

FILED

2014 SEP -5 PM 2:54

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

BY: _____

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

June 2014 Grand Jury

CR 14 00512

UNITED STATES OF AMERICA,

CR No. 14-

Plaintiff,

I N D I C T M E N T

v.

[18 U.S.C. § 1347: Health Care Fraud; 18 U.S.C. § 1956(h): Conspiracy to Launder Monetary Instruments; 18 U.S.C.

PRISCILLA VILLABROZA,
SHARON PATROW,
aka "Sharon Garcia,"
SRI WIJEGONARATNA, M.D.,
aka "Dr. J,"
BOYAO HUANG, M.D.,
NANCY BRIONES, R.N., and
ROSEILYN MONTANA,

§ 1956(a)(1)(B)(i): Concealment Money Laundering; 18 U.S.C. § 2: Aiding and Abetting and Causing An Act To Be Done]

Defendants.

The Grand Jury charges:

COUNT ONE

[18 U.S.C. § 1347; 18 U.S.C. § 2]

A. INTRODUCTORY ALLEGATIONS

At all times relevant to the Indictment:

The Defendants, Their Co-Schemers, and Related Entities

1. California Hospice Care, LLC ("California Hospice") was located at 740 East Arrow Highway, Suites C and D, Covina, California, within the Central District of California.

1 2. Defendant PRISCILLA VILLABROZA ("VILLABROZA") purchased and
2 financed the purchase of California Hospice for approximately
3 \$300,000 in or about November 2007.

4 3. In addition to California Hospice, defendant VILLABROZA
5 owned and operated the following health care companies within the
6 Central District of California and elsewhere: Medicare Plus Home
7 Health Providers, Inc., doing business as ("dba") Blue Diamond Home
8 Health Providers ("Medicare Plus" or "Blue Diamond"), a purported home
9 health agency; Excel Plus Home Health Services, Inc. ("Excel Plus"),
10 a purported nursing registry; Unicare Health Professional
11 ("Unicare"), a dba used by defendant VILLABROZA for herself; Unicare
12 Health Professionals, LLC ("Unicare LLC"); and Nevada Home Health
13 Providers, Inc. ("NHHP"), a purported home health agency.

14 4. Defendant SHARON PATROW, also known as ("aka") "Sharon
15 Garcia" ("PATROW"), defendant VILLABROZA's daughter, operated
16 California Hospice with defendant VILLABROZA.

17 5. Defendants VILLABROZA and PATROW were the only signatories
18 on, and jointly controlled, California Hospice's bank account at
19 Wells Fargo Bank, with an account number ending in 1910 (the "Wells
20 Fargo Account"). Defendant VILLABROZA also controlled the bank
21 accounts of Medicare Plus, Excel Plus, Unicare, Unicare LLC, and NHHP.

22 6. Defendant SRI WIJEGONARATNA, M.D., aka "Dr. J"
23 ("WIJEGONARATNA"), was a physician and patient recruiter at
24 California Hospice.

25 7. Defendant BOYAO HUANG, M.D. ("HUANG") was a physician at
26 California Hospice.

27 8. Defendant NANCY BRIONES, R.N. ("BRIONES") was a registered
28 nurse and patient recruiter at California Hospice.

1 9. Defendant ROSEILYN MONTANA ("MONTANA") was a patient
2 recruiter at California Hospice.

3 10. Co-schemer E.C. was the Director of Nursing ("DON") at
4 California Hospice.

5 11. Co-schemers M.S., K.C., and J.L. were quality assurance
6 ("QA") nurses at California Hospice.

7 12. Co-schemers D.G., E.O., and R.P. were patient recruiters at
8 California Hospice.

9 The Medicare and Medi-Cal Programs

10 13. Medicare was a federal health care benefit program,
11 affecting commerce, that provided benefits to individuals who were
12 over the age of 65 or disabled.

13 14. Medicare was administered by the Centers for Medicare and
14 Medicaid Services ("CMS"), a federal agency under the United States
15 Department of Health and Human Services ("HHS").

16 15. Medi-Cal was a health care benefit program, affecting
17 commerce, for indigent individuals in California. Funding for Medi-
18 Cal was shared between the federal government and the State of
19 California.

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

25 17. Individuals receiving Medicare and Medi-Cal benefits were
26 known as "beneficiaries." Each Medicare beneficiary was given a
27 Health Identification Card Number ("HICN") unique to that
28 beneficiary.

1 18. Hospices, physicians, and other health care providers who
2 provided services to beneficiaries that were reimbursed by Medicare
3 and Medi-Cal were referred to as "providers."

4 19. To become eligible to participate in Medicare, Medicare
5 required prospective hospice providers to be licensed by a state or
6 local agency. After obtaining the applicable license, Medicare
7 required prospective hospice providers to submit an application in
8 which the prospective provider agreed to (a) comply with all
9 Medicare-related laws and regulations, including the prohibition
10 against payment of kickbacks for the referral of Medicare
11 beneficiaries; and (b) not to submit claims for payment to Medicare
12 knowing they were false or fraudulent or with deliberate ignorance or
13 reckless disregard of their truth or falsity. If Medicare approved
14 the application, Medicare assigned the provider an identifying
15 number, which enabled the provider to submit claims to Medicare for
16 reimbursement for services provided to Medicare beneficiaries.

17 20. To qualify for reimbursement for hospice services, Medicare
18 and Medi-Cal required a physician to certify that a beneficiary was
19 terminally ill. Medicare and Medi-Cal considered a beneficiary to be
20 "terminally ill" if the beneficiary's life expectancy was six months
21 or less if the illness ran its normal course. Hospice services
22 reimbursed by Medicare and Medi-Cal were palliative rather than
23 curative in nature and included, but were not limited to, medications
24 to manage pain symptoms, necessary medical equipment, and the
25 provision of bereavement services to surviving family members.

26 21. If a beneficiary had a primary care physician ("PCP"),
27 Medicare and Medi-Cal required the PCP and a physician at a hospice
28 to certify in writing that the beneficiary was terminally ill with a

1 life expectancy of six months or less, if the terminal illness ran
2 its normal course.

3 22. Medicare covered hospice services for those beneficiaries
4 who were eligible for Medicare Part A (hospital-related services).
5 When a Medicare beneficiary elected hospice coverage, the beneficiary
6 waived all rights to Medicare Part B (covering outpatient physician
7 services and procedures) coverage of services to treat or reverse the
8 beneficiary's terminal illness while the beneficiary was on hospice.

9 23. A beneficiary could elect to receive hospice benefits for
10 two periods of 90 days and, thereafter, additional services for
11 periods of 60 days per period.

12 24. After the first 90 day period, for the beneficiary to
13 continue to receive hospice benefits, Medicare required that a
14 physician re-certify that the beneficiary was terminally ill and
15 include clinic findings or other documentation supporting the
16 diagnosis of terminal illness. For re-certifications on or after
17 January 1, 2011, Medicare required a hospice physician or nurse
18 practitioner to meet with the beneficiary in-person before signing a
19 certification of terminal illness.

20 25. Most providers, including California Hospice, submitted
21 their claims electronically pursuant to an agreement with Medicare
22 that they would submit claims that were accurate, complete, and
23 truthful.

24 B. THE FRAUDULENT SCHEME

25 26. Beginning in or about November 2007, and continuing through
26 in or about June 2013, in Los Angeles County, within the Central
27 District of California, and elsewhere, defendants VILLABROZA, PATROW,
28 WIJEGONARATNA, HUANG, BRIONES, and MONTANA, together with others

1 known and unknown to the Grand Jury, knowingly, willfully, and with
2 intent to defraud, executed and attempted to execute a scheme and
3 artifice: (a) to defraud health care benefit programs, namely,
4 Medicare and Medi-Cal, as to material matters in connection with the
5 delivery of and payment for health care benefits, items, and
6 services; and (b) to obtain money from Medicare and Medi-Cal by means
7 of material false and fraudulent pretenses and representations and
8 the concealment of material facts in connection with the delivery of
9 and payment for health care benefits, items, and services.

10 27. The fraudulent scheme operated, in substance, in the
11 following manner:

12 Efforts to Conceal Defendant VILLABROZA's Interest in California
13 Hospice

14 a. On or about August 15, 2007, federal agents executed a
15 search warrant at Medcare Plus. Shortly thereafter, defendant
16 VILLABROZA learned that she was under investigation for health care
17 fraud and the payment of illegal kickbacks for the referral of
18 beneficiaries to Medcare Plus.

19 b. On or about November 29, 2007, defendant VILLABROZA
20 purchased and financed the purchase of California Hospice. To
21 conceal her ownership interest in California Hospice from federal
22 agents investigating fraud at Medcare Plus, from Medicare, and from
23 Medi-Cal, defendant VILLABROZA, in furtherance of the scheme to
24 defraud, identified, and caused to be identified, defendant PATROW
25 and co-conspirator E.C. as the co-owners of California Hospice on
26 documents filed with the State of California, Medicare, Medi-Cal, and
27 the Internal Revenue Service.

1 c. On or about January 22, 2008, defendants VILLABROZA
2 and PATROW opened and caused to be opened the Wells Fargo Account for
3 California Hospice. Defendant VILLABROZA funded the opening of the
4 Wells Fargo Account with a check from Excel Plus.

5 d. Between in or about January 2008 and in or about July
6 2009, defendant VILLABROZA funded California Hospice's operations by
7 making deposits into the Wells Fargo Account. California Hospice
8 generally recorded these deposits by defendant VILLABROZA in its
9 books and records as "Loans to/from Owners."

10 e. On or about May 13, 2008, defendants VILLABROZA and
11 PATROW submitted and caused to be submitted a Medicare provider
12 application for California Hospice. The application, signed by
13 defendant PATROW under penalty of perjury, was false because
14 defendant VILLABROZA's ownership interest in California Hospice was
15 not disclosed to Medicare as required by the application.

16 f. On or about August 19, 2008, defendant VILLABROZA pled
17 guilty to participating in a scheme to defraud Medi-Cal operated out
18 of Medicare Plus, in violation of 18 U.S.C. § 1347, in United States
19 v. Villabroza, Case No. CR 08-782-GAF (Central District of
20 California).

21 g. On or about April 16, 2009, defendants VILLABROZA and
22 PATROW submitted and caused to be submitted a provider application to
23 Medi-Cal, which defendant PATROW signed under penalty of perjury. As
24 part of the application, and in furtherance of the scheme to defraud,
25 defendant PATROW falsely certified that no owner, officer, director,
26 employee or agent of California Hospice had been convicted of an
27 offense involving fraud on a government program within the previous
28 10 years. This certification was false because, as defendant PATROW

1 then well knew, defendant VILLABROZA was an owner, employee, and
2 agent of California Hospice and had been convicted of health care
3 fraud in Case No. CR 08-782-GAF. As a result of concealing defendant
4 VILLABROZA's interest in California Hospice in this manner,
5 defendants VILLABROZA and PATROW furthered the scheme to engage in
6 health care fraud, for had defendant VILLABROZA's true interest in
7 California Hospice been disclosed, California Hospice would not have
8 received a Medi-Cal provider number and would not have been able to
9 bill Medi-Cal fraudulently for health care services.

10 h. Between in or about July 2009 and in or about July
11 2011, defendant VILLABROZA wrote checks from the Wells Fargo Account
12 to Medicare Plus, Unicare, Excel Plus, and NHHP using funds obtained
13 from Medicare and Medi-Cal for purportedly providing hospice-related
14 services to beneficiaries. These checks were frequently recorded in
15 California Hospice's books and records as "Loans to/from Owners."

16 i. On or about May 26, 2010, defendant VILLABROZA filed
17 for Chapter 7 bankruptcy, in the Central District of California, Case
18 No. 10-17107-RK (the "Villabroza Bankruptcy"). In connection with
19 the Villabroza Bankruptcy, and in furtherance of the scheme to
20 defraud, defendant VILLABROZA filed a petition, which she signed
21 under penalty of perjury, in which defendant VILLABROZA, among other
22 false statements, concealed and failed to disclose her ownership
23 interest in California Hospice.

24 j. On or about July 24, 2011, in connection with
25 defendant VILLABROZA's sentencing in Case No. CR 08-782-GAF, and in
26 furtherance of the scheme to defraud, defendants VILLABROZA and
27 PATROW submitted a letter to the United States District Court falsely
28 stating that defendant VILLABROZA "has no ownership interest, nor

1 exercises any influence or control over California Hospice Care,
2 LLC." This statement was false because, as defendants VILLABROZA and
3 PATROW then well knew, defendant VILLABROZA was an owner of
4 California Hospice and defendant VILLABROZA controlled the Wells
5 Fargo Account.

6 k. While defendant VILLABROZA was serving the sentence in
7 Case No. CR 08-782-GAF, defendant VILLABROZA continued to manage the
8 operations of California Hospice, including through directions given
9 during meetings with defendant PATROW and co-schemer E.C.

10 Recruitment of Beneficiaries and Fraudulent Hospice Admissions

11 l. California Hospice received few, if any, referrals
12 from beneficiaries' PCPs. Rather, defendants VILLABROZA and PATROW
13 paid patient recruiters, known as "marketers" or "cappers," including
14 defendant MONTANA and co-schemers R.P., E.O., and D.G., illegal
15 kickbacks in exchange for their referring beneficiaries to California
16 Hospice. The amount of the kickback varied depending on the
17 agreement between defendant VILLABROZA, defendant PATROW, and the
18 marketer, but generally ranged between \$400 and \$1000 per month for
19 each month a beneficiary referred by the marketer purportedly
20 received hospice-related services.

21 m. Defendant MONTANA referred beneficiaries to California
22 Hospice knowing that the beneficiaries were not terminally ill.

23 n. Defendants VILLABROZA and PATROW paid marketers in a
24 variety of ways, including by checks drawn on the Wells Fargo
25 Account, the accounts of Unicare and Unicare LLC, and personal bank
26 accounts, as well as in cash.

27 o. For some of the marketers, including co-schemer R.P.,
28 defendant VILLABROZA would decide whether to refer the beneficiary to

1 one of defendant VILLABROZA's home health care companies, such as
2 Blue Diamond, and bill or cause Medicare or Medi-Cal to be billed for
3 home health care services, or to refer the beneficiary to California
4 Hospice, and bill or cause Medicare or Medi-Cal to be billed for
5 hospice-related services.

6 p. Defendants VILLABROZA and PATROW referred to marketers
7 as "business liaisons," "community liaisons," and "business
8 development representatives" in an effort to disguise the illegal
9 nature of their illegal kickback relationship with these marketers.

10 q. Defendants VILLABROZA and PATROW also paid medical
11 professionals, including defendant WIJEGOONARATNA and defendant
12 BRIONES, illegal kickbacks for referring beneficiaries to California
13 Hospice. A significant number of the beneficiaries referred by
14 defendant WIJEGOONARATNA were drug addicts who sought hospice care in
15 order to obtain access to high-strength prescription pain killers.

16 r. If a recruited beneficiary was eligible to receive
17 hospice benefits from Medicare or Medi-Cal, co-schemers E.C. or M.S.
18 would direct an R.N., such as defendant BRIONES, to conduct an
19 initial assessment. During these assessments, defendant BRIONES
20 observed that virtually all of the beneficiaries referred to
21 California Hospice were not terminally ill. Nevertheless, in an
22 effort to make it appear that these beneficiaries suffered from very
23 serious medical conditions, defendant BRIONES created false medical
24 records, including "Functional Assessment Scales," in which defendant
25 BRIONES falsely stated that the beneficiary could not speak.

26 s. Regardless of the outcome of the assessment performed
27 by the R.N., defendant WIJEGOONARATNA, defendant HUANG, or another
28 California Hospice physician created a fraudulent diagnosis and

1 falsely certified that the beneficiary was terminally ill. In fact,
2 and as defendants WIJEGONARATNA and HUANG then well knew from
3 examining the beneficiaries and reviewing the beneficiaries' medical
4 records, the overwhelming majority of California Hospice
5 beneficiaries were not terminally ill.

6 t. Once the beneficiary was admitted to hospice,
7 defendants VILLABROZA and PATROW caused California Hospice to
8 fraudulently bill Medicare or Medi-Cal for purportedly providing
9 hospice-related services, which were in fact unnecessary.

10 u. To convince beneficiaries to sign up for unnecessary
11 hospice care, marketers, including defendant BRIONES, falsely
12 promised beneficiaries that accepting services from California
13 Hospice would not affect the beneficiaries' ability to receive
14 services from the beneficiaries' primary care physician ("PCP").

15 v. For instance, in or about March 2011, defendant
16 BRIONES falsely told beneficiary J.R. that J.R. could remain on the
17 United Network of Organ Sharing ("UNOS") liver transplant list at the
18 University of California, Los Angeles ("UCLA") even if J.R. elected
19 to receive hospice services. Defendant WIJEGONARATNA, without
20 consulting J.R.'s PCP, admitted J.R. to California Hospice. In or
21 about June 2011, UCLA, believing that J.R. wished to receive
22 palliative hospice care rather than a liver transplant, removed J.R.
23 from the UNOS transplant list. Once J.R. learned of her removal from
24 the UNOS transplant list, J.R. and J.R.'s spouse terminated hospice
25 services and J.R. was eventually reinstated to the UNOS liver
26 transplant list.

27 w. In response to California Hospice's high volume of
28 claims, a Medicare contractor issued California Hospice Additional

1 Development Requests ("ADRs"), which sought further documentation to
2 support claims for hospice-related services.

3 x. To support the fraudulent diagnoses of terminal
4 illness made by defendant WIJEGOONARATNA and defendant HUANG and to
5 secure payments from Medicare, co-schemers E.C., M.S., K.C., J.L.,
6 with the knowledge and assent of defendant PATROW, submitted and
7 caused to be submitted to Medicare false information, including
8 medical records they altered and caused to be altered in response to
9 ADRs. In particular, and in effort to make it appear that
10 beneficiaries were terminally ill, advanced directives were altered
11 to make it appear that the beneficiaries did not want to receive CPR
12 or other heroic measures when, in fact, the true advanced directives
13 completed by the beneficiaries had stated that such life-saving
14 procedures should be performed in the event of a medical crisis.
15 Medicare submitted payment on claims subject to an ADR to the Wells
16 Fargo Account controlled by defendants VILLABROZA and PATROW.

17 y. Between in or about March 2009 and in or about June
18 2013, defendants VILLABROZA, PATROW, WIJEGOONARATNA, HUANG, BRIONES,
19 and MONTANA submitted and caused to be submitted false and fraudulent
20 claims to Medicare and Medi-Cal for hospice-related services in the
21 amounts of approximately \$6,861,346 and \$2,049,356, respectively.
22 Based on these claims, Medicare and Medi-Cal paid California Hospice
23 approximately \$5,464,568 and \$1,968,761, respectively. Payment on
24 these false and fraudulent claims was made electronically to the
25 Wells Fargo Account.

26 C. EXECUTIONS OF THE FRAUDULENT SCHEME

27 28. On or about the dates set forth below, within the Central
28 District of California, and elsewhere, the following defendants,

1 together with others known and unknown to the Grand Jury, for the
 2 purpose of executing the scheme to defraud described above, knowingly
 3 and willfully submitted and caused to be submitted to Medicare the
 4 following false and fraudulent claims for hospice-related services:

COUNT	DEFENDANTS	CLAIM NO.	DATE CLAIM SUBMITTED	AMOUNT OF CLAIM	BENEFICIARY
ONE	VILLABROZA, PATROW, WIJEGOONARATNA	21025100 636302	9/3/2010	\$6,258.98	A.D.
TWO	VILLABROZA, PATROW, WIJEGOONARATNA	21025100 636402	9/3/2010	\$6,258.98	F.O.
THREE	VILLABROZA, PATROW, WIJEGOONARATNA	21025100 636502	9/3/2010	\$6,258.98	L.O.
FOUR	VILLABROZA, PATROW, WIJEGOONARATNA, BRIONES	21030700 441302	11/3/2010	\$6,303.08	R.V.
FIVE	VILLABROZA, PATROW, WIJEGOONARATNA, BRIONES	21109600 012202	4/5/2011	\$6,783.58	J.R.
SIX	VILLABROZA, PATROW, WIJEGOONARATNA, BRIONES	21109700 705308	4/7/2011	\$5,097.35	E.U.
SEVEN	VILLABROZA, PATROW, WIJEGOONARATNA, MONTANA	21112600 15540	5/5/2011	\$6,292.35	F.L.
EIGHT	VILLABROZA, PATROW, WIJEGOONARATNA, MONTANA	21112600 154902	5/5/2011	\$5,892.35	E.R.
NINE	VILLABROZA, PATROW, WIJEGOONARATNA, BRIONES	21203000 050302	1/30/2012	\$5,753.40	M.H.
TEN	VILLABROZA, PATROW, HUANG,	21218700 664807	7/5/2012	\$6,676.50	S.C.
ELEVEN	VILLABROZA, PATROW, HUANG, BRIONES	21223600 358207	8/23/2012	\$6,754.16	A.G.

COUNT	DEFENDANTS	CLAIM NO.	DATE CLAIM SUBMITTED	AMOUNT OF CLAIM	BENEFICIARY
TWELVE	VILLABROZA, PATROW, HUANG, BRIONES	21231000 956307	11/5/2012	\$6,454.16	J.S.
THIRTEEN	VILLABROZA, PATROW, HUANG, BRIONES	21234001 049407	12/5/2012	\$6,582.70	S.F.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

COUNT FOURTEEN

[18 U.S.C. § 1956(h), 2(b)]

[Defendants VILLABROZA and PATROW]

29. The Grand Jury repeats and alleges paragraphs 1-27 of this Indictment as if fully set forth herein.

A. THE OBJECT OF THE CONSPIRACY

30. Beginning in or about June 2009, and continuing until in or about June 2013, in Los Angeles County, within the Central District of California, and elsewhere, defendants VILLABROZA and PATROW, and others known and unknown to the Grand Jury, knowingly combined, conspired, and agreed to commit the following offense against the United States: money laundering, in violation of Title 18, United States Code, Section 1956(a)(2)(A)(i), by conducting financial transactions and attempting to conduct financial transactions, affecting interstate commerce, with the proceeds of specified unlawful activity, namely, health care fraud, committed in violation of Title 18, United States Code, Section 1347, with the intent to promote the carrying on of such specified unlawful activity.

B. THE MANNER AND MEANS OF THE CONSPIRACY

31. The object of the conspiracy was carried out, and was to be carried out, in substance, as set forth in paragraphs 1-27 of this Indictment, and as follows:

a. Beginning in or about July 2009 and November 2009, respectively, Medicare and Medi-Cal began remitting payments to the Wells Fargo Account based on false and fraudulent claims for hospice-related services which defendants VILLABROZA and PATROW submitted and caused to be submitted on behalf of California Hospice. These claims were fraudulent because, among other things, as defendants VILLABROZA

1 and PATROW then well knew, virtually all of California Hospice's
2 patients were not terminally ill, and these claims were supported in
3 many instances by fabricated and false documents submitted in
4 response to ADRs.

5 b. Using the proceeds of health care fraud, defendants
6 VILLABROZA and PATROW paid recruiters, including defendants
7 WIJEGONARATNA, BRIONES, and MONTANA, and co-conspirators D.G., E.O,
8 and R.P., for referring beneficiaries to California Hospice.

9 c. Defendant VILLABROZA wrote checks from the Wells Fargo
10 Account to accounts she controlled and maintained in the names of
11 Unicare and Unicare LLC at Wells Fargo and Bank of America,
12 respectively, and to defendant PATROW's personal account at Bank of
13 America; and defendant VILLABROZA used the proceeds of the health
14 care fraud offenses described herein to pay marketers, including
15 defendant MONTANA and co-conspirators D.G. and R.P. and others, for
16 referring new and additional beneficiaries to California Hospice.
17 These checks were recorded in the books and records of California
18 Hospice as "Loans to/from Owners" or "Professional Fees: Consulting."
19 Some of the checks indicated the name of the marketer to be paid in
20 the memo line.

21 d. Defendant PATROW wrote checks from the Wells Fargo
22 Account to pay marketers, including defendants WIJEGONARATNA and
23 MONTANA and co-conspirator D.G., for referring new and additional
24 beneficiaries to California Hospice. Defendant PATROW also wrote
25 checks from the Wells Fargo Account to herself and to co-conspirator
26 E.C., which defendant PATROW cashed and then used the cash to pay
27 California Hospice's marketers. The memo line on the cashed checks
28

1 indicated that the checks were for "expenses," "services,"
2 "reimbursement," or "loan payment."

3 e. Using the proceeds of health care fraud transferred
4 from California Hospice, defendants VILLABROZA and PATROW further
5 wrote checks and caused checks to be written from defendant PATROW's
6 personal bank account at Bank of America to marketers, including co-
7 conspirator R.P., or to the spouse of a marketer.

8 f. During the course of the conspiracy, defendants
9 VILLABROZA and PATROW laundered at least \$700,000 from the proceeds
10 of health care fraud to pay marketers.

11 C. OVERT ACTS

12 32. In furtherance of the conspiracy and to accomplish its
13 object, defendants VILLABROZA and PATROW, together with others known
14 and unknown to the Grand Jury, committed and willfully caused others
15 to commit the following overt acts, among others, in the Central
16 District of California, and elsewhere:

17 Overt Act No. 1: On or about June 10, 2009, defendant
18 VILLABROZA signed check number 1431, drawn on the Wells Fargo
19 Account, and made payable to co-conspirator D.G. in the amount \$400,
20 with an entry in the memo line of "supplies."

21 Overt Act No. 2: On or about September 9, 2009, defendant
22 PATROW signed check number 1626, drawn on the Wells Fargo Account,
23 and made payable to defendant Montana in the amount \$2,200.

24 Overt Act No. 3: On or about October 12, 2009, defendant
25 PATROW signed check number 1663, drawn on the Wells Fargo Account,
26 and made payable to defendant Montana in the amount \$1,800.

27

28

1 Overt Act No. 4: On or about October 26, 2009, defendant
2 PATROW signed check number 1741, drawn on the Wells Fargo Account,
3 and made payable to defendant Montana in the amount \$500.

4 Overt Act No. 5: On or about December 14, 2009, defendant
5 PATROW signed check number 1900, drawn on the Wells Fargo Account,
6 and made payable to defendant Montana in the amount \$5,000.

7 Overt Act No. 6: On or about December 28, 2009, defendant
8 VILLABROZA signed check number 1264, drawn on the Wells Fargo
9 Account, with a memo line of "[D.G.] - Oct. Pay," and made payable to
10 Unicare in the amount of \$1,200.

11 Overt Act No. 7: On or about January 13, 2010, defendant
12 VILLABROZA signed check number 1270, drawn on the Wells Fargo
13 Account, with a memo line of "[R.P.'s] Check," and made payable to
14 Unicare in the amount of \$500.

15 Overt Act No. 8: On or about January 22, 2010, defendant
16 VILLABROZA signed check number 1151, drawn on the Wells Fargo
17 Account, and made payable to Unicare in the amount of \$10,000.

18 Overt Act No. 9: On or about January 22, 2010, defendant
19 VILLABROZA signed check number 180, drawn on the Unicare bank account
20 at Wells Fargo, and made payable to defendant Montana in the amount
21 of \$1,000.

22 Overt Act No. 10: On or about January 25, 2010, defendant
23 PATROW signed check number 2069, drawn on the Wells Fargo Account,
24 and made payable to co-conspirator D.G. in the amount \$2,450.

25 Overt Act No. 11: On or about April 26, 2010, defendant
26 VILLABROZA signed check number 1306, drawn on the Wells Fargo
27 Account, and made payable to Unicare in the amount of \$7,500.

28

1 Overt Act No. 12: On or about May 1, 2010, defendant
2 VILLABROZA signed check number 1050, drawn on the Unicare LLC bank
3 account at Bank of America, and made payable to co-conspirator D.G.
4 in the amount of \$800.

5 Overt Act No. 13: On or about July 9, 2010, defendant PATROW
6 signed check number 3002, drawn on the Wells Fargo Account, and made
7 payable to defendant Montana in the amount \$2,000.

8 Overt Act No. 14: On or about December 23, 2010, defendant
9 PATROW signed check number 4002, drawn on the Wells Fargo Account,
10 and made payable to defendant Montana in the amount \$1,900.

11 Overt Act No. 15: On or about January 21, 2011, defendant
12 VILLABROZA signed check number 1575, drawn on defendant PATROW's
13 personal account at Bank of America, and made payable to co-
14 conspirator R.P. in the amount of \$800.

15 Overt Act No. 16: On or about February 16, 2011, defendant
16 PATROW signed check number 1581, drawn on her personal Bank of
17 America account, and made payable to G.P., the spouse of co-
18 conspirator R.P., in the amount of \$1,300.

19 Overt Act No. 17: On or about March 2, 2011, defendant PATROW
20 signed check number 1584, drawn on her personal Bank of America
21 account, and made payable to G.P., the spouse of co-conspirator R.P.,
22 in the amount of \$800.

23 Overt Act No. 18: On or about March 10, 2011, defendant PATROW
24 signed check number 4340, drawn on the Wells Fargo Account, and made
25 payable to defendant Montana in the amount \$1,100.

26 Overt Act No. 19: On or about March 10, 2011, defendant PATROW
27 signed check number 4336, drawn on the Wells Fargo Account, and made
28 payable to co-conspirator D.G. in the amount \$600.

1 Overt Act No. 20: On or about April 25, 2011, defendant PATROW
2 signed check number 4594, drawn on the Wells Fargo Account, and made
3 payable to defendant Wijegoonaratna in the amount \$5,380.65.

4 Overt Act No. 21: On or about May 25, 2011, defendant PATROW
5 signed check number 4716, drawn on the Wells Fargo Account, and made
6 payable to defendant Wijegoonaratna in the amount \$6,450.

7 Overt Act No. 22: On or about January 10, 2012, defendant
8 PATROW signed check number 6845, drawn on the Wells Fargo Account,
9 and made payable to co-conspirator D.G. in the amount \$600.

10 Overt Act No. 23: On or about July 25, 2012, defendant PATROW
11 signed check number 5267, drawn on the Wells Fargo Account, and made
12 payable to herself in the amount of \$11,001.

13 Overt Act No. 24: On or about December 20, 2012, defendant
14 PATROW signed check number 5769, drawn on the Wells Fargo Account,
15 and made payable to herself in the amount of \$15,000.

16 Overt Act No. 25: On or about January 25, 2013, defendant
17 PATROW signed check number 5892, drawn on the Wells Fargo Account,
18 and made payable to herself in the amount of \$10,200.

19 Overt Act No. 26: On or about March 4, 2013, defendant PATROW
20 signed check number 7080, drawn on the Wells Fargo Account, and made
21 payable to herself in the amount of \$5,000.

22 ///

23 ///

24 ///

25

26

27

28

COUNTS FIFTEEN THROUGH TWENTY-FIVE

[18 U.S.C. § 1956(a) (1) (B) (i), 2(b)]

[Defendants VILLABROZA and PATROW]

33. The Grand Jury hereby repeats and alleges 1-27 and 31 of this Indictment as if fully set forth herein.

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

COUNT	DEFENDANTS	DATE	FINANCIAL TRANSACTION
FIFTEEN	VILLABROZA	10/27/2009	Signed and deposited check number 1141, drawn on the Wells Fargo Account, in the amount of \$6,000, made payable to Unicare.
SIXTEEN	VILLABROZA	12/18/2009	Signed and deposited check number 1244, drawn on the Wells Fargo Account, in the amount of \$15,000, made payable to Unicare.
SEVENTEEN	VILLABROZA	12/28/2009	Signed and deposited check number 1264, drawn on the Wells Fargo Account, in the amount of \$1,200, made payable to Unicare.
EIGHTEEN	VILLABROZA	1/13/2010	Signed and deposited check number 1270, drawn on the Wells Fargo Account, in the amount of \$500, made payable to Unicare.

COUNT	DEFENDANTS	DATE	FINANCIAL TRANSACTION
NINETEEN	VILLABROZA	10/22/2010	Signed and deposited check number 1424, drawn on the Wells Fargo Account, in the amount of \$5,000, made payable to Unicare.
TWENTY	VILLABROZA	11/19/2010	Signed and deposited check number 1445, drawn on the Wells Fargo Account, in the amount of \$5,000, made payable to Unicare.
TWENTY-ONE	VILLABROZA	2/15/2011	Signed and deposited check number 1486, drawn on the Wells Fargo Account, in the amount of \$5,000, made payable to Unicare.
TWENTY-TWO	VILLABROZA, PATROW	1/21/2011	Defendant VILLABROZA signed check number 1575, drawn on defendant PATROW's personal Bank of America account, in the amount of \$800, and made payable to R.P.

///

///

///

1 EILEEN M. DECKER
 United States Attorney
 2 LAWRENCE S. MIDDLETON
 Assistant United States Attorney
 3 Chief, Criminal Division
 STEVEN M. ARKOW (Cal. Bar No. 143755)
 4 Assistant United States Attorney
 Major Frauds Section
 5 1100 United States Courthouse
 312 North Spring Street
 6 Los Angeles, California 90012
 Telephone: (213) 894-6975
 7 Facsimile: (213) 894-6269
 E-mail: steven.arkow@usdoj.gov
 8

9 Attorneys for Plaintiff
 UNITED STATES OF AMERICA
 10

11 UNITED STATES DISTRICT COURT

12 FOR THE CENTRAL DISTRICT OF CALIFORNIA

13 UNITED STATES OF AMERICA,

No. CR 14-512-SJO

14 Plaintiff,

PLEA AGREEMENT FOR DEFENDANT
NANCY BRIONES

15 v.

16 NANCY BRIONES, R.N.,

17 Defendant.

18
 19 1. This constitutes the plea agreement between Nancy Briones
 20 ("defendant") and the United States Attorney's Office for the Central
 21 District of California ("the USAO") in the above-captioned case.
 22 This agreement is limited to the USAO and cannot bind any other
 23 federal, state, local, or foreign prosecuting, enforcement,
 24 administrative, or regulatory authorities.

25 DEFENDANT'S OBLIGATIONS

26 2. Defendant agrees to:

27 a. At the earliest opportunity requested by the USAO and
 28 provided by the Court, appear and plead guilty to count nine of the

1 indictment in United States v. Priscilla Villabroza, CR 14-512-SJO,
2 which count charges defendant with health care fraud, in violation of
3 Title 18, United States Code, Section 1347.

4 b. Not contest facts agreed to in this agreement.

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

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

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

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

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

20 h. Not seek the discharge of any restitution obligation,
21 in whole or in part, in any present or future bankruptcy proceeding.

22 3. Defendant further agrees to cooperate fully with the USAO,
23 the Federal Bureau of Investigation, the United States Department of
24 Health and Human Services, Office of Inspector General, the Internal
25 Revenue Service-Criminal Investigations, and, as directed by the
26 USAO, any other federal, state, local, or foreign prosecuting,
27 enforcement, administrative, or regulatory authority. This
28 cooperation requires defendant to:

1 Sentencing Guidelines range, the propriety and extent of any
2 departure from that range, and the sentence to be imposed.

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

9 6. The USAO further agrees:

10 a. Not to offer as evidence in its case-in-chief in the
11 above-captioned case or any other criminal prosecution that may be
12 brought against defendant by the USAO, or in connection with any
13 sentencing proceeding in any criminal case that may be brought
14 against defendant by the USAO, any Cooperation Information.
15 Defendant agrees, however, that the USAO may use both Cooperation
16 Information and Plea Information: (1) to obtain and pursue leads to
17 other evidence, which evidence may be used for any purpose, including
18 any criminal prosecution of defendant; (2) to cross-examine defendant
19 should defendant testify, or to rebut any evidence offered, or
20 argument or representation made, by defendant, defendant's counsel,
21 or a witness called by defendant in any trial, sentencing hearing, or
22 other court proceeding; and (3) in any criminal prosecution of
23 defendant for false statement, obstruction of justice, or perjury.

24 b. Not to use Cooperation Information against defendant
25 at sentencing for the purpose of determining the applicable guideline
26 range, including the appropriateness of an upward departure, or the
27 sentence to be imposed, and to recommend to the Court that
28 Cooperation Information not be used in determining the applicable

1 guideline range or the sentence to be imposed. Defendant
2 understands, however, that Cooperation Information will be disclosed
3 to the probation office and the Court, and that the Court may use
4 Cooperation Information for the purposes set forth in U.S.S.G.
5 § 1B1.8(b) and for determining the sentence to be imposed.

6 c. In connection with defendant's sentencing, to bring to
7 the Court's attention the nature and extent of defendant's
8 cooperation.

9 d. If the USAO determines, in its exclusive judgment,
10 that defendant has both complied with defendant's obligations under
11 paragraphs 2 and 3 above and provided substantial assistance to law
12 enforcement in the prosecution or investigation of another
13 ("substantial assistance"), to move the Court pursuant to U.S.S.G.
14 § 5K1.1 to fix an offense level and corresponding guideline range
15 below that otherwise dictated by the sentencing guidelines, and to
16 recommend a term of imprisonment within this reduced range.

17 DEFENDANT'S UNDERSTANDINGS REGARDING COOPERATION

18 7. Defendant understands the following:

19 a. Any knowingly false or misleading statement by
20 defendant will subject defendant to prosecution for false statement,
21 obstruction of justice, and perjury and will constitute a breach by
22 defendant of this agreement.

23 b. Nothing in this agreement requires the USAO or any
24 other prosecuting, enforcement, administrative, or regulatory
25 authority to accept any cooperation or assistance that defendant may
26 offer, or to use it in any particular way.

27 c. Defendant cannot withdraw defendant's guilty plea if
28 the USAO does not make a motion pursuant to U.S.S.G. § 5K1.1 for a

1 reduced guideline range or if the USAO makes such a motion and the
2 Court does not grant it or if the Court grants such a USAO motion but
3 elects to sentence above the reduced range.

4 d. At this time the USAO makes no agreement or
5 representation as to whether any cooperation that defendant has
6 provided or intends to provide constitutes or will constitute
7 substantial assistance. The decision whether defendant has provided
8 substantial assistance will rest solely within the exclusive judgment
9 of the USAO.

10 e. The USAO's determination whether defendant has
11 provided substantial assistance will not depend in any way on whether
12 the government prevails at any trial or court hearing in which
13 defendant testifies or in which the government otherwise presents
14 information resulting from defendant's cooperation.

15 NATURE OF THE OFFENSES

16 8. Defendant understands that for defendant to be guilty of
17 the crime charged in count nine, that is, health care fraud, in
18 violation of Title 18, United States Code, Section 1347, the
19 following must be true:

20 (1) Defendant knowingly and willfully participated in a scheme
21 or plan to defraud a health care benefit program, or a scheme or plan
22 for obtaining money or property from a health care benefit program by
23 means of false or fraudulent pretenses, representations, or promises;

24 (2) The statements made or facts omitted as part of the scheme
25 were material; that is, they had a natural tendency to influence, or
26 were capable of influencing, the health care benefit program to part
27 with money or property;

28

1 (3) Defendant acted with the intent to defraud; that is, the
2 intent to deceive or cheat; and

3 (4) The scheme involved the delivery of or payment for health
4 care benefits, items, or services.

5 The word "willfully" means that defendant committed the act
6 voluntarily and purposely, and with knowledge that her conduct was,
7 in a general sense, unlawful. That is, defendant must have acted
8 with a bad purpose to disobey or disregard the law. The government
9 need not prove that the defendant was aware of the specific provision
10 of the law that she is charged with violating or any other specific
11 provision.

12 The term "health care benefit program" means any public or
13 private plan or contract, affecting commerce, under which any medical
14 benefit, item, or service is provided to any individual, and includes
15 any individual or entity who is providing a medical benefit, item, or
16 service for which payment may be made under the plan or contract.
17 For purposes of this case, it includes the Medicare and Medi-Cal
18 programs.

19 PENALTIES AND RESTITUTION

20 9. Defendant understands that the statutory maximum sentence
21 that the Court can impose for a violation of Title 18, United States
22 Code, Section 1347, is: 10 years imprisonment; a three-year period of
23 supervised release; a fine of \$250,000 or twice the gross gain or
24 gross loss resulting from the offense, whichever is greatest; and a
25 mandatory special assessment of \$100.

26 10. Defendant understands that defendant will be required to
27 pay full restitution to the victims of the offenses to which
28 defendant is pleading guilty. Defendant agrees that, in return for

1 the USAO's compliance with its obligations under this agreement, the
2 Court may order restitution to persons other than the victims of the
3 offense to which defendant is pleading guilty and in an amount
4 greater than the amount alleged in the count to which defendant is
5 pleading guilty. In particular, defendant agrees that the Court may
6 order restitution to any victim for any losses suffered by that
7 victim as a result of: (a) any relevant conduct, as defined in
8 U.S.S.G. § 1B1.3, in connection with the offenses to which defendant
9 is pleading guilty; and (b) any dismissed counts pursuant to this
10 agreement as well as all relevant conduct, as defined in U.S.S.G.
11 § 1B1.3, in connection with those counts and charges. The parties
12 currently believe that the applicable amount of restitution owed to
13 the Medicare and Medi-Cal programs is approximately \$3,619,437.74 and
14 \$41,648.03 respectively, based upon the claims California Hospice
15 submitted to Medicare and Medi-Cal for patients for which defendant
16 conducted the nursing assessments and were admitted to California
17 Hospice, but recognize and agree that this amount could change based
18 on facts that come to the attention of the parties prior to
19 sentencing.

20 11. Defendant understands that supervised release is a period
21 of time following imprisonment during which defendant will be subject
22 to various restrictions and requirements. Defendant understands that
23 if defendant violates one or more of the conditions of any supervised
24 release imposed, defendant may be returned to prison for all or part
25 of the term of supervised release authorized by statute for the
26 offense that resulted in the term of supervised release, which could
27 result in defendant serving a total term of imprisonment greater than
28 the statutory maximum stated above.

1 that this statement of facts is sufficient to support a plea of
2 guilty to the charge described in this agreement and to establish the
3 Sentencing Guidelines factors set forth in paragraph 17 below but is
4 not meant to be a complete recitation of all facts relevant to the
5 underlying criminal conduct or all facts known to either party that
6 relate to that conduct.

7 Background

8 At all times relevant to this plea agreement, the Medicare and
9 Medi-Cal programs were health care benefit programs as defined by 18
10 U.S.C. § 24(b). The term "health care benefit program" means any
11 public or private plan or contract, affecting commerce, under which
12 any medical benefit, item, or service is provided to any individual,
13 and includes any individual or entity who is providing a medical
14 benefit, item, or service for which payment may be made under the
15 plan or contract. Individuals receiving Medicare or Medi-Cal
16 benefits were known as beneficiaries.

17 To qualify for reimbursement for hospice services, Medicare and
18 Medi-Cal required a physician to certify that a beneficiary was
19 terminally ill. Medicare and Medi-Cal considered a beneficiary to be
20 "terminally ill" if the beneficiary's life expectancy was six months
21 or less if the illness ran its normal course. Hospice services
22 reimbursed by Medicare and Medi-Cal were palliative in nature and
23 included, but were not limited to, medications to manage pain
24 symptoms, necessary medical equipment, and bereavement services to
25 surviving family members.

26 Medicare covered hospice services for those beneficiaries who
27 were eligible for Medicare Part A (hospital-related services). When
28 a Medicare beneficiary elected hospice coverage, the beneficiary

1 waived all rights to Medicare Part B (covering outpatient physician
2 services and procedures) coverage of services to treat or reverse the
3 beneficiary's terminal illness while the beneficiary was on hospice.

4 California Hospice was a Medicare provider. Defendant was
5 employed by California Hospice as a registered from in or about
6 February 2010 to in or about February 2013. Co-schemer Sharon Patrow
7 ("Patrow") was an owner of California Hospice. Co-schemer Dr. Sri
8 Wijegoonaratna ("Wijegoonaratna") was a physician at California
9 Hospice.

10 The Scheme to Defraud

11 Between in or about February 2010 and in or about July 2013,
12 defendant knowingly, willfully, and with intent to defraud, executed
13 and attempted to execute a scheme and artifice: (a) to defraud health
14 care benefit programs, namely, Medicare and Medi-Cal, as to material
15 matters in connection with the delivery of and payment for health
16 care benefits, items, and services; and (b) to obtain money from
17 Medicare and Medi-Cal by means of material false and fraudulent
18 pretenses and representations and the concealment of material facts
19 in connection with the delivery of and payment for health care
20 benefits, items, and services.

21 The fraudulent scheme operated, in substance, in the following
22 manner:

23 Defendant was paid money by co-schemer Patrow to conduct initial
24 assessments and recruit Medicare and Medi-Cal beneficiaries to sign
25 up for hospice care provided by California Hospice. Defendant agreed
26 to conduct initial assessments knowing that the beneficiaries were
27 not terminally ill and did not qualify for hospice care. As
28 defendant then well knew, paying for recruiting patients was illegal.

1 In addition, as defendant then well knew, California Hospice received
2 few, if any, referrals from the primary care physicians of the
3 beneficiaries. Instead, co-schemer Patrow paid recruiters or
4 marketers to refer beneficiaries in order to obtain admissions.

5 A physician affiliated with California Hospice would falsely
6 certify that the beneficiary was terminally ill and the beneficiary
7 would be admitted to hospice. Once the beneficiary was admitted to
8 hospice, California Hospice billed Medicare or Medi-Cal for
9 purportedly providing unnecessary hospice-related services.

10 a. Defendant's Falsification of Initial Assessment

11 Defendant conducted the initial assessment of the beneficiaries.
12 During these assessments, defendant observed that the beneficiaries
13 recruited to California Hospice were not terminally ill, and did not
14 need or qualify for hospice services. However, acting with intent to
15 defraud Medicare and Medi-Cal, defendant willfully created false and
16 fraudulent medical records to make it appear that the beneficiaries
17 were terminally ill. Specifically, in an effort to deceive Medicare
18 and Medi-Cal about the beneficiary's true medical condition,
19 defendant falsified medical information on the beneficiary's
20 Functional Assessment Scale and Nutritional Screening Questionnaire
21 relating to, among other things, the beneficiary's speech ability,
22 ambulatory ability, weight loss, and decreased appetite to make it
23 appear that the beneficiary was terminally ill in order to allow
24 California Hospice to admit the beneficiary and bill Medicare and
25 Medi-Cal, whereas, as defendant then well knew, the beneficiaries
26 were not terminally ill. Defendant told co-schemers Patrow and Dr.
27 Wijegoonaratna during Interdisciplinary Team meetings at California
28 Hospice that beneficiaries did not want hospice care and were not

1 declining in health. Defendant's decision to assess the
2 beneficiary's medical condition in declining health was dictated by
3 her intent to get beneficiaries admitted for hospice care, knowing
4 that if a beneficiary was not admitted, defendant would receive no,
5 or less, compensation than if the beneficiary was admitted, and that
6 defendant would not receive further referrals and compensation for
7 nursing assignments.

8 On or about January 30, 2012, in furtherance of the scheme to
9 defraud Medicare, defendant caused the submission of claim number
10 21203000050302 for \$5,753.40 to Medicare for the provision of hospice
11 services to beneficiary M.H.. In fact, and as defendant then well
12 knew, this claim was false and fraudulent because beneficiary M.H. was
13 not terminally ill. Specifically, defendant created false medical
14 records for the assessment of M.H. falsely stating that M.H. was
15 losing weight and could not speak. Medicare paid this claim.
16 Defendant and the USAO agree that the offense in count nine to which
17 defendant is pleading guilty involved a loss to the victim, Medicare,
18 of \$4,803.27.

19 b. Defendant's Payments for Recruiting a Beneficiary

20 In or about March 2011, defendant conducted an assessment of
21 beneficiary J.R. At the time, beneficiary J.R. was on the United
22 Network of Organ Sharing liver transplant list at the University of
23 California, Los Angeles ("UCLA"). J.R. was admitted to California
24 Hospice.

25 Defendant knew that J.R. did not want to be removed from the
26 transplant list and J.R. did not want to remain on hospice care if
27 that meant J.R. would be removed from the transplant list.

28

1 Co-schemer Patrow paid defendant \$400 each month for as long as
2 J.R. remained on hospice, resulting in total payments to defendant of
3 approximately at least \$974 for recruiting J.R. into hospice care at
4 California Hospice from in about April 2011 through June 2011.

5 Relevant Conduct Loss

6 For purposes of sentencing, the loss based on relevant conduct
7 was approximately \$3,661,085.77, which is the total amount of the
8 fraudulent claims defendant caused to be submitted to Medicare and
9 Medi-Cal for medically unnecessary hospice-related services
10 purportedly provided by California Hospice based upon the claims
11 California Hospice submitted to Medicare and Medi-Cal as to
12 beneficiaries, who, as defendant then well knew, were not terminally
13 ill.

14 SENTENCING FACTORS

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

27 16. Defendant and the USAO agree to the following applicable
28 Sentencing Guidelines factors:

1 Count 9 - Health Care Fraud

2	Base Offense Level:	6	[U.S.S.G. § 2B1.1(a)(2)]
3	Loss Amount of \$3.6 Million	+18	[U.S.S.G. § 2B1.1(b)(1)(J)]
4	Fraud on a Government Health	+2	[U.S.S.G. § 2B1.1(b)(7)]
5	Care Program More Than \$1		
	Million		
6	Acceptance of		
7	Responsibility:	-3	[U.S.S.G. § 3E1.1(b)]
8	Total Offense Level:	23	

9 The USAO will agree to a two-level downward adjustment for acceptance
 10 of responsibility (and, if applicable, move for an additional one-
 11 level downward adjustment under U.S.S.G. § 3E1.1(b)) only if the
 12 conditions set forth in paragraph 5(d) are met. Subject to paragraph
 13 30 below, defendant and the USAO agree not to seek, argue, or suggest
 14 in any way, either orally or in writing, that any other specific
 15 offense characteristics, adjustments, or departures relating to the
 16 offense level be imposed. Defendant agrees, however, that if, after
 17 signing this agreement but prior to sentencing, defendant were to
 18 commit an act, or the USAO were to discover a previously undiscovered
 19 act committed by defendant prior to signing this agreement, which
 20 act, in the judgment of the USAO, constituted obstruction of justice
 21 within the meaning of U.S.S.G. § 3C1.1, the USAO would be free to
 22 seek the enhancement set forth in that section.

23 17. On April 19, 2015, the Sentencing Commission approved
 24 amendments to the Sentencing Guidelines that will go into effect on
 25 November 1, 2015, unless modified or disapproved by Act of Congress.
 26 If defendant's sentencing were governed by those amendments,
 27 defendant and the USAO agree the following applicable Sentencing
 28 Guidelines factors would apply:

1 Count 9 – Health Care Fraud

2	Base Offense Level:	6	[U.S.S.G. § 2B1.1(a)(2)]
3	Loss Amount of \$3.6 Million	+18	[U.S.S.G. § 2B1.1(b)(1)(J)]
4	Fraud on a Government Health	+2	[U.S.S.G. § 2B1.1(b)(7)]
5	Care Program More Than \$1		
	Million		
6	Acceptance of		
7	Responsibility:	-3	[U.S.S.G. § 3E1.1(b)]
8	Total Offense Level:	23	

9 The USAO will agree to a two-level downward adjustment for acceptance
 10 of responsibility (and, if applicable, move for an additional one-
 11 level downward adjustment under U.S.S.G. § 3E1.1(b)) only if the
 12 conditions set forth in paragraph 5(d) are met. Subject to paragraph
 13 30 below, defendant and the USAO agree not to seek, argue, or suggest
 14 in any way, either orally or in writing, that any other specific
 15 offense characteristics, adjustments, or departures relating to the
 16 offense level be imposed. Defendant agrees, however, that if, after
 17 signing this agreement but prior to sentencing, defendant were to
 18 commit an act, or the USAO were to discover a previously undiscovered
 19 act committed by defendant prior to signing this agreement, which
 20 act, in the judgment of the USAO, constituted obstruction of justice
 21 within the meaning of U.S.S.G. § 3C1.1, the USAO would be free to
 22 seek the enhancement set forth in that section.

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

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

1 appeal defendant's convictions on the offenses to which defendant is
2 pleading guilty.

3 LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE

4 22. Defendant agrees that, provided the Court imposes a total
5 term of imprisonment on all counts of conviction of no more than 71
6 months, defendant gives up the right to appeal all of the following:
7 (a) the procedures and calculations used to determine and impose any
8 portion of the sentence; (b) the term of imprisonment imposed by the
9 Court; (c) the fine imposed by the court, provided it is within the
10 statutory maximum; (d) the amount and terms of any restitution order,
11 provided it requires payment of no more than \$3,661,085.77 (e) the
12 term of probation or supervised release imposed by the Court,
13 provided it is within the statutory maximum; and (f) any of the
14 following conditions of probation or supervised release imposed by
15 the Court: the conditions set forth in General Orders 318, 01-05,
16 and/or 05-02 of this Court; and the drug testing conditions mandated
17 by 18 U.S.C. §§ 3563(a)(5) and 3583(d).

18 23. The USAO agrees that, provided (a) all portions of the
19 sentence are at or below the statutory maximum specified above and
20 (b) the Court imposes a term of imprisonment of no less than 57
21 months, the USAO gives up its right to appeal any portion of the
22 sentence, with the exception that the USAO reserves the right to
23 appeal the amount of restitution ordered if that amount is less than
24 \$3,661,085.77.

25 RESULT OF WITHDRAWAL OF GUILTY PLEA

26 24. Defendant agrees that if, after entering guilty pleas
27 pursuant to this agreement, defendant seeks to withdraw and succeeds
28 in withdrawing defendant's guilty pleas on any basis other than a

1 claim and finding that entry into this plea agreement was
2 involuntary, then (a) the USAO will be relieved of all of its
3 obligations under this agreement, including in particular its
4 obligations regarding the use of Cooperation Information; (b) in any
5 investigation, criminal prosecution, or civil, administrative, or
6 regulatory action, defendant agrees that any Cooperation Information
7 and any evidence derived from any Cooperation Information shall be
8 admissible against defendant, and defendant will not assert, and
9 hereby waives and gives up, any claim under the United States
10 Constitution, any statute, or any federal rule, that any Cooperation
11 Information or any evidence derived from any Cooperation Information
12 should be suppressed or is inadmissible; and (c) should the USAO
13 choose to pursue any charge that was either dismissed or not filed as
14 a result of this agreement, then (i) any applicable statute of
15 limitations will be tolled between the date of defendant's signing of
16 this agreement and the filing commencing any such action; and
17 (ii) defendant waives and gives up all defenses based on the statute
18 of limitations, any claim of pre-indictment delay, or any speedy
19 trial claim with respect to any such action, except to the extent
20 that such defenses existed as of the date of defendant's signing this
21 agreement.

22 RESULT OF VACATUR, REVERSAL OR SET-ASIDE

23 25. Defendant agrees that if the count of conviction is
24 vacated, reversed, or set aside, both the USAO and defendant will be
25 released from all their obligations under this agreement.
26
27
28

1 agreements regarding criminal prosecution, and will be free to
2 criminally prosecute defendant for any crime, including charges that
3 the USAO would otherwise have been obligated to dismiss pursuant to
4 this agreement; and (iii) will no longer be bound by any agreement
5 regarding the use of Cooperation Information and will be free to use
6 any Cooperation Information in any way in any investigation, criminal
7 prosecution, or civil, administrative, or regulatory action.

8 c. The USAO will be free to criminally prosecute
9 defendant for false statement, obstruction of justice, and perjury
10 based on any knowingly false or misleading statement by defendant.

11 d. In any investigation, criminal prosecution, or civil,
12 administrative, or regulatory action: (i) defendant will not assert,
13 and hereby waives and gives up, any claim that any Cooperation
14 Information was obtained in violation of the Fifth Amendment
15 privilege against compelled self-incrimination; and (ii) defendant
16 agrees that any Cooperation Information and any Plea Information, as
17 well as any evidence derived from any Cooperation Information or any
18 Plea Information, shall be admissible against defendant, and
19 defendant will not assert, and hereby waives and gives up, any claim
20 under the United States Constitution, any statute, Rule 410 of the
21 Federal Rules of Evidence, Rule 11(f) of the Federal Rules of
22 Criminal Procedure, or any other federal rule, that any Cooperation
23 Information, any Plea Information, or any evidence derived from any
24 Cooperation Information or any Plea Information should be suppressed
25 or is inadmissible.

26 28. Following the Court's finding of a knowing breach of this
27 agreement by defendant, should the USAO choose to pursue any charge
28 that was either dismissed or not filed as a result of this agreement,

1 then: Defendant agrees that any applicable statute of limitations is
2 tolled between the date of defendant's signing of this agreement and
3 the filing commencing any such action. Defendant waives and gives up
4 all defenses based on the statute of limitations, any claim of pre-
5 indictment delay, or any speedy trial claim with respect to any such
6 action, except to the extent that such defenses existed as of the
7 date of defendant's signing this agreement.

8 COURT AND PROBATION OFFICE NOT PARTIES

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

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

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

AGREED AND ACCEPTED

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

EILEEN M. DECKER
United States Attorney

Steven M. Arkow

STEVEN M. ARKOW
Assistant United States Attorney

August 27, 2015

Date

Nancy Briones

NANCY BRIONES
Defendant

08-26-15

Date

Paul Aquino
PAUL AQUINO
Attorney for Defendant
Nancy Briones

08-26-15

Date

CERTIFICATION OF DEFENDANT

I have read this agreement in its entirety. I have had enough time to review and consider this agreement, and I have carefully and thoroughly discussed every part of it with my attorney. I understand the terms of this agreement, and I voluntarily agree to those terms. I have discussed the evidence with my attorney, and my attorney has advised me of my rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. No promises, inducements, or representations of any kind have been made to me other than those

1 contained in this agreement. No one has threatened or forced me in
2 any way to enter into this agreement. I am satisfied with the
3 representation of my attorney in this matter, and I am pleading
4 guilty because I am guilty of the charges and wish to take advantage
5 of the promises set forth in this agreement, and not for any other
6 reason.

7 Nancy Briones 08.26.15
8 NANCY BRIONES Date
9 Defendant

10 CERTIFICATION OF DEFENDANT'S ATTORNEY

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

25 Paul Aquino 08/26/15
26 PAUL AQUINO Date
27 Attorney for Defendant
28 Nancy Briones

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CRIMINAL MINUTES - GENERAL

Case No. CR 14-00512 SJO-5 Date September 14, 2015

Present: The Honorable S. James Otero, United States District Judge

Interpreter Not Required

<u>Victor Paul Cruz</u>	<u>Carol Zurborg</u>	<u>Steven M. Arkow</u>
<i>Deputy Clerk</i>	<i>Court Reporter/Recorder, Tape No.</i>	<i>Assistant U.S. Attorney</i>

<u>U.S.A. v. Defendant(s):</u>	<u>Present</u>	<u>Cust.</u>	<u>Bond</u>	<u>Attorneys for Defendants:</u>	<u>Present</u>	<u>App.</u>	<u>Ret.</u>
(5) Nancy Briones	xx		xx	Paul A. Aquino	xx		xx

Proceedings: CHANGE OF PLEA RE COUNT NINE OF THE INDICTMENT

Matter called.

Defendant is placed under oath.

Court advises the defendant that she has been placed under oath, and that if she answers her questions falsely that she could be later prosecuted for perjury, or for making a false statement. Court also advises the defendant that she has the right to remain silent but that by entering a guilty plea she will be incriminating herself. Defendant indicates that she has discussed the right against self-incrimination with her counsel, and that she freely and voluntarily waives these rights. Counsel concurs in the waiver.

Defendant states her true name as Nancy Briones.

Defendant indicates that she has never been treated for addiction to narcotics or for any mental illness. Defendant indicates that she has not taken any alcohol or medication within the last 72 hours. Defendant does not suffer from any mental or physical condition that could affect her plea. Counsel concurs that defendant is competent and in full possession of her faculties to enter a guilty plea at this time. The Court finds that the defendant is in full possession of her faculties.

The Court advises the defendant of certain constitutional rights: the right to a speedy and public trial; the right to be tried by a jury, alternatively, the right to waive a jury trial and be tried by the court. In either case the right to persist in a not guilty plea and have the right to have the government prove her guilty beyond a reasonable doubt; the right to be represented by an attorney throughout the proceedings. And, if she cannot afford an attorney, that one will be

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CRIMINAL MINUTES - GENERAL

appointed free of charge; the right to confront and cross-examine all witnesses called to testify against her; the right to present witnesses and evidence on her behalf, and to have witnesses subpoenaed to testify; right against self incrimination (right to remain silent). However, by entering a plea of guilty that she will be waiving this right because she would be in fact incriminating herself; the right to testify on her own behalf, but not be compelled to testify or to incriminate herself. Defendant acknowledges that she has discussed these rights with her counsel and that she freely, voluntarily and expressly waives these rights.

Government counsel places elements of charges on the record and advises the defendant of the mandatory minimum and the statutory maximum sentence. The defendant is also advised that if she is given a term of imprisonment that afterwards she will be subject to supervised release and that if she violates the terms and conditions of supervised release that she can be given additional time in prison. Defendant acknowledges she understands the elements of the offense, the penalties that could be imposed, and the provisions of supervised release, and that she has discussed these issues with her counsel.

The Court advises the defendant that the Court will consider the sentencing guidelines and that the guidelines are not mandatory but advisory only. Defendant acknowledges that she has reviewed the guidelines with her counsel. The Court retains discretion in sentencing.

Defendant acknowledges that she signed the plea agreement. Defendant acknowledges that she understands the plea agreement. Defendant acknowledges that she has reviewed the plea agreement with her counsel. Defendant acknowledges that she understands the terms and conditions of the plea agreement. The Court reviews certain portions of the plea agreement. The defendant acknowledges the factual basis in the plea agreement is true and correct. The Court reviews sentencing factors. The Court reviews the limited mutual waiver of appeal and collateral attack. The Court advises the defendant that the plea agreement is not binding on the Court.

The Court advises the defendant of collateral consequences of her immigration status by entering a plea of guilty. Defendant acknowledges that she understands the consequences and that she has reviewed this with her counsel.

Court advises the defendant of the loss of certain civil rights with the entry of a guilty plea.

Defendant indicates that no promises have been made in exchange for a plea of guilty or that no one has made any threat, or used force against her or her family to enter guilty plea. Defendant enters plea freely and voluntarily.

Government counsel places evidence of facts and the offer of proof of this case on the record.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CRIMINAL MINUTES - GENERAL

The parties agree to modify a portion of the factual basis. Defendant acknowledges facts to be true and correct.

Defendant's counsel indicates that he has reviewed all the discovery that has been provided by the government, and that he has reviewed the facts of the case and the discovery with the defendant. Additionally, that he has explored any possible defense with his client and that he believes there is a factual basis for the plea, and that it is in his client's best interests to enter a guilty plea.

Defendant enters a plea of guilty to count nine of the indictment which charges defendant with health care fraud, in violation of Title 18 United States Code, Section 1347. The Court incorporates plea agreement with the entry of defendant's guilty plea.

The Court questioned the defendant regarding the plea of Guilty and finds a factual and legal basis for the plea. The Court finds that the defendant has entered her plea freely and voluntarily with a full understanding of the charges against her and the consequences of her plea. The Court finds that defendant understands her constitutional and statutory rights and wishes to waive them.

The Court refers the defendant to the Probation Office for investigation and report and continues the matter to Monday, May 16, 2016 @ 9:00 a.m. for sentencing.

Position papers shall be filed by May 2, 2016.

The Court Orders that the defendant shall report that she has entered a guilty plea today regarding the charge of health care fraud, forthwith. This means after the defendant leaves here today that her counsel shall report this guilty plea to the healthcare board, the nursing care board, whatever state or government agencies that are involved in the monitoring of the defendant's license and ability to practice in her field of nursing.

The Court vacates the trial date as to this defendant.

Initials of Deputy Clerk _____ : _____ 40.
vpc _____

United States District Court
Central District of California

UNITED STATES OF AMERICA vs.

Docket No. CR 14-00512 SJO-5

Defendant BRIONES, Nancy

Social Security No. [REDACTED]

akas: None

(Last 4 digits)

JUDGMENT AND PROBATION/COMMITMENT ORDER

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

MONTH	DAY	YEAR
August	29,	2016

COUNSEL Paul A. Aquino (Retained)
(Name of Counsel)

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

FINDING There being a finding/verdict of GUILTY, defendant has been convicted as charged of the offense(s) of:
18 U.S.C. § 1347 and 18 U.S.C. § 2: Health Care Fraud; Aiding and Abetting and Causing an Act to be Done as
charged in Count 9 of the Indictment.

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

It is ordered that the defendant shall pay to the United States a special assessment of \$100, which is due immediately.

Defendant shall pay restitution in the total amount of \$2,972,930 pursuant to 18 U.S.C. § 3663A, to victims as set forth in a separate victim list prepared by the probation office which this Court adopts and which reflects the Court's determination of the amount of restitution due to each victim. The victim list, which shall be forwarded to the fiscal section of the clerk's office, shall remain confidential to protect the privacy interests of the victims.

The Court finds from a consideration of the record that the defendant's economic circumstances allow for restitution payments pursuant to the following schedule: A partial payment of at least \$5,000 shall be paid immediately. The balance of the restitution shall be paid in nominal monthly payments of at least 10% of defendant's gross income, but not less than \$100, whichever is greater, during the term of Supervised Release. Payments shall begin 30 days after the commencement of supervision. Nominal restitution payments are ordered as the Court finds that the defendant's economic circumstances do not allow for either immediate or future payment of the amount ordered.

The defendant shall be held jointly and severally liable with the defendants in the related cases ("co-schemers") for the restitution amount to Medicare as ordered in this judgment. See list of co-schemers identified as defendants in the related cases below.

Defendant's liability for restitution ceases if and when defendant pays the total amount of restitution imposed as to the defendant as ordered in this judgment or when adding together the payments of all the below-listed co-schemers, the largest restitution obligation of any of these co-schemers is satisfied.

No restitution payment made by any of the other co-schemers in this case or any defendant in any of the related cases shall be credited to the defendant unless and until when adding together the payments of all the below-listed co-schemers, the largest restitution obligation of any of these defendants is satisfied.

1. United States v. Ramon Parayno, CR 15-548-SJO
2. United States v. Kristen Castaneda, CR 15-14-SJO
3. United States v. Janel Licayan, CR 15-04-SJO
4. United States v. Priscilla Villabroza, CR 14-512-SJO
5. United States v. Mubina Siddiqui, CR 15-719-SJO
6. United States v. Erwin Castillo, CR 15-18-SJO
7. United States v. Sharon Patrow, CR 14-512-SJO
8. United States v. Nancy Briones, CR 14-512-SJO
9. United States v. Sri Wijegoonaratna, CR 14-512-SJO
10. United States v. Boyao Huang, CR 14-512

Pursuant to 18 U.S.C. § 3612(f)(3)(A), interest on the restitution ordered is waived because the defendant does not have the ability to pay interest. Payments may be subject to penalties for default and delinquency pursuant to 18 U.S.C. § 3612(g).

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

All fines are waived as it is found that the defendant does not have the ability to pay a fine in addition to restitution.

Pursuant to the Sentencing Reform Act of 1984, it is the judgment of the Court that the defendant, Nancy Briones, is hereby committed on Count 9 of the Indictment to the custody of the Bureau of Prisons to be imprisoned for a term of 18 months. Following release from imprisonment the defendant shall be placed on Supervised Release for a period of three years under following terms and conditions:

1. The defendant shall comply with the rules and regulations of the United States Probation Office, General Order 05-02, and General Order 01-05, including the three special conditions delineated in General Order 01-05.
2. The defendant shall not commit any violation of local, state, or Federal law or ordinance.

3. During the period of community supervision, the defendant shall pay the special assessment and restitution in accordance with this judgment's orders pertaining to such payment.
4. The defendant shall not be employed in any position that requires licensing and/or certification by any local, state, or federal agency without the prior written approval of the Probation Officer.
5. The defendant shall not engage, as whole or partial owner, employee or otherwise, in any business or profession that bills Medicare or Medi-Cal or any other publicly funded health care benefit program without the express written approval of the Probation Officer prior to engaging in such employment, business, or profession. Further, the defendant shall provide the Probation Officer with access to any and all business records, client lists, and other records pertaining to the operation of any business owned, in whole or in part, by the defendant, as directed by the Probation Officer.
6. The defendant shall apply all monies received from income tax refunds to the outstanding court-ordered financial obligation. In addition, the defendant shall apply all monies received from lottery winnings, inheritance, judgments and any anticipated or unexpected financial gains to the outstanding court-ordered financial obligation.
7. The defendant shall cooperate in the collection of a DNA sample from the defendant.

It is further ordered that the defendant surrender himself to the institution designated by the Bureau of Prisons on or before 12 noon, Tuesday, January 3, 2017. In the absence of such designation, the defendant shall report on or before the same date and time, to the United States Marshal located at the Roybal Federal Building, 255 East Temple Street, Los Angeles, California 90012.

The Court advises the Defendant of her right to appeal.

The Court recommends that the defendant shall be designated in Southern California.

In the interest of justice the Court grants the government's motion to dismiss all remaining counts as to this defendant only.

USA vs. **BRIONES, Nancy**

Docket No.: **CR 14-00512 SJO-5**

In addition to the special conditions of supervision imposed above, it is hereby ordered that the Standard Conditions of Probation and Supervised Release within this judgment be imposed. The Court may change the conditions of supervision, reduce or extend the period of supervision, and at any time during the supervision period or within the maximum period permitted by law, may issue a warrant and revoke supervision for a violation occurring during the supervision period.

S. James Otero

August 29, 2016

S. James Otero

Date

U. S. District Judge/Magistrate Judge

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

Clerk, U.S. District Court

August 29, 2016

By **Victor Paul Cruz**

Filed Date

Deputy Clerk

Victor Paul Cruz

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

STANDARD CONDITIONS OF PROBATION AND SUPERVISED RELEASE

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

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

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

USA vs. BRIONES, Nancy

Docket No.: CR 14-00512 SJO-5

STATUTORY PROVISIONS PERTAINING TO PAYMENT AND COLLECTION OF FINANCIAL SANCTIONS

The defendant shall pay interest on a fine or restitution of more than \$2,500, unless the court waives interest or unless the fine or restitution is paid in full before the fifteenth (15th) day after the date of the judgment pursuant to 18 U.S.C. §3612(f)(1). Payments may be subject to penalties for default and delinquency pursuant to 18 U.S.C. §3612(g). Interest and penalties pertaining to restitution, however, are not applicable for offenses completed prior to April 24, 1996.

If all or any portion of a fine or restitution ordered remains unpaid after the termination of supervision, the defendant shall pay the balance as directed by the United States Attorney's Office. 18 U.S.C. §3613.

The defendant shall notify the United States Attorney within thirty (30) days of any change in the defendant's mailing address or residence until all fines, restitution, costs, and special assessments are paid in full. 18 U.S.C. §3612(b)(1)(F).

The defendant shall notify the Court through the Probation Office, and notify the United States Attorney of any material change in the defendant's economic circumstances that might affect the defendant's ability to pay a fine or restitution, as required by 18 U.S.C. §3664(k). The Court may also accept such notification from the government or the victim, and may, on its own motion or that of a party or the victim, adjust the manner of payment of a fine or restitution-pursuant to 18 U.S.C. §3664(k). See also 18 U.S.C. §3572(d)(3) and for probation 18 U.S.C. §3563(a)(7).

Payments shall be applied in the following order:

1. Special assessments pursuant to 18 U.S.C. §3013;
2. Restitution, in this sequence:
 - Private victims (individual and corporate),
 - Providers of compensation to private victims,
 - The United States as victim;
3. Fine;
4. Community restitution, pursuant to 18 U.S.C. §3663(e); and
5. Other penalties and costs.

SPECIAL CONDITIONS FOR PROBATION AND SUPERVISED RELEASE

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

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

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

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

USA vs. BRIONES, Nancy

Docket No.: CR 14-00512 SJO-5

RETURN

I have executed the within Judgment and Commitment as follows:

Defendant delivered on _____ to _____

Defendant noted on appeal on _____

Defendant released on _____

Mandate issued on _____

Defendant's appeal determined on _____

Defendant delivered on _____ to _____

at _____

the institution designated by the Bureau of Prisons, with a certified copy of the within Judgment and Commitment.

United States Marshal

By _____

_____ Date

Deputy Marshal

CERTIFICATE

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

Clerk, U.S. District Court

By _____

_____ Filed Date

Deputy Clerk

FOR U.S. PROBATION OFFICE USE ONLY

Upon a finding of violation of probation or supervised release, I understand that the court may (1) revoke supervision, (2) extend the term of supervision, and/or (3) modify the conditions of supervision.

These conditions have been read to me. I fully understand the conditions and have been provided a copy of them.

(Signed) _____
Defendant

_____ Date

_____ U. S. Probation Officer/Designated Witness

_____ Date