALLEGATION 1

[28 U.S.C. § 2461(c); 18 U.S.C. § 981(a)(1)(C); and 18 U.S.C. §§ 1347 and 1349]

1. Pursuant to Title 28, United States Code, Section 2461(c); Title 18, United States Code, Section 981(a)(1)(C); and Title 18, United States Code, Sections 1347 and 1349, each defendant convicted of an offense charged in Counts One through Four and Six of this 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 each such offense, including but not limited to the real property located in Pasadena owned by PHIC K. LIM AND THEANA S. KHOU, TRUSTEES, OR THEIR SUCCESSORS UNDER THE PHIC. K. LIM AND THEANA S. KHOU TRUST[1];

b. A sum of money equal to the total amount of proceeds derived from each such offense for which said defendant is convicted. If more than one defendant is convicted of an offense, the defendants so convicted are jointly and severally liable for the amount involved in such offense.

2. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), each defendant so convicted shall forfeit substitute property, up to the total value of the property described in paragraph 2, if, by any act or omission of the defendant, the property described in paragraph 1, or any portion thereof, (a)

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[1] The referenced property is a residence and the street address has been redacted pursuant to Local Rule 79-5.4(e).

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

FORFEITURE ALLEGATION 2

[18 U.S.C. § 982(a)(1)]

1. Pursuant to Title 18, United States Code, Section 982(a)(1), each defendant convicted of an offense charged in Counts Seven through Twenty-Three of this Indictment shall forfeit to the United States the following property:

a. Any and all property, real or personal, involved in such offense, and all property traceable to such offense, including but not limited to the real property located in Pasadena owned by PHIC K. LIM AND THEANA S. KHOU, TRUSTEES, OR THEIR SUCCESSORS UNDER THE PHIC. K. LIM AND THEANA S. KHOU TRUST.

b. A sum of money equal to the total amount of money involved in the offense for which the defendant is convicted. If more than one defendant is convicted of an offense, the defendants so convicted are jointly and severally liable for the amount involved in such offense.

2. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b), each defendant so convicted shall forfeit substitute property, up to the value of the amount described in paragraph 1, if, by any act or omission of said defendant, the property described in paragraph 1, or any portion thereof, cannot be located upon the exercise of due diligence; has been transferred, sold to, or deposited with a third party; has been placed beyond the jurisdiction of this court; has been substantially diminished in value; or has been commingled with other property that cannot be divided without difficulty.

FORFEITURE ALLEGATION 3

[31 U.S.C. § 5317(c)(1)]

1. Pursuant to Title 31, United States Code, Section 3517(c)(1), each defendant convicted of an offense charged in Counts Twenty-Four through Thirty-Five of this Indictment shall forfeit to the United States all right, title, and interest in any and all property, real or personal, involved in the offense and any property traceable thereto. If the above-described property is unavailable, defendants shall forfeit a sum of money equal to the total amount of money involved in the offenses for which the defendant is convicted. If more than one defendant is convicted of an offense, the defendants so convicted are jointly and severally liable for the amount involved in such offense.

2. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 31, United States Code, Section 5317(c)(1)(B), each defendant so convicted shall forfeit substitute property, up to the value of the amount described in paragraph 1, if, by any act or omission of said defendant, the property described in paragraph 1, or any portion thereof, cannot be located upon the exercise of due diligence; has been transferred, sold to, or deposited with a third party; has been

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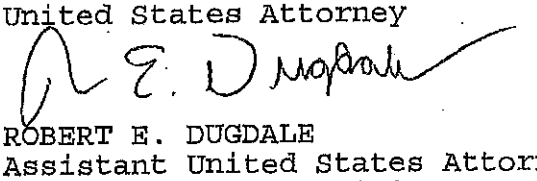
placed beyond the jurisdiction of this court; has been substantially diminished in value; or has been commingled with other property that cannot be divided without difficulty.

A TRUE BILL

/S/

Foreperson

ANDRÈ BIROTTE JR.
United States Attorney



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

RODRIGO A. CASTRO-SILVA
Assistant United States Attorney
Chief, OCDETF Section

JENNIFER L. WILLIAMS
Assistant United States Attorney
OCDETF Section

BENJAMIN R. BARRON
Assistant United States Attorney
OCDETF Section

ANDRÉ BIROTTE JR.
United States Attorney
ROBERT E. DUGDALE
Assistant United States Attorney
Chief, Criminal Division
BENJAMIN R. BARRON (Cal. Bar No. 257094)
JENNIFER L. WILLIAMS (Cal. Bar No. 268782)
Assistant United States Attorneys
OCDETF Section
1400 United States Courthouse
312 North Spring Street
Los Angeles, California 90012
Telephone: (213) 894-3542/5862
Facsimile: (213) 894-0142
E-mail: Ben.Barron@usdoj.gov
E-mail: Jennifer.Williams6@usdoj.gov

Attorneys for Plaintiff
UNITED STATES OF AMERICA

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA, Plaintiff, v. ARMAN GRIGORYAN, et al., Defendants.	No. CR 11-1075-SJO PLEA AGREEMENT FOR DEFENDANT ARMAN GRIGORYAN AMENDED

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

DEFENDANT'S OBLIGATIONS

2. Defendant agrees to:

a) At the earliest opportunity requested by the USAO and provided by the Court, appear and plead guilty to counts one and two of the indictment in the above-captioned case, which charges defendant with Conspiracy to Commit Health Care Fraud, in violation of 18 U.S.C. § 1349, and Conspiracy to Possess at Least Five Identification Documents and Authentication Features With Intent to Use Unlawfully, in violation of 18 U.S.C. § 1028(f).

b) Not contest facts agreed to in this agreement.

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

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

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

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

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

THE USAO'S OBLIGATIONS

3. The USAO agrees to:

a) Not contest facts agreed to in this agreement.

b) Abide by all agreements regarding sentencing contained in this agreement.

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

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

NATURE OF THE OFFENSES

4. Defendant understands that for defendant to be guilty of the crime charged in count one, that is, Conspiracy to Commit Health Care Fraud, in violation of Title 18, United States Code, Section 1349, the following must be true: (1) there was an agreement between two or more persons to commit the crime of health care fraud, in violation of Title 18, United States Code, Section 1347; and (2) defendant became a member of the conspiracy knowing of its object and intending to help accomplish it. Defendant understands that in order to be guilty of health care fraud, in violation of Title 18, United States Code, Section 1347, the following must be true: (1) the defendant knowingly and willfully participated in a scheme or plan to defraud a health care benefit program or a scheme or plan for obtaining money or property from a health care benefit program by means of false or fraudulent pretenses, representations, or

promises; (2) the statements made or facts omitted as part of the scheme were material, that is they had a natural tendency to influence or were capable of influencing, a health care benefit program to part with money or property; (3) the defendant acted with the intent to defraud, that is the intent to deceive or cheat; and (4) the scheme or plan was in connection with the delivery of or payment for health care benefits, items or services.

5. Defendant understands that for defendant to be guilty of the crime charged in count two, that is, Conspiracy to Possess at Least Five Identification Documents and Authentication Features With Intent to Use Unlawfully, in violation of Title 18, United States Code, Section 1028(f), the following must be true: (1) There was an agreement between two or more persons to knowingly possess five or more identification documents and authentication features, with intent to use unlawfully those identification documents and authentication features; and (2) defendant became a member of the conspiracy knowing of its object and intending to help accomplish it.

PENALTIES AND RESTITUTION

6. Defendant understands that the statutory maximum sentence that the Court can impose for a violation of Title 18, United States Code, Section 1349, is: 10 years imprisonment; a three-year period of supervised release; a fine of $250,000 or twice the gross gain or gross loss resulting from the offense, whichever is greatest; and a mandatory special assessment of $100.

7. Defendant understands that the statutory maximum sentence that the Court can impose for a violation of Title 18, United States Code, Section 1028(f), is: 5 years imprisonment; a three-year period

of supervised release; a fine of $250,000 or twice the gross gain or gross loss resulting from the offense, whichever is greatest; and a mandatory special assessment of $100.

8. Defendant understands, therefore, that the total maximum sentence for all offenses to which defendant is pleading guilty is: 15 years imprisonment; a three-year period of supervised release; a fine of $500,000 or twice the gross gain or gross loss resulting from the offenses, whichever is greatest; and a mandatory special assessment of $200.

9. Defendant understands that defendant will be required to pay full restitution to the victim(s) of the offenses to which defendant is pleading guilty. Defendant agrees that, in return for the USAO's compliance with its obligations under this agreement, the Court may order restitution to persons other than the victim(s) of the offenses to which defendant is pleading guilty and in amounts greater than those alleged in the counts to which defendant is pleading guilty. In particular, defendant agrees that the Court may order restitution to any victim of any of the following for any losses suffered by that victim as a result: (a) any relevant conduct, as defined in U.S.S.G. § 1B1.3, in connection with the offenses to which defendant is pleading guilty; and (b) any counts dismissed pursuant to this agreement as well as all relevant conduct, as defined in U.S.S.G. § 1B1.3, in connection with those counts.

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

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

11. Defendant understands that, by pleading guilty, defendant may be giving up valuable government benefits and valuable civic rights, such as the right to vote, the right to possess a firearm, the right to hold office, and the right to serve on a jury. Defendant understands that once the court accepts defendant's guilty plea, it will be a federal felony for defendant to possess a firearm or ammunition. Defendant understands that the conviction in this case may also subject defendant to various other collateral consequences, including but not limited to revocation of probation, parole, or supervised release in another case and suspension or revocation of a professional license. Defendant understands that unanticipated collateral consequences will not serve as grounds to withdraw defendant's guilty plea.

12. Defendant understands that, if defendant is not a United States citizen, the felony conviction in this case may subject defendant to: removal, also known as deportation, which may, under some circumstances, be mandatory; denial of citizenship; and denial of admission to the United States in the future. The court cannot, and defendant's attorney also may not be able to, advise defendant fully regarding the immigration consequences of the felony conviction in this case. Defendant understands that unexpected immigration consequences will not serve as grounds to withdraw defendant's guilty plea.

FACTUAL BASIS

13. Defendant admits that defendant is, in fact, guilty of the offenses to which defendant is agreeing to plead guilty. Defendant and the USAO agree to the statement of facts provided below and agree that this statement of facts is sufficient to support pleas of guilty to the charges described in this agreement and to establish the Sentencing Guidelines factors set forth in paragraph 15 below but is not meant to be a complete recitation of all facts relevant to the underlying criminal conduct or all facts known to either party that relate to that conduct.

Medicare is a federal health care benefit program, affecting commerce, that provided benefits to persons who were over the age of 65 or disabled. Medi-Cal is a health care benefit program, affecting commerce, that provided reimbursement for medically necessary health care services to indigent persons in California, the funding of which is shared between the federal government and the State of California.

Beginning on a date unknown, and continuing to approximately May 2011, defendant conspired with others to operate Manor Medical Imaging, Inc. ("Manor"), a purported medical clinic located in Glendale, California, within the Central District of California, for the primary purpose of defrauding Medicare and Medi-Cal.

Specifically, in this scheme, "patient" recruiters recruited beneficiaries of Medicare and/or Medi Cal ("the beneficiaries"), mainly from low-income areas in and around downtown Los Angeles, to Manor, to receive unnecessary medical services and prescriptions. At Manor, the beneficiaries were required to submit their health care benefit cards. Manor, in turn, generated prescriptions for

expensive anti-psychotic medications ("psych meds"), namely, Abilify, Seroquel, and Zyprexa for the beneficiaries. Those fraudulent prescriptions (the "Manor Prescriptions") appeared to be issued by co-defendant Kenneth Wayne Johnson ("Johnson"), a medical doctor, who did not examine Manor's "patients" and who did not in fact issue the Manor Prescriptions. [Instead, a co-defendant ~~Nurie~~ta ~~Grigoryan~~ falsely posed as a physician (when, in fact, she was not a licensed physician) and issued the Manor Prescriptions using co-defendant Johnson's name and Medi-Cal and Medicare billing information.] A.G. J.L.W. A.F (11/15/13)

For each beneficiary, the Manor Prescription included one psych med and at least one other drug, which was included in an attempt to hide the fraudulent activity. Thereafter, the Manor Prescriptions were filled at various pharmacies; the beneficiaries would either be permitted to leave Manor if the pharmacy did not require their presence or, should the pharmacy require, be driven, by co-schemers employed by Manor, to the pharmacies where, under the supervision of the drivers, the beneficiaries filled their Manor Prescriptions. After the Manor Prescriptions were filled, the drivers would take the psych meds back to Manor for further unlawful distribution, and, if the beneficiaries had been required to go to the pharmacy, drop off the beneficiaries at a location where they would meet with their recruiter for cash payment from Manor.

Manor also generated fraudulent Manor Prescriptions in the names of at least five beneficiaries who never visited Manor and whose identities were stolen and unlawfully used. In these instances, Manor employees would issue fraudulent Manor Prescriptions for the compromised beneficiary identities and send

the Manor Prescriptions to pharmacies via fax or driver/co-schemers employed by Manor. After the Manor Prescriptions were filled, the driver/co-schemers would again take the psych meds back to Manor for further unlawful distribution. In so doing, defendant conspired with others to knowingly possess with intent to use unlawfully at least five identification documents (to include driver's licenses and Medicare and Medi-Cal cards of compromised beneficiaries, issued under the authority of the United States and the State of California) and authentication features contained thereon, in furtherance of the scheme to defraud.

Defendant's conduct in furtherance of the conspiracy included, among other things, that defendant served as owner of Manor until no later than May 2011 (at which time defendant withdrew from the conspiracy); drove beneficiaries to pharmacies and collected filled Psych Meds from drivers, and paid cash to beneficiaries.

As defendant knew or reasonably foresaw, Medi-Cal lost at least $4,701,880.60 and Medicare lost at least $1,743,578.27 (total $6,445,458.87) in billings for Manor Prescriptions filled by pharmacies during the time in which defendant participated in the scheme.

14. 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 crimes of conviction.

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

Base Offense Level:	6	U.S.S.G. § 2B1.1(a)
Loss Amount:	+18	U.S.S.G. § 2B1.1(b)(1)(J)

Defendant reserves the right to argue that additional specific offense characteristics, adjustments, and departures under the Sentencing Guidelines are appropriate. Defendant understands that the government intends to seek enhancements under U.S.S.G. § 2B1.1(b)(10)(C) (sophisticated means) and U.S.S.G. § 2B1.1(b)(11)(A) (authentication features). Other than the agreement set forth in paragraph 3(d) above regarding U.S.S.G. § 3E1.1, the government agrees not to seek other enhancements or adjustments to the total offense level under the Sentencing Guidelines.

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

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

WAIVER OF CONSTITUTIONAL RIGHTS

18. Defendant understands that by pleading guilty, defendant gives up the following rights:

a) The right to persist in a plea of not guilty.

b) The right to a speedy and public trial by jury.

c) The right to be represented by counsel - and if necessary have the court appoint counsel - at trial. Defendant understands, however, that, defendant retains the right to be represented by counsel - and if necessary have the court appoint counsel - at every other stage of the proceeding.

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

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

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

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

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

WAIVER OF APPEAL OF CONVICTION

19. Defendant understands that, with the exception of an appeal based on a claim that defendant's guilty pleas were involuntary, by pleading guilty defendant is waiving and giving up any right to appeal defendant's convictions on the offenses to which defendant is pleading guilty.

LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE

20. Defendant agrees that, provided the Court imposes a total term of imprisonment on all counts of conviction of no more than 71 months, defendant gives up the right to appeal all of the following: (a) the procedures and calculations used to determine and impose any portion of the sentence; (b) the term of imprisonment imposed by the Court; (c) the fine imposed by the court, provided it is within the statutory maximum; (d) the amount and terms of any restitution order, provided it requires payment of no more than $6,445,458.87; (e) the term of probation or supervised release imposed by the Court, provided it is within the statutory maximum; and (f) any of the following conditions of probation or supervised release imposed by the Court: the conditions set forth in General Orders 318, 01-05, and/or 05-02 of this Court; the drug testing conditions mandated by 18 U.S.C. §§ 3563(a)(5) and 3583(d); and the alcohol and drug use conditions authorized by 18 U.S.C. § 3563(b)(7).

21. The USAO gives up its right to appeal any portion of the sentence.

RESULT OF WITHDRAWAL OF GUILTY PLEA

22. Defendant agrees that if, after entering guilty pleas pursuant to this agreement, defendant seeks to withdraw and succeeds in withdrawing defendant's guilty pleas on any basis other than a claim and finding that entry into this plea agreement was involuntary, then (a) the USAO will be relieved of all of its obligations under this agreement; and (b) should the USAO choose to pursue any charge that was either dismissed or not filed as a result of this agreement, then (i) any applicable statute of limitations will be tolled between the date of defendant's signing of this

agreement and the filing commencing any such action; and (ii) defendant waives and gives up all defenses based on the statute of limitations, any claim of pre-indictment delay, or any speedy trial claim with respect to any such action, except to the extent that such defenses existed as of the date of defendant's signing this agreement.

EFFECTIVE DATE OF AGREEMENT

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

BREACH OF AGREEMENT

24. Defendant agrees that if defendant, at any time after the signature of this agreement and execution of all required certifications by defendant, defendant's counsel, and an Assistant United States Attorney, knowingly violates or fails to perform any of defendant's obligations under this agreement ("a breach"), the USAO may declare this agreement breached. All of defendant's obligations are material, a single breach of this agreement is sufficient for the USAO to declare a breach, and defendant shall not be deemed to have cured a breach without the express agreement of the USAO in writing. If the USAO declares this agreement breached, and the Court finds such a breach to have occurred, then: (a) if defendant has previously entered guilty pleas pursuant to this agreement, defendant will not be able to withdraw the guilty pleas, and (b) the USAO will be relieved of all its obligations under this agreement.

25. Following the Court's finding of a knowing breach of this agreement by defendant, should the USAO choose to pursue any charge

that was either dismissed or not filed as a result of this agreement, then:

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

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

c) Defendant agrees that: (i) any statements made by defendant, under oath, at the guilty plea hearing (if such a hearing occurred prior to the breach); (ii) the agreed to factual basis statement in this agreement; and (iii) any evidence derived from such statements, shall be admissible against defendant in any such action against defendant, and defendant waives and gives up any claim under the United States Constitution, any statute, Rule 410 of the Federal Rules of Evidence, Rule 11(f) of the Federal Rules of Criminal Procedure, or any other federal rule, that the statements or any evidence derived from the statements should be suppressed or are inadmissible.

COURT AND PROBATION OFFICE NOT PARTIES

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

27. Defendant understands that both defendant and the USAO are free to: (a) supplement the facts by supplying relevant information

to the United States Probation Office and the Court, (b) correct any and all factual misstatements relating to the Court's Sentencing Guidelines calculations and determination of sentence, and (c) argue on appeal and collateral review that the Court's Sentencing Guidelines calculations and the sentence it chooses to impose are not error, although each party agrees to maintain its view that the calculations in paragraph 15 are consistent with the facts of this case. While this paragraph permits both the USAO and defendant to submit full and complete factual information to the United States Probation Office and the Court, even if that factual information may be viewed as inconsistent with the facts agreed to in this agreement, this paragraph does not affect defendant's and the USAO's obligations not to contest the facts agreed to in this agreement.

28. Defendant understands that even if the Court ignores any sentencing recommendation, finds facts or reaches conclusions different from those agreed to, and/or imposes any sentence up to the maximum established by statute, defendant cannot, for that reason, withdraw defendant's guilty pleas, and defendant will remain bound to fulfill all defendant's obligations under this agreement. Defendant understands that no one -- not the prosecutor, defendant's attorney, or the Court -- can make a binding prediction or promise regarding the sentence defendant will receive, except that it will be within the statutory maximum.

NO ADDITIONAL AGREEMENTS

29. Defendant understands that, except as set forth herein, there are no promises, understandings, or agreements between the USAO and defendant or defendant's attorney, and that no additional

promise, understanding, or agreement may be entered into unless in a writing signed by all parties or on the record in court.

PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

30. The parties agree that this agreement will be considered part of the record of defendant's guilty plea hearing as if the entire agreement had been read into the record of the proceeding.

AGREED AND ACCEPTED

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

ANDRÉ BIROTTE JR.
United States Attorney

Jennifer C. Williams — 11/13/13
BENJAMIN R. BARRON / Jennifer C. Williams — Date
Assistant United States Attorney

11-13-13
ARMAN GRIGORYAN — Date
Defendant

11-13-13
ANDREW FLIER — Date
Attorney for Defendant
ARMAN GRIGORYAN

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.

ARMAN GRIGORYAN
Defendant

11-13-13
Date

CERTIFICATION OF DEFENDANT'S ATTORNEY

I am ARMAN GRIGORYAN'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

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one; and the factual basis set forth in this agreement is sufficient to support my client's entry of guilty pleas pursuant to this agreement.

11-13-13

ANDREW FLIER
Attorney for Defendant
ARMAN GRIGORYAN

Date

United States District Court
Central District of California

AMENDED JUDGMENT

UNITED STATES OF AMERICA vs. **Docket No.** CR 11-01075 SJO

Defendant GRIGORYAN, Arman **Social Security No.** [redacted]
akas: None (Last 4 digits)

JUDGMENT AND PROBATION/COMMITMENT ORDER

In the presence of the attorney for the government, the defendant appeared in person on this date.

MONT	DAY	YEAR
April	7,	2014

COUNSEL Andrew R. Flier(Retained)
(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:
18 U.S.C. § 1349, 18 U.S.C. § 1347: Conspiracy to Commit Health Care Fraud as charged in count one of the Indictment. 18 U.S.C. § 1028(f), 18 U.S.C. § 1028(b)(2): Conspiracy to Possess at Least Five Identification Documents and Authentication Features with Intent to Use Unlawfully as charged in count two of the 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:

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.

Defendant shall pay restitution in the total amount of $6,445,458.87 pursuant to 18 U.S.C. § 3663A, 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.

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

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, monthly installments of at least $100 shall be made during the period of supervised release. These payments 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.

If the defendant makes a partial payment, each payee shall receive approximately proportional payment unless another priority order or percentage payment is specified in the judgment.

The defendant shall be held jointly and severally liable with co-participants Lianna Ovsepian, Edgar Hovannisyan, Artur Harutyunyan, Mikayel Ghukasyan, Lisa Danielle Mendez, Anthony Glen Jones, David Smith, Vincent Vo, and Richard Bond Washington (Docket no. CR-11-01075) 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.

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

Pursuant to Guideline Section 5E1.2(a), all fines are waived as the Court finds that the defendant has established that he is unable to pay and is not likely to become able to pay any fine.

Pursuant to the Sentencing Reform Act of 1984, it is the judgment of the Court that the defendant, Arman Grigoryan, is hereby committed on Counts 1 and 2 of the Indictment to the custody of the Bureau of Prisons for a term of 60 months. This term consists of 60 months on each of Counts 1 and 2 of the Indictment, to be served concurrently. Defendant shall be given credit for time served.

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 1 and 2 of the 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. The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, not to exceed eight tests per month, as directed by 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.

4. The defendant shall cooperate in the collection of a DNA sample from the defendant; and

5. 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; and

6. The defendant shall comply with the immigration rules and regulations of the United States, and if deported from this country, either voluntarily or involuntarily, not reenter the United States illegally. The defendant is not required to report to the Probation Office while residing outside of the United States; however, within 72 hours of release from any custody or any reentry to the United States during the period of Court-ordered supervision, the defendant shall report for instructions to the United States Probation Office located at United States Court House, 312 North Spring Street, Room 600, Los Angeles, California 90012.

The Court advises the Defendant of his right to appeal.

The Court recommends that the defendant shall be designated in Southern California at a facility that can best treat his medical condition. .

The Court recommends that the defendant shall participate in the Bureau of Prison's 500 hour drug treatment program.

In the interest of justice the Court dismisses all remaining counts as to this defendant only.

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.

S. James Otero

April 7, 2014
Date

S. James Otero
U. S. District Judge/Magistrate 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

April 7, 2014
Filed Date

By Victor Paul Cruz
Deputy Clerk Victor Paul Cruz

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.

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

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:

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

USA vs. **GRIGORYAN, Arman** Docket No.: **CR 11-01075 SJO**

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

_____ _____
U. S. Probation Officer/Designated Witness Date