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UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA  
January 2016 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

KAIN KUMAR, M.D.,  
ELAINE C. LAT,  
ERROL G. LAT,  
THELMA C. LAT, and  
CORINNE CHAVEZ,  
aka "Corinne Chavez-Serrano,"

Defendants.

No. CR 16-00364 (A) -PSG

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

[18 U.S.C. § 371: Conspiracy to Pay and Receive Illegal Remunerations for Health Care Referrals; 42 U.S.C. §§ 1320a-7b(b) (1) (A), (b) (2) (A): Illegal Remunerations for Health Care Referrals; 18 U.S.C. § 1519: Destruction of Records in a Federal Investigation; 18 U.S.C. § 2: Aiding and Abetting and Causing an Act to be Done; 18 U.S.C. §§ 982(a) (7), 981(a) (1) (C), 28 U.S.C. § 2461(c): Criminal Forfeiture]

The Grand Jury charges:

COUNT ONE

[18 U.S.C. § 371]

A. INTRODUCTORY ALLEGATIONS

At all times relevant to this First Superseding Indictment:

1           1. Defendant KAIN KUMAR, M.D. ("KUMAR") was a physician  
2 who owned and operated a medical clinic located at 540 West  
3 Palmdale Boulevard, Suite B, Palmdale, California 93551, within  
4 the Central District of California. Defendant KUMAR also owned  
5 and operated medical clinics in Rosamond and Ridgecrest,  
6 California.

7           2. Star Home Health Resources, Inc. ("Star") was a home  
8 health agency located at 1768 Arrow Highway, Suite 105, La  
9 Verne, California 91750, within the Central District of  
10 California.

11           3. Defendant ELAINE C. LAT ("ELAINE") was a managing  
12 employee and the Chief Operating Officer of Star.

13           4. Defendant ERROL G. LAT ("ERROL") was an owner and  
14 operator of Star. Defendant ERROL was the father of defendant  
15 ELAINE.

16           5. Defendant THELMA G. LAT ("THELMA") was an owner and  
17 operator of Star. Defendant THELMA was the spouse of defendant  
18 ERROL and the mother of defendant ELAINE.

19           6. Defendant CORINNE CHAVEZ, also known as ("aka")  
20 "Corinne Chavez-Serrano" ("CHAVEZ"), was a marketer who obtained  
21 Medicare patients for Star from referring physicians, including  
22 defendant KUMAR.

23           7. Co-conspirator 1 ("CC-1") was an employee of Star who  
24 was responsible for payroll and accounting.

25           The Medicare Program

26           8. Medicare was a federal health care benefit program,  
27 affecting commerce, that provided benefits to individuals who  
28 were 65 years and older or disabled. Medicare was administered

1 by the Centers for Medicare and Medicaid Services ("CMS"), a  
2 federal agency under the United States Department of Health and  
3 Human Services. Medicare was a "Federal health care program" as  
4 referenced in Title 42, United States Code, Section 1320a-7b(b),  
5 and a "health care benefit program" as defined by Title 18,  
6 United States Code, Section 24(b).

7 9. Individuals who qualified for Medicare benefits were  
8 referred to as Medicare "beneficiaries." Each beneficiary was  
9 given a unique health insurance claim number ("HICN").

10 10. Health care providers that provided medical services  
11 that were reimbursed by Medicare were referred to as Medicare  
12 "providers." To participate in Medicare, providers, including  
13 home health agencies ("HHAs"), were required to submit  
14 applications in which the providers agreed to comply with all  
15 Medicare-related laws and regulations, including the anti-  
16 kickback statute (42 U.S.C. § 1320a-7b(b)), which proscribes the  
17 offering, payment, solicitation, or receipt of any remuneration  
18 in exchange for a patient referral or referral of other business  
19 for which payment may be made by any federal health care  
20 program. If Medicare approved a provider's application,  
21 Medicare assigned the provider a Medicare "provider number,"  
22 which was used for the processing and payment of claims.

23 11. A health care provider with a Medicare provider number  
24 could submit claims to Medicare to obtain reimbursement for  
25 services rendered to Medicare beneficiaries.

26 12. Most providers submitted their claims electronically  
27 pursuant to an agreement they executed with Medicare in which  
28 the providers agreed that: (a) they were responsible for all

1 claims submitted to Medicare by themselves, their employees, and  
2 their agents; (b) they would submit claims only on behalf of  
3 those Medicare beneficiaries who had given their written  
4 authorization to do so; and (c) they would submit claims that  
5 were accurate, complete, and truthful.

6 13. HHAs who provided services to Medicare beneficiaries,  
7 including Star, could submit claims for reimbursement to the  
8 Medicare program. Medicare would cover home health services  
9 only if, among other requirements, the Medicare beneficiary was  
10 homebound; the beneficiary needed skilled nursing services on an  
11 intermittent basis, or physical, speech pathology, or  
12 occupational therapy services; the beneficiary was under the  
13 care of a qualified physician; and a Plan of Care (CMS Form 485)  
14 was established by a physician.

15 14. CMS contracted with private insurance companies to  
16 enroll, process, and pay Medicare claims. National Government  
17 Services ("NGS") was the contractor that processed and paid  
18 Medicare claims for home health services in Southern California  
19 during the relevant time period.

20 15. A Medicare claim for payment was required to set  
21 forth, among other things, the following: the beneficiary's name  
22 and unique Medicare identification number; the type of services  
23 provided to the beneficiary; the date that the services were  
24 provided; and the name and National Provider Identifier ("NPI")  
25 of the attending physician who established the plan of care.

26 B. OBJECTS OF THE CONSPIRACY

27 16. Beginning no later than in or around August 2012, and  
28 continuing through in or around May 2016, in Los Angeles County,

1 within the Central District of California, and elsewhere,  
2 defendants KUMAR, ELAINE, ERROL, THELMA, and CHAVEZ, together  
3 with CC-1 and others known and unknown to the Grand Jury,  
4 knowingly combined, conspired, and agreed to commit the  
5 following offenses against the United States:

6 a. Knowingly and willfully soliciting or receiving  
7 remuneration in return for referring an individual to a person  
8 for the furnishing or arranging for the furnishing of any item  
9 or service for which payment may be made in whole or in part  
10 under a Federal health care program, in violation of Title 42,  
11 United States Code, Section 1320a-7b(b) (1) (A); and

12 b. Knowing and willfully offering to pay or paying  
13 any remuneration to any person to induce such person to refer an  
14 individual to a person for the furnishing or arranging for the  
15 furnishing of any item or service for which payment may be made  
16 in whole or in part under a Federal health care program, in  
17 violation of Title 42, United States Code, Section 1320a-  
18 7b(b) (2) (A).

19 C. THE MANNER AND MEANS OF THE CONSPIRACY

20 17. The objects of the conspiracy were carried out, and to  
21 be carried out, in substance, as follows:

22 a. Defendants ELAINE and CHAVEZ developed  
23 relationships with certain physicians, including defendant  
24 KUMAR, whereby the physicians would refer Medicare beneficiaries  
25 to Star to receive home health services, which services Star  
26 would then bill to Medicare.

27 b. In exchange for the Medicare referrals, Star  
28 would then pay the referring physicians, including defendant

1 KUMAR, a kickback of approximately \$200-\$900 for each Medicare  
2 beneficiary referred to Star.

3 c. Star would also pay a kickback to defendant  
4 CHAVEZ for each Medicare beneficiary that certain referring  
5 physicians, including defendant KUMAR, referred to Star. Star  
6 paid approximately \$50-\$200 to defendant CHAVEZ as a kickback  
7 for each Medicare beneficiary that the physicians referred to  
8 Star.

9 d. In order to pay the kickbacks to defendant CHAVEZ  
10 and the referring physicians, including defendant KUMAR,  
11 defendant ELAINE would withdraw cash from Star's bank accounts  
12 and provide the cash to defendant CHAVEZ. Defendant CHAVEZ  
13 would keep the portion of the cash that represented her share of  
14 the kickback payments and provide the balance of the cash, i.e.,  
15 the portion that represented the referring physician's share of  
16 the kickback payments, to the referring physicians, including  
17 defendant KUMAR.

18 d. At times, when defendant ELAINE was unavailable,  
19 defendant THELMA withdrew cash from Star's bank accounts and  
20 provided the cash kickback payments to defendant CHAVEZ, who  
21 kept her part and, in turn, provided the balance of the kickback  
22 payments to the referring physicians, including defendant KUMAR.

23 e. In order to keep track of the kickback payments  
24 that Star made to defendant CHAVEZ and the referring physicians,  
25 including defendant KUMAR, CC-1 would maintain password-  
26 protected spreadsheets that listed each Medicare beneficiary  
27 referred to Star and the amount paid to defendant CHAVEZ and  
28 referring physicians in exchange for each patient referral.

1 Defendants ERROL and THELMA would instruct CC-1 to conceal the  
2 spreadsheets from other Star employees and anyone else who did  
3 not know about the kickback payments.

4 f. On approximately a weekly basis, defendant ELAINE  
5 and, at times, defendant THELMA, would instruct CC-1 to print a  
6 list of patients that the referring physicians recently referred  
7 to Star so that defendants ELAINE and THELMA could calculate the  
8 kickback payments due to defendant CHAVEZ and the referring  
9 physicians, including defendant KUMAR. Defendants ELAINE and  
10 THELMA would then communicate the amount of the kickback  
11 payments to CC-1, who would record the information in the  
12 spreadsheets.

13 g. In or around March 2015, defendants ELAINE and  
14 ERROL learned that the Federal Bureau of Investigation was  
15 investigating defendant KUMAR. As part of the conspiracy and to  
16 conceal and destroy evidence of the kickback payments to  
17 defendant CHAVEZ and the referring physicians, including  
18 defendant KUMAR, defendant ERROL instructed CC-1 to delete from  
19 Star's computer system documents and spreadsheets that reflected  
20 the kickback payments to defendants KUMAR and CHAVEZ, and to  
21 other referring physicians.

22 h. From in or around August 2012 to in or around May  
23 2016, defendants ELAINE, ERROL, and THELMA caused Star to bill  
24 Medicare, and on the basis of those bills Medicare paid Star a  
25 total amount of approximately \$8,951,951, for home health  
26 services. Of that amount, at least approximately \$4,398,599 was  
27 paid based on bills for services to patients referred to Star as  
28 the result of kickback payments to defendants KUMAR and CHAVEZ.

1 D. OVERT ACTS

2 18. In furtherance of the conspiracy and to accomplish its  
3 objects, defendants KUMAR, ELAINE, ERROL, THELMA, and CHAVEZ,  
4 together with CC-1 and others known and unknown to the Grand  
5 Jury, committed and willfully caused others to commit the  
6 following overt acts, among others, within the Central District  
7 of California and elsewhere:

8 Overt Act No. 1: On or about July 19, 2013, defendant  
9 ELAINE withdrew \$2,500 in cash from Star's account at Chase Bank  
10 to make kickback payments to defendants KUMAR and CHAVEZ.

11 Overt Act No. 2: On or about July 19, 2013, defendant  
12 CHAVEZ deposited \$2,500 in cash, which she had just received  
13 from defendant ELAINE, into defendant CHAVEZ's account at Chase  
14 Bank.

15 Overt Act No. 3: On or about July 29, 2014, defendant  
16 THELMA withdrew approximately \$4,600 in cash from Star's account  
17 at Chase Bank to make kickback payments to defendants KUMAR and  
18 CHAVEZ.

19 Overt Act No. 4: On or about April 13, 2015, at the  
20 instruction of defendant ERROL, CC-1 deleted from Star's  
21 computer system documents and spreadsheets that reflected  
22 kickback payments to defendant CHAVEZ and the referring  
23 physicians, including defendant KUMAR.

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## COUNTS TWO THROUGH SIX

[42 U.S.C. § 1320a-7b(b) (2) (A)]

19. The Grand Jury incorporates by reference and re-alleges paragraphs 1 through 15 and 17 through 18 of this First Superseding Indictment as though set forth in their entirety herein.

20. On or about the dates set forth below, in Los Angeles County, within the Central District of California, and elsewhere, the defendants identified below, together with CC-1 and others known and unknown to the Grand Jury, knowingly and willfully paid remuneration, namely, cash in the amounts identified below, drawn on Star's account at Chase Bank and provided to defendant CHAVEZ, which constituted kickbacks to defendants KUMAR and CHAVEZ for referring patients to Star for home health services, for which payment could be made in whole and in part under a Federal health care program, namely, Medicare:

COUNT	DEFENDANTS	DATE	AMOUNT
TWO	ELAINE	2/22/2013	\$7,300 cash
THREE	ELAINE	3/1/2013	\$7,300 cash
FOUR	ELAINE	7/19/2013	\$2,500 cash
FIVE	ELAINE	2/28/2014	\$4,800 cash
SIX	THELMA	7/29/2014	\$4,600 cash

## COUNTS SEVEN THROUGH ELEVEN

[42 U.S.C. § 1320a-7b(b) (1) (A)]

21. The Grand Jury incorporates by reference and re-alleges paragraphs 1 through 15 and 17 through 18 of this First Superseding Indictment as though set forth in their entirety herein.

22. On or about the dates set forth below, in Los Angeles County, within the Central District of California, and elsewhere, the defendant identified below, together with CC-1 and others known and unknown to the Grand Jury, knowingly and willfully received remuneration, namely, cash in the amounts identified below, drawn on Star's account at Chase Bank and provided to defendant CHAVEZ, which constituted kickbacks to defendants KUMAR and CHAVEZ for referring patients to Star for home health services, for which payment could be made in whole and in part under a Federal health care program, namely, Medicare:

COUNT	DEFENDANT	DATE	AMOUNT
SEVEN	CHAVEZ	2/22/2013	\$7,300 cash
EIGHT	CHAVEZ	3/1/2013	\$7,300 cash
NINE	CHAVEZ	7/19/2013	\$2,500 cash
TEN	CHAVEZ	2/28/2014	\$4,800 cash
ELEVEN	CHAVEZ	7/29/2014	\$4,600 cash

COUNTS TWELVE THROUGH FOURTEEN

[42 U.S.C. § 1320a-7b(b) (1) (A)]

23. The Grand Jury incorporates by reference and re-alleges paragraphs 1 through 15 and 17 through 18 of this First Superseding Indictment as though set forth in their entirety herein.

24. On or about the dates set forth below, in Los Angeles County, within the Central District of California, and elsewhere, the defendant identified below, together with CC-1 and others known and unknown to the Grand Jury, knowingly and willfully received remuneration, namely, cash in the amounts identified below, drawn on defendant CHAVEZ's account at Chase Bank and provided to defendant KUMAR, which constituted kickbacks to defendant KUMAR for referring patients to Star for home health services, for which payment could be made in whole and in part under a Federal health care program, namely, Medicare:

COUNT	DEFENDANT	DATE	AMOUNT
TWELVE	KUMAR	2/28/2013	\$5,000 cash
THIRTEEN	KUMAR	3/7/2013	\$5,300 cash
FOURTEEN	KUMAR	3/7/2014	\$3,500 cash

COUNT FIFTEEN

[18 U.S.C. §§ 1519, 2]

25. The Grand Jury incorporates by reference and re-alleges paragraphs 1 through 15 and 17 through 18 of this First Superseding Indictment as though set forth in their entirety herein.

26. On or about April 13, 2015, in Los Angeles County, in the Central District of California, and elsewhere, defendant ERROL, together with others, including CC-1, knowingly altered, destroyed, mutilated, concealed, and covered up, and willfully caused to be altered, destroyed, mutilated, concealed, and covered up, records, documents, and tangible objects, specifically, records in Star's computer system that reflected kickback payments to defendants KUMAR and CHAVEZ, and other referring physicians, in exchange for the referral of Medicare beneficiaries to Star, with the intent to impede, obstruct, and influence the investigation and proper administration of such matters within the jurisdiction of a department and agency of the United States, specifically, the Federal Bureau of Investigation, and in relation to and contemplation of any such matter and case.

FORFEITURE ALLEGATION

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

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

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

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

b. A sum of money equal to the total value of the property described in subparagraph a. For each of Counts One through Fourteen for which more than one defendant is found guilty, each such defendant shall be jointly and severally liable for the entire amount forfeited pursuant to that Count.

29. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 982(b), each defendant shall forfeit substitute property, up to the total value of the property described in the preceding paragraph if,

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

9 A TRUE BILL

10  
11 \_\_\_\_\_  
Foreperson

12 EILEEN M. DECKER  
13 United States Attorney

14 

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

17 GEORGE CARDONA  
18 Assistant United States Attorney  
Chief, Major Frauds Section

19 RANEE KATZENSTEIN  
20 Assistant United States Attorney  
21 Deputy Chief, Major Frauds Section

22 PABLO QUINONES  
23 Deputy Chief, Fraud Section  
United States Department of Justice

24 DIIDRI ROBINSON  
25 Assistant Chief, Fraud Section  
United States Department of Justice

26 ALEXANDER F. PORTER  
27 Trial Attorney, Fraud Section  
28 United States Department of Justice

United States District Court  
Central District of California

JS-3

UNITED STATES OF AMERICA vs.

Docket No. CR 16-364(A)-PSG

Defendant Elaine Cruz Lat  
akas: None

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 on this date.

MONTH	DAY	YEAR
11	13	2017

**COUNSEL**

RTND Gregory Nicolaysen

(Name of Counsel)

**PLEA**

**GUILTY**, and the court being satisfied that there is a factual basis for the plea.  **NOLO**  **NOT**  
**CONTENDERE** **GUILTY**

**FINDING**

There being a finding/verdict of **GUILTY**, defendant has been convicted as charged of the offense(s) of:

**Conspiracy to Pay and Receive Illegal Remunerations for Health Care Referrals, in violation of Title 18 U.S.C. § 371, as charged in Count One of the First Superseding Indictment.**

**Illegal Remunerations for Health Care Referrals, in violation of Title 42 U.S.C. § 1320a-7b(b)(2)(A), as charged in Counts Two through Five of the First Superseding Indictment.**

**JUDGMENT  
AND PROB/  
COMM  
ORDER**

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

**30 months.** This term consists of 30 months on each of Counts 1 through 5 of the First Superseding Indictment to be served concurrently.

It is ordered that the defendant shall pay to the United States a special assessment of \$500, which is due immediately.

It is ordered that the defendant shall pay restitution in the total amount of \$41,930.16 pursuant to Title 18 U.S.C. § 3663(a)(1)(A), to victim(s) 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(s). 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 victim(s).

Restitution shall be paid in full by December 31, 2017. If any restitution remains unpaid, then the defendant shall pay restitution 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 \$200.00 shall be made during the period of supervised release. These payments shall begin 30 days after the commencement of supervision.

Pursuant to Title 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 Title 18 U.S.C. § 3612(g).

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

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 through 5 of the First Superseding Indictment, all such terms to run concurrently under the following terms and conditions:

1. The defendant shall comply with the rules and regulations of the United States Probation Office, General Order 05-02, and General Order 01-05, including the three special conditions delineated in General Order 01-05.
2. During the period of community supervision, the defendant shall pay the special assessment and restitution in accordance with this judgment's orders pertaining to such payment.
3. The defendant shall not engage, as whole or partial owner, employee or otherwise, in any business involving home health care, or in any business that submits claims for reimbursement to Medicare. Further, the defendant shall provide the Probation Officer with access to any and all business records, client lists, and other records pertaining to the operation of any business owned, in whole or in part, by the defendant, as directed by the Probation Officer.
4. 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.
5. The defendant shall cooperate in the collection of a DNA sample from the defendant.
6. The defendant shall apply all monies received from income tax refunds to the outstanding Court-ordered financial obligation. In addition, the defendant shall apply all monies received from lottery winnings, inheritance, judgments and any anticipated or unexpected financial gains to the outstanding Court-ordered financial obligation.

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

USA vs. ELAINE C. LAT

Docket No.: CR 16-364(A)-PSG

It is further ordered that the defendant surrender to the institution designated by the Bureau of Prisons at or before 12 noon on **January 19, 2018**. In the absence of such designation, the defendant shall report on or before the same date and time, to the United States Marshal located at the Roybal Federal Building, 255 East Temple Street, Los Angeles, California.

All remaining counts and underlying Indictment are ordered dismissed as to this defendant only.

The bond is hereby exonerated upon self-surrender.

Government's forfeiture motion is denied.

Government's Application for Entry of Money Judgment (Dkt. #218) is denied.

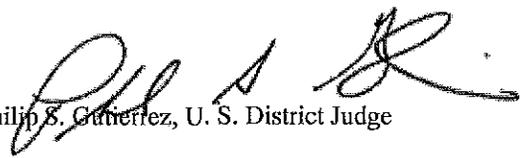
The Court recommends that the defendant be designated to a Northern California facility, specifically the female camp at Dublin.

The defendant is advised of the right to appeal.

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.

November 14, 2017

Date

  
Philip S. Gutierrez, U. S. 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

November 14, 2017

Filed Date

By Wendy Hernandez

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:

USA vs. ELAINE C. LATDocket No.: CR 16-364(A)-PSG

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

**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 (15<sup>th</sup>) 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 (pursuant to 18 U.S.C. § 3664(i), all non-federal victims must be paid before the United States is paid):
  - Non-federal victims (individual and corporate),
  - Providers of compensation to non-federal 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 \_\_\_\_\_  
Deputy Marshal

\_\_\_\_\_  
Date

**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 \_\_\_\_\_  
Deputy Clerk

\_\_\_\_\_  
Filed Date

**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