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

BY _____

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

NESTOR DOMINGO and
CONCEPCION DOMINGO,

Defendants.

No. CR

CR17-0734-ODW

I N F O R M A T I O N

[18 U.S.C. § 371: Conspiracy to
Pay and Receive Illegal
Remunerations for Health Care
Referrals]

The Acting United States Attorney charges:

[18 U.S.C. § 371]

A. INTRODUCTORY ALLEGATIONS

At all times relevant to this Information:

1. Bliss Health Care Inc., doing business as Bliss Hospice Care ("Bliss"), was a hospice located at 1755 South Grand Avenue, Glendora, California 91740, within the Central District of California.

2. Defendants NESTOR DOMINGO ("NESTOR") and CONCEPCION DOMINGO ("CONCEPCION") were co-owners and operators of Bliss.

1 3. Co-conspirators 1 ("CC-1") and 2 ("CC-2")
2 (collectively, the "owner co-conspirators") were also owners and
3 operators of Bliss.

4 4. Co-conspirator 3 ("CC-3"), Marketer 1 ("M-1"), and
5 Marketer 2 ("M-2"), were "marketers" who recruited beneficiaries
6 for Bliss in exchange for illegal kickbacks.

7 The Medicare Program

8 5. Medicare was a federal health care benefit program,
9 affecting commerce, that provided benefits to individuals who
10 were 65 years and older or disabled. Medicare was administered
11 by the Centers for Medicare and Medicaid Services ("CMS"), a
12 federal agency under the United States Department of Health and
13 Human Services. Medicare was a "Federal health care program"
14 within the meaning of that term as used in Title 42, United
15 States Code, Section 1320a-7b(b) (the "anti-kickback statute"),
16 and a "health care benefit program" as defined by Title 18,
17 United States Code, Section 24(b).

18 6. Individuals who qualified for Medicare benefits were
19 referred to as Medicare "beneficiaries." Each beneficiary was
20 given a unique health insurance claim number ("HICN").

21 7. Health care providers that provided medical services
22 that were reimbursed by Medicare were referred to as Medicare
23 "providers." To participate in Medicare, providers, including
24 hospices, were required to submit applications in which the
25 providers agreed to comply with all Medicare-related laws and
26 regulations, including the anti-kickback statute (42 U.S.C.
27 § 1320a-7b(b)), which proscribes the offering, payment,

1 solicitation, or receipt of any remuneration in exchange for a
2 patient referral or referral of other business for which payment
3 may be made by any federal health care program. If Medicare
4 approved a provider's application, Medicare assigned the
5 provider a Medicare "provider number," which was used for the
6 processing and payment of claims.

7 8. A health care provider with a Medicare provider number
8 could submit claims to Medicare to obtain reimbursement for
9 services rendered to Medicare beneficiaries.

10 9. Most providers submitted their claims electronically
11 pursuant to an agreement they executed with Medicare in which
12 the providers agreed that: (a) they were responsible for all
13 claims submitted to Medicare by themselves, their employees, and
14 their agents; (b) they would submit claims only on behalf of
15 those Medicare beneficiaries who had given their written
16 authorization to do so; and (c) they would submit claims that
17 were accurate, complete, and truthful.

18 10. Medicare coverage for hospice services was limited to
19 situations in which: (1) the beneficiary's attending physician
20 and the hospice medical director certified in writing that the
21 beneficiary was terminally ill and had six months or less to
22 live if the beneficiary's illness ran its normal course; and (2)
23 the beneficiary signed a statement choosing hospice care instead
24 of other Medicare benefits. Once a beneficiary chose hospice
25 care, Medicare would not cover treatment intended to cure the
26 beneficiary's terminal illness. The beneficiary had to sign and
27 date an election form documenting this choice. The election

1 form had to include an acknowledgement that the beneficiary had
2 been given a full understanding of hospice care, particularly
3 the palliative rather than curative nature of treatment, and an
4 acknowledgement that the beneficiary understood that certain
5 Medicare services were waived by the election.

6 11. CMS contracted with private insurance companies to
7 enroll, process, and pay Medicare claims. National Government
8 Services ("NGS") was the contractor that processed and paid
9 Medicare claims for home health services in Southern California
10 during the relevant time period.

11 12. To bill Medicare for hospice services, a provider was
12 required to submit a claim form (Form UB-04) to NGS. When a
13 Form UB-04 was submitted, usually in electronic form, the
14 provider was required to certify that:

15 a. the contents of the form were true, correct, and
16 complete;

17 b. the form was prepared in compliance with the laws
18 and regulations governing Medicare; and

19 c. the services being billed were medically
20 necessary.

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

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1 B. OBJECTS OF THE CONSPIRACY

2 14. Beginning no later than in or about June 2011, and
3 continuing through in or about July 2015, in Los Angeles County,
4 within the Central District of California, and elsewhere,
5 defendants NESTOR and CONCEPCION, together with CC-1, CC-2, CC-
6 3, and others known and unknown to the Acting United States
7 Attorney, knowingly combined, conspired, and agreed to commit
8 the following offenses against the United States:

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

15 b. Knowingly and willfully offering to pay and
16 paying any remuneration to any person to induce such person to
17 refer an individual to a person for the furnishing and arranging
18 for the furnishing of any item or service for which payment may
19 be made in whole or in part under a Federal health care program,
20 in violation of Title 42, United States Code, Section 1320a-
21 7b(b)(2)(A).

22 C. THE MANNER AND MEANS OF THE CONSPIRACY

23 15. The objects of the conspiracy were carried out, and to
24 be carried out, in substance, as follows:

25 a. Defendants NESTOR and CONCEPCION and the owner
26 co-conspirators developed relationships with people known as
27 "marketers." These "marketers," including CC-3, M-1, and M-2,
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1 and others known and unknown to the Acting United States
2 Attorney, traveled throughout Southern California for Bliss to
3 recruit Medicare beneficiaries to receive hospice services,
4 which services Bliss would then bill to Medicare.

5 b. In exchange for Medicare referrals, defendants
6 NESTOR and CONCEPCION and the owner co-conspirators would pay
7 referring marketers, including CC-3, M-1, and M-2, cash or check
8 kickbacks for each Medicare beneficiary referred to Bliss.

9 c. For each Medicare beneficiary that marketers,
10 including CC-3, M-1 and M-2, referred to Bliss, defendants
11 NESTOR and CONCEPCION and the owner co-conspirators paid a cash
12 or check kickback of approximately \$500-\$1,000.

13 d. Defendants NESTOR and CONCEPCION, along with the
14 owner co-conspirators, devised and agreed upon a scheme to
15 generate cash for illegal kickbacks by disguising such monies as
16 payroll expenses. Defendants NESTOR and CONCEPCION and the
17 owner co-conspirators agreed to artificially increase the
18 salaries of CC-1 and other Bliss employees. After receiving
19 their inflated paychecks, CC-1 and the other employees would pay
20 back the extra money in cash, and defendants NESTOR and
21 CONCEPCION and the owner co-conspirators would use that cash to
22 pay kickbacks.

23 e. From in or about June 2011 to in or about July
24 2015, defendants NESTOR and CONCEPCION and the owner co-
25 conspirators caused Bliss to bill Medicare, and as a result
26 caused Medicare to pay Bliss at least approximately \$2,406,637
27 for services to patients referred to Bliss as the result of

1 kickback payments that defendants NESTOR and CONCEPCION,
2 together with CC-1 and CC-2, made to CC-3, M-1, and M-2.

3 D. OVERT ACTS

4 16. On or about the following dates, in furtherance of the
5 conspiracy, and to accomplish its objects, defendants NESTOR and
6 CONCEPCION, together with co-conspirators CC-1, CC-2, CC-3, and
7 other co-conspirators known and unknown to the Acting United
8 States Attorney, aiding and abetting one another, committed and
9 willfully caused others to commit the following overt acts,
10 among others, within the Central District of California and
11 elsewhere:

12 Overt Act No. 1: On or about October 17, 2012, defendant
13 CONCEPCION wrote, and defendant NESTOR signed, a check drawn on
14 Bliss's bank account, in the amount of \$1,048.29, and payable to
15 CC-3. This check was payment for the referral of, among others,
16 Medicare beneficiary A.H, by CC-3.

17 Overt Act No. 2: On or about October 31, 2012, defendant
18 CONCEPCION wrote, and defendant NESTOR signed, a check drawn on
19 Bliss's bank account, in the amount of \$500.00 and payable to
20 CC-3. This check was payment for the referral of Medicare
21 beneficiary A.H.

22 Overt Act No. 3: On or about July 31, 2013, defendant
23 CONCEPCION wrote, and defendant NESTOR signed, a check drawn on
24 Bliss's bank account, in the amount of \$2,500 and payable to M-
25 2. This check was payment to M-2 for the referral of Medicare
26 beneficiary B.B., among others.

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1 Overt Act No. 4: On or about February 5, 2015, defendants
2 NESTOR and CONCEPCION, along with CC-1 and CC-2, caused Bliss to
3 pay an individual approximately \$3,965.07, by a check drawn on
4 Bliss's bank account and signed by defendant NESTOR, for the
5 purpose of having that individual return the money to Bliss and
6 so that defendants NESTOR and CONCEPCION and the owner co-
7 conspirators could generate cash to pay for illegal kickbacks.

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Acting United States Attorney

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CRIMINAL MINUTES - CHANGE OF PLEA

Case No.: CR 17-734-PSG

Date: 12/18/17

Present: The Honorable PHILIP S. GUTIERREZ, District Judge / Magistrate Judge

WENDY HERNANDEZ
Deputy Clerk

MAREA WOOLRICH
Court Reporter

None
Interpreter

Claire Yan
Assistant U.S. Attorney

USA v. DEFENDANT(S) PRESENT

ATTORNEYS PRESENT FOR DEFENDANTS

NESTOR DOMINGO

Mary Andruess

Custody Bond O/R

Appointed Retained

PROCEEDINGS: CHANGE OF PLEA

- Defendant moves to change plea to the Information.
- Defendant now enters a new and different plea of Guilty to Count(s) ONE of the Information.
- The Court questions the defendant regarding plea of Guilty and finds it knowledgeable and voluntary and orders the plea accepted and entered
- The Court refers the defendant to the Probation Office for investigation and report and continues the matter to Monday, 3/12/18 at 10am for sentencing.
- The Court vacates the court and/or jury trial date.
- The pretrial conference set for _____ is off calendar as to defendant _____.
- Court orders:
Based on the government's agreement, the nature of the charges, and the fact that the defendant has made all appearances, the Court finds it appropriate to allow the defendant to remain on bond.
- Other:

Initials of Deputy Clerk WH

cc: Probation Office