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

BY

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

January 2014 Grand Jury

11 UNITED STATES OF AMERICA,

12 Plaintiff,

13 v.

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

21 Defendants.

CR No. 11-922(B)-DDP

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

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

22  
23 The Grand Jury charges:

24 GENERAL ALLEGATIONS

25 At all times relevant to this Second Superseding

26 Indictment:

27 The Clinic and its Operations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 Defendants and Their Co-Conspirators

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 29. Defendant NGUYEN was a pharmacist, licensed in

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

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

17 OxyContin and CURES Data

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

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

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

1 report when such drugs were dispensed.

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

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

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

19 The Medicare Program

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

27 Medicare Part B

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

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

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

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

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

20 Medicare Part D

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

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

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

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

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

11 The Medi-Cal Program

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

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

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

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

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

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

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

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

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

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COUNT ONE

[21 U.S.C. § 846]

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

A. OBJECT OF THE CONSPIRACY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 C. OVERT ACTS

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

24 Co-Conspirator Mikaelian

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

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

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

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

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

16 Co-Conspirator Angelika Sanamian

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

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

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

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

4 DEFENDANT ASHOT SANAMIAN

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

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

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

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

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

25 Co-Conspirator Santiago

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

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

6 DEFENDANT GARRISON

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

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

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

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

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

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

3 Co-Conspirator Dr. H

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

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

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

13 Co-Conspirator Hovannisyan

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

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

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

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

1 order to obtain OxyContin.

2  
3 Co-Conspirator Derderian

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

8 Co-Conspirator Pullam

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

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

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

19 Co-Conspirator Smith

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

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

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

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

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

6 DEFENDANT BUDAGOVA

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

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

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

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

20 DEFENDANT YOON

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 DEFENDANT LIM

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

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

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

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

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

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

2  
3 Co-Conspirator Khou

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

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

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

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

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

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

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

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

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

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

10 Co-Conspirator Cho

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

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

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

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

1 E.D.

2  
3 DEFENDANT NGUYEN

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

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

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

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

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

21 Co-Conspirator Tran

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

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

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

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

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

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1 COUNT TWO

2 [18 U.S.C. § 1349]

3 58. The Grand Jury hereby repeats and re-alleges  
4 paragraphs 1 through 53, and Overt Acts Nos. 37 through 48 as  
5 set forth in paragraph 57 of this Second Superseding Indictment,  
6 as though fully set forth herein.

7 A. OBJECT OF THE CONSPIRACY

8 59. Beginning in or about August 2008, and continuing  
9 until in or about February 2010, within the Central District of  
10 California and elsewhere, defendant BUDAGOVA, together with co-  
11 conspirators Angelika Sanamian, Santiago, Shishalovsky, Suarez,  
12 Mekteryan, and Smith, and others known and unknown to the Grand  
13 Jury, knowingly combined, conspired, and agreed to execute a  
14 scheme to defraud a health care benefit program, namely Medicare  
15 Part B and Medi-Cal, in violation of 18 U.S.C. § 1347.

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

17 ACCOMPLISHED

18 60. The object of the conspiracy was carried out, and to  
19 be carried out, in substance, as set forth in paragraphs 1  
20 through 13 and 57 of this Second Superseding Indictment and as  
21 follows:

22 a. Co-conspirator Angelika Sanamian would recruit or  
23 instruct others to recruit doctors, including co-conspirator  
24 Santiago, to work at the Clinic.

25 b. Co-conspirator Santiago and the other doctors  
26 would submit provider applications to Medicare and Medi-Cal and  
27 obtain Medicare and/or Medi-Cal provider numbers that enabled  
28 the Clinic to submit claims in their names.

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

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

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

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

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

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

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

28 ii. Claims for NCVs, electrocardiograms,

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

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

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

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

10 C. OVERT ACTS

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

19 Recruited Patient B.H.

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

26 Recruited Patient D.P.

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

1 Medicare and Medi-Cal eligibility.

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

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

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

16 Recruited Patient E.D.

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

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

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

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

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

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

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

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

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

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

1  
2 Recruited Patient R.H.

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

6 Overt Act No. 134: On or before March 16, 2009, co-  
7 conspirator Angelika Sanamian submitted a claim to Medi-Cal for  
8 services allegedly provided to recruited patient R.H. on March  
9 3, 2009, including a Level 3 office visit with co-conspirator  
10 Santiago.

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

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

17 Overt Act No. 137: On or before April 27, 2009, co-  
18 conspirator Angelika Sanamian submitted a claim to Medi-Cal for  
19 services allegedly provided to recruited patient R.H. on April  
20 6, 2009, specifically, a Level 3 office visit with co-  
21 conspirator Santiago, an NCV, and ultrasound tests.

22 Overt Act No. 138: On or before April 27, 2009, co-  
23 conspirator Angelika Sanamian submitted a claim to Medi-Cal for  
24 services allegedly provided to recruited patient R.H. on April  
25 7, 2009, specifically a visceral vascular study.

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

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

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

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

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

18 Additional Acts

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

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

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

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

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

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1 co-conspirator Cho.

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

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

10 C. OVERT ACTS

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

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

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

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

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

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

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

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

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

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

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COUNTS FOUR THROUGH NINE

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

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

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

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

COUNTS TEN THROUGH FOURTEEN

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

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

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

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

COUNTS FIFTEEN THROUGH TWENTY-TWO

[18 U.S.C. §§ 1957(a), 2]

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

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

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

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

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

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

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1 FORFEITURE ALLEGATION III

2 [31 U.S.C. § 5317]

3 [Structuring]

4 1. The Grand Jury incorporates and re-alleges all of the  
5 allegations contained in the Introductory Allegations and Counts  
6 Four through Fourteen of the Second Superseding Indictment above  
7 as though fully set forth in their entirety herein for the  
8 purpose of alleging forfeiture pursuant to the provisions of  
9 Title 31, United States Code, Section 5317.

10 2. Defendants LIM, KHOU, and NGUYEN, if convicted of any  
11 of the offenses charged in Counts Four through Fourteen of this  
12 Second Superseding Indictment, shall forfeit to the United  
13 States the following property:

14 a. All right, title, and interest in any and all  
15 property involved in the offense committed in violation of Title  
16 31, United States Code, Section 5324(a)(3), for which the  
17 defendant is convicted, and all property traceable to such  
18 property, including the following:

19 (1) all money or other property that was the  
20 subject of each transaction committed in violation of Title 31,  
21 United States Code, Section 5324(a)(3);

22 (2) all property traceable to money or property  
23 described in paragraph 2.a.(1).

24 b. A sum of money equal to the total amount of money  
25 involved in the offense committed in violation of Title 31,  
26 United States Code, Section 5324(a)(3), for which each defendant  
27 is convicted. If more than one defendant is found guilty of any  
28 Counts Four through Fourteen, each such defendant shall be

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

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

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FORFEITURE ALLEGATION IV

[18 U.S.C. § 982(a)(1)]

[Money Laundering]

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

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

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

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

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

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

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

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

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

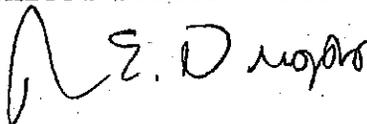
2 (d) has been substantially diminished in value; or (e) has  
3 been commingled with other property that cannot be divided  
4 without difficulty.

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6 A TRUE BILL

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8 151

9 Foreperson

10 ANDRÉ BIROTTE JR.  
11 United States Attorney

12 

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

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

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

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

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UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,  
Plaintiff,  
v.  
PERRY TAN NGUYEN  
Defendant.

No. CR <sup>11</sup>~~12~~-922(B)-DDP-19

VERDICT FORM

1 DEFENDANT PERRY TAN NGUYEN

2 COUNT TEN (Structuring)

3 We, the jury in the above-captioned case, unanimously find  
4 defendant Perry Tan Nguyen:

5  
6 X GUILTY

7  
8 \_\_\_\_\_ NOT GUILTY

9  
10 of structuring financial transactions as charged in Count Ten of the  
11 Second Superseding Indictment.

12  
13 If your answer to the above question was guilty proceed to  
14 question (A). If your answer was not guilty do not answer question  
15 (A).

16 Question A

17 Do you unanimously find that defendant Perry Tan Nguyen  
18 structured or assisted in structuring more than \$100,000 in a 12-  
19 month period:

20  
21 X YES

22  
23 \_\_\_\_\_ NO

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1 DEFENDANT PERRY TAN NGUYEN

2 COUNT ELEVEN (Structuring)

3 We, the jury in the above-captioned case, unanimously find  
4 defendant Perry Tan Nguyen:

5  
6  GUILTY

7  
8  NOT GUILTY

9  
10 of structuring financial transactions as charged in Count Eleven of  
11 the Second Superseding Indictment.

12  
13 If your answer to the above question was guilty proceed to  
14 question (A). If your answer was not guilty do not answer question  
15 (A).

16 Question A

17 Do you unanimously find that defendant Perry Tan Nguyen  
18 structured or assisted in structuring more than \$100,000 in a 12-  
19 month period:

20  
21  YES

22  
23  NO

24  
25  
26  
27  
28

1 DEFENDANT PERRY TAN NGUYEN

2 COUNT TWELVE (Structuring)

3 We, the jury in the above-captioned case, unanimously find  
4 defendant Perry Tan Nguyen:

5  
6 X GUILTY

7  
8 \_\_\_\_\_ NOT GUILTY  
9

10 of structuring financial transactions as charged in Count Twelve of  
11 the Second Superseding Indictment.

12  
13 If your answer to the above question was guilty proceed to  
14 question (A). If your answer was not guilty do not answer question  
15 (A).

16 Question A

17 Do you unanimously find that defendant Perry Tan Nguyen  
18 structured or assisted in structuring more than \$100,000 in a 12-  
19 month period:

20  
21 X YES

22  
23 \_\_\_\_\_ NO  
24  
25  
26  
27  
28

1 DEFENDANT PERRY TAN NGUYEN

2 COUNT THIRTEEN (Structuring)

3 We, the jury in the above-captioned case, unanimously find  
4 defendant Perry Tan Nguyen:

5  
6  GUILTY

7  
8  NOT GUILTY

9  
10 of structuring financial transactions as charged in Count Thirteen of  
11 the Second Superseding Indictment.

12  
13 If your answer to the above question was guilty proceed to  
14 question (A). If your answer was not guilty do not answer question  
15 (A).

16 Question A

17 Do you unanimously find that defendant Perry Tan Nguyen  
18 structured or assisted in structuring more than \$100,000 in a 12-  
19 month period:

20  
21  YES

22  
23  NO

24

25

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1 DEFENDANT PERRY TAN NGUYEN

2 COUNT FOURTEEN (Structuring)

3 We, the jury in the above-captioned case, unanimously find  
4 defendant Perry Tan Nguyen:

5  
6   X   GUILTY

7  
8        NOT GUILTY

9  
10 of structuring financial transactions as charged in Count Fourteen of  
11 the Second Superseding Indictment.

12 If your answer to the above question was guilty proceed to  
13 question (A). If your answer was not guilty do not answer question  
14 (A).

15 Question A

16 Do you unanimously find that defendant Perry Tan Nguyen  
17 structured or assisted in structuring more than \$100,000 in a 12-  
18 month period:

19  
20   X   YES

21  
22        NO

23  
24 Please have the foreperson sign and date the form.

25  
26 FOREPERSON OF THE JURY \_\_\_\_\_

27 DATED: October 22, 2014 at Los Angeles, California.

28 \_\_\_\_\_

United States District Court  
Central District of California

UNITED STATES OF AMERICA vs.

Docket No. CR 11-00922 (B) DDP (19)

Defendant PERRY TAN NGUYEN

akas: NGUYEN, Phuc Tan

Social Security No. █ █ █ █  
(Last 4 digits)

**JUDGMENT AND PROBATION/COMMITMENT ORDER**

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

MONTH	DAY	YEAR
May	18	2015

**COUNSEL**

Thomas Vincent Johnston, retained.

(Name of Counsel)

**PLEA**

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

**NOLO CONTENDERE**

**NOT GUILTY**

**FINDING**

There being a finding/verdict of

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

31 U.S.C. § 5324(a)(3), (d)(2); 18:2 STRUCTURING FINANCIAL TRANSACTIONS; AIDING AND ABETTING AND CAUSING AN ACT TO BE DONE as charged in Counts Ten, Eleven, Twelve, Thirteen, and Fourteen of the Second Superseding Indictment.

**JUDGMENT AND PROB/COMM ORDER**

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

Pursuant to the Sentencing Reform Act of 1984, it is the judgment of the Court that the defendant, Perry Tan Nguyen, is hereby committed on Counts Ten, Eleven, Twelve, Thirteen, and Fourteen of the Second Superseding Indictment to the custody of the Bureau of Prisons for a term of 6 months. This term consists of 6 months on each of Counts Ten, Eleven, Twelve, Thirteen, and Fourteen of the Second Superseding Indictment, to be served concurrently.

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

1. The defendant shall participate for a period of twelve (12) months in a home detention program without electronic monitoring and shall observe all rules of such program, as directed by the Probation Officer. The defendant may go to work, religious services and medical appointments for himself and his children.

USA vs. PERRY TAN NGUYEN

Docket No.: CR 11-00922 (B) DDP (19)

2. 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.
3. During the period of community supervision, the defendant shall pay the special assessment and fine 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.
5. 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.

**FINE:** It is ordered that the defendant shall pay to the United States a total fine of \$15,000, consisting of the following: Count Ten, a fine of \$3,000; Count Eleven, a fine of \$3,000; Count Twelve, a fine of \$3,000; Count Thirteen, a fine of \$3,000; and Count Fourteen, a fine of \$3,000. The total fine shall bear interest as provided by law. The fine shall be paid in monthly amounts of not less than \$500 during the period of supervised release and shall begin 60 days after the commencement of supervision.

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

**SPECIAL ASSESSMENT:** It is ordered that the defendant shall pay to the United States a special assessment of \$500, which is due immediately. Any unpaid balance shall be due during the period of imprisonment, at the rate of not less than \$25 per quarter, and pursuant to the Bureau of Prisons' Inmate Financial Responsibility Program.

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

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

**IT IS ORDERED** that the defendant shall self-surrender to the institution designated by the BOP on or before 12 noon, July 20, 2015 and, on the absence of such designation, the defendant shall report on or before the same date and time, to the United States Marshal at 255 East Temple Street, Los Angeles, California, 90012.

USA vs. PERRY TAN NGUYEN

Docket No.:

CR 11-00922 (B) DDP (19)

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.

May 18, 2015

Date

United States District Judge



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

Clerk, U.S. District Court

May 18, 2015

Filed Date

By John A. Chambers

Deputy Clerk

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

**STANDARD CONDITIONS OF PROBATION AND SUPERVISED RELEASE**

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

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



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

USA vs. PERRY TAN NGUYEN

Docket No.: CR 11-00922 (B) DDP (19)

**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:
  - Private victims (individual and corporate),
  - Providers of compensation to private victims,
  - The United States as victim;
3. Fine;
4. Community restitution, pursuant to 18 U.S.C. §3663(c); and
5. Other penalties and costs.

USA vs. PERRY TAN NGUYEN Docket No.: CR 11-00922 (B) DDP (19)

**SPECIAL CONDITIONS FOR PROBATION AND SUPERVISED RELEASE**

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

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

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

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

**RETURN**

I have executed the within Judgment and Commitment as follows:

Defendant delivered on \_\_\_\_\_ to \_\_\_\_\_  
Defendant noted on appeal on \_\_\_\_\_  
Defendant released on \_\_\_\_\_  
Mandate issued on \_\_\_\_\_  
Defendant's appeal determined on \_\_\_\_\_  
Defendant delivered on \_\_\_\_\_ to \_\_\_\_\_  
at \_\_\_\_\_  
the institution designated by the Bureau of Prisons, with a certified copy of the within Judgment and Commitment.

United States Marshal

By

USA vs. PERRY TAN NGUYEN Docket No.: CR 11-00922 (B) DDP (19)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Deputy Marshal

**CERTIFICATE**

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

\_\_\_\_\_  
Clerk, U.S. District Court

By

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

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

---

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**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

**BEFORE THE  
BOARD OF PHARMACY  
DEPARTMENT OF CONSUMER AFFAIRS  
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

**Y TROI INC. DBA ST. PAUL'S  
PHARMACY I; PERRY TAN NGUYEN  
OWNER  
2459 Florence Avenue  
Huntington Park, CA 90255**

**Original Permit No. PHY 42891,**

**and**

**PERRY TAN NGUYEN  
6621 Silent Harbor Drive  
Huntington Beach, CA 92648**

**Pharmacist License No. RPH 42961**

**Respondents.**

Case No. 5262

OAH No. 2016110114

**DECISION AND ORDER**

The attached Stipulated Surrender of License and Order is hereby adopted by the Board of Pharmacy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective at 5:00 p.m. on July 14, 2017.

It is so ORDERED on June 14, 2017.

BOARD OF PHARMACY  
DEPARTMENT OF CONSUMER AFFAIRS  
STATE OF CALIFORNIA



By \_\_\_\_\_

Amy Gutierrez, Pharm.D.  
Board President

1 XAVIER BECERRA  
Attorney General of California  
2 MARC D. GREENBAUM  
Supervising Deputy Attorney General  
3 GILLIAN E. FRIEDMAN  
Deputy Attorney General  
4 State Bar No. 169207  
300 So. Spring Street, Suite 1702  
5 Los Angeles, CA 90013  
Telephone: (213) 897-2564  
6 Facsimile: (213) 897-2804  
E-mail: Gillian.Friedman@doj.ca.gov  
7 *Attorneys for Complainant*

8 **BEFORE THE**  
9 **BOARD OF PHARMACY**  
10 **DEPARTMENT OF CONSUMER AFFAIRS**  
11 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

Case No. 5262

12 **Y TROI INC. DBA ST. PAUL'S**  
13 **PHARMACY I; PERRY TAN NGUYEN**  
14 **OWNER**  
2459 Florence Avenue  
Huntington Park, CA 90255

OAH No. 2016110114

**STIPULATED SURRENDER OF  
LICENSE AND ORDER**

15 Original Permit No. PHY 42891,

16 and

17 **PERRY TAN NGUYEN**  
6621 Silent Harbor Drive  
18 Huntington Beach, CA 92648

19 Pharmacist License No. RPH 42961

20 Respondents.

21  
22  
23 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-  
24 entitled proceedings that the following matters are true:

25 **PARTIES**

26 1. Virginia Herold (Complainant) is the Executive Officer of the Board of Pharmacy  
27 (Board). She brought this action solely in her official capacity and is represented in this matter by  
28

1 Xavier Becerra, Attorney General of the State of California, by Gillian E. Friedman, Deputy  
2 Attorney General.

3 2. Y Troi Inc. dba St. Paul's Pharmacy I with Perry Tan Nguyen as owner, executive  
4 officer and pharmacist in charge and Perry Tan Nguyen, pharmacist (Respondents) are  
5 represented in this proceeding by attorney Herbert L. Weinberg, Esq. whose address is FENTON  
6 LAW GROUP, LLP, 1990 S Bundy Drive Suite 777, Los Angeles, CA 90025.

7 3. On or about May 12, 1997, the Board of Pharmacy ("Board") issued Original Permit  
8 Number PHY 42891 to Perry Tan Nguyen to do business as St. Paul's Pharmacy I. From May 12,  
9 1997 to July 10, 2001 Perry Tan Nguyen was the individual licensed owner. On or about July 10,  
10 2001, the Board issued Original Permit Number PHY 42891 to Y Troi Inc. to do business as St.  
11 Paul's Pharmacy I ("Respondent Pharmacy") with Perry Tan Nguyen as the Chief Executive  
12 Officer. The Original Permit was in full force and effect at all times relevant to the charges  
13 brought herein and was cancelled on November 1, 2014. Perry Tan Nguyen was the Pharmacist-  
14 in-Charge of Respondent Pharmacy from May 12, 1997 until the permit was cancelled.

15 4. On or about August 25, 1989, the Board issued Pharmacist License Number RPH  
16 42961 to Perry Tan Nguyen ("Respondent Nguyen"). The Pharmacist License was in full force  
17 and effect at all times relevant to the charges brought herein and will expire on December 31,  
18 2018, unless renewed.

#### 19 JURISDICTION

20 5. Accusation No. 5262 was filed before the (Board), and is currently pending against  
21 Respondents. The Accusation and all other statutorily required documents were properly served  
22 on Respondents on July 19, 2016. Respondent timely filed its Notice of Defense contesting the  
23 Accusation. A copy of Accusation No. 5262 is attached as Exhibit A and incorporated by  
24 reference.

#### 25 ADVISEMENT AND WAIVERS

26 6. Respondents have carefully read, fully discussed with counsel, and understand the  
27 charges and allegations in Accusation No. 5262. Respondents also have carefully read, fully  
28

1 discussed with counsel, and understand the effects of this Stipulated Surrender of License and  
2 Order.

3 7. Respondents are fully aware of their legal rights in this matter, including the right to a  
4 hearing on the charges and allegations in the Accusation; the right to confront and cross-examine  
5 the witnesses against them; the right to present evidence and to testify on its own behalf; the right  
6 to the issuance of subpoenas to compel the attendance of witnesses and the production of  
7 documents; the right to reconsideration and court review of an adverse decision; and all other  
8 rights accorded by the California Administrative Procedure Act and other applicable laws.

9 8. Respondents voluntarily, knowingly, and intelligently waive and give up each and  
10 every right set forth above.

#### 11 CULPABILITY

12 9. Respondents understand that the charges and allegations in Accusation No. 5262, if  
13 proven at a hearing, constitute cause for imposing discipline upon their Original Permit No. PHY  
14 42891 and Pharmacist License Number RPH 42961.

15 10. For the purpose of resolving the Accusation without the expense and uncertainty of  
16 further proceedings, Respondents agree that, at a hearing, Complainant could establish a factual  
17 basis for the charges in the Accusation and that those charges constitute cause for discipline.  
18 Respondents hereby give up their right to contest that cause for discipline exists based on those  
19 charges.

20 11. Respondents understand that by signing this stipulation Respondents enable the Board  
21 to issue an order accepting the surrender of their Original Permit No. PHY 42891 and Pharmacist  
22 License Number RPH 42961 without further process.

#### 23 CONTINGENCY

24 12. This stipulation shall be subject to approval by the Board. Respondents understand  
25 and agree that counsel for Complainant and the staff of the Board may communicate directly with  
26 the Board regarding this stipulation and surrender, without notice to or participation by  
27 Respondents or their counsel. By signing the stipulation, Respondents understand and agree that  
28 they may not withdraw their agreement or seek to rescind the stipulation prior to the time the

1 Board considers and acts upon it. If the Board fails to adopt this stipulation as its Decision and  
2 Order, the Stipulated Surrender and Disciplinary Order shall be of no force or effect, except for  
3 this paragraph, it shall be inadmissible in any legal action between the parties, and the Board shall  
4 not be disqualified from further action by having considered this matter.

5 13. The parties understand and agree that Portable Document Format (PDF) and facsimile  
6 copies of this Stipulated Surrender of License and Order, including Portable Document Format  
7 (PDF) and facsimile signatures thereto, shall have the same force and effect as the originals.

8 14. This Stipulated Surrender of License and Order is intended by the parties to be an  
9 integrated writing representing the complete, final, and exclusive embodiment of their agreement.  
10 It supersedes any and all prior or contemporaneous agreements, understandings, discussions,  
11 negotiations, and commitments (written or oral). This Stipulated Surrender of License and Order  
12 may not be altered, amended, modified, supplemented, or otherwise changed except by a writing  
13 executed by an authorized representative of each of the parties.

14 15. In consideration of the foregoing admissions and stipulations, the parties agree that  
15 the Board may, without further notice or formal proceeding, issue and enter the following Order:

16 **ORDER**

17 **IT IS HEREBY ORDERED** that Pharmacist License Number RPH 42961 issued to  
18 Respondent Perry Tan Nguyen is surrendered and accepted by the Board of Pharmacy.

19 1. The surrender of Respondent Nguyen's Pharmacist License and the acceptance of the  
20 surrendered license by the Board shall constitute the imposition of discipline against Respondent  
21 Nguyen. This stipulation constitutes a record of the discipline and shall become a part of  
22 Respondent Nguyen's license history with the Board of Pharmacy.

23 2. Respondent Nguyen shall lose all rights and privileges as a pharmacist in California  
24 as of the effective date of the Board's Decision and Order.

25 3. Respondent Nguyen shall cause to be delivered to the Board the pocket licenses and,  
26 if one was issued, the wall certificate on or before the effective date of the Decision and Order.

27  
28

1           4.    Respondent Nguyen understands and agrees that if he ever files an application for  
2 licensure or a petition for reinstatement in the State of California, the Board shall treat it as a new  
3 application for licensure.

4           5.    Respondent Nguyen may not apply for any license, permit, or registration from the  
5 Board for three (3) years from the effective date of this decision. Respondent Nguyen stipulates  
6 that should he apply for any license from the board on or after the effective date of this decision,  
7 all allegations set forth in in Accusation, No. 5262 shall be deemed to be true, correct and  
8 admitted by Respondent Nguyen when the Board determines whether to grant or deny the  
9 application. Respondent Nguyen shall satisfy all requirements applicable to that license as of the  
10 date the application is submitted to the Board, including, but not limited to taking and passing the  
11 California Pharmacist Licensure Examination prior to the issuance of a new license. Respondent  
12 Nguyen is required to report this surrender as disciplinary action.

13           6.    Respondents Y Troi Inc. dba St. Paul's Pharmacy I and Perry Tan Nguyen shall  
14 jointly and severally be responsible for the payment to the agency for its costs of investigation  
15 and enforcement in the amount of \$25,115.50 prior to issuance of a new or reinstated license.

16           **IT IS HEREBY FURTHER ORDERED** that Original Permit No. PHY 42891, issued to  
17 Respondent Y Troi Inc. dba St. Paul's Pharmacy I; Perry Tan Nguyen, is surrendered and  
18 accepted by the Board of Pharmacy.

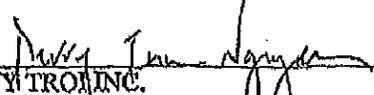
19           7.    The surrender of Respondent Pharmacy's Original Permit and the acceptance of the  
20 surrendered license by the Board shall constitute the imposition of discipline against Respondent.  
21 This stipulation constitutes a record of the discipline and shall become a part of Respondent's  
22 license history with the Board of Pharmacy.

23           8.    Respondent owner shall, within ten (10) days of the effective date, arrange for the  
24 destruction of, the transfer to, sale of or storage in a facility licensed by the board of all controlled  
25 substances and dangerous drugs and devices. Respondent owner shall further provide written  
26 proof of such disposition and submit a completed Discontinuance of Business form according to  
27 board guidelines.

28



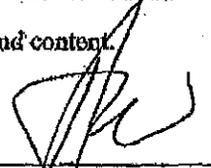
1 enter into this Stipulated Surrender of License and Order voluntarily, knowingly, and  
2 intelligently, and agree to be bound by the Decision and Order of the Board of Pharmacy.

3  
4 DATED: 05/12/2017   
5 Y TROL INC.  
6 DBA ST. PAUL'S PHARMACY I;  
7 By: PERRY TAN NGUYEN  
8 Respondent

9 I have carefully read the above Stipulated Surrender of License and Order and have fully  
10 discussed it with my attorney, Herbert L. Weinberg, Esq. I understand the stipulation and the  
11 effect it will have on my Pharmacist License Number RPH 42961. I enter into this Stipulated  
12 Surrender of License and Order voluntarily, knowingly, and intelligently, and agree to be bound  
13 by the Decision and Order of the Board of Pharmacy.

14 DATED: 05/12/2017   
15 PERRY TAN NGUYEN  
16 Respondent

17 I have read and fully discussed with Respondents Y Trol Inc. dba St. Paul's Pharmacy I and  
18 Perry Tan Nguyen the terms and conditions and other matters contained in this Stipulated  
19 Surrender of License and Order. I approve its form and content.

20  
21 DATED: 5/12/2017   
22 HERBERT L. WEINBERG, ESQ.  
23 FENTON LAW GROUP, LLP  
24 Attorney for Respondents

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I have carefully read the above Stipulated Surrender of License and Order and have fully discussed it with my attorney, Herbert L. Weinberg, Esq. I understand the stipulation and the effect it will have on my Pharmacist License Number RPH 42961. I enter into this Stipulated Surrender of License and Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Board of Pharmacy.

DATED: \_\_\_\_\_  
PERRY TAN NGUYEN  
*Respondent*

I have read and fully discussed with Respondents Y Troi Inc. dba St. Paul's Pharmacy I and Perry Tan Nguyen the terms and conditions and other matters contained in this Stipulated Surrender of License and Order. I approve its form and content.

DATED: \_\_\_\_\_  
HERBERT L. WEINBERG, ESQ.  
FENTON LAW GROUP, LLP  
*Attorney for Respondents*

ENDORSEMENT

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

Dated: *May 10, 2017*      Respectfully submitted,  
XAVIER BECERRA  
Attorney General of California  
MARC D. GREENBAUM  
Supervising Deputy Attorney General  
  
GILLIAN E. FRIEDMAN  
Deputy Attorney General  
*Attorneys for Complainant*

LA2014512670  
52474555

**Exhibit A**

**Accusation No. 5262**

1 KAMALA D. HARRIS  
Attorney General of California  
2 MARC D. GREENBAUM  
Supervising Deputy Attorney General  
3 ARMANDO ZAMBRANO  
Deputy Attorney General  
4 State Bar No. 225325  
300 So. Spring Street, Suite 1702  
5 Los Angeles, CA 90013  
Telephone: (213) 897-2542  
6 Facsimile: (213) 897-2804  
*Attorneys for Complainant*

7  
8 **BEFORE THE**  
**BOARD OF PHARMACY**  
9 **DEPARTMENT OF CONSUMER AFFAIRS**  
**STATE OF CALIFORNIA**

10 In the Matter of the Accusation Against:

Case No: 5262

11 **Y TROI INC. DBA ST. PAUL'S**  
12 **PHARMACY I; PERRY TAN NGUYEN**  
13 **OWNER**  
14 **2459 Florence Avenue**  
**Huntington Park, CA 90255**

**A C C U S A T I O N**

15 **Original Permit No. PHY 42891,**

16 **and**

17 **PERRY TAN NGUYEN**  
18 **6621 Silent Harbor Drive**  
**Huntington Beach, CA 92648**

19 **Pharmacist License No. RPH 42961**

20 Respondents.

21  
22 Complainant alleges:

23 **PARTIES**

24 1. Virginia Herold ("Complainant") brings this Accusation solely in her official capacity  
25 as the Executive Officer of the Board of Pharmacy, Department of Consumer Affairs.

26 2. On or about May 12, 1997, the Board of Pharmacy ("Board") issued Original Permit  
27 Number PHY 42891 to Perry Tan Nguyen to do business as St. Paul's Pharmacy I. From May 12,  
28 1997 to July 10, 2001, Perry Tan Nguyen was the individual licensed owner. On or about July 10,

1 2001, the Board issued Original Permit Number PHY 42891 to Y Trol Inc. to do business as St.  
2 Paul's Pharmacy I ("Respondent Pharmacy") with Perry Tan Nguyen as the Chief Executive  
3 Officer. The Original Permit was in full force and effect at all times relevant to the charges  
4 brought herein and was cancelled on November 1, 2014. Perry Tan Nguyen was the Pharmacist-  
5 in-Charge of Respondent Pharmacy from May 12, 1997 until the permit was cancelled.

6 3. On or about August 25, 1989, the Board issued Pharmacist License Number RPH  
7 42961 to Perry Tan Nguyen ("Respondent Nguyen"). The Pharmacist License was in full force  
8 and effect at all times relevant to the charges brought herein and will expire on December 31,  
9 2016, unless renewed.

#### 10 JURISDICTION

11 4. This Accusation is brought before the Board, under the authority of the following  
12 laws. All section references are to the Business and Professions Code unless otherwise indicated.

13 5. Section 4300, subdivision (a) of the Code provides that "[e]very license issued may be  
14 suspended or revoked."

15 6. Section 4300.1 of the Code states:

16 "The expiration, cancellation, forfeiture, or suspension of a board-issued license by  
17 operation of law or by order or decision of the board or a court of law, the placement of a license  
18 on a retired status, or the voluntary surrender of a license by a licensee shall not deprive the board  
19 of jurisdiction to commence or proceed with any investigation of, or action or disciplinary  
20 proceeding against, the licensee or to render a decision suspending or revoking the license."

#### 21 STATUTES AND REGULATIONS

22 7. Section 4301 of the Code states, in pertinent part:

23 "The board shall take action against any holder of a license who is guilty of unprofessional  
24 conduct or whose license has been procured by fraud or misrepresentation or issued by mistake.  
25 Unprofessional conduct shall include, but is not limited to, any of the following:

26 ...

27 "(d) The clearly excessive furnishing of controlled substances in violation of subdivision (a)  
28 of Section 11153 of the Health and Safety Code.

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"(f) The commission of any act involving moral turpitude, dishonesty, fraud, deceit, or corruption, whether the act is committed in the course of relations as a licensee or otherwise, and whether the act is a felony or misdemeanor or not.

...

"(j) The violation of any of the statutes of this state, or any other state, or of the United States regulating controlled substances and dangerous drugs.

...

"(l) The conviction of a crime substantially related to the qualifications, functions, and duties of a licensee under this chapter. The record of conviction of a violation of Chapter 13 (commencing with Section 801) of Title 21 of the United States Code regulating controlled substances or of a violation of the statutes of this state regulating controlled substances or dangerous drugs shall be conclusive evidence of unprofessional conduct. In all other cases, the record of conviction shall be conclusive evidence only of the fact that the conviction occurred. The board may inquire into the circumstances surrounding the commission of the crime, in order to fix the degree of discipline or, in the case of a conviction not involving controlled substances or dangerous drugs, to determine if the conviction is of an offense substantially related to the qualifications, functions, and duties of a licensee under this chapter. A plea or verdict of guilty or a conviction following a plea of nolo contendere is deemed to be a conviction within the meaning of this provision. The board may take action when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under Section 1203.4 of the Penal Code allowing the person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment."

...

"(o) Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of or conspiring to violate any provision or term of this chapter or of the applicable

1 federal and state laws and regulations governing pharmacy, including regulations established by  
2 the board or by any other state or federal regulatory agency."

3 8. Section 4307(a) of the Code states that:

4 "Any person who has been denied a license or whose license has been revoked or is under  
5 suspension, or who has failed to renew his or her license while it was under suspension, or who  
6 has been a manager, administrator, owner member, officer, director, associate, or partner of any  
7 partnership, corporation, firm, or association whose application for a license has been denied or  
8 revoked, is under suspension or has been placed on probation, and while acting as the manger,  
9 administrator, owner, member, officer, director, associate, or partner had knowledge or knowingly  
10 participated in any conduct for which the license was denied, revoked, suspended, or placed on  
11 probation, shall be prohibited from serving as a manger, administrator owner, member, officer,  
12 director, associate, or partner of a licensee as follows:

13 "(1) Where a probationary license is issued or where an existing license is placed on  
14 probation, this prohibition shall remain in effect for a period not to exceed five years.

15 "(2) Where the license is denied or revoked, the prohibition shall continue until the license  
16 is issued or reinstated.

17 ....

18 9. Section 4113, subdivision (c) of the Code states, in pertinent part:

19 ...

20 "(c) The pharmacist-in-charge shall be responsible for a pharmacy's compliance with all  
21 state and federal laws and regulations pertaining to the practice of pharmacy."

22 ....

23 10. Section 11153, subdivision (a) of the Health and Safety Code states:

24 "A prescription for a controlled substance shall only be issued for a legitimate medical  
25 purpose by an individual practitioner acting in the usual course of his or her professional practice.  
26 The responsibility for the proper prescribing and dispensing of controlled substances is upon the  
27 prescribing practitioner, but a corresponding responsibility rests with the pharmacist who fills the  
28 prescription. Except as authorized by this division, the following are not legal prescriptions: (1)

1 an order purporting to be a prescription which is issued not in the usual course of professional  
2 treatment or in legitimate and authorized research; or (2) an order for an addict or habitual user of  
3 controlled substances, which is issued not in the course of professional treatment or as part of an  
4 authorized narcotic treatment program, for the purpose of providing the user with controlled  
5 substances, sufficient to keep him or her comfortable by maintaining customary use."

6 11. Health and Safety Code section 11164 states, in pertinent part:

7 "Except as provided in Section 11167, no person shall prescribe a controlled substance, nor  
8 shall any person fill, compound, or dispense a prescription for a controlled substance, unless it  
9 complies with the requirements of this section.

10 "(a) Each prescription for a controlled substance classified in Schedule II, III, IV, or V,  
11 except as authorized by subdivision (b), shall be made on a controlled substance prescription form  
12 as specified in Section 11162.1 and shall meet the following requirements:

13 "(1) The prescription shall be signed and dated by the prescriber in ink and shall contain the  
14 prescriber's address and telephone number; the name of the ultimate user or research subject, or  
15 contact information as determined by the Secretary of the United States Department of Health and  
16 Human Services; refill information, such as the number of refills ordered and whether the  
17 prescription is a first-time request or a refill; and the name, quantity, strength, and directions for  
18 use of the controlled substance prescribed."

19 12. California Code of Regulations, title 16, section 1761, states:

20 "(a) No pharmacist shall compound or dispense any prescription which contains any  
21 significant error, omission, irregularity, uncertainty, ambiguity or alteration. Upon receipt of any  
22 such prescription, the pharmacist shall contact the prescriber to obtain the information needed to  
23 validate the prescription.

24 "(b) Even after conferring with the prescriber, a pharmacist shall not compound or dispense  
25 a controlled substance prescription where the pharmacist knows or has objective reason to know  
26 that said prescription was not issued for a legitimate medical purpose."

27 13. California Code of Regulations, title 16, section 1714, subdivision (c), states:

28





1           25. The Board Inspector determined whether or not the prescriptions Respondent  
2 Pharmacy dispensed were paid with cash, i.e., insurance was bypassed. Of the 8,151 controlled  
3 substance prescriptions, 2,759 (or 33.58%) were paid with cash. Of the 1,524 oxycodone 30 mg  
4 prescriptions, 1,521 (or 99.8%) were paid with cash. For the prescriptions written by P.A. Early,  
5 Dr. Lifson, Dr. Casillas, Dr. Sison, and Dr. Altamirano, all of the prescriptions were paid for with  
6 cash. Moreover, all 20 of the selected patients paid with cash.

7           26. The Board Inspector compared the dispensing practices of Respondent Pharmacy to  
8 four other pharmacies located less than one mile away. The CURES data showed that between  
9 January 1, 2011 and December 5, 2012, Respondent Pharmacy filled 1,524 prescriptions for  
10 oxycodone 30 mg while the four neighboring pharmacies, including a Walgreens, a Rite-Aid, and  
11 two independent pharmacies, filled a total of 13 prescriptions for oxycodone 30 mg during that  
12 same time period.

13           27. The Board Inspector reviewed data regarding the distance between the 20 patients'  
14 residences and the prescribers' offices and the distance between the patients' residences and  
15 Respondent Pharmacy. The data showed that the average combined distance between a patient's  
16 home to a prescriber's office, the distance between a prescriber's office to Respondent Pharmacy,  
17 and the distance from Respondent Pharmacy to a patient's home was 63 miles. The shortest  
18 distance was 15 miles and the longest distance was 106 miles. Due to the proliferation of  
19 pharmacies in the Southern California area, the common trading area is considered to be 5 miles.  
20 The data further showed that none of the 20 patients resided in Huntington Park where  
21 Respondent Pharmacy was located.

22           28. On or about February 7, 2013, the Board Inspector conducted an inspection of  
23 Respondent Pharmacy. When the Board Inspector arrived at approximately 10:00 a.m., there was  
24 no licensed pharmacist on the premises. A pharmacy technician had opened the doors to the  
25 pharmacy. When the Board Inspector inquired about the pharmacist's whereabouts, the Inspector  
26 was told that the pharmacist had gone to the bank.

27           29. As part of the February 7, 2013 inspection, the Board Inspector asked Respondent  
28 Nguyen to complete pharmacy patient questionnaires for the 20 selected patients in order to

1 determine how well Respondent Nguyen knew the patients. Respondent Nguyen indicated that 19  
2 of the 20 patients had some type of back pain but Respondent Pharmacy did not keep any notes on  
3 the patients' drug therapy.

4 30. A review of the CURES PAR data, the completed pharmacy patient questionnaires,  
5 and other data revealed the following information about the 20 selected patients that the Board  
6 Inspector investigated:

7 a. Patient K.B.: The PAR shows that prior to having prescriptions for oxycodone and  
8 diazepam written by P.A. Early filled at Respondent Pharmacy, K.B. received prescriptions for  
9 hydrocodone/apap and diazepam simultaneously from two other doctors and had those  
10 prescriptions filled at two different pharmacies. Respondent Pharmacy wrote on the face of a  
11 prescription "CURES OK" when K.B. first went to Respondent Pharmacy. However if  
12 Respondent Pharmacy had looked closely at CURES PAR, it would have noticed that K.B. had  
13 gone to multiple prescribers and multiple pharmacies.

14 b. Patient A.B.: The PAR shows that prior to having prescriptions for oxycodone 30  
15 mg and alprazolam written by Dr. Casillas and Dr. Sison filled at Respondent Pharmacy, A.B.  
16 went to 4 different prescribers in Lynwood, Los Angeles, Panorama City, and West Covina and 5  
17 different pharmacies in Los Angeles, Alhambra, Inglewood, Rancho Cucamonga, and Panorama  
18 City. While going to Respondent Pharmacy, A.B. continued to have prescriptions filled at  
19 multiple pharmacies and continued to see multiple prescribers.

20 c. Patient D.C.: The PAR shows that prior to having prescriptions for oxycodone 30  
21 mg written by Dr. Lifson and Dr. Sison filled at Respondent Pharmacy, D.C. went to 5 prescribers  
22 in Downey, Monterey Park, Los Angeles, and Garden Grove and 8 pharmacies in Los Angeles,  
23 Alhambra, Hollywood, and Garden Grove to get prescriptions for hydrocodone/apap and  
24 alprazolam. While going to Respondent Pharmacy, D.C. continued to go to multiple prescribers  
25 and multiple pharmacies. On August 5, 2011, D.C. had a prescription for oxycodone 30 mg and  
26 Phenergan with codeine prescribed by Dr. Lifson. D.C. had the prescription for Phenergan with  
27 codeine dispensed at Kim Pharmacy, which is 55 miles from Dr. Lifson's office and had the  
28 oxycodone 30 mg dispensed at Respondent Pharmacy which was 27 miles from Kim Pharmacy.

1 Respondent Pharmacy wrote on the face of a prescription "CURES OK." However if Respondent  
2 Pharmacy had looked closely at CURES PAR, it would have noticed that D.C. had gone to  
3 multiple prescribers and multiple pharmacies.

4 d. Patient F.C.: The PAR shows that prior to having prescriptions for oxycodone 30  
5 mg written by Paul Suogang, D.O. ("Dr. Suogang") filled at Respondent Pharmacy, F.C. went to 3  
6 prescribers and 7 pharmacies in Los Angeles, Compton, Long Beach, Lynwood, and South Gate  
7 to get prescriptions for controlled substances. While going to Respondent Pharmacy, F.C.  
8 continued to go to multiple prescribers and multiple pharmacies. Respondent Pharmacy wrote on  
9 the face of a prescription "CURES OK." However if Respondent Pharmacy had looked closely at  
10 CURES PAR, it would have noticed that F.C. had gone to multiple prescribers and multiple  
11 pharmacies.

12 e. Patient D.D.: The PAR shows that prior to having prescriptions for oxycodone 30  
13 mg written by Dr. Sison, Dr. Casillas, and P.A. Early filled at Respondent Pharmacy, D.D. only  
14 went to one prescriber and one pharmacy and received prescriptions for lorazepam. He had no  
15 history of pain. Respondent Pharmacy should have questioned starting pain management with  
16 oxycodone 30 mg. While going to Respondent Pharmacy, D.D. saw 3 different prescribers and  
17 received prescriptions for oxycodone 30 mg, a powerful pain medication.

18 f. Patient M.E.: The PAR shows that prior to having prescriptions for oxycodone 30  
19 mg written by P.A. Early filled at Respondent Pharmacy, M.E. went to 9 prescribers in Los  
20 Angeles, Northridge, Stockton, Panorama City, and Pasadena and 9 pharmacies in Riverside,  
21 Ontario, Santa Monica, Rancho Cucamonga, Gardena, Rancho Palos Verdes, Beverly Hills, and  
22 Los Angeles. Respondent Pharmacy wrote on the face of a prescription "CURES OK" when M.E.  
23 first went to Respondent Pharmacy. However if Respondent Pharmacy had looked closely at  
24 CURES PAR, it would have noticed that M.E. had gone to multiple prescribers and multiple  
25 pharmacies.

26 g. Patient B.F.: The PAR shows that prior to having prescriptions for oxycodone 30  
27 mg written by Dr. Sison and Dr. Casillas filled at Respondent Pharmacy, M.E. went to multiple  
28 prescribers in Downey, Fountain Valley, Huntington Beach, and Los Angeles, and multiple

1 pharmacies in Los Angeles, Hollywood, Hawthorne, Inglewood, and Alhambra.

2 h. Patient A.H.: The PAR shows that prior to having prescriptions for oxycodone 30  
3 mg and hydrocodone/apap 10-325 mg written by P.A. Early filled at Respondent Pharmacy, A.H.  
4 went to multiple prescribers and multiple pharmacies to get prescriptions for oxycodone 30 mg.  
5 Respondent Pharmacy wrote on the face of a prescription "CURES OK" when A.H. first went to  
6 Respondent Pharmacy. However if Respondent Pharmacy had looked closely at CURES PAR, it  
7 would have noticed that A.H. had gone to multiple prescribers and multiple pharmacies.

8 i. Patient G.J.: The PAR shows that prior to having prescriptions for oxycodone 30  
9 mg written by P.A. Early filled at Respondent Pharmacy, G.J. went to 22 prescribers in multiple  
10 cities and went to 21 pharmacies in multiple cities to obtain hydrocodone/apap and other  
11 controlled substance prescriptions. Respondent Pharmacy wrote on the face of a prescription  
12 "CURES OK" when G.J. first went to Respondent Pharmacy. However if Respondent Pharmacy  
13 had looked closely at CURES PAR, it would have noticed that G.J. had gone to multiple  
14 prescribers and multiple pharmacies.

15 j. Patient Y.K.: The PAR shows that prior to having prescriptions for oxycodone 30  
16 mg and promethazine with codeine written by Dr. Sugang filled at Respondent Pharmacy, Y.K.  
17 had controlled substance prescriptions dispensed at three pharmacies. Y.K. received 4 drugs on a  
18 monthly basis from Dr. Sugang: oxycodone 30 mg, promethazine with codeine,  
19 hydrocodone/apap 7.5-750 mg, and alprazolam. Y.K. only had the oxycodone 30 mg and  
20 promethazine with codeine prescriptions filled at Respondent Pharmacy and had the  
21 hydrocodone/apap 7.5-750 mg and alprazolam prescriptions filled at another pharmacy.  
22 Respondent Pharmacy dispensed promethazine with codeine, a cough syrup, to Y.K. eleven times.

23 k. Patient F.L.: The PAR shows that prior to having prescriptions for oxycodone 30  
24 mg written by Dr. Casillas filled at Respondent Pharmacy, F.L. went to 10 different prescribers in  
25 Gardena, Huntington Park, Stockton, Northridge, Los Angeles, and Pamporana City and 14  
26 different pharmacies in Huntington Beach, Fullerton, Norwalk, Los Angeles, Lakewood, Reseda,  
27 Ontario, Rancho Palos Verdes, Gardena, Oceanside, Santa Ana, and Van Nuys. Respondent  
28 Pharmacy wrote on the face of a prescription "CURES OK" when F.L. first went to Respondent

1 Pharmacy. However if Respondent Pharmacy had looked closely at CURES PAR, it would have  
2 noticed that F.L. had gone to multiple prescribers and multiple pharmacies.

3 l. Patient D.M.: The PAR shows that prior to having prescriptions for oxycodone 30  
4 mg written by Dr. Casillas filled at Respondent Pharmacy, D.M. went to 8 different prescribers in  
5 Los Angeles, Stockton, Santa Monica, and Northridge and 10 different pharmacies in San Marino,  
6 Long Beach, Northridge, Anaheim, Reseda, Ontario, Gardena, Oceanside, and Van Nuys.

7 Respondent Pharmacy wrote on the face of a prescription "CURES OK" when D.M. first went to  
8 Respondent Pharmacy. However if Respondent Pharmacy had looked closely at CURES PAR, it  
9 would have noticed that D.M. had gone to multiple prescribers and multiple pharmacies.

10 m. Patient E.M.: The PAR shows that E.M. had no pain history prior to October 21,  
11 2011 when he first started receiving oxycodone 30 mg from Dr. Casillas. The PAR also shows  
12 that E.M. received no other pain medication beside oxycodone 30 mg. Respondent Pharmacy  
13 wrote on the face of a prescription "CURES OK" when E.M. first went to Respondent Pharmacy.  
14 However if Respondent Pharmacy had looked closely at CURES PAR, it would have questioned  
15 the initial pain management therapy of oxycodone 30 mg.

16 n. Patient E.P.: The PAR shows that prior to having prescriptions for oxycodone 30  
17 mg written by Dr. Casillas filled at Respondent Pharmacy, E.P. went to 5 prescribers for  
18 controlled substance prescriptions and 5 different pharmacies. Respondent Pharmacy wrote on  
19 the face of a prescription "CURES OK" when E.P. first went to Respondent Pharmacy. However  
20 if Respondent Pharmacy had looked closely at CURES PAR, it would have noticed that E.P. had  
21 gone to multiple prescribers and multiple pharmacies. On April 4, 2012, Respondent Pharmacy  
22 dispensed oxycodone 30 mg prescribed by Dr. Casillas. However on March 21, 2012, another  
23 pharmacy had dispensed hydrocodone/apap 10-325 mg prescribed by another physician. If  
24 Respondent Pharmacy had consulted CURES PAR, it would have noticed the therapy duplication  
25 and multiple prescribers.

26 o. Patient V.R.: The PAR shows that V.R. had no pain history prior to December 19,  
27 2011 when she first started receiving oxycodone 30 mg from Dr. Casillas. The PAR also shows  
28 that V.R. received no other pain medication beside oxycodone 30 mg. Respondent Pharmacy

1 wrote on the face of a prescription "CURES OK" when V.R. first went to Respondent Pharmacy.  
2 However if Respondent Pharmacy had looked closely at CURES PAR, it would have questioned  
3 the initial pain management therapy of oxycodone 30 mg.

4 p. Patient M.R.: The PAR shows that prior to having prescriptions for oxycodone 30  
5 mg written by Dr. Sison, P.A. Early, and Sharmez Savoy, P.A. filled at Respondent Pharmacy,  
6 M.R. went to 6 different prescribers in Stockton, Los Angeles, Santa Monica, Northridge, and  
7 Panorama City and 6 different pharmacies in Encino, Whittier, Hawthorne, Bakersfield, Rancho  
8 Palos Verdes, Mission Viejo, and Encino. Respondent Pharmacy wrote on the face of a  
9 prescription "CURES OK" when M.R. first went to Respondent Pharmacy. However if  
10 Respondent Pharmacy had looked closely at CURES PAR, it would have noticed that M.R. had  
11 gone to multiple prescribers and multiple pharmacies. Additionally, M.R. was a diabetic but did  
12 not receive any diabetic medication.

13 q. Patient P.R.: The PAR shows that prior to having prescriptions for oxycodone 30  
14 mg written by Dr. Casillas filled at Respondent Pharmacy, P.R. had one prescription for  
15 oxycodone 30 mg written by Dr. Sison filled at a pharmacy in San Luis Obispo. Dr. Sison's office  
16 was in Panorama City and P.R. lived in Los Angeles. Prior to March 29, 2012 when she received  
17 oxycodone 30 mg from Dr. Sison., P.R. had no pain history. The PAR also shows that V.R.  
18 received no other pain medication beside oxycodone 30 mg. Respondent Pharmacy wrote on the  
19 face of a prescription "CURES OK" when P.R. first went to Respondent Pharmacy. However if  
20 Respondent Pharmacy had looked closely at CURES PAR, it would have questioned the initial  
21 pain management therapy of oxycodone 30 mg.

22 r. Patient W.R.: The PAR shows that prior to having prescriptions for oxycodone 30  
23 mg written by Dr. Casillas filled at Respondent Pharmacy, W.R. went to 3 different doctors and 3  
24 different pharmacies. The PAR also shows that W.R. had one prescription for oxycodone 30 mg  
25 written by Dr. Sison filled at a pharmacy in San Luis Obispo. Dr. Sison's office was in Panorama  
26 City and W.R. lived in Los Angeles. Prior to February 14, 2012 when he received oxycodone 30  
27 mg from Dr. Sison., W.R. had no pain history. The PAR also shows that W.R. received no other  
28 pain medication beside oxycodone 30 mg. Respondent Pharmacy wrote on the face of a

1 prescription "CURES OK" when W.R. first went to Respondent Pharmacy. However if  
2 Respondent Pharmacy had looked closely at CURES PAR, it would have questioned the initial  
3 pain management therapy of oxycodone 30 mg and it would have noticed that W.R. had gone to  
4 multiple prescribers and multiple pharmacies.

5 s. Patient E.W.: The PAR shows that prior to having prescriptions for oxycodone 30  
6 mg written by Dr. Casillas filled at Respondent Pharmacy, E.W. went to a doctor in Stockton but  
7 had the prescriptions filled in Santa Ana and Murrieta. He also had a prescription for oxycodone  
8 30 mg written by Dr. Sison filled Duarte.

9 t. Patient M.T.: Respondent Pharmacy's internal patient profile revealed that  
10 Respondent Pharmacy filled prescriptions for oxycodone 30 mg written by Dr. Sugang 7 times  
11 and filled prescriptions for promethazine with codeine written by Dr. Sugang 10 times.

#### 12 SECOND CAUSE FOR DISCIPLINE

##### 13 (Dispensing without Proper Prescription)

14 31. Respondent Pharmacy and Respondent Nguyen (collectively "Respondents") are  
15 subject to disciplinary action under Code section 4301, subdivision (j), in conjunction with Health  
16 and Safety Code section 11164, subdivision (a)(1), on the grounds of unprofessional conduct in  
17 that Respondents filled prescriptions for controlled substances that were not dated in the  
18 prescriber's handwriting. The circumstances are as follows:

19 (a) On or about January 20, 2012, Respondents filled RX #1538834 oxycodone 30 mg for  
20 Patient D.M. prescribed by Dr. Casillas. The date written on the prescription was not in Dr.  
21 Casillas's handwriting.

22 (b) On or about February 8, 2012, Respondents filled RX #1543932 oxycodone 30 mg for  
23 Patient F.L. prescribed by Dr. Casillas. The date written on the prescription was not in Dr.  
24 Casillas's handwriting.

#### 25 THIRD CAUSE FOR DISCIPLINE

##### 26 (Operational Standards and Security Violation)

27 32. Respondent Pharmacy and Respondent Nguyen are subject to disciplinary action  
28 under Code section 4301, subdivision (o), in conjunction with California Code of Regulations,

1 title 16, section 1714, subdivision (e), on the grounds of unprofessional conduct in that during a  
2 routine inspection of Respondent Pharmacy on February 7, 2013, a pharmacy technician  
3 possessed a key to the pharmacy that was not in a tamper evident container. The pharmacy  
4 technician had opened the door to the pharmacy, which was open to the public while the  
5 pharmacist was not present. Moreover, the pharmacist was not on a break or at lunch. Instead, he  
6 had gone to the bank.

#### 7 FOURTH CAUSE FOR DISCIPLINE

##### 8 (Dishonest Acts)

9 33. Respondent Nguyen is subject to disciplinary action under Code section 4301,  
10 subdivision (f) on the grounds of unprofessional conduct for committing dishonest acts in that  
11 Respondent Nguyen structured,<sup>1</sup> assisted in structuring, and/or caused to be structured financial  
12 transactions with Bank of America, a domestic financial institution, for the purpose of evading the  
13 reporting requirements of United States Code, title 31, section 5313, subdivision (a), as part of a  
14 pattern of illegal activity involving more than \$100,000 in a 12 month period. The facts and  
15 circumstances are as follows:

16 (a) On or about January 28, 2009, Respondent Nguyen made or caused to be made a  
17 \$10,000 cash deposit into Bank of America Account ending 21213 ("Account 1") and a \$10,000  
18 cash deposit into Bank of America Account ending 41025 (Account 2").

19 (b) On or about June 2, 2009, Respondent Nguyen made or caused to be made a \$10,000  
20 cash deposit into Bank of America Account 1 and a \$9,000 cash deposit into Bank of America  
21 Account 2.

22 (c) On or about June 3, 2009, Respondent Nguyen made or caused to be made a \$9,000  
23 cash deposit and a \$10,000 cash deposit into Bank of America Account 1.

24  
25  
26 <sup>1</sup> Federal law requires domestic financial institutions to report transactions involving currency  
27 (i.e., cash) of more than \$10,000. A person structures a transaction if that person conducts one or  
28 more currency transactions in any amount, at one or more financial institutions, on one or more  
days, for the purpose of evading the reporting requirements.

1 (d) On or about July 28, 2009, Respondent Nguyen made or caused by made a \$10,000  
2 cash deposit, another \$10,000 cash deposit, and a \$4,550 cash deposit into Bank of America  
3 Account 1.

4 (e) On or about June 19, 2009, Respondent Nguyen made or caused to be made a \$9,000  
5 cash deposit and a \$10,000 cash deposit into Bank of America Account 1.

6 **FIFTH CAUSE FOR DISCIPLINE**

7 **(Failure To Ensure Pharmacy Complies With Laws and Regulations**  
8 **Pertaining To The Practice Of Pharmacy)**

9 34. Respondent Nguyen is subject to disciplinary action under Code section 4113,  
10 subdivision (c) in that while working as the pharmacist-in-charge of St. Paul's Pharmacy I, he  
11 failed to ensure the pharmacy's compliance with all state and federal laws and regulations  
12 pertaining to the practice of pharmacy as set forth above in paragraphs 21-33 and incorporated  
13 herein by this reference.

14 **SIXTH CAUSE FOR DISCIPLINE**

15 **(Convictions of Substantially Related Crimes)**

16 35. Respondent Nguyen's license is subject to disciplinary action under Code section  
17 4301, subdivision (I), in that Respondent Nguyen has been convicted of crimes substantially  
18 relating to the qualifications, functions, and duties of a licensed pharmacist in that on or about  
19 May 18, 2015 in the criminal matter entitled *United States of America v. Mike Mikaelian, et al*  
20 (U.S. District - California Central, (Western Division - Los Angeles), No. CR 1100922,  
21 Respondent was convicted of a felony count of violating 31 U.S.C. § 5324(a)(3), (d)(2);  
22 (Structuring Financial Transactions; Aiding and Abetting and Causing An Act To Be Done). The  
23 court granted a 36-month probation period, including six (6) months in prison and twelve (12)  
24 months home detention. Respondent was also required to pay a fine in the sum of \$15,000 and  
25 special assessment of \$500. The circumstances are described in paragraph 32 above and  
26 incorporated herein by this reference.

27 **OTHER MATTERS**

28 34. Pursuant to Code section 4307, if discipline is imposed on Pharmacy Permit Number

1 PHY 42891 issued to Y Troi Inc. doing business as St. Paul's Pharmacy I shall be prohibited from  
2 serving as a manager, administrator, owner, member, officer, director, associate, or partner of a  
3 licensee for five years if Pharmacy Permit Number PHY 42891 is placed on probation or until  
4 Pharmacy Permit Number PHY 42891 is reinstated if it is revoked.

5 35. Pursuant to Code section 4307, if discipline is imposed on Pharmacy Permit  
6 Number PHY 42891 issued to Y Troi Inc. doing business as St. Paul's Pharmacy I while Perry  
7 Tan Nguyen have been an officer and owner and had knowledge of or knowingly participated in  
8 any conduct for which the licensee was disciplined, Perry Tan Nguyen shall be prohibited from  
9 serving as a manager, administrator, owner, member, officer, director, associate, or partner of a  
10 licensee for five years if Pharmacy Permit Number PHY 42891 is placed on probation or until  
11 Pharmacy Permit Number PHY 42891 is reinstated if it is revoked.

12 PRAYER

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

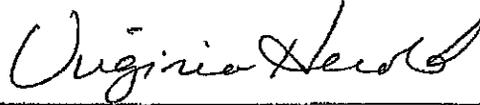
- 15 1. Revoking or suspending Original Permit Number PHY 42891, issued to Y Troi Inc.  
16 doing business as St. Paul's Pharmacy I with Perry Tan Nguyen as Chief Executive Officer;
- 17 2. Revoking or suspending Pharmacist License Number RPH 42961, issued to Perry Tan  
18 Nguyen;
- 19 3. Prohibiting Y Troi Inc. doing business as St. Paul's Pharmacy I from serving as a  
20 manager, administrator, owner, member, officer, director, associate, or partner of a licensee for  
21 five years if Pharmacy Permit Number PHY 42891 is placed on probation or until Pharmacy  
22 Permit Number PHY 42891 is reinstated if Pharmacy Permit Number 42891 issued to Y Troi Inc.  
23 doing business as St. Paul's Pharmacy I is revoked;
- 24 4. Prohibiting Perry Tan Nguyen from serving as a manager, administrator, owner,  
25 member, officer, director, associate, or partner of a licensee for five years if Pharmacy Permit  
26 Number PHY 42891 is placed on probation or until Pharmacy Permit Number PHY 428914 is  
27 reinstated if Pharmacy Permit Number 42891 issued to Y Troi Inc. doing business as St. Paul's  
28 Pharmacy I is revoked;

1           4.    Ordering Y Troi Inc. doing business as St. Paul's Pharmacy I and Perry Tan Nguyen to  
2 pay the Board of Pharmacy the reasonable costs of the investigation and enforcement of this case,  
3 pursuant to Business and Professions Code section 125.3; and

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

5  
6 DATED:

7/11/16



VIRGINIA HEROLD  
Executive Officer  
Board of Pharmacy  
Department of Consumer Affairs  
State of California  
*Complainant*

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