

FILED

2015 AUG -5 11:14 AM

U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SAN FRANCISCO, CALIFORNIA

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

LEOVIGILDO SAYAT,

Defendant.

CR No.

CR 15 00435

I N F O R M A T I O N

[18 U.S.C. § 1349: Conspiracy to Commit Health Care Fraud]

The United States Attorney charges:

[18 U.S.C. § 1349]

A. INTRODUCTORY ALLEGATIONS

At all times relevant to this Information:

Defendant and Company B

1. Defendant LEOVIGILDO SAYAT ("defendant SAYAT") was a resident of Torrance, California, within the Central District of California.

2. Beginning in or about March 2008 and continuing through at least in or about May 2012, defendant SAYAT worked for Company B, a California corporation, which was located at various sites in Los Angeles County, within the Central District of California.

1 Co-Conspirators

2 3. Co-conspirators A and B owned and controlled Company B, and
3 co-conspirator Marlon Songco was a driver for Company B.

4 4. A bank account for Company B was maintained at J.P. Morgan
5 Chase Bank, N.A., with company account ending in number 5234
6 ("Company B Bank Account").

7 The Medicare Program

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

14 6. Individuals who qualified for Medicare benefits were
15 referred to as Medicare "beneficiaries." Each Medicare beneficiary
16 was given a Health Identification Card containing a unique
17 identification number ("HICN").

18 7. Health care providers who provided medical services that
19 were reimbursed by Medicare were referred to as Medicare "providers."

20 8. CMS contracted with private companies to certify providers
21 for participation in the Medicare program and monitor their
22 compliance with Medicare standards, to process and pay claims, and to
23 perform program safeguard functions, such as identifying and
24 reviewing suspect claims.

25 9. To obtain reimbursement from Medicare, a provider had to
26 apply for and obtain a provider number. By signing the provider
27 application, the provider agreed to (a) abide by Medicare rules and
28 regulations, and (b) not submit claims to Medicare knowing they were

1 false or fraudulent or with deliberate ignorance or reckless
2 disregard of their truth or falsity.

3 10. If Medicare approved a provider's application, Medicare
4 assigned the provider a Medicare provider number, which enabled the
5 provider to submit claims to Medicare for services rendered to
6 Medicare beneficiaries.

7 11. Medicare reimbursed providers only for services, including
8 physical therapy, that (a) were medically necessary to the treatment
9 of a beneficiary's illness or injury, (b) were prescribed by a
10 beneficiary's physician or a qualified physician's assistant acting
11 under the supervision of a physician, and (c) were provided in
12 accordance with Medicare regulations and guidelines that governed
13 whether a particular service or product would be reimbursed by
14 Medicare.

15 B. THE OBJECT OF THE CONSPIRACY

16 12. Beginning in or about March 2008 and continuing until at
17 least in or about May 2012, in Los Angeles County, within the Central
18 District of California, and elsewhere, defendant SAYAT, together with
19 co-conspirators Marlon Songco, A, and B, and others known and unknown
20 to the United States Attorney, knowingly combined, conspired, and
21 agreed to commit the following offense against the United States:
22 health care fraud, in violation of Title 18, United States Code,
23 Section 1347.

24 C. MANNER AND MEANS OF THE CONSPIRACY

25 13. The object of the conspiracy was carried out, and to be
26 carried out, in substance, as follows:

27 a. As defendant SAYAT then well knew, Company B hired co-
28 conspirator Marlon Songco to recruit and transport Medicare

1 beneficiaries to Company B so that defendant SAYAT would provide
2 these Medicare beneficiaries with physical therapy services.

3 b. Co-conspirators A and B would pay defendant SAYAT for
4 defendant SAYAT's performing physical therapy services for Medicare
5 beneficiaries at Company B.

6 c. As defendant SAYAT then well knew, co-conspirators A
7 and B hired defendant SAYAT as a licensed physical therapist (even
8 though defendant SAYAT continued to work full-time at other
9 employment) to perform patient evaluations, rather than follow-up
10 treatment, for Medicare beneficiaries at Company B. Defendant SAYAT
11 evaluated some, but not all, of the beneficiaries and created plans
12 of physical therapy treatment, even though, as defendant SAYAT then
13 well knew and intended, many of the beneficiaries never received any
14 follow-up physical therapy services.

15 d. While at Company B, beneficiaries often received only
16 massage and acupuncture (services defendant SAYAT then well knew were
17 not covered by Medicare) from individuals not licensed to perform
18 physical therapy.

19 e. As defendant SAYAT then well knew, co-conspirators A
20 and B would use Accubill Medical Billing Services ("Accubill") to
21 submit claims to Medicare for reimbursement for physical therapy
22 services.

23 f. As defendant SAYAT then well knew, co-conspirators A
24 and B provided information to Accubill, including the names, HICNs,
25 and other patient information of the Medicare beneficiaries, as well
26 as falsified records that made it appear as though the beneficiaries
27 had received physical therapy treatments from defendant SAYAT,
28 knowing and intending that Accubill would use this falsified

1 information to submit false and fraudulent claims to Medicare for
2 physical therapy.

3 g. Company B received payment from Medicare for those
4 false and fraudulent claims, and the payments were deposited into the
5 Company B Bank Account, to which co-conspirators A and B had joint
6 access and control.

7 h. Approximately every two weeks from March 2008 to May
8 2012, defendant SAYAT received between \$1,000 and \$2,600 of the
9 Medicare payments deposited into the Company B Bank Account by co-
10 conspirators A and B as payment for the use of defendant SAYAT's
11 Medicare provider number and for the submission of fraudulent and
12 improper claims to Medicare for physical therapy.

13 i. Between in or about March 2008 and in or about May
14 2012, Company B submitted approximately \$2,614,975 in false and
15 fraudulent claims to Medicare, for which Medicare paid approximately
16 \$1,272,265, deposited into the Company B Bank Account, for physical
17 therapy services allegedly performed by defendant SAYAT. Defendant
18 SAYAT received at least \$185,470 from Company B for defendant SAYAT's
19 participation in the conspiracy, including providing the use of his
20 Medicare provider number to co-conspirators A and B to be used for
21 the submission of fraudulent and improper claims to Medicare for
22 physical therapy.

23 D. OVERT ACTS

24 14. In furtherance of the conspiracy and to accomplish its
25 object, defendant SAYAT, together with co-conspirators Marlon Songco,
26 A, and B, and others known and unknown to the United States Attorney,
27 committed and willfully caused others to commit, the following overt
28

1 acts, among others, in the Central District of California and
2 elsewhere:

3 Overt Act No. 1: On or about January 8, 2010, defendant SAYAT
4 received and deposited a check from co-conspirator B payable to
5 Company B for \$2,000.00, drawn on the Company B Bank Account, paid
6 for the use of defendant SAYAT's Medicare provider number.

7 Overt Act No. 2: Between on or about July 1, 2010, and on or
8 about September 23, 2010, defendant SAYAT and co-conspirators A and B
9 caused to be submitted to Medicare, false and fraudulent claims for
10 physical therapy services allegedly provided to 20 Medicare
11 beneficiaries (comprised of more than 25 hours of purported
12 treatment) on June 24, 2010, by defendant SAYAT, knowing that
13 defendant SAYAT did not, in fact, perform those physical therapy
14 services.

15 Overt Act No. 3: Between on or about July 29, 2010, and on or
16 about August 18, 2010, defendant SAYAT and co-conspirators A and B
17 caused to be submitted to Medicare, false and fraudulent claims for
18 physical therapy services allegedly provided to 22 Medicare
19 beneficiaries (comprised of more than 26 hours of purported
20 treatment) on July 22, 2010, by defendant SAYAT, knowing that
21 defendant SAYAT did not, in fact, perform those physical therapy
22 services.

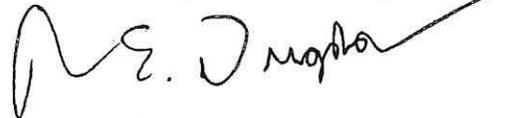
23 Overt Act No. 4: Between on or about August 4, 2010, and on
24 or about August 27, 2010, defendant SAYAT and co-conspirators A and B
25 caused to be submitted to Medicare, false and fraudulent claims for
26 physical therapy services allegedly provided to 24 Medicare
27 beneficiaries (comprised of more than 27 hours of purported
28 treatment) on July 29, 2010, by defendant SAYAT, knowing that

1 defendant SAYAT did not, in fact, perform those physical therapy
2 services.

3 Overt Act No. 5: On or about July 8, 2010, defendant SAYAT
4 received and deposited a check from co-conspirator B payable to
5 Company B for \$2,000.00, drawn on the Company B Bank Account, paid
6 for the use of defendant SAYAT's Medicare provider number.

7 Overt Act No. 6: On or about May 8, 2012, defendant SAYAT
8 received and deposited a check from co-conspirator A payable to
9 Company B for \$2,600.00, drawn on the Company B Bank Account, paid
10 for the use of defendant SAYAT's Medicare provider number.

11
12 EILEEN M. DECKER
United States Attorney

13 

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

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

18
19 JAMES A. BOWMAN
Assistant United States Attorney
Deputy Chief, Major Frauds Section

20
21 BYRON J. MCLAIN
Assistant United States Attorney
Major Frauds Section

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
CRIMINAL MINUTES -- CHANGE OF PLEA

Case No. CR 15-00435 DDP

Date: October 28, 2015

=====

PRESENT: HONORABLE DEAN D. PREGERSON, JUDGE

John A. Chambers
Courtroom Deputy

Maria Bustillos
Court Reporter

Byron J. McLain
Asst. U.S. Attorney

=====

U.S.A. vs (Dfts listed below)

Attorneys for Defendants

1) LEOVIGILDO SAYAT
present on bond

1) Edward M. Robinson
present appointed

PROCEEDINGS: PLEA

Court and counsel confer re the plea of Guilty. Defendant moves to plea Guilty to the Information. Defendant now enters a plea of Guilty to the Single Count Information. The Court questions the defendant regarding the plea of Guilty and finds a factual and legal basis for the plea; waivers of constitutional rights are freely, voluntarily and intelligently made; plea is provident; plea is accepted and entered.

The Court refers the defendant to the Probation Office for the preparation of a presentence report and continues the matter to April 4, 2016 at 1:30 p.m., for sentencing. The Court vacates the court and/or jury trial date.

Counsel are notified that Federal Rule of Criminal Procedure 32(b)(6)(B) requires the parties to notify the Probation Officer, and each other, of any objections to the Presentence Report within fourteen (14) days of receipt. Alternatively, the Court will permit counsel to file such objections no later than twenty-one (21) days before Sentencing. The Court construes "objections" to include departure arguments. Requests for continuances shall be filed no later than twenty-one (21) days before Sentencing. Strict compliance with the above is mandatory because untimely filings impede the abilities of the Probation Office and of the Court to prepare for Sentencing. Failure to meet these deadlines is grounds for sanctions.

cc: P. O. & P. S. A. L. A.