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CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
SANTA ANA

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION

September 2014 Grand Jury

SACR15-00099

UNITED STATES OF AMERICA,

SA CR NO. 15-

Plaintiff,

I N D I C T M E N T

v.

THE MORROW INSTITUTE MEDICAL  
GROUP, INC.,  
DAVID M. MORROW, and  
LINDA MORROW,

[18 U.S.C. § 1341: Mail Fraud and Attempted Mail Fraud; 18 U.S.C. § 1349: Conspiracy to Commit Mail Fraud; 26 U.S.C. § 7206(1): Making and Subscribing to a False Income Tax Return; 42 U.S.C. §§ 1320d-6(a)(3) and (b)(3): Wrongful Disclosure of Individually Identifiable Health Information with Intent to Use for Personal Gain; 42 U.S.C. §§ 1320d-6(a)(3) and (b)(1): Wrongful Disclosure of Individually Identifiable Health Information; 18 U.S.C. § 2(a): Aiding and Abetting; 18 U.S.C. § 2(b): Causing an Act to be Done; 28 U.S.C. § 981(a)(1)(D)(v), 21 U.S.C. § 853, 28 U.S.C. § 2461(c): Criminal Forfeiture]

Defendants.

The Grand Jury charges:

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1 INTRODUCTORY ALLEGATIONS

2 At all times relevant to this Indictment:

3 The Conspirators

4 1. Defendant THE MORROW INSTITUTE MEDICAL GROUP, INC. ("TMI"),  
5 located in Rancho Mirage, California, was an Ambulatory Surgery  
6 Center ("ASC") that specialized in plastic and cosmetic surgery.

7 2. Defendant DAVID M. MORROW ("DAVID MORROW"), a cosmetic  
8 surgeon and Board Certified dermatologist, was the founder, owner,  
9 and Medical Director of defendant TMI.

10 3. Defendant LINDA MORROW ("LINDA MORROW") was the Executive  
11 Director of defendant TMI and is married to defendant DAVID MORROW.

12 4. Unindicted Co-Conspirator 1, a cosmetic surgeon and Board  
13 Certified gynecologist, worked as a surgeon at defendant TMI.

14 5. Unindicted Co-Conspirator 2, who resided in Orange County,  
15 California, recruited patients for defendant TMI and assisted  
16 defendant DAVID MORROW in fraudulently coding cosmetic procedures by  
17 claiming they were medically necessary.

18 The Insurance Companies

19 6. Aetna was a managed health care company that sold insurance  
20 plans.

21 7. Anthem Blue Cross ("Anthem") was a for-profit health plan  
22 provider that was a direct provider of insurance as well as a third-  
23 party administrator to groups that were self-insured, in which  
24 capacity it would process insurance claims for those groups, who  
25 would then pay the claims. For individuals who were insured with  
26 Blue Cross/Blue Shield of Massachusetts ("Blue Cross/Blue Shield")  
27 and made a claim for services provided in California, Anthem would  
28 process and pay the claim on behalf of Blue Cross/Blue Shield.

1 8. Blue Shield of California was a non-profit health plan  
2 provider that was a direct provider of insurance as well as a third-  
3 party administrator to groups that were self-insured.

4 9. Cigna Health Insurance was a for-profit health plan  
5 provider that was a direct provider of insurance as well as a third-  
6 party administrator to groups that were self-insured.

7 10. Aetna, Anthem, Blue Shield of California, and Cigna  
8 (hereinafter collectively referred to as "the insurance companies")  
9 operated in California.

10 Health Insurance Portability and Accountability Act ("HIPAA")

11 11. Defendant TMI was an ASC operating as a "health care  
12 provider," as defined by Title 42, United States Code, Section  
13 1320d(3), and Title 45, Code of Federal Regulations, Section 160.103.

14 12. Defendant TMI was a "covered entity," as described in the  
15 HIPAA privacy regulations, Title 42, United States Code, Section  
16 1320d-9(b)(3). The patient records maintained on defendant TMI's  
17 computers, computer systems, and hardcopy files contained  
18 "individually identifiable health information" and "protected health  
19 information," as defined by Title 42, United States Code, Section  
20 1320d-6, and Title 45, Code of Federal Regulations, Section 160.103.

21 13. As the Medical Director of defendant TMI, defendant DAVID  
22 MORROW was authorized to access individually identifiable health  
23 information and protected health information of defendant TMI's  
24 patients.

25 Fraudulent Amounts Billed

26 14. Defendant DAVID MORROW used defendant TMI to bill more than  
27 \$50,000,000 to the insurance companies for cosmetic procedures by  
28 fraudulently representing that those procedures were medically

1 necessary. Defendants DAVID MORROW and TMI would bill individual  
2 procedures, such as an abdominal surgery that lasts two hours, to the  
3 insurance companies for as much as approximately \$100,000.

4 15. Based upon the fraudulent billings by defendants DAVID  
5 MORROW and TMI, the insurance companies collectively paid out more  
6 than \$20,000,000 for procedures that were cosmetic.

7 Concealed Bank Accounts

8 16. From January 2008 to December 2010, defendant DAVID MORROW  
9 used bank accounts he opened at Bank of America and Wells Fargo to  
10 siphon off more than \$6,500,000 in income generated from his  
11 fraudulent scheme at defendant TMI, which he failed to report to his  
12 tax return preparer, and which he used to spend on personal  
13 expenditures and large cash withdrawals.

COUNTS ONE THROUGH TWENTY

[18 U.S.C. §§ 1341, 2(a), 2(b)]

A. INTRODUCTORY ALLEGATIONS

17. The Grand Jury incorporates by reference and re-alleges Paragraphs 1 through 16 above of this Indictment as though set forth in their entirety here.

B. THE FRAUDULENT SCHEME

18. Beginning on or about January 1, 2007, and continuing to in or about March 2011, in Orange and Riverside Counties, within the Central District of California, and elsewhere, defendants TMI, DAVID MORROW, and LINDA MORROW, together with others known and unknown to the Grand Jury, each aiding and abetting the others, knowingly and with intent to defraud, devised, participated in, and executed, and attempted to execute, a scheme to defraud Aetna, Anthem, Blue Shield of California, Cigna, and other health care benefit programs as to material matters, and to obtain money and property from Aetna, Anthem, Blue Shield of California, Cigna, and other health care benefit programs by means of material false and fraudulent pretenses, representations, and promises, and the concealment of material facts.

C. MEANS TO ACCOMPLISH THE FRAUDULENT SCHEME

19. The fraudulent scheme operated, in substance, in the following manner:

a. Defendant LINDA MORROW and other marketers paid by defendant DAVID MORROW would lure patients from Orange, Riverside, Los Angeles, and San Bernardino Counties into defendant TMI by telling the putative patients that they could use their union or Preferred Provider Organization ("PPO") health care benefit programs to pay for cosmetic procedures such as tummy tucks, breast lifts or

1 augmentations, liposuction, rhinoplasties ("nose jobs"), and varicose  
2 veins treatment.

3           b. Unindicted Co-Conspirator 2 would recruit patients for  
4 defendant TMI and assist defendant DAVID MORROW in fraudulently  
5 coding cosmetic procedures, claiming they were medically necessary.

6           c. Defendants DAVID MORROW and LINDA MORROW would tell  
7 patients that they could receive free or discounted cosmetic  
8 procedures if they underwent multiple procedures that could be billed  
9 to their union or PPO health care benefit program.

10           d. The patients would undergo multiple cosmetic  
11 procedures at defendant TMI, including tummy tucks, breast lifts or  
12 augmentations, liposuction, nose jobs, and varicose veins treatment,  
13 and defendant TMI would bill those medically-unnecessary procedures  
14 to the patients' union or PPO health care benefit program by  
15 submitting claims for payment by falsely representing that such  
16 procedures were medically necessary.

17           e. Defendant DAVID MORROW and Unindicted Co-Conspirator  
18 1, and others known and unknown to the Grand Jury, would fabricate  
19 diagnoses, test results, and symptoms on medical records to trick the  
20 insurance companies into believing that the billed cosmetic  
21 procedures were medically necessary. Tummy tucks were fraudulently  
22 billed as hernia repair or abdominal reconstruction surgeries;  
23 rhinoplasties were fraudulently billed as deviated septum repair  
24 surgeries; and breast lifts and augmentations were fraudulently  
25 billed as "tuberous breast deformity."

26           f. Defendant DAVID MORROW would fraudulently alter  
27 medical records and other patient records in order to conceal that  
28 the procedures done at defendant TMI and billed to insurance as

1 medically necessary were actually cosmetic.

2 g. The union or PPO health care benefit program would pay  
3 the claims by sending a reimbursement check to defendant TMI, or to  
4 the patient directly, via the United States mail. If a PPO health  
5 care benefit program sent the reimbursement check to the patient, the  
6 patient would be directed by defendants DAVID MORROW or LINDA MORROW,  
7 or employees of defendant TMI, to either: cash the checks and bring  
8 the cash to defendants DAVID MORROW or LINDA MORROW; bring the check  
9 to defendants DAVID MORROW or LINDA MORROW and sign it over to them;  
10 or deposit the insurance check into the patient's own bank account,  
11 and obtain a cashier's check in the same amount made payable to  
12 defendants DAVID MORROW or TMI.

13 h. Shortly before or after paying the claims billed by  
14 defendants DAVID MORROW or TMI, the health care benefit program would  
15 send an Explanation of Benefits, ("EOB") to the patient, via the  
16 United States mail, which would explain how much was being paid for  
17 the procedure(s), and the percentage or amount that was the patient's  
18 co-insurance financial responsibility.

19 i. To ensure that patients would undergo procedures at  
20 defendant TMI that TMI could bill to the insurance companies,  
21 defendants DAVID MORROW and LINDA MORROW would tell the patients that  
22 they did not have to pay the required co-insurance that the patients  
23 were supposed to pay, and would not make the patients pay the  
24 required co-insurance.

25 j. Defendant DAVID MORROW would pay some patients to  
26 undergo procedures that he would bill to insurance as medically  
27 necessary.

28 k. To respond to the insurance companies' requests for

1 documents to substantiate the claims made by defendant TMI, defendant  
2 DAVID MORROW would mail letters with attached documents, some of  
3 which documents had been falsified or fabricated.

4           1. To attempt to conceal that multiple different  
5 procedures done at defendant TMI for the same patient were being  
6 billed over a short time period, DAVID MORROW would use two other  
7 entities that listed different mailing addresses from defendant TMI,  
8 Specialty Surgeons, Inc. and Stellar Surgical Specialties, Inc.  
9 (together "the nominee billing entities"), to bill some of the  
10 procedures, even though the procedures were all done at defendant  
11 TMI. The different mailing addresses were simply different  
12 residential addresses controlled by defendants DAVID MORROW and LINDA  
13 MORROW.

14           m. Defendant DAVID MORROW would deposit some of the  
15 checks received from the insurance companies into bank accounts in  
16 his name at Bank of America and Wells Fargo, instead of depositing  
17 them into defendant TMI's business bank accounts.

18           20. At the time defendants TMI, DAVID MORROW, and LINDA MORROW  
19 made the false statements and caused them to be made, concealed and  
20 omitted material information and caused such information to be  
21 concealed and omitted, and caused and engaged in the fraudulent acts,  
22 practices, and devices set forth above, defendants TMI, DAVID MORROW,  
23 and LINDA MORROW knew that said statements were false, that material  
24 information was concealed and omitted, and that the subject acts,  
25 practices, and devices were fraudulent, unlawful, and deceptive. In  
26 particular, defendants TMI, DAVID MORROW, and LINDA MORROW knew the  
27 following:

28           a. That the insurance companies would not pay for

1 cosmetic surgeries;

2 b. That the insurance companies would not pay for  
3 medically-unnecessary procedures; and

4 c. That the insurance companies would not pay for  
5 procedures had they known that the applicable co-insurance payments  
6 were not collected by defendants TMI, DAVID MORROW, and LINDA MORROW.

7 21. In carrying out the fraudulent scheme, defendants TMI,  
8 DAVID MORROW, and LINDA MORROW misrepresented and failed to disclose  
9 to Aetna, Anthem, Blue Shield of California, Cigna, and other health  
10 care benefit programs, the true facts about their fraudulent business  
11 practices concerning the claims being submitted by defendant TMI and  
12 the nominee billing entities. Such misrepresented and omitted facts  
13 were material in that, had Aetna, Anthem, Blue Shield of California,  
14 Cigna, and other health care benefit programs known the true facts,  
15 they would not have paid the claims billed by defendant TMI and the  
16 nominee billing entities.

17 D. RESULTS OF THE FRAUDULENT SCHEME

18 22. As a result of the fraudulent scheme, defendants TMI, DAVID  
19 MORROW, and LINDA MORROW caused losses to the insurance companies and  
20 the self-insured entities of more than \$20,000,000 from claims that  
21 were paid for cosmetic procedures that were not medically necessary.

22 E. EXECUTION OF THE FRAUDULENT SCHEME

23 23. On or about the dates set forth below, within the Central  
24 District of California, and elsewhere, defendants TMI, DAVID MORROW,  
25 and LINDA MORROW, together with others known and unknown to the Grand  
26 Jury, each aiding and abetting the others, for the purpose of  
27 executing and attempting to execute the above-described scheme to  
28 defraud, caused the following items to be placed in an authorized

1 depository for mail matter to be sent and delivered by the United  
 2 States Postal Service according to the directions thereon:

3	<u>COUNT</u>	<u>DATE</u>	<u>PATIENT</u>	<u>ITEM MAILED</u>	<u>AMOUNT</u>
4	ONE	10/23/09	T.S.	Claim No. 09296411590 to Blue Cross/Blue Shield	\$92,350
5	TWO	10/30/09	A.F.	Check No. 00557816084 payable to TMI for procedure on 03/27/09	\$95,288
6	THREE	12/11/09	A.B.	Claim No. 09345127728 to Anthem	\$88,500
7	FOUR	12/11/09	A.B.	Claim No. 09345127735 to Anthem	\$32,500
8	FIVE	12/16/09	T.A.	Claim No. 09350121135 to Anthem	\$88,500
9	SIX	12/16/09	S.W.	Claim No. 09350124050 to Blue Cross/Blue Shield	\$88,500
10	SEVEN	01/20/10	G.E.	Pre-Operative Consultation Request for Pre-Authorization to Anthem	N/A
11	EIGHT	01/22/10	A.Z.	Claim No. 10022431835 to Anthem	\$98,950
12	NINE	01/23/10	G.E.	Claim No. 10023124006 to Anthem	\$98,400
13	TEN	02/20/10	A.B.	Claim No. 10051123434 to Anthem	\$93,500
14	ELEVEN	03/01/10	K.D.	Claim No. 10060134889 to Anthem	\$98,850
15	TWELVE	03/01/10	K.D.	Claim No. 10060138081 to Anthem	\$25,000
16	THIRTEEN	03/05/10	A.B.	Claim No. 10064122603 to Anthem	\$98,550
17	FOURTEEN	03/10/10	A.B.	Claim No. 10069417672 to Anthem	\$25,000
18	FIFTEEN	03/24/10	R.O.	03/23/10 letter to Anthem from defendant DAVID MORROW re: additional documents pertaining to patient R.O.	N/A

1	SIXTEEN	03/25/10	B.M.	03/23/10 letter to Anthem from defendant DAVID MORROW re: additional documents pertaining to patient B.M.	N/A
2					
3	SEVENTEEN	03/28/10	J.B.	03/28/10 letter to Anthem from defendant DAVID MORROW re: additional documents pertaining to patient J.B.	N/A
4					
5					
6	EIGHTEEN	05/03/10	T.S.	Check No: 851932245 payable to T.S. for procedure on 04/12/10	\$99,850
7					
8	NINETEEN	07/19/10	R.G.	07/19/10 letter to Blue Cross/Blue Shield from defendant DAVID MORROW re: additional documents pertaining to patient R.G.	N/A
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10					
11	TWENTY	09/15/10	M.B.	Claim No. 10258125089 to Anthem	\$60,000
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COUNT TWENTY-ONE

[18 U.S.C. § 1349]

A. INTRODUCTORY ALLEGATIONS

24. The Grand Jury incorporates by reference and re-alleges Paragraphs 1 through 16 above of this Indictment as though set forth in their entirety here.

B. THE OBJECT OF THE CONSPIRACY

25. Beginning on or about January 1, 2007, and continuing through on or about March 8, 2011, in Orange and Riverside Counties, within the Central District of California, and elsewhere, defendants TMI, DAVID MORROW, and LINDA MORROW, together with Unindicted Co-Conspirators 1 and 2, and others known and unknown to the Grand Jury, knowingly combined, conspired, and agreed to commit mail fraud, in violation of Title 18, United States Code, Section 1341.

C. THE MANNER AND MEANS OF THE CONSPIRACY

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

a. Defendant LINDA MORROW and other marketers paid by defendant DAVID MORROW would lure patients from Orange, Riverside, Los Angeles, and San Bernardino Counties into defendant TMI by telling the putative patients that they could use their union or Preferred Provider Organization ("PPO") health care benefit programs to pay for cosmetic procedures such as tummy tucks, breast lifts or augmentations, liposuction, rhinoplasties ("nose jobs"), and varicose veins treatment.

b. Unindicted Co-Conspirator 2 would recruit patients for defendant TMI and assist defendant DAVID MORROW in fraudulently coding cosmetic procedures, claiming they were medically necessary.

1 c. Defendants DAVID MORROW and LINDA MORROW would tell  
2 patients that they could receive free or discounted cosmetic  
3 procedures if they underwent multiple procedures that could be billed  
4 to their union or PPO health care benefit program.

5 d. The patients would undergo multiple cosmetic  
6 procedures at defendant TMI, including tummy tucks, breast lifts or  
7 augmentations, liposuction, nose jobs, and varicose veins treatment,  
8 and defendant TMI would bill those medically-unnecessary procedures  
9 to the patients' union or PPO health care benefit program by  
10 submitting claims for payment by falsely representing that such  
11 procedures were medically necessary.

12 e. Defendant DAVID MORROW and Unindicted Co-Conspirator  
13 1, and others known and unknown to the Grand Jury, would fabricate  
14 diagnoses, test results, and symptoms on medical records to trick the  
15 insurance companies into believing that the billed cosmetic  
16 procedures were medically necessary. Tummy tucks were fraudulently  
17 billed as hernia repair or abdominal reconstruction surgeries;  
18 rhinoplasties were fraudulently billed as deviated septum repair  
19 surgeries; and breast lifts and augmentations were fraudulently  
20 billed as "tuberous breast deformity."

21 f. Defendant DAVID MORROW would fraudulently alter  
22 medical records and other patient records in order to conceal that  
23 the procedures done at defendant TMI and billed to insurance as  
24 medically necessary were actually cosmetic.

25 g. The union or PPO health care benefit program would pay  
26 the claims by sending a reimbursement check to defendant TMI, or to  
27 the patient directly, via the United States mail. If a PPO health  
28 care benefit program sent the reimbursement check to the patient, the

1 patient would be directed by defendants DAVID MORROW or LINDA MORROW,  
2 or employees of defendant TMI, to either: cash the checks and bring  
3 the cash to defendants DAVID MORROW or LINDA MORROW; bring the check  
4 to defendants DAVID MORROW or LINDA MORROW and sign it over to them;  
5 or deposit the insurance check into the patient's own bank account,  
6 and obtain a cashier's check in the same amount made payable to  
7 defendants DAVID MORROW or TMI.

8 h. Shortly before or after paying the claims billed by  
9 defendants DAVID MORROW or TMI, the health care benefit program would  
10 send an Explanation of Benefits ("EOB") to the patient, via the  
11 United States mail, which would explain how much was being paid for  
12 the procedure(s), and the percentage or amount that was the patient's  
13 co-insurance financial responsibility.

14 i. To ensure that patients would undergo procedures at  
15 defendant TMI that TMI could bill to the insurance companies,  
16 defendants DAVID MORROW and LINDA MORROW would tell the patients that  
17 they did not have to pay the required co-insurance that the patients  
18 were supposed to pay, and would not make the patients pay the  
19 required co-insurance.

20 j. Defendant DAVID MORROW would pay some patients to  
21 undergo procedures that he would bill to insurance as medically  
22 necessary.

23 k. To respond to the insurance companies' requests for  
24 documents to substantiate the claims made by defendant TMI, defendant  
25 DAVID MORROW would mail letters with attached documents, some of  
26 which documents had been falsified or fabricated.

27 l. To attempt to conceal that multiple different  
28 procedures done at defendant TMI for the same patient were being

1 billed over a short time period, DAVID MORROW would use two other  
2 entities that listed different mailing addresses from defendant TMI,  
3 Specialty Surgeons, Inc. and Stellar Surgical Specialties, Inc.  
4 (together "the nominee billing entities"), to bill some of the  
5 procedures, even though the procedures were all done at defendant  
6 TMI. The different mailing addresses were simply different  
7 residential addresses controlled by defendants DAVID MORROW and LINDA  
8 MORROW.

9 m. Defendant DAVID MORROW would deposit some of the  
10 checks received from the insurance companies into bank accounts in  
11 his name at Bank of America and Wells Fargo, instead of depositing  
12 them into defendant TMI's business bank accounts

13 27. Between on or about January 1, 2007, and on or about March  
14 8, 2011, defendants TMI, DAVID MORROW, and LINDA MORROW submitted and  
15 caused to be submitted to Aetna, Anthem, Blue Shield of California,  
16 and Cigna, and other health care benefit programs, claims for payment  
17 totaling approximately \$50,000,000 for cosmetic procedures that were  
18 not medically necessary, for which approximately \$20,000,000 was  
19 collectively paid by Aetna, Anthem, Blue Shield of California, and  
20 Cigna.

21 D. OVERT ACTS

22 28. In furtherance of the conspiracy and to accomplish the  
23 object of the conspiracy, defendants TMI, DAVID MORROW, and LINDA  
24 MORROW, and others known and unknown to the Grand Jury, committed and  
25 caused to be committed various overt acts within the Central District  
26 of California, and elsewhere, including, but not limited to, the  
27 following:

28 Overt Act. No. 1: On or about January 13, 2009, defendants

1 DAVID MORROW and LINDA MORROW exchanged email messages about  
2 insurance paying for procedures at defendant TMI, including defendant  
3 DAVID MORROW noting that "Ins is where the \$ is."

4 Overt Act No. 2: On or about April 20, 2009, defendants DAVID  
5 MORROW and LINDA MORROW emailed messages to each other and TMI staff  
6 regarding how to present cosmetic procedures, such as tummy tucks,  
7 within presentations given to potential patients whose procedures  
8 would be paid by insurance.

9 Overt Act No. 3: On or about August 24, 2009, defendant DAVID  
10 MORROW emailed a doctor who had performed a gastric band procedure:  
11 "Please re-dictate or revise the attached op note such that I will  
12 have on hand an op note to give ins co that only mentions the Hiatal  
13 hernia repair and a separate one to keep on ha[n]d that covers the  
14 gastric banding."

15 Overt Act No. 4: On or about August 29, 2009, Unindicted Co-  
16 Conspirator 2 sent an email message to defendant DAVID MORROW,  
17 discussing not using a certain code when billing procedures to  
18 insurance: "it's a RED FLAG code and should NEVER be billed. For  
19 tummy tucks stick with the hernias only."

20 Overt Act No. 5: On or about October 23, 2009, defendant TMI  
21 mailed to Blue Cross/Blue Shield a claim for payment of \$92,350 for a  
22 procedure on patient T.S. (claim number 09296411590).

23 Overt Act No. 6: On or about October 30, 2009, defendant TMI  
24 caused Cigna to mail check number 00557816084 payable to defendant  
25 TMI in the amount of \$95,288.27 for a procedure on patient A.F.

26 Overt Act No. 7: On or about December 11, 2009, defendant TMI  
27 mailed to Anthem a claim for payment of \$88,500 for a procedure on  
28 patient A.B. (claim number 09345127728).

1           Overt Act No. 8: On or about December 11, 2009, defendant TMI  
2 mailed to Anthem a claim for payment of \$32,500 for a procedure on  
3 patient A.B. (claim number 09345127735).

4           Overt Act No. 9: On or about December 16, 2009, defendant TMI  
5 mailed to Anthem a claim for payment of \$88,500 for a procedure on  
6 patient T.A. (claim number 09350121135).

7           Overt Act No. 10: On or about December 16, 2009, defendant TMI  
8 mailed to Blue Cross/Blue Shield a claim for payment of \$88,500 for a  
9 procedure on patient S.W. (claim number 09350124050).

10           Overt Act No. 11: On or about January 14, 2010, through January  
11 17, 2010, defendant DAVID MORROW and Unindicted Co-Conspirator 1  
12 exchanged email messages in which they discuss altering operative  
13 reports and adding diagnoses to procedures billed as Abdominal  
14 Reconstructive Surgery: "Note: everyone having ARS will have on[e]  
15 'sort' of ventral hernia or another. I will try to 'rotate' thing a  
16 little to not make us look one dimensional or 'fake.'"

17           Overt Act No. 12: On or about January 19, 2010, Unindicted Co-  
18 Conspirator 1 sent an email message to defendant DAVID MORROW,  
19 writing "OP NOTE CLEAN NOW: PLEASE SEND FOR BILLING."

20           Overt Act No. 13: On or about January 20, 2010, defendant TMI  
21 mailed to Anthem a Pre-Operative Consultation Request for Pre-  
22 Authorization to pre-authorize a procedure on patient G.E.

23           Overt Act No. 14: On or about January 22, 2010, defendant TMI  
24 mailed to Anthem a claim for payment of \$98,950 for a procedure on  
25 patient A.Z. (claim number 10022431835).

26           Overt Act No. 15: On or about January 23, 2010, defendant TMI  
27 mailed to Anthem a claim for payment of \$98,400 for a procedure on  
28 patient G.E. (claim number 10023124006).

1           Overt Act No. 16: On or about February 20, 2010, defendant TMI  
2 mailed to Anthem a claim for payment of \$93,500 for a procedure on  
3 patient A.B. (claim number 10051123434).

4           Overt Act No. 17: In or about March 2010, defendant DAVID  
5 MORROW directed patient K.D. to re-do K.D.'s Patient Information form  
6 dated July 29, 2009, and write "nose, breast, and other concerns" for  
7 the nature of her visit to defendant TMI, instead of the words  
8 "breast augmentation" that she had originally written.

9           Overt Act No. 18: On or about March 1, 2010, defendant TMI  
10 mailed to Anthem a claim for payment of \$98,850 for a procedure on  
11 patient K.D. (claim number 10060134889).

12           Overt Act No. 19: On or about March 1, 2010, defendant TMI  
13 mailed to Anthem a claim for payment of \$25,000 for a procedure on  
14 patient K.D. (claim number 10060138081).

15           Overt Act No. 20: On or about March 5, 2010, defendant TMI  
16 mailed to Anthem a claim for payment of \$98,550 for a procedure on  
17 patient A.B. (claim number 10064122603).

18           Overt Act No. 21: On or about March 10, 2010, defendant TMI  
19 mailed to Anthem a claim for payment of \$25,000 for a procedure on  
20 patient A.B. (claim number 10069417672).

21           Overt Act No. 22: On or about March 24, 2010, defendant DAVID  
22 MORROW mailed a letter dated March 23, 2010, to Anthem regarding  
23 patient R.O., which attached altered documents, including an  
24 Anesthesia Record on which defendant DAVID MORROW had written  
25 "umbilical & ventral hernias" over the original text of  
26 "Abdominoplasty" in the procedure section.

27           Overt Act No. 23: On or about March 25, 2010, defendant DAVID  
28 MORROW mailed a letter dated March 23, 2010, to Anthem regarding

1 patient B.M, which attached fraudulent documents, including a "letter  
2 of testimonial" purportedly from patient B.M., but B.M. had not  
3 written or authorized that letter.

4 Overt Act No. 24: On or about March 28, 2010, defendant DAVID  
5 MORROW mailed a letter dated March 28, 2010, to Anthem regarding  
6 patient J.B., which attached fraudulent documents.

7 Overt Act No. 25: On or about April 2, 2010, defendant LINDA  
8 MORROW sent an email message to TMI staff entitled "Fwd:  
9 declaration," where she directed staff regarding obtaining the  
10 declarations with false statements from patients.

11 Overt Act No. 26: On or about May 3, 2010, defendant TMI caused  
12 Blue Cross/Blue Shield to mail check number 851932245 payable to  
13 patient T.S. in the amount of \$99,850 for a procedure on patient T.S.

14 Overt Act No. 27: On or about July 19, 2010, defendant DAVID  
15 MORROW mailed a letter dated July 19, 2010, to Anthem regarding  
16 patient R.G., which attached fraudulent documents.

17 Overt Act No. 28: On or about July 29, 2010, defendant LINDA  
18 MORROW sent an email message to Unindicted Co-Conspirator 1 and other  
19 TMI employees about additional procedures to bill to insurance,  
20 writing "I agree with everything [Unindicted Co-Conspirator 1] has  
21 expressed."

22 Overt Act No. 29: On or about September 15, 2010, defendant TMI  
23 mailed to Anthem a claim for payment of \$60,000 for a procedure on  
24 patient M.B. (claim number 10258125089).

COUNT TWENTY-TWO

[26 U.S.C. § 7206(1)]

1  
2  
3 29. The Grand Jury incorporates by reference and re-alleges  
4 Paragraphs 1 through 16 above of this Indictment as though set forth  
5 in their entirety here.

6 30. On or about September 11, 2009, in Riverside County, within  
7 the Central District of California, and elsewhere, defendant DAVID  
8 MORROW, then a resident of Rancho Mirage, California, willfully made  
9 and subscribed to a United States Individual Income Tax Return, Form  
10 1040, for the taxable year 2008, which was verified by a written  
11 declaration that it was made under the penalties of perjury, and  
12 caused such tax return to be filed with the Internal Revenue Service,  
13 which defendant DAVID MORROW did not believe to be true and correct  
14 as to every material matter contained therein, in that the tax return  
15 reported Schedule E Income (line item 17) of -\$108,899, whereas, as  
16 defendant DAVID MORROW then well knew and believed, the amount of  
17 Schedule E income required to be reported on such return was  
18 substantially greater, because defendant DAVID MORROW had failed to  
19 report on TMI'S 2008 U.S. Income Tax Return for an S Corporation,  
20 Form 1120S, more than \$100,000 in income that defendant DAVID MORROW  
21 had deposited into his personal Bank of America and Wells Fargo bank  
22 accounts, which he had failed to tell his tax return preparer.

COUNT TWENTY-THREE

[26 U.S.C. § 7206(1)]

1  
2  
3 31. The Grand Jury incorporates by reference and re-alleges  
4 Paragraphs 1 through 16 above of this Indictment as though set forth  
5 in their entirety here.

6 32. On or about October 12, 2010, in Riverside County, within  
7 the Central District of California, and elsewhere, defendant DAVID  
8 MORROW, then a resident of Rancho Mirage, California, willfully made  
9 and subscribed to a United States Individual Income Tax Return, Form  
10 1040, for the taxable year 2009, which was verified by a written  
11 declaration that it was made under the penalties of perjury, and  
12 caused such tax return to be filed with the Internal Revenue Service,  
13 which defendant DAVID MORROW did not believe to be true and correct.  
14 as to every material matter contained therein, in that the tax return  
15 reported Schedule E Income (line item 17) of \$117,910, whereas, as  
16 defendant DAVID MORROW then well knew and believed, the amount of  
17 Schedule E income required to be reported on such return was  
18 substantially greater, because defendant DAVID MORROW had failed to  
19 report on TMI'S 2009 U.S. Income Tax Return for an S Corporation,  
20 Form 1120S, more than \$1,500,000 in income that defendant DAVID  
21 MORROW had deposited into his personal Bank of America and Wells  
22 Fargo bank accounts, which he had failed to tell his tax return  
23 preparer.

COUNT TWENTY-FOUR

[26 U.S.C. § 7206(1)]

1  
2  
3 33. The Grand Jury incorporates by reference and re-alleges  
4 Paragraphs 1 through 16 above of this Indictment as though set forth  
5 in their entirety here.

6 34. On or about September 11, 2009, in Riverside County, within  
7 the Central District of California, and elsewhere, defendant DAVID  
8 MORROW, then a resident of Rancho Mirage, California, willfully made  
9 and subscribed to a United States Income Tax Return for an S  
10 Corporation, Form 1120S, for TMI, for the taxable year 2008, which  
11 was verified by a written declaration that it was made under the  
12 penalties of perjury, and caused such tax return to be filed with the  
13 Internal Revenue Service, which defendant DAVID MORROW did not  
14 believe to be true and correct as to every material matter contained  
15 therein, in that the tax return reported Gross receipts or sales  
16 (line item 1c) of \$3,465,348, whereas, as defendant DAVID MORROW then  
17 well knew and believed, the amount of Gross receipts or sales  
18 required to be reported on such return was substantially greater,  
19 because defendant DAVID MORROW had failed to report more than  
20 \$100,000 in income that defendant DAVID MORROW had deposited into his  
21 personal Bank of America and Wells Fargo bank accounts, which he had  
22 failed to tell his tax return preparer.

COUNT TWENTY-FIVE

[26 U.S.C. § 7206(1)]

1  
2  
3 35. The Grand Jury incorporates by reference and re-alleges  
4 Paragraphs 1 through 16 above of this Indictment as though set forth  
5 in their entirety here.

6 36. On or about August 16, 2010, in Riverside County, within  
7 the Central District of California, and elsewhere, defendant DAVID  
8 MORROW, then a resident of Rancho Mirage, California, willfully made  
9 and subscribed to a United States Income Tax Return for an S  
10 Corporation, Form 1120S, for TMI, for the taxable year 2009, which  
11 was verified by a written declaration that it was made under the  
12 penalties of perjury, and caused such tax return to be filed with the  
13 Internal Revenue Service, which defendant DAVID MORROW did not  
14 believe to be true and correct as to every material matter contained  
15 therein, in that the tax return reported Gross receipts or sales  
16 (line item 1c) of \$4,494,497, whereas, as defendant DAVID MORROW then  
17 well knew and believed, the amount of Gross receipts or sales  
18 required to be reported on such return was substantially greater,  
19 because defendant DAVID MORROW had failed to report more than  
20 \$1,500,000 in income that defendant DAVID MORROW had deposited into  
21 his personal Bank of America and Wells Fargo bank accounts, which he  
22 had failed to tell his tax return preparer.

COUNT TWENTY-SIX

[42 U.S.C. §§ 1320d-6(a)(3) and (b)(1)]

37. The Grand Jury incorporates by reference and re-alleges Paragraphs 1 through 16 above of this Indictment as though set forth in their entirety here.

38. On or about August 12, 2010, in Riverside County, within the Central District of California, defendants DAVID MORROW and LINDA MORROW, knowingly and for a reason other than permitted by Title 42, United States Code, Chapter 7, Subchapter XI, Part C, disclosed individually identifiable health information to another person.

COUNT TWENTY-SEVEN

[42 U.S.C. §§ 1320d-6(a)(3) and (b)(3)]

39. The Grand Jury incorporates by reference and re-alleges Paragraphs 1 through 16 above of this Indictment as though set forth in their entirety here.

40. On or about August 12, 2010, in Riverside County, within the Central District of California, defendants DAVID MORROW and LINDA MORROW, knowingly and for a reason other than permitted by Title 42, United States Code, Chapter 7, Subchapter XI, Part C, disclosed individually identifiable health information to another person, with the intent to sell, transfer, and use the individually identifiable health information for personal gain.

FORFEITURE ALLEGATION

[18 U.S.C. § 981(a)(1)(D)(v), 21 U.S.C. § 853,  
and 28 U.S.C. § 2461(c)]

41. The Grand Jury incorporates by reference and re-alleges Paragraphs 1 through 16 above of this Indictment as though set forth in their entirety here, for the purpose of alleging forfeiture, pursuant to the provisions of Title 18, United States Code, Section 981(a)(1)(D)(v), Title 28, United States Code, Section 2461(c), and Rule 32.2 of the Federal Rules of Criminal Procedure. Notice is hereby given that the United States will seek forfeiture as part of any sentence in the event of any defendant's conviction under any of Counts One through Twenty-One of this Indictment.

42. Counts One through Twenty-One of this Indictment allege acts or activities constituting federal mail fraud offenses pursuant to Title 18, United States Code, Sections 1341 and 1349. Pursuant to Title 18, United States Code, Section 981(a)(1)(D)(v) and Title 28, United States Code, Section 2461(c), upon conviction of a federal mail fraud offense, defendants TMI, DAVID MORROW, and LINDA MORROW shall forfeit to the United States of America:

a. All right, title, and interest in any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of such offense; and

b. A sum of money equal to the total amount of gross proceeds derived from such offense.

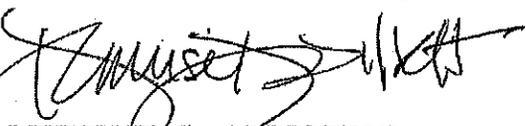
43. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1), and Title 28, United States Code, Section 2461(c); a defendant so convicted shall forfeit substitute property, up to the value of the

1 total amount described in paragraph 42, if, by any act or omission of  
2 said defendant, the property described in paragraph 42, or any  
3 portion thereof, cannot be located upon the exercise of due  
4 diligence; has been transferred, sold to, or deposited with a third  
5 party; has been placed beyond the jurisdiction of this court; has  
6 been substantially diminished in value; or has been commingled with  
7 other property that cannot be divided without difficulty.

8 A TRUE BILL

9  
10  
11 \_\_\_\_\_  
Foreperson

12 EILEEN M. DECKER  
United States Attorney

13  
14   
15 LAWRENCE S. MIDDLETON  
Assistant United States Attorney  
16 Chief, Criminal Division

17 DENNISE D. WILLETT  
Assistant United States Attorney  
18 Chief, Santa Ana Branch Office

19 SANDY N. LEAL  
Assistant United States Attorney  
20 Deputy Chief, Santa Ana Branch Office

21 CHARLES E. PELL  
Assistant United States Attorney  
22 Santa Ana Branch Office

United States District Court  
Central District of California

UNITED STATES OF AMERICA vs.

Docket No. SACR 15-00099-JLS-2

Defendant DAVID M. MORROW

Social Security No. 3 8 8 1

akas: David Martin Morrow (true name)

(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
09	29	2017

COUNSEL

Nathan J. Hochman, Retained Counsel

(Name of Counsel)

PLEA

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

FINDING

There being a finding/verdict of GUILTY, defendant has been convicted as charged of the offense(s) of:  
Count 21: 18 U.S.C. § 1349: Conspiracy to Commit Mail Fraud  
Count 22: 26 U.S.C. § 7206 (1): Making and Subscribing to a False Income Tax Return

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 \$200, which is due immediately. Any unpaid balance shall be due during the period of imprisonment, at the rate of not less than \$25 per quarter, and pursuant to the Bureau of Prisons' Inmate Financial Responsibility Program.

Pursuant to 18 U.S.C. § 3664(d)(5), the determination of restitution is deferred until **December 22, 2017 at 11:30 a.m.** An amended judgment will be entered after such determination.

It is ordered that the defendant shall pay to the United States a total fine of \$50,000. The fine shall be paid in full immediately.

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

The Court recommends that the Bureau of Prisons conduct a physical and mental health evaluation of the defendant and provide all necessary treatment.

Pursuant to the Sentencing Reform Act of 1984, it is the judgment of the Court that the defendant, David M. Morrow, is hereby committed on Counts 21 and 22 of the Indictment to the custody of the Bureau of Prisons to be imprisoned for a term of 240 months. This term consists of 240 months on Count 21 of the Indictment, and 36 months on Count 22 of the Indictment, to be served concurrently.

Upon release from imprisonment, the defendant shall be placed on supervised release for a term of three years under the following terms and conditions. This term consists of three years on Count 21 of the Indictment, and one year on Count 22 of the Indictment, all such terms to run concurrently under the following terms and conditions:

1. The defendant shall comply with the rules and regulations of the U.S. Probation Office and General Order 05-02. Further, the defendant shall comply with the rules and regulations of General Order 01-05, including the three special conditions delineated therein.
2. During the period of community supervision the defendant shall pay the special assessment, fine, and restitution in accordance with this judgment's orders and any subsequent orders pertaining to such payment.
3. The defendant shall cooperate in the collection of a DNA sample from the defendant.
4. The defendant shall participate in mental health treatment, which may include evaluation and counseling, until discharged from the treatment by the treatment provider, with the approval of the Probation Officer.
5. The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, not to exceed eight tests per month, as directed by the Probation Officer.
6. The defendant shall refrain from the use of alcohol and shall submit to breathalyzer testing, not to exceed eight (8) tests per month, to determine if the defendant has consumed alcohol.
7. The defendant shall participate in an outpatient substance abuse treatment and counseling program that includes urinalysis, breath, and/or sweat patch testing, as directed by the Probation Officer. The defendant shall abstain from using alcohol and illicit drugs, and from abusing prescription medications, during the period of supervision.
8. As directed by the Probation Officer, the defendant shall pay all or part of the costs of the Court-ordered treatment to the aftercare contractors during the period of community supervision. The defendant shall provide payment and proof of payment as directed by the Probation Officer. If the defendant has no ability to pay, no payment shall be required.
9. The defendant shall truthfully and timely file amended returns for the years 2008 and 2009, and shall truthfully and timely file returns and pay taxes during the period of community supervision. Further, the defendant shall show proof to the Probation Officer of compliance with this order.
10. The defendant shall pay all additional taxes and all penalties and interest assessed by the Internal Revenue Service on the basis of the returns for 2008 and 2009, and will promptly pay all additional taxes and all penalties and interest thereafter determined by the Internal Revenue Service to be owing as a result of any computational errors. Further, the defendant shall show proof to the Probation Officer of compliance with this order.
11. The defendant shall notify the California Medical Board of the defendant's conviction within 30 days of this judgment and thereafter comply with any orders, including any professional, employment, or business restrictions. Further, the defendant shall show proof to the Probation Officer of compliance with this order.
12. 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.

USA vs. DAVID M. MORROW

Docket No.: SACR 15-00099-JLS-2

The Court authorizes the Probation Office to disclose the Presentence Report to the substance abuse treatment provider to facilitate the defendant's treatment for narcotic addiction or drug dependency. Further redisclosure of the Presentence Report by the treatment provider is prohibited without the consent of the sentencing judge.

The Court authorizes the Probation Officer to disclose the Presentence Report and any previous mental health evaluations or reports to the mental health treatment provider. The treatment provider may provide information, excluding the Presentence Report, to State or local social service agencies for the purpose of the client's rehabilitation.

Defendant's right to appeal set forth and acknowledged by counsel.

The Government shall notify the California Medical Board of the defendant's conviction within 30 days of this judgment.

On Government's motion, all remaining counts ordered dismissed as to this defendant only.

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.

October 2, 2017

Date



U. S. District Judge

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

Clerk, U.S. District Court

October 2, 2017

Filed Date

By T. Guerrero

Deputy Clerk

USA vs. **DAVID M. MORROW**

Docket No.: **SACR 15-00099-JLS-2**

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.

USA vs. **DAVID M. MORROW**

Docket No.: **SACR 15-00099-JLS-2**

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

**STATUTORY PROVISIONS PERTAINING TO PAYMENT AND COLLECTION OF FINANCIAL SANCTIONS**

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

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

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

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

Payments shall be applied in the following order:

1. Special assessments pursuant to 18 U.S.C. §3013;
2. Restitution, in this sequence (pursuant to 18 U.S.C. § 3664(i), all non-federal victims must be paid before the United States is paid):
  - Non-federal victims (individual and corporate),
  - Providers of compensation to non-federal victims,
  - The United States as victim;
3. Fine;
4. Community restitution, pursuant to 18 U.S.C. §3663(c); and
5. Other penalties and costs.

**SPECIAL CONDITIONS FOR PROBATION AND SUPERVISED RELEASE**

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

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

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

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

USA vs. **DAVID M. MORROW**

Docket No.: **SACR 15-00099-JLS-2**

**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

COMPLEX,LEADTR,PASPRT

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA (Southern Division - Santa Ana)  
CRIMINAL DOCKET FOR CASE #: 8:15-cr-00099-JLS-2**

Case title: USA v. The Morrow Institute Medical Group, Inc. Date Filed: 09/02/2015  
et al Date Terminated: 10/02/2017

Assigned to: Judge Josephine L. Staton

**Defendant (2)**

**David M Morrow**

*TERMINATED: 10/02/2017*

represented by **Nathan J Hochman**

Morgan Lewis and Bockius LLP  
2049 Century Park East Suite 700  
Los Angeles, CA 90067-3109  
310-255-9025

Fax: 310-907-1001

Email:

nathan.hochman@morganlewis.com

*TERMINATED: 01/26/2018*

*LEAD ATTORNEY*

*ATTORNEY TO BE NOTICED*

*Designation: Retained*

**Pending Counts**

18:1349 CONSPIRACY TO COMMIT  
MAIL FRAUD  
(21)

**Disposition**

Committed on Counts 21 and 22 of the Indictment to the custody of the Bureau of Prisons to be imprisoned for a term of 240 months. This term consists of 240 months of Count 21, and 36 months on Count 22, to be served concurrently. Pay \$200 special assessment.

Restitution is deferred until 12/22/2017 at 11:30 am. Pay total fine of \$50,000. Placed on supervised release for a term of three years. This term consists of 3 years on Count 21, and 1 year on Count 22, all such terms to run concurrently under terms and conditions of US Probation Office and General Orders 05-02 and 01-05. AMENDED  
1/25/2018: Pay total Restitution of \$14,025,904.81.

26:7206(1) MAKING AND  
SUBSCRIBING TO A FALSE  
INCOME TAX RETURN  
(22)

Committed on Counts 21 and 22 of the  
Indictment to the custody of the Bureau  
of Prisons to be imprisoned for a term  
of 240 months. This term consists of  
240 months of Count 21, and 36 months  
on Count 22, to be served concurrently.  
Pay \$200 special assessment.  
Restitution is deferred until 12/22/2017  
at 11:30 am. Pay total fine of \$50,000.  
Placed on supervised release for a term  
of three years. This term consists of 3  
years on Count 21, and 1 year on Count  
22, all such terms to run concurrently  
under terms and conditions of US  
Probation Office and General Orders  
05-02 and 01-05. AMENDED  
1/25/2018: Pay total Restitution of  
\$14,025,904.81.

**Highest Offense Level (Opening)**

Felony

**Terminated Counts**

18:1341, 2(a), 2(b) MAIL FRAUD  
AND ATTEMPTED MAIL FRAUD;  
AIDING AND ABETTING;  
CAUSING AN ACT TO BE DONE  
(1-20)

26:7206(1) MAKING AND  
SUBSCRIBING TO A FALSE  
INCOME TAX RETURN  
(23-25)

42:1320d-6(a)(3) and (b)(1)  
WRONGFUL DISCLOSURE OF  
INDIVIDUALLY IDENTIFIABLE  
HEALTH INFORMATION  
(26)

42:1320d-6(a)(3) and (b)(3)  
WRONGFUL DISCLOSURE OF  
INDIVIDUALLY IDENTIFIABLE  
HEALTH INFORMATION WITH  
INTENT TO USE FOR PERSONAL  
GAIN  
(27)

**Disposition**

On Government's motion, all remaining  
counts ordered dismissed as to this  
defendant only.

On Government's motion, all remaining  
counts ordered dismissed as to this  
defendant only.

On Government's motion, all remaining  
counts ordered dismissed as to this  
defendant only.

On Government's motion, all remaining  
counts ordered dismissed as to this  
defendant only.

**Highest Offense Level (Terminated)**

Felony

**Complaints**

**Disposition**

None

**Plaintiff**

USA

represented by **Charles E Pell**

AUSA - Office of US Attorney  
 Santa Ana Branch Office  
 411 West Fourth Street Suite 8000  
 Santa Ana, CA 92701  
 714-338-3542  
 Fax: 714-338-3561  
 Email: charles.e.pell2@usdoj.gov  
**LEAD ATTORNEY**  
**ATTORNEY TO BE NOTICED**  
*Designation: Assistant US Attorney*

**Jerry C Yang**  
 AUSA - United States Attorney's Office  
 Riverside Branch  
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Date Filed	#	Docket Text
09/02/2015	<u>1</u>	INDICTMENT filed as to The Morrow Institute Medical Group, Inc. (1) count (s) 1-20, 21, David M Morrow (2) count(s) 1-20, 21, 22-25, 26, 27, Linda Morrow (3) count(s) 1-20, 21, 26, 27. Offense occurred in OC RV. (mt) (Entered: 09/08/2015)
09/02/2015	<u>3</u>	CASE SUMMARY filed by AUSA Charles E Pell as to Defendant David M Morrow; defendants Year of Birth: 1944 (mt) (Entered: 09/08/2015)
09/02/2015	<u>5</u>	MEMORANDUM filed by Plaintiff USA as to Defendant The Morrow Institute Medical Group, Inc., David M Morrow, Linda Morrow. Re Magistrate Judge Jacqueline Chooljian, Magistrate Judge Patrick J. Walsh, Magistrate Judge Sheri Pym, Magistrate Judge Michael Wilner, Magistrate Judge Jean Rosenbluth, Magistrate Judge Alka Sagar, Magistrate Judge Douglas McCormick, Magistrate Judge Rozella A. Oliver. (mt) (Entered: 09/08/2015)

09/02/2015	<u>6</u>	MEMORANDUM filed by Plaintiff USA as to Defendant The Morrow Institute Medical Group, Inc., David M Morrow, Linda Morrow. Re Judge Andre Birotte, Jr., Judge Michael M. Fitzgerald. (mt) (Entered: 09/08/2015)
09/02/2015	<u>7</u>	NOTICE TO COURT OF COMPLEX CASE filed by Plaintiff USA as to Defendant The Morrow Institute Medical Group, Inc., David M Morrow, Linda Morrow. (mt) (Entered: 09/08/2015)
09/02/2015	<u>11</u>	EX PARTE APPLICATION for Order Sealing Indictment Filed by Plaintiff USA as to Defendant The Morrow Institute Medical Group, Inc., David M Morrow, Linda Morrow. (mt) (Entered: 09/08/2015)
09/02/2015	<u>12</u>	ORDER by Magistrate Judge Karen E. Scott as to The Morrow Institute Medical Group, Inc. (1), David M Morrow (2), Linda Morrow (3): Granting EX PARTE APPLICATION Sealing Indictment and Related Documents <u>11</u> (mt) (Entered: 09/08/2015)
02/17/2016	<u>42</u>	PLEA AGREEMENT filed by Plaintiff USA as to Defendant David M Morrow (dg) (Entered: 02/19/2016)
02/18/2016	<u>28</u>	MINUTES OF POST-INDICTMENT ARRAIGNMENT: held before Magistrate Judge Karen E. Scott as to Defendant The Morrow Institute Medical Group, Inc. (1) Count 1-20,21 and David M Morrow (2) Count 1-20,21,22-25,26,27 and Linda Morrow (3) Count 1-20,21,26,27. Defendant arraigned. Defendant entered not guilty plea to all counts as charged. Attorney: Nathan J Hochman for The Morrow Institute Medical Group, Inc., Nathan J Hochman for David M Morrow, Mark J Werksman for Linda Morrow, Retained, present. Case assigned to Judge Josephine L. Staton. Court orders bail set for David M Morrow (2) \$5,000 AB. and Linda Morrow (3) \$5,000 AB. See attached copy of the bond for additional terms and conditions. Jury Trial set for 4/12/2016 09:00 AM before Judge Josephine L. Staton. Status Conference set for 4/1/2016 11:30 AM before Judge Josephine L. Staton. Defendant and counsel are ordered to appear. Counsel are referred to the assigned judge's trial/discovery order located on the Court's website, Judges Procedures and Schedules. Trial Estimate:15-17 days. Complex case. The term "Defendant" refers to all defendants unless otherwise indicated. Bond set as to defendants David Morrow and Linda Morrow. Court Smart: CS 2/18/16. (dg) (Entered: 02/19/2016)
02/18/2016	<u>31</u>	DESIGNATION AND APPEARANCE OF COUNSEL filed by Nathan J Hochman appearing for David M Morrow (dg) (Entered: 02/19/2016)
02/18/2016	<u>32</u>	STATEMENT OF CONSTITUTIONAL RIGHTS filed by Defendant David M Morrow (dg) (Entered: 02/19/2016)
02/18/2016	<u>33</u>	PASSPORT RECEIPT from U. S. Pretrial Services as to Defendant David M Morrow. USA passport was received on 2/18/16. (dg) (Entered: 02/19/2016)
02/18/2016	<u>34</u>	DECLARATION RE: PASSPORT filed by Defendant David M Morrow, declaring that my passport and any other travel documents are in the possession of federal authorities. If any such document is returned to me during the pendency of this case, I will immediately surrender it to the U.S. Pretrial

		Services Agency. I will not apply for a passport or other travel document during the pendency of this case. (dg) (Entered: 02/19/2016)
02/19/2016	<u>35</u>	BOND AND CONDITIONS OF RELEASE filed as to Defendant David M Morrow conditions of release: \$5,000 AB. See attached copy of the bond for details. Approved by Magistrate Judge Karen E. Scott. (dg) (Entered: 02/19/2016)
02/22/2016	<u>43</u>	SCHEDULING NOTICE by Judge Josephine L. Staton as to Defendant David M Morrow. Change of Plea Hearing is set for 3/18/2016 at 9:30 a.m., which date and time have been approved by counsel. Counsel and Defendant are ordered to appear. THERE IS NO PDF DOCUMENT ASSOCIATED WITH THIS ENTRY.(tg) TEXT ONLY ENTRY (Entered: 02/22/2016)
02/23/2016	<u>44</u>	GOVERNMENT'S VICTIM DISCLOSURE STATEMENT PURSUANT TO FED. R. CRIM. P. 12.4 filed by Plaintiff USA as to Defendant The Morrow Institute Medical Group, Inc., David M Morrow, Linda Morrow (Pell, Charles) (Entered: 02/23/2016)
03/18/2016	<u>45</u>	MINUTES OF Change of Plea Hearing held before Judge Josephine L. Staton as to Defendant David M Morrow. Defendant sworn. Court questions defendant regarding the plea. The Defendant David M Morrow (2) pleads GUILTY to Counts 21, and 22 of the Indictment. The plea is accepted. The Court refers the defendant to the Probation Office for investigation and presentencing report, and the matter is continued to September 23, 2016, at 10:30 a.m. for sentencing. The Court further ORDERS the Status Conference scheduled for April 1, 2016 and the Jury Trial scheduled for April 12, 2016, VACATED, as to this defendant only. The Court further ORDERS the defendant released on the same terms and conditions as previously set, pending sentencing. Court Reporter: Deborah Parker. (dv) (Entered: 03/18/2016)
03/24/2016	<u>46</u>	Notice of Appearance or Withdrawal of Counsel: for attorney Daron L Tooch counsel for Defendant Linda Morrow. Adding Daron L. Tooch as counsel of record for Linda Morrow for the reason indicated in the G-123 Notice. Filed by Defendant Linda Morrow. (Tooch, Daron) (Entered: 03/24/2016)
03/29/2016	<u>52</u>	SCHEDULING NOTICE by Judge Josephine L. Staton as to Defendants The Morrow Institute Medical Group, Inc. and Linda Morrow. The Status Conference is ordered ADVANCED and will be held 4/1/2016 at 9:30 a.m. Counsel and Defendant are ordered to appear. THERE IS NO PDF DOCUMENT ASSOCIATED WITH THIS ENTRY.(tg) TEXT ONLY ENTRY (Entered: 03/29/2016)
06/28/2016	<u>62</u>	MINUTES OF (IN CHAMBERS) ORDER by Judge Josephine L. Staton: RE Correspondence as to Defendant David M Morrow. The Court is in receipt of correspondence submitted by Greg Gittler. Local Rule 83-2.5 prohibits attorneys or parties from communicating with the Court in this manner. The Court has not reviewed the correspondence and orders it forwarded to defense counsel forthwith. (mba) (Entered: 06/28/2016)
07/01/2016	<u>63</u>	

		NOTICE of Manual Filing of UNDER SEAL FILING filed by Plaintiff USA as to Defendant The Morrow Institute Medical Group, Inc., David M Morrow, Linda Morrow (Pell, Charles) (Entered: 07/01/2016)
07/01/2016	<u>64</u>	SEALED DOCUMENT RE GOVERNMENT'S EX PARTE APPLICATION FOR AN ORDER ALLOWING DISCLOSURE OF GRAND JURY TESTIMONY; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATION OF AUSA CHARLES E PELL; [PROPOSED] ORDER (mt) (Entered: 07/11/2016)
07/08/2016	<u>65</u>	SEALED DOCUMENT RE ORDER ALLOWING DISCLOSURE OF GRAND JURY TESTIMONY (mt) (Entered: 07/11/2016)
07/28/2016	<u>66</u>	EX PARTE APPLICATION to Continue SENTENCING HEARING from September 23, 2016 to December 2, 2016. Filed by Defendant David M Morrow. (Attachments: # <u>1</u> Proposed Order) (Hochman, Nathan) (Entered: 07/28/2016)
08/01/2016	<u>67</u>	ORDER by Judge Josephine L. Staton as to David M Morrow (2): Granting Defendant David M Morrow's EX PARTE APPLICATION to Continue Sentencing Hearing <u>66</u> . Sentencing Hearing continued to 12/2/2016 09:30 AM before Judge Josephine L. Staton. (mt) (Entered: 08/01/2016)
08/02/2016	<u>68</u>	NOTICE of Manual Filing of Ex Parte Application to File Under Seal and Seal Docket Nos. 66 and 66-1 filed by Defendant David M Morrow (Hochman, Nathan) (Entered: 08/02/2016)
08/02/2016	<u>69</u>	EX PARTE APPLICATION to File Document Under Seal. Filed by Defendant David M Morrow. (Attachments: # <u>1</u> Proposed Order) (Hochman, Nathan) Modified on 8/3/2016 (tg). (Entered: 08/02/2016)
08/09/2016	<u>71</u>	DENIED ORDER by Judge Josephine L. Staton as to David M Morrow (2): Denying EX PARTE APPLICATION to File Document Under Seal <u>69</u> (mt) (Entered: 08/09/2016)
08/16/2016	<u>73</u>	NOTICE of Manual Filing of Ex Parte Application to File Confidential Portions of Docket No. 66 Under Seal; Declaration of Nathan J. Hochman filed by Defendant David M Morrow (Attachments: # <u>1</u> Proposed Order)(Hochman, Nathan) (Entered: 08/16/2016)
08/17/2016	<u>74</u>	EX PARTE APPLICATION for Order for Granting Ex Parte Application to File Confidential Portions of Docket No. 66 Under Seal Filed by Defendant David M Morrow. (Attachments: # <u>1</u> Exhibit 1, # <u>2</u> Proposed Order) (Hochman, Nathan) (Entered: 08/17/2016)
08/18/2016	<u>75</u>	ORDER by Judge Josephine L. Staton as to David M Morrow (2): Granting EX PARTE APPLICATION to File Confidential Portions of Docket No. 66 Under Seal <u>74</u> . (mt) (Entered: 08/18/2016)
08/22/2016	<u>76</u>	REDACTED EX PARTE APPLICATION to Continue Sentencing Hearing <u>66</u> from September 23, 2016 to December 2, 2016. RE: Order on Motion for Order <u>75</u> . Redacted Version Filed by Defendant David M Morrow. (Hochman, Nathan) Modified on 8/22/2016 (tg). (Entered: 08/22/2016)

11/07/2016	<u>104</u>	OBJECTION TO PRESENTENCE INVESTIGATION REPORT filed by Plaintiff USA as to Defendant David M Morrow (Pell, Charles) (Entered: 11/07/2016)
11/14/2016	<u>105</u>	STIPULATION to Continue sentencing hearing date from 12/02/2016 to 02/24/2017 filed by Plaintiff USA as to Defendant David M Morrow (Attachments: # <u>1</u> Proposed Order)(Pell, Charles) (Entered: 11/14/2016)
11/17/2016	<u>111</u>	ORDER TO CONTINUE Sentencing by Judge Josephine L. Staton as to Defendant David M Morrow. Based upon the parties' stipulation, the sentencing hearing as to defendant David M. Morrow is continued from December 2, 2016, to February 24, 2017, at 10:30 a.m. (dv) (Entered: 11/17/2016)
01/13/2017	<u>128</u>	STIPULATION to Continue Hearing from February 24, 2017 to April 21, 2017 filed by Defendant David M Morrow (Attachments: # <u>1</u> Proposed Order) (Hochman, Nathan) (Entered: 01/13/2017)
01/17/2017	<u>129</u>	ORDER TO CONTINUE Sentencing by Judge Josephine L. Staton as to Defendant David M Morrow. Based upon the parties' stipulation, the sentencing hearing as to defendant David M. Morrow is continued from February 24, 2017 to April 21, 2017, at 10:30 a.m. (dv) (Entered: 01/17/2017)
01/18/2017	<u>131</u>	OBJECTION TO PRESENTENCE INVESTIGATION REPORT filed by Plaintiff USA as to Defendant David M Morrow ( <i>factual objection</i> ) (Pell, Charles) (Entered: 01/18/2017)
02/21/2017	<u>133</u>	OBJECTION TO PRESENTENCE INVESTIGATION REPORT filed by Plaintiff USA as to Defendant David M Morrow ( <i>2d factual objection</i> ) (Pell, Charles) (Entered: 02/21/2017)
03/14/2017	<u>134</u>	OBJECTION filed by Defendant David M Morrow <i>to the Initial Draft Presentence Report</i> (Hochman, Nathan) (Entered: 03/14/2017)
03/14/2017	<u>135</u>	NOTICE of Manual Filing of the Bases for Objections to the Initial Draft Presentence Report filed by Defendant David M Morrow (Hochman, Nathan) (Entered: 03/14/2017)
03/14/2017	<u>136</u>	NOTICE of Manual Filing of Bases for Objections to the Initial Draft of the Presentence Report filed by Defendant David M Morrow (Hochman, Nathan) (Entered: 03/14/2017)
03/14/2017	<u>137</u>	EX PARTE APPLICATION for Order for Filing Under Seal Defendant's Bases for Objections to the Initial Draft Presentence Report Filed by Defendant David M Morrow. (Attachments: # <u>1</u> Proposed Order) (Hochman, Nathan) (Entered: 03/14/2017)
03/17/2017	<u>138</u>	MINUTES (IN CHAMBERS) ORDER REJECTING LODGED DOCUMENTS by Judge Josephine L. Staton: The Court has reviewed the Governments Lodged Ex Parte Motion for the Court's In Camera Inspection. These documents (together with two CDs containing electronic files that the Government requests be reviewed in camera) were apparently lodged without notice to Defendants. The Court has returned the documents and CDs to

		Privilege Review Team Assistant United States Attorney Tritia L. Yuen. *See Order for details.* (tg) (Entered: 03/17/2017)
03/17/2017	<u>139</u>	ORDER by Judge Josephine L. Staton: Granting <u>137</u> EX PARTE APPLICATION to File Document Under Seal. (mba) (Entered: 03/17/2017)
03/17/2017	<u>140</u>	SEALED DOCUMENT - DEFENDANT DAVID M. MORROW'S BASES FOR OBJECTIONS TO THE INITIAL DRAFT PRESENTENCE REPORT (es) (Entered: 03/20/2017)
03/21/2017	<u>141</u>	STIPULATION to Continue Sentencing Hearing Date from April 21, 2017 to May 26, 2017 filed by Defendant David M Morrow (Attachments: # <u>1</u> Proposed Order)(Hochman, Nathan) (Entered: 03/21/2017)
03/22/2017	<u>142</u>	PROOF OF SERVICE of Defendant David M. Morrow's Bases for Objections to the Initial Draft Presentence Report [Under Seal], served on March 22, 2017, by Defendant David M Morrow re Objection to Presentence Investigation Report <u>140</u> , Order on Motion for Order <u>139</u> , (Hochman, Nathan) (Entered: 03/22/2017)
03/22/2017	<u>143</u>	SEALED AMENDED DOCUMENT RE DEFENDANT DAVID M MORROW'S BASES FOR OBJECTIONS TO THE INITIAL DRAFT PRESENTENCE REPORT (mt) (Entered: 03/22/2017)
03/22/2017	<u>144</u>	ORDER by Judge Josephine L. Staton as to Defendant David M Morrow: Continuing Sentencing Hearing to 5/26/2017 09:30 AM before Judge Josephine L. Staton. (mt) (Entered: 03/22/2017)
03/30/2017	<u>146</u>	NOTICE of Deficiency in Electronically Filed Pro Hac Vice Application <u>145</u> . The following error(s) was/were found: Superseded version of Form G-64 used. (lt) (Entered: 03/30/2017)
04/13/2017	<u>151</u>	OBJECTION TO PRESENTENCE INVESTIGATION REPORT filed by Plaintiff USA as to Defendant David M Morrow ( <i>3d factual objection</i> ) (Pell, Charles) (Entered: 04/13/2017)
04/27/2017	<u>154</u>	MINUTES OF (IN CHAMBERS) FINDINGS ON ORDER TO SHOW CAUSE ORDER UNSEALING CASE; ORDER CONSOLIDATING CASES; ORDER DIRECTING CLERK TO FILE YANG DECLARATION; ORDER RETURNING LODGED DOCUMENTS AND CDs TO GOVERNMENT by Judge Josephine L. Staton: Therefore, upon review of the record in this case, the Court ORDERS as follows: The miscellaneous matter, EDCM 17-00048-UA shall be unsealed. The miscellaneous matter, EDCM 17-00048-UA shall be consolidated with the criminal matter, SACR 15-00099-JLS, and the miscellaneous matter shall be administratively closed. The Yang declaration shall be filed. Refer to Order for details. (es) (Entered: 04/28/2017)
05/05/2017	<u>155</u>	STIPULATION to Continue sentencing hearing date from 05/26/2017 to 08/25/2017 filed by Plaintiff USA as to Defendant David M Morrow (Attachments: # <u>1</u> Proposed Order)(Pell, Charles) (Entered: 05/05/2017)
05/09/2017	<u>156</u>	ORDER by Judge Josephine L. Staton as to Defendant David M Morrow: Continuing Sentencing Hearing to 8/25/2017 08:30 AM before Judge Josephine L. Staton. (mt) (Entered: 05/09/2017)

07/10/2017	<u>163</u>	EX PARTE APPLICATION for Order for REQUESTING STATUS CONFERENCE Filed by Plaintiff USA as to Defendant The Morrow Institute Medical Group, Inc., David M Morrow, Linda Morrow. (Attachments: # <u>1</u> Declaration, # <u>2</u> Proposed Order) (Pell, Charles) (Entered: 07/10/2017)
07/12/2017	<u>164</u>	ORDER by Judge Josephine L. Staton: granting <u>163</u> EX PARTE APPLICATION for Status Conference as to The Morrow Institute Medical Group, Inc. (1), David M Morrow (2), Linda Morrow (3). A status conference in this matter as to all defendants is hereby scheduled for July 14, 2017, at 11:30 a.m. (twdb) (Entered: 07/12/2017)
07/14/2017	<u>165</u>	MINUTES OF STATUS CONFERENCE (Held and Completed) before Judge Josephine L. Staton as to Defendant David M Morrow, Linda Morrow. Hearing held. Defendants failed to appear as ordered by the Court. Court and counsel confer. Counsel's oral motion to continue David Morrow's date for sentencing is DENIED. The trial and status conference dates as to Linda Morrow are ordered OFF CALENDAR. Court Reporter: Deborah Parker. (dv) (Entered: 07/17/2017)
07/24/2017	<u>166</u>	NOTICE of Change of address by Nathan J Hochman attorney for Defendant David M Morrow. Changing attorneys address to 2049 Century Park East, Suite 700, Los Angeles, CA 90067-3109. Filed by Defendant David M Morrow. (Hochman, Nathan) (Entered: 07/24/2017)
08/02/2017	<u>167</u>	NOTICE of DECLARING BREACH OF PLEA AGREEMENT BY DEFENDANT DAVID M. MORROW BASED ON HIS BECOMING A FUGITIVE AND FAILING TO APPEAR filed by Plaintiff USA as to Defendant David M Morrow (Attachments: # <u>1</u> Declaration)(Pell, Charles) (Entered: 08/02/2017)
08/03/2017	<u>168</u>	STIPULATION for Order FINDING BREACH OF PLEA AGREEMENT BY DEFENDANT DAVID M. MORROW filed by Plaintiff USA as to Defendant David M Morrow (Attachments: # <u>1</u> Proposed Order)(Pell, Charles) (Entered: 08/03/2017)
08/10/2017	<u>169</u>	EX PARTE APPLICATION for Disclosure of witness grand jury testimony in government's sentencing filing Filed by Plaintiff USA as to Defendant David M Morrow. (Attachments: # <u>1</u> Proposed Order) (Pell, Charles) (Entered: 08/10/2017)
08/11/2017	<u>170</u>	ORDER FINDING BREACH OF PLEA AGREEMENT BY DEFENDANT DAVID M. MORROW <u>168</u> by Judge Josephine L. Staton as to Defendant David M Morrow. Based upon the stipulation filed in this case on August 3, 2017, and good cause appearing, the Court finds that defendant David M. Morrow has breached certain of his obligations under the plea agreement in this case. (dv) (Entered: 08/11/2017)
08/11/2017	<u>171</u>	NOTICE of Manual Filing of Ex Parte Application to File Document Under Seal; Declaration of Nathan J. Hochman; and Defendant Dr. David Morrow's Sentencing Position filed by Defendant David M Morrow (Attachments: # <u>1</u> Proposed Order)(Hochman, Nathan) (Entered: 08/11/2017)
08/11/2017	<u>172</u>	

		EX PARTE APPLICATION for Order for sealing exhibits to government sentencing position Filed by Plaintiff USA as to Defendant David M Morrow. (Attachments: # <u>1</u> Declaration, # <u>2</u> Proposed Order) (Pell, Charles) (Entered: 08/11/2017)
08/11/2017	<u>173</u>	SENTENCING MEMORANDUM [redacted for 6(e)] filed by Plaintiff USA as to Defendant David M Morrow (Pell, Charles) (Entered: 08/11/2017)
08/11/2017	<u>174</u>	ORDER RE: Ex Parte Application for Disclosure <u>169</u> by Judge Josephine L. Staton: DENIED BY ORDER OF THE COURT. Any discussion of the substance of the grand jury testimony in the governments position papers should be included in a separate appendix filed under seal. (Iwag) (Entered: 08/14/2017)
08/14/2017	<u>175</u>	EX PARTE APPLICATION for Disclosure of Grand Jury testimony in government's under seal sentencing filing and exhibits Filed by Plaintiff USA as to Defendant David M Morrow. (Attachments: # <u>1</u> Proposed Order) (Pell, Charles) (Entered: 08/14/2017)
08/14/2017	<u>176</u>	NOTICE of Under Seal Filing filed by Defendant David M Morrow (Attachments: # <u>1</u> Proposed Order)(Hochman, Nathan) (Entered: 08/14/2017)
08/14/2017	<u>177</u>	EX PARTE APPLICATION for Order for filing sentencing position under seal Filed by Defendant David M Morrow. (Attachments: # <u>1</u> Proposed Order) (Hochman, Nathan) (Entered: 08/14/2017)
08/15/2017	<u>178</u>	ORDER by Judge Josephine L. Staton: DENIED BY ORDER OF THE COURT re <u>177</u> EX PARTE APPLICATION. Defendant must resubmit with only private medical information highlighted in proposed sealed version and redacted from proposed public filing. (mba) (Entered: 08/15/2017)
08/17/2017	<u>179</u>	ORDER by Judge Josephine L. Staton: granting <u>175</u> EX PARTE APPLICATION for Disclosure of Grand Jury Testimony as to David M Morrow (2) (twdb) (Entered: 08/17/2017)
08/17/2017	<u>180</u>	SENTENCING MEMORANDUM filed by Defendant David M Morrow (Attachments: # <u>1</u> Exhibit A, # <u>2</u> Exhibit B, # <u>3</u> Exhibit C, # <u>4</u> Exhibit D, # <u>5</u> Exhibit E, # <u>6</u> Exhibit F, # <u>7</u> Exhibit G, # <u>8</u> Exhibit H, I, J, K, L, # <u>9</u> Exhibit M, # <u>10</u> Exhibit N)(Hochman, Nathan) (Entered: 08/17/2017)
08/17/2017	<u>181</u>	EX PARTE APPLICATION for Order for filing Confidential Portions of Sentencing Position Under Seal as well as Exhibits H, I, J, K, and L Filed by Defendant David M Morrow. (Attachments: # <u>1</u> Proposed Order) (Hochman, Nathan) (Entered: 08/17/2017)
08/17/2017	<u>182</u>	NOTICE of Manual Filing of Defendant David Morrow's Sentencing Position; Exhibits filed by Defendant David M Morrow (Hochman, Nathan) (Entered: 08/17/2017)
08/17/2017	<u>183</u>	NOTICE of Manual Filing of Government's Sentencing Position filed by Plaintiff USA as to Defendant David M Morrow (Pell, Charles) (Entered: 08/17/2017)
08/17/2017	<u>187</u>	

		NOTICE OF LODGING filed by Plaintiff USA as to Defendant David M Morrow <i>OF (CD) CONTAINING EXHIBITS TO GOVERNMENT'S SENTENCING POSITION FOR DEFENDANT DAVID M. MORROW FILED UNDER SEAL</i> (Pell, Charles) (Entered: 08/17/2017)
08/17/2017	<u>188</u>	NOTICE of of Victim Appearance at Sentencing Hearing filed by Plaintiff USA as to Defendant David M Morrow (Pell, Charles) (Entered: 08/17/2017)
08/18/2017	<u>189</u>	MINUTES OF IN CHAMBERS ORDER by Judge Josephine L. Staton as to Defendant David M Morrow: The Court therefore vacates the sentencing hearing date and orders defense counsel and the government to meet and confer as to an available date for sentencing approximately 45-60 days from the date of this Order. Any proposed date should consider the availability of victims who had intended to appear at the August 25, 2017 sentencing hearing. The August 25, 2017 8:30 a.m. hearing will remain on calendar solely to address issues relating to the sealing of documents in this case and other procedural matters. The parties should be prepared at that time with agreed-upon alternative sentencing dates. *Refer to Order for further details.* (es) (Entered: 08/18/2017)
08/25/2017	<u>190</u>	SENTENCING MEMORANDUM filed by Plaintiff USA as to Defendant David M Morrow (Pell, Charles) (Entered: 08/25/2017)
08/25/2017	<u>191</u>	MINUTES OF SENTENCING - CONTINUED Hearing held before Judge Josephine L. Staton as to Defendant David M Morrow. Court ruled on applications to file under seal as set forth on the record. Any response to the Revised PSR filed August 17, 2017, shall be filed no later than September 1, 2017. Sentencing continued to 9/29/2017 08:30 AM before Judge Josephine L. Staton. Court Reporter: Deborah Parker. (mt) (Entered: 08/25/2017)
08/25/2017	<u>193</u>	SEALED DOCUMENT RE GOVERNMENT'S EX PARTE APPLICATION FOR ORDER SEALING GOVERNMENT SENTENCING POSITION PAPER AND SENTENCING EXHIBITS; DECLARATION OF CHARLES E PELL (mt) (Entered: 08/30/2017)
08/25/2017	<u>194</u>	SEALED DOCUMENT RE DEFENDANT DAVID MORROW'S SENTENCING POSITION; EXHIBITS (Attachments: # <u>1</u> Exhibit A, # <u>2</u> Exhibit B, # <u>3</u> Exhibit C, # <u>4</u> Exhibit D, # <u>5</u> Exhibit E, # <u>6</u> Exhibit F, # <u>7</u> Exhibit G, # <u>8</u> Exhibit H, # <u>9</u> Exhibit I, # <u>10</u> Exhibit J, # <u>11</u> Exhibit K, # <u>12</u> Exhibit L, # <u>13</u> Exhibit M, # <u>14</u> Exhibit N, # <u>15</u> Proof of Service)(mt) (Entered: 08/30/2017)
08/25/2017	<u>201</u>	SEALED DOCUMENT-Sentencing Exhibits (Volume 1 of 3) filed by Plaintiff USA. (Attachments: # <u>1</u> Part 2, # <u>2</u> Part 3, # <u>3</u> Part 4, # <u>4</u> Part 5, # <u>5</u> Part 6, # <u>6</u> Part 7, # <u>7</u> Part 8, # <u>8</u> Part 9, # <u>9</u> Part 10, # <u>10</u> Part 11, # <u>11</u> Part 12, # <u>12</u> Part 13, # <u>13</u> Part 14, # <u>14</u> Part 15, # <u>15</u> Part 16, # <u>16</u> Part 17, # <u>17</u> Part 18, # <u>18</u> Part 19, # <u>19</u> Part 20)(lwag) (Entered: 09/13/2017)
08/25/2017	<u>203</u>	SEALED DOCUMENT-Sentencing Exhibits (Volume 3 of 3) filed by Plaintiff USA. (Attachments: # <u>1</u> Part 43-Part 2, # <u>2</u> Part 44, # <u>3</u> Part 45, # <u>4</u> Part 46, # <u>5</u> Part 47, # <u>6</u> Part 48, # <u>7</u> Part 49, # <u>8</u> Part 50, # <u>9</u> Part 51, # <u>10</u> Part 52, # <u>11</u> Part

		53, # <u>12</u> Part 54, # <u>13</u> Part 55, # <u>14</u> Part 56, # <u>15</u> Part 57, # <u>16</u> Part 58, # <u>17</u> Part 59, # <u>18</u> Part 60, # <u>19</u> Part 61, # <u>20</u> Part 62)(lwag) (Entered: 09/13/2017)
08/30/2017	<u>192</u>	NOTICE of Filing of Redacted Sentencing Exhibits filed by Plaintiff USA as to Defendant David M Morrow ( <i>Exhibits 1-2, 5-12, 18, 37, 43, 77-83, 86-92, 100-102, 109, 111-16, 122, 127, 130-35</i> ), Re: Sentencing Memorandum <u>190</u> , Sentencing, <u>191</u> (Attachments: # <u>1</u> Exhibit, # <u>2</u> Exhibit, # <u>3</u> Exhibit, # <u>4</u> Exhibit, # <u>5</u> Exhibit, # <u>6</u> Exhibit, # <u>7</u> Exhibit, # <u>8</u> Exhibit, # <u>9</u> Exhibit, # <u>10</u> Exhibit, # <u>11</u> Exhibit, # <u>12</u> Exhibit, # <u>13</u> Exhibit, # <u>14</u> Exhibit, # <u>15</u> Exhibit, # <u>16</u> Exhibit, # <u>17</u> Exhibit, # <u>18</u> Exhibit, # <u>19</u> Exhibit, # <u>20</u> Exhibit, # <u>21</u> Exhibit, # <u>22</u> Exhibit, # <u>23</u> Exhibit, # <u>24</u> Exhibit, # <u>25</u> Exhibit, # <u>26</u> Exhibit, # <u>27</u> Exhibit, # <u>28</u> Exhibit, # <u>29</u> Exhibit, # <u>30</u> Exhibit, # <u>31</u> Exhibit, # <u>32</u> Exhibit, # <u>33</u> Exhibit, # <u>34</u> Exhibit, # <u>35</u> Exhibit, # <u>36</u> Exhibit, # <u>37</u> Exhibit, # <u>38</u> Exhibit, # <u>39</u> Exhibit, # <u>40</u> Exhibit, # <u>41</u> Exhibit, # <u>42</u> Exhibit, # <u>43</u> Exhibit, # <u>44</u> Exhibit)(Pell, Charles) (Entered: 08/30/2017)
09/01/2017	<u>195</u>	SUPPLEMENTAL INFORMATION filed by Defendant David M Morrow RE: Position with Respect to Presentence Report/Sentencing Factors, <u>194</u> (Hochman, Nathan) (Entered: 09/01/2017)
09/01/2017	<u>196</u>	NOTICE of Manual Filing of Exhibit 141 to Government's Supplemental Sentencing Position filed by Plaintiff USA as to Defendant David M Morrow (Pell, Charles) (Entered: 09/01/2017)
09/01/2017	<u>197</u>	GOVERNMENT'S SUPPLEMENTAL SENTENCING POSITION filed by Plaintiff USA as to Defendant David M Morrow ( <i>RE: Revised PSR's intended loss of \$42,000,000</i> ) (Pell, Charles) (Entered: 09/01/2017)
09/07/2017	<u>198</u>	EX PARTE APPLICATION for Order for SEALING SENTENCING EXHIBIT 141 Filed by Plaintiff USA as to Defendant David M Morrow. (Attachments: # <u>1</u> Proposed Order) (Pell, Charles) (Entered: 09/07/2017)
09/07/2017	<u>199</u>	ORDER by Judge Josephine L. Staton as to David M Morrow (2): Granting EX PARTE APPLICATION for Order Sealing Sentencing Exhibits <u>198</u> (mt) (Entered: 09/11/2017)
09/07/2017	<u>200</u>	SEALED DOCUMENT RE EXHIBIT 141 TO GOVERNMENT'S SUPPLEMENT SENTENCING POSITION RE: REVISED PRE-SENTENCING REPORT RE: AMOUNT OF INTENDED LOSS (mt) (Entered: 09/12/2017)
09/13/2017	<u>202</u>	SEALED DOCUMENT-Sentencing Exhibits (Volume 2 of 3) filed by Plaintiff USA. (Attachments: # <u>1</u> Part 21-Part 2, # <u>2</u> Part 22, # <u>3</u> Part 23, # <u>4</u> Part 24, # <u>5</u> Part 25, # <u>6</u> Part 26, # <u>7</u> Part 27, # <u>8</u> Part 28, # <u>9</u> Part 29, # <u>10</u> Part 30, # <u>11</u> Part 31, # <u>12</u> Part 32, # <u>13</u> Part 33, # <u>14</u> Part 34, # <u>15</u> Part 35, # <u>16</u> Part 36, # <u>17</u> Part 37, # <u>18</u> Part 38, # <u>19</u> Part 39, # <u>20</u> Part 40, # <u>21</u> Part 41, # <u>22</u> Part 42) (lwag) (Entered: 09/13/2017)
09/28/2017	<u>204</u>	NOTICE of UPDATED LIST OF VICTIM APPEARANCE AT SENTENCING HEARING filed by Plaintiff USA as to Defendant David M Morrow (Pell, Charles) (Entered: 09/28/2017)
09/29/2017	<u>205</u>	

		MINUTES OF SENTENCING Hearing held before Judge Josephine L. Staton as to Defendant David M Morrow. Defendant David M Morrow (2), Count(s) 21, 22, Committed on Counts 21 and 22 of the Indictment to the custody of the Bureau of Prisons to be imprisoned for a term of 240 months. This term consists of 240 months of Count 21, and 36 months on Count 22, to be served concurrently. Pay \$200 special assessment. Restitution is deferred until 12/22/2017 at 11:30 am. Pay total fine of \$50,000. Placed on supervised release for a term of three years. This term consists of 3 years on Count 21, and 1 year on Count 22, all such terms to run concurrently under terms and conditions of US Probation Office and General Orders 05-02 and 01-05. Count (s) 1-20, 23-25, 26, 27, On Government's motion, all remaining counts ordered dismissed as to this defendant only. Defendant's right to appeal set forth and acknowledged by counsel. The Government shall notify the California Medical Board of the defendant's conviction within 30 days of this judgment. Court Reporter: Deborah Parker and Debbie Gale. (mt) (Entered: 10/02/2017)
10/02/2017	<u>206</u>	JUDGMENT AND COMMITMENT by Judge Josephine L. Staton as to Defendant David M Morrow (2), Count(s) 21, 22, Committed on Counts 21 and 22 of the Indictment to the custody of the Bureau of Prisons to be imprisoned for a term of 240 months. This term consists of 240 months of Count 21, and 36 months on Count 22, to be served concurrently. Pay \$200 special assessment. Restitution is deferred until 12/22/2017 at 11:30 am. Pay total fine of \$50,000. Placed on supervised release for a term of three years. This term consists of 3 years on Count 21, and 1 year on Count 22, all such terms to run concurrently under terms and conditions of US Probation Office and General Orders 05-02 and 01-05. Count(s) 1-20, 23-25, 26, 27, On Government's motion, all remaining counts ordered dismissed as to this defendant only. (mt) (Entered: 10/02/2017)
10/03/2017	<u>208</u>	SEALED DOCUMENT RE MINUTES OF IN CHAMBERS ORDER by Judge Josephine L. Staton (mt) (Entered: 10/04/2017)
12/18/2017	<u>211</u>	STIPULATION to Continue Restitution Hearing from December 22, 2017 to January 25, 2018 filed by Defendant David M Morrow (Attachments: # <u>1</u> Proposed Order)(Hochman, Nathan) (Entered: 12/18/2017)
12/19/2017	<u>212</u>	ORDER CONTINUING RESTITUTION HEARING DATE by Judge Josephine L. Staton as to Defendant David M Morrow, re Stipulation to Continue <u>211</u> . Based upon the parties' stipulation, the restitution hearing as to defendant David M. Morrow is continued from December 22, 2017 to January 25, 2018, at 1:30 p.m. The parties shall file all position papers relating to restitution no later than January 11, 2018. (dv) (Entered: 12/19/2017)
01/05/2018	<u>213</u>	NOTICE of Manual Filing of Under Seal filed by Plaintiff USA as to Defendant The Morrow Institute Medical Group, Inc., David M Morrow, Linda Morrow (Yang, Jerry) (Entered: 01/05/2018)
01/08/2018	<u>219</u>	SEALED DOCUMENT RE GOVERNMENT'S EX PARTE APPLICATION FOR ORDER SEALING 1) APPLICATION FOR AN ORDER FINDING SUFFICIENT FACTUAL BASIS THAT A REVIEW OF THE E-MAILS MAY REVEAL EVIDENCE TO ESTABLISH THAT THE CRIME-FRAUD EXCEPTION TO THE ATTORNEY-CLIENT PRIVILEGE AND

		SUPPORTING EXHIBITS; AND 2) NOTICE OF LODGING OF E-MAILS AND EXHIBITS; DECLARATION OF JERRY C YANG (mt) (Entered: 01/11/2018)
01/08/2018	<u>220</u>	SEALED DOCUMENT RE ORDER SEALING: 1) APPLICATION FOR AN ORDER FINDING SUFFICIENT FACTUAL BASIS THAT A REVIEW OF THE E-MAILS MAY REVEAL EVIDENCE TO ESTABLISH THAT THE CRIME-FRAUD EXCEPTION TO THE ATTORNEY-CLIENT PRIVILEGE AND SUPPORTING EXHIBITS; AND 2) NOTICE OF LODGING OF E-MAILS AND EXHIBITS (mt) (Entered: 01/11/2018)
01/08/2018	<u>221</u>	SEALED DOCUMENT RE GOVERNMENT'S APPLICATION FOR AN ORDER FINDING SUFFICIENT FACTUAL BASIS THAT A REVIEW OF THE E-MAILS MAY REVEAL EVIDENCE TO ESTABLISH THAT THE CRIME-FRAUD EXCEPTION TO THE ATTORNEY-CLIENT PRIVILEGE APPLIES; MEMORANDUM OF POINTS AND AUTHORITIES; EXHIBIT (mt) (Entered: 01/11/2018)
01/09/2018	<u>214</u>	NOTICE of Manual Filing of Under Seal filed by Plaintiff USA as to Defendant The Morrow Institute Medical Group, Inc., David M Morrow, Linda Morrow (Yang, Jerry) (Entered: 01/09/2018)
01/11/2018	<u>215</u>	NOTICE of Manual Filing of Government's Restitution Exhibits filed by Plaintiff USA as to Defendant David M Morrow (Pell, Charles) (Entered: 01/11/2018)
01/11/2018	<u>216</u>	NOTICE of Manual Filing of Portions of Defendant's Response to the Government's Restitution Calculation, and Supporting Declarations of Nathan Hochman and Dr. Joseph Isaac Kamelgard filed by Defendant David M Morrow (Hochman, Nathan) (Entered: 01/11/2018)
01/11/2018	<u>217</u>	EX PARTE APPLICATION filed by Defendant David M Morrow <i>to File Under Seal; Supporting Declaration of Nathan J. Hochman</i> (Attachments: # <u>1</u> Proposed Order)(Hochman, Nathan) (Entered: 01/11/2018)
01/11/2018	<u>218</u>	SENTENCING MEMORANDUM filed by Plaintiff USA as to Defendant David M Morrow (Attachments: # <u>1</u> Exhibit (Government Exhibit 152 - REDACTED restitution spreadsheet))(Pell, Charles) (Entered: 01/11/2018)
01/11/2018	<u>222</u>	SEALED DOCUMENT RE ORDER FINDING SUFFICIENT FACTUAL BASIS THAT A REVIEW OF THE E-MAILS MAY REVEAL EVIDENCE TO ESTABLISH THAT THE CRIME-FRAUD EXCEPTION TO THE ATTORNEY-CLIENT PRIVILEGE APPLIES (mt) (Entered: 01/11/2018)
01/19/2018	<u>223</u>	NOTICE of GOVERNMENT'S FILING OF DECLARATION OF CHARLES E. PELL TO CORRECT FACTUAL MISSTATEMENT BY DEFENSE COUNSEL IN DEFENSE'S RESTITUTION BRIEF filed by Plaintiff USA as to Defendant David M Morrow (Attachments: # <u>1</u> Declaration, # <u>2</u> Exhibit (Exhibit-1 to Pell Declaration), # <u>3</u> Exhibit (Exhibit-2 to Pell Declaration)) (Pell, Charles) (Entered: 01/19/2018)
01/19/2018	<u>224</u>	

		NOTICE of LIMITED APPEARANCE filed by Plaintiff USA as to Defendant The Morrow Institute Medical Group, Inc., David M Morrow, Linda Morrow (Yang, Jerry) (Entered: 01/19/2018)
01/24/2018	<u>227</u>	SEALED DOCUMENT RE DECLARATION OF JOSEPH KAMELGARD IN SUPPORT OF DEFENDANT'S RESPONSE TO THE GOVERNMENT'S RESTITUTION CALCULATION (mt) (Entered: 01/29/2018)
01/24/2018	<u>228</u>	SEALED DOCUMENT RE DEFENDANT'S RESPONSE TO THE GOVERNMENT'S RESTITUTION CALCULATION (mt) (Entered: 01/29/2018)
01/24/2018	<u>229</u>	SEALED DOCUMENT RE DECLARATION OF NATHAN HOCHMAN IN SUPPORT OF DEFENDANT'S RESPONSE TO THE GOVERNMENT'S RESTITUTION CALCULATION. (Attachments: # <u>1</u> Part 2, # <u>2</u> Part 3, # <u>3</u> Part 4, # <u>4</u> Part 5, # <u>5</u> Part 6)(mt) (Entered: 01/29/2018)
01/24/2018	<u>230</u>	SEALED DOCUMENT RE GOVERNMENT'S RESTITUTION EXHIBITS (Attachments: # <u>1</u> Part 2, # <u>2</u> Part 3, # <u>3</u> Part 4, # <u>4</u> Part 5, # <u>5</u> Part 6, # <u>6</u> Part 7, # <u>7</u> Part 8, # <u>8</u> Part 9, # <u>9</u> Part 10, # <u>10</u> Part 11, # <u>11</u> Part 12, # <u>12</u> Part 13, # <u>13</u> Part 14, # <u>14</u> Part 15, # <u>15</u> Part 16, # <u>16</u> Part 17, # <u>17</u> Part 18, # <u>18</u> Part 19, # <u>19</u> Part 20, # <u>20</u> Part 21, # <u>21</u> Part 22, # <u>22</u> Part 23, # <u>23</u> Part 24, # <u>24</u> Part 25, # <u>25</u> Part 26, # <u>26</u> Part 27, # <u>27</u> Part 28, # <u>28</u> Part 29, # <u>29</u> Part 30, # <u>30</u> Part 31)(mt) (Entered: 01/29/2018)
01/24/2018	<u>231</u>	ORDER by Judge Josephine L. Staton as to Defendant David M Morrow: Granting Ex Parte Application to File Document Under Seal <u>217</u> . (mt) (Entered: 01/29/2018)
01/24/2018	<u>233</u>	ORDER by Judge Josephine L. Staton as to Defendant David M Morrow: Granting Ex Parte Application for Order Sealing Restitution Exhibits. (mt) (Entered: 01/29/2018)
01/25/2018	<u>226</u>	AMENDED JUDGMENT ON JANUARY 25, 2018 AS TO RESTITUTION ONLY by Judge Josephine L. Staton as to Defendant David M Morrow (2), Count(s) 21, 22, Committed on Counts 21 and 22 of the Indictment to the custody of the Bureau of Prisons to be imprisoned for a term of 240 months. This term consists of 240 months of Count 21, and 36 months on Count 22, to be served concurrently. Pay \$200 special assessment. Pay total Restitution of \$14,025,904.81. Pay total fine of \$50,000. Placed on supervised release for a term of three years. This term consists of 3 years on Count 21, and 1 year on Count 22, all such terms to run concurrently under terms and conditions of US Probation Office and General Orders 05-02 and 01-05. Count(s) 1-20, 23-25, 26, 27, On Government's motion, all remaining counts ordered dismissed as to this defendant only. (mt) (Entered: 01/26/2018)
01/25/2018	<u>232</u>	AMENDED MINUTES TO REFLECT CORRECT DATE OF HEARING held before Judge Josephine L. Staton re: MINUTES OF RESTITUTION HEARING held before Judge Josephine L. Staton as to Defendant David M Morrow. Oral arguments heard. The Court accepts the government's restitution analysis and orders restitution in the total amount of \$14,025,904.81, to victims as set forth Government's Sentencing Position Re: Calculation of Restitution

		Amount (Doc. 218, page 5). See Amended Judgment and Probation/Commitment Order. Counsel's oral motion to be relieved as counsel of record for defendant, David M. Morrow, is GRANTED. IT IS SO ORDERED. Court Reporter: Deborah Parker. (mt) <u>225</u> as to Defendant David M Morrow. (mt) (Entered: 01/29/2018)
01/26/2018	<u>225</u>	MINUTES OF RESTITUTION HEARING held before Judge Josephine L. Staton as to Defendant David M Morrow. Oral arguments heard. The Court accepts the government's restitution analysis and orders restitution in the total amount of \$14,025,904.81, to victims as set forth Government's Sentencing Position Re: Calculation of Restitution Amount (Doc. 218, page 5). See Amended Judgment and Probation/Commitment Order. Counsel's oral motion to be relieved as counsel of record for defendant, David M. Morrow, is GRANTED. IT IS SO ORDERED. Court Reporter: Deborah Parker. (mt) (Entered: 01/26/2018)
02/02/2018	<u>234</u>	NOTICE of Manual Filing of UNDER SEAL filed by Plaintiff USA as to Defendant The Morrow Institute Medical Group, Inc., David M Morrow, Linda Morrow (Yang, Jerry) (Entered: 02/02/2018)
02/02/2018	<u>237</u>	SEALED DOCUMENT RE GOVERNMENT'S APPLICATION FOR ORDER DISCLOSING E-MAIL COMMUNICATIONS TO TRIAL AUSA AND CASE AGENTS; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATION OF JERRY C YANG; EXHIBITS (mt) (Entered: 02/12/2018)
02/05/2018	<u>235</u>	NOTICE OF LODGING filed by Plaintiff USA as to Defendant The Morrow Institute Medical Group, Inc., David M Morrow, Linda Morrow (Attachments: # <u>1</u> Proposed Order DISCLOSING E-MAIL COMMUNICATIONS TO TRIAL AUSA AND CASE AGENTS)(Yang, Jerry) (Entered: 02/05/2018)
02/08/2018	<u>236</u>	TEXT ONLY ENTRY (IN CHAMBERS) ORDER SETTING HEARING: The Court has received the Governments Application for Order Disclosing E-Mail Communications to Trial AUSA and Case Agents (Application), and exhibits thereto. (See Notice of Manual Filing, Doc. 234.) The Court sets this matter for hearing on March 2, 2018 at 11:30 a.m. On behalf of the Government, only the Privilege Review Team AUSAs should appear. If it has not already done so, the Government shall serve the Application on defense counsel forthwith. THERE IS NO PDF DOCUMENT ASSOCIATED WITH THIS ENTRY.(tg) TEXT ONLY ENTRY (Entered: 02/08/2018)
02/14/2018	<u>238</u>	TEXT ONLY ENTRY (IN CHAMBERS) ORDER CONTINUING HEARING: On the Court's own motion, the hearing on Government's Application for Order Disclosing E-Mail Communications to Trial AUSA and Case Agents is ordered CONTINUED from 3/2/2018 to 3/7/2018 at 11:30 a.m. before Judge Josephine L. Staton. On behalf of the Government, only the Privilege Review Team AUSAs should appear. THERE IS NO PDF DOCUMENT ASSOCIATED WITH THIS ENTRY. (tg) TEXT ONLY ENTRY (Entered: 02/14/2018)
03/07/2018	<u>243</u>	MINUTES OF Motion Hearing held before Judge Josephine L. Staton as to Defendant David M Morrow, Linda Morrow, Re Government's

	APPLICATION for Order Disclosing E-mail Communications <u>237</u> . Oral arguments heard. Application is DENIED without prejudice to further showing as set forth on the record. IT IS SO ORDERED. Court Reporter: Deborah Parker. (mt) (Entered: 03/07/2018)
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<b>PACER Service Center</b>			
<b>Transaction Receipt</b>			
05/01/2018 13:53:08			
<b>PACER Login:</b>	Odlegal94612:2536794:0	<b>Client Code:</b>	
<b>Description:</b>	Docket Report	<b>Search Criteria:</b>	8:15-cr-00099- JLS End date: 5/1/2018
<b>Billable Pages:</b>	13	<b>Cost:</b>	1.30



JENNIFER KENT  
DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

JUL 12 2017

David Martin Morrow  
116 North Paul Drive  
Beverly Hills, CA 90210

**Re: Physician, License No. C33963**  
**Owner, The Morrow Institute Medical Group, Inc.**  
**Provider Nos. 00C339630, 00C339631, 00C339632, 00C339633 and**  
**1063547768**

Dear Dr. Morrow:

The Director of the State Department of Health Care Services (Department) has been notified of your March 18, 2016 conviction in the United States District Court, Central District of California (*U.S. v. The Morrow Institute Medical Group, Inc., et al.*, No. 15-cr-00099-JLS) for violation of 18 United States Code section 1349 and 26 United States Code section 7206(I). These are convictions involving fraud and determined by the Department to be substantially related to the qualifications, functions, or duties of a provider of service. As a provider of health care services, you were granted certain permissions to participate in the Medi-Cal program by operation of law with or without applying for enrollment. Pursuant to Welfare and Institutions Code section 14123, subdivision (a), the Director is required to automatically suspend these permissions in certain cases, which means that the affected individual or entity is precluded from being eligible to receive payment from the Medi-Cal program directly or indirectly.

This requirement applies to anyone who provides health services whenever that person is convicted of any felony or any misdemeanor involving fraud, abuse of the Medi-Cal program or any patient, or otherwise substantially related to the qualifications, functions, or duties of a provider of service. If the provider of service is a clinic, group, corporation, or other association, conviction of any officer, director, or shareholder in that organization of such a crime shall result in the suspension of that organization and the individual convicted if the director believes that suspension would be in the best interest of the Medi-Cal program. (See also 42 C.F.R. § 1001.101(a); Welf. & Inst. Code, § 14123.25.)

Therefore, pursuant to the authority delegated to me by the Director of the Department, David Morrow and The Morrow Institute Medical Group, Inc., are hereby prohibited from

David Martin Morrow

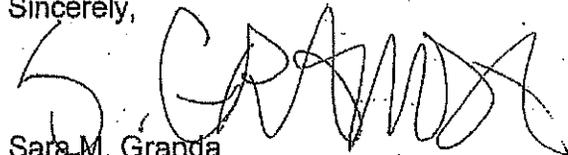
Page 2

JUL 12 2017

being able to receive payment from the Medi-Cal program for an indefinite period of time, effective twenty days (15 days' statutory notice, plus 5 days for mailing) from the date of this letter. David Morrow and The Morrow Institute Medical Group, Inc.'s name will be posted on the "Medi-Cal Suspended and Ineligible Provider List," available on the Internet. During the period of suspension, no person or entity, including an employer, can submit any claims to the Medi-Cal program for items or services rendered by David Morrow or The Morrow Institute Medical Group, Inc. Any involvement by David Morrow or The Morrow Institute Medical Group, Inc. directly or indirectly will result in nonpayment of the Medi-Cal claim(s) submitted. Any person who presents or causes to be presented a claim for equipment or services rendered by a person suspended from receiving Medi-Cal payment shall be subject to suspension from receiving payment, the assessment of civil money penalties, and/or criminal prosecution. (See Welf. & Inst. Code, §§ 14043.61, 14107, 14123.2; Cal. Code of Regs., tit. 22, §§ 51458.1, 51484, and 51485.1.) The Department will seek recoupment of any monies paid for claims presented to the Medi-Cal program for services or supplies rendered by David Morrow or The Morrow Institute Medical Group, Inc., during the period of suspension.

If you have any questions about this action, please submit your concerns, in writing, to Kimberly Woodward, Legal Analyst, at the above address.

Sincerely,



Sara M. Granda  
Attorney

cc: See next page.

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Chief of Enforcement  
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8 *Attorneys for Complainant*

9  
10 **BEFORE THE**  
11 **MEDICAL BOARD OF CALIFORNIA**  
12 **DEPARTMENT OF CONSUMER AFFAIRS**  
**STATE OF CALIFORNIA**

13 In the Matter of the Accusation Against:

Case No. 800-2016-025895

14 **DAVID M. MORROW, M.D.**  
116 N. Paul Drive  
15 Beverly Hills, CA 90210

**DEFAULT DECISION AND ORDER**

[Gov. Code, §11520]

16 **Physician's and Surgeon's Certificate**  
17 **No. C33963,**

Respondent.

18  
19  
20 **FINDINGS OF FACT**

21 1. On or about October 23, 2017, Complainant Kimberly Kirchmeyer, in her official  
22 capacity as the Executive Director of the Medical Board of California, filed Accusation No. 800-  
23 2016-025895 against David M. Morrow, M.D. (Respondent) before the Medical Board of  
24 California. A true and correct copy of the Accusation, the related documents, and Declaration of  
25 Service are attached as Exhibit 1 to the separate accompanying "Default Decision Evidence  
26 Packet," and are incorporated by reference as if fully set forth herein.<sup>1</sup>

27 <sup>1</sup> The Exhibits referred to herein, which are true and correct copies of the originals, are contained  
28 in the separate accompanying "Default Decision Evidence Packet."

1           2.    On or about January 7, 1972, the Medical Board of California (Board) issued  
2 Physician's and Surgeon's Certificate No. C33963 to Respondent. (Exhibit 2, Certificate of  
3 Licensure.)

4           3.    On or about October 23, 2017, Richard M. Acosta (Acosta), an employee of the  
5 Board, served by Certified Mail a copy of Accusation No. 800-2016-025895, Statement to  
6 Respondent, Notice of Defense, Request for Discovery, and Government Code sections 11507.5,  
7 11507.6, and 11507.7, to Respondent's address of record with the Board, which was and is: 116  
8 N. Paul Drive, Beverly Hills, CA 90210. (Exhibit 3, Declaration of Richard M. Acosta in  
9 Support of Default Decision and Order.)

10          4.    On or about October 31, 2017, the aforementioned documents were returned by the  
11 U.S. Postal Service marked, "Return to Sender, Not Deliverable as Addressed, Unable to  
12 Forward." Someone also wrote "Fled the Country" on the envelope. (Exhibit 4, Returned  
13 Certified Mail Received by the Board on October 31, 2017.)

14          5.    Service of the Accusation was effective as a matter of law under the provisions of  
15 Government Code section 11505, subdivision (c).

16          6.    On or about November 14, 2017, a Courtesy Notice of Default and copies of  
17 Accusation No. 800-2016-025895, the related documents, and Declaration of Service were served  
18 by Certified, First Class Mail, and e-mail on Respondent at his address of record with the Board,  
19 which was and is: 116 N. Paul Drive, Beverly Hills, CA 90210. These documents were also e-  
20 mailed to Respondent at the following address: drmorrow@morrowinstitute.com. (Exhibit 5,  
21 Declaration of Deputy Attorney General Christine A. Rhee in Support of Default Decision and  
22 Order; and Exhibit 6, Courtesy Notice of Default, Accusation No. 800-2016-025895, Statement to  
23 Respondent, Notice of Defense, Request for Discovery, Government Code Sections 11507.5,  
24 11507.6, and 11507.7, and Declaration of Service dated November 14, 2017.)

25          7.    On or about November 19, 2017, the Attorney General's Office received an automatic  
26 e-mail stating that the e-mail sent to drmorrow@morrowinstitute.com was undeliverable.  
27 (Exhibit 7, E-mail dated November 19, 2017.)

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1           8. On or about November 27, 2017, the Courtesy Notice of Default and copies of  
2 Accusation No: 800-2016-025895, the related documents, and Declaration of Service served by  
3 Certified Mail were returned by the U.S. Postal Service, marked "unable to forward/for review."  
4 Someone also wrote "Fled the Country" on the envelope. (Exhibit 8, Returned Certified Mail  
5 Received by the Attorney General's Office on November 27, 2017.)

6           9. To date, Respondent has not filed a Notice of Defense. (Exhibit 5.)

7           10. Government Code section 11506 states, in pertinent part:

8           "..."

9           "(c) The respondent shall be entitled to a hearing on the merits if the respondent  
10 files a notice of defense, and the notice shall be deemed a specific denial of all parts of  
11 the accusation not expressly admitted. Failure to file a notice of defense shall  
12 constitute a waiver of respondent's right to a hearing, but the agency in its discretion  
13 may nevertheless grant a hearing."

14          "..."

15          11. Respondent failed to file a Notice of Defense within 15 days after service upon him  
16 of the Accusation, and therefore waived his right to a hearing on the merits of Accusation No.  
17 800-2016-025895.

18          12. California Government Code section 11520 states, in pertinent part:

19          "(a) If the respondent either fails to file a notice of defense or to appear at the  
20 hearing, the agency may take action based upon the respondent's express admissions or  
21 upon other evidence and affidavits may be used as evidence without any notice to  
22 respondent."

23          "..."

24          13. Pursuant to its authority under Government Code section 11520, the Board finds  
25 Respondent is in default. The Board will take action without further hearing and, based on  
26 Respondent's express admissions by way of default and the evidence before it, contained in  
27 Exhibits 1 through 12, finds that the allegations in Accusation No. 800-2016-025895 are true and  
28 correct.

1 14. Business and Professions Code section 2227 states:

2 “(a) A licensee whose matter has been heard by an administrative law judge  
3 of the Medical Quality Hearing Panel as designated in Section 11371 of the  
4 Government Code, or whose default has been entered, and who is found guilty, or  
5 who has entered into a stipulation for disciplinary action with the board, may, in  
6 accordance with the provisions of this chapter:

7 “(1) Have his or her license revoked upon order of the board.

8 “(2) Have his or her right to practice suspended for a period not to exceed one  
9 year upon order of the board.

10 “(3) Be placed on probation and be required to pay the costs of probation  
11 monitoring upon order of the board.

12 “(4) Be publicly reprimanded by the board. The public reprimand may  
13 include a requirement that the licensee complete relevant educational courses  
14 approved by the board.

15 “(5) Have any other action taken in relation to discipline as part of an order of  
16 probation, as the board or an administrative law judge may deem proper.

17 “(b) Any matter heard pursuant to subdivision (a), except for warning letters,  
18 medical review or advisory conferences, professional competency examinations,  
19 continuing education activities, and cost reimbursement associated therewith that  
20 are agreed to with the board and successfully completed by the licensee, or other  
21 matters made confidential or privileged by existing law, is deemed public, and  
22 shall be made available to the public by the board pursuant to Section 803.1.”

23 15. Section 2234 of the Code, states, in pertinent part:

24 “The board shall take action against any licensee who is charged with  
25 unprofessional conduct. In addition to other provisions of this article, unprofessional  
26 conduct includes, but is not limited to, the following:

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1           “(a) Violating or attempting to violate, directly or indirectly, assisting in or  
2 abetting the violation of, or conspiring to violate any provision of this chapter [Chapter  
3 5, the Medical Practice Act].

4           “....

5           “(e) The commission of any act involving dishonesty or corruption which is  
6 substantially related to the qualifications, functions, or duties of a physician and  
7 surgeon.

8           “...”

9           16. Unprofessional conduct under Business and Professions Code section 2234 is conduct  
10 which breaches the rules or ethical code of the medical profession, or conduct which is  
11 unbecoming of a member of good standing of the medical profession, and which demonstrates an  
12 unfitness to practice medicine. (*Shea v. Board. of Medical Examiners* (1978) 81 Cal.App.3d 564,  
13 575.)

14           17. Section 2236 of the Code states, in pertinent part:

15           “(a) The conviction of any offense substantially related to the qualifications,  
16 functions, or duties of a physician and surgeon constitutes unprofessional conduct  
17 within the meaning of this chapter [Chapter 5, the Medical Practice Act]. The record  
18 of conviction shall be conclusive evidence only of the fact that the conviction occurred.

19           “...

20           “(c) The clerk of the court in which a licensee is convicted of a crime shall,  
21 within 48 hours after the conviction, transmit a certified copy of the record of  
22 conviction to the board. The division may inquire into the circumstances surrounding  
23 the commission of a crime in order to fix the degree of discipline or to determine if the  
24 conviction is of an offense substantially related to the qualifications, functions, or  
25 duties of a physician and surgeon.

26           “(d) A plea or verdict of guilty or a conviction after a plea of nolo contendere is  
27 deemed to be a conviction within the meaning of this section and Section 2236.1. The

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1 record of conviction shall be conclusive evidence of the fact that the conviction  
2 occurred.”

3 18. California Code of Regulations, title 16, section 1360, states:

4 “For the purposes of denial, suspension or revocation of a license, certificate or  
5 permit pursuant to Division 1.5 (commencing with Section 475) of the code, a crime or  
6 act shall be considered to be substantially related to the qualifications, functions or  
7 duties of a person holding a license, certificate or permit under the Medical Practice  
8 Act if to a substantial degree it evidences present or potential unfitness of a person  
9 holding a license, certificate or permit to perform the functions authorized by the  
10 license, certificate or permit in a manner consistent with the public health, safety or  
11 welfare. Such crimes or acts shall include but not be limited to the following: Violating  
12 or attempting to violate, directly or indirectly, or assisting in or abetting the violation  
13 of, or conspiring to violate any provision of the Medical Practice Act.”

14 19. Respondent has subjected his Physician’s and Surgeon’s Certificate No. C33963 to  
15 disciplinary action by reason of the following:

16 a. On or about September 2, 2015, Respondent was federally indicted in the case  
17 entitled, *United States of America v. The Morrow Institute Medical Group, Inc., David M.*  
18 *Morrow, and Linda Morrow, Defendants*, Case No. SACR15-00099. Respondent was charged  
19 with the following: 20 counts of a violation of 18 U.S.C. §§ 1341, 2(a), 2(b) [mail fraud]; one (1)  
20 count of a violation of 18 U.S.C. § 1349 [conspiracy to commit mail fraud]; four (4) counts of a  
21 violation of 26 U.S.C. § 7206(1) [making or subscribing to a false tax return]; and one (1) count  
22 of a violation of 42 U.S.C. §§ 1320d-6(a)(3) and (b)(1) [unlawful disclosure of individually  
23 identifiable health information]. (Exhibit 9, Indictment for Case No. SACR15-00099.)

24 b. On or about February 16, 2016, Respondent signed a plea agreement in the case  
25 entitled, *United States of America v. The Morrow Institute Medical Group, Inc., David M.*  
26 *Morrow, and Linda Morrow, Defendants*, Case No. SACR-15-00099, admitting to the factual  
27 basis for Counts 21 and 22 of the Indictment, conspiracy to commit mail fraud and making or  
28 subscribing to a false tax return. (Exhibit 10, Plea Agreement for Case No. SACR15-00099.)

1 c. Respondent participated in a scheme to obtain money from the insurance  
2 companies by means of false or fraudulent pretenses. More specifically, Respondent submitted  
3 altered documents to the insurance companies in support of billings Respondent submitted to the  
4 insurance companies. Such altered documents made and facts omitted as part of the scheme were  
5 material to the insurance companies' decision to pay claims. While submitting these claims,  
6 Respondent had the intent to defraud these insurance companies. Respondent later admitted that  
7 the loss from the Respondent's scheme is valued at \$3,491,053.65. (Exhibit 10.)

8 d. On or about March 18, 2016, Respondent formally changed his plea from not  
9 guilty to guilty for Counts 21 and 22 of the Indictment for Case No. SACR15-00099. (Exhibit  
10 11, Criminal Minutes dated March 18, 2016 for Case No. SACR15-00099.)

11 e. On or about October 2, 2017, Respondent was sentenced *in absentia* for his  
12 guilty plea to Counts 21 and 22 of the Indictment. Respondent's sentence included, but was not  
13 limited to commitment to the custody of the Bureau of Prisons for a term of 240 months to be  
14 followed by supervised release for a term of three (3) years, restitution, mental health treatment,  
15 outpatient substance abuse treatment, and abstention from the use of alcohol and the unlawful use  
16 of controlled substances. (Exhibit 12, Criminal Minutes dated September 29, 2017 and Judgment  
17 and Probation/Commitment Order for Case No. SACR15-00099.)

#### 18 **DETERMINATION OF ISSUES**

19 1. Based on the foregoing findings of fact, Respondent David M. Morrow, M.D., has  
20 subjected his Physician's and Surgeon's Certificate No. C33963 to discipline.

21 2. Pursuant to the authority under Government Code section 11520, and based on the  
22 evidence before it, the Board hereby finds that the charges and allegations contained in  
23 Accusation No. 800-2016-025895, and the Findings of Fact contained in paragraphs 1 through 19,  
24 above, and each of them, separately and severally, are true and correct. A true and correct copy  
25 of Accusation No. 800-2016-025895, the related documents, and the declaration of service are  
26 attached as Exhibit 1.

27 3. The agency has jurisdiction to adjudicate this case by default.

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1 4. Pursuant to the authority under Government Code section 11520, and by reasons of  
2 the Findings of Fact contained in paragraphs 1 through 19, above, the Board is authorized to  
3 revoke Respondent's Physician's and Surgeon's Certificate No. C33963 based upon the following  
4 violations alleged in Accusation No. 800-2016-025895:

5 a. Respondent was convicted of a crime substantially related to the qualifications,  
6 functions or duties of a physician and surgeon;

7 b. Respondent committed acts involving dishonesty or corruption that were substantially  
8 related to the qualifications, functions, or duties of a physician and surgeon; and

9 c. Respondent committed general unprofessional conduct.

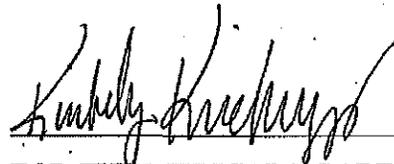
10 **ORDER**

11 IT IS SO ORDERED that Physician's and Surgeon's Certificate No. C33963, heretofore  
12 issued to Respondent David M. Morrow, M.D., is revoked.

13 Pursuant to Government Code section 11520, subdivision (c), Respondent may serve a  
14 written motion requesting that the Decision be vacated and stating the grounds relied on within  
15 seven (7) days after service of the Decision on Respondent. The agency in its discretion may  
16 vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute.

17 This Decision shall become effective on January 12, 2018, at 5 p.m.

18 It is so ORDERED December 14, 2017

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21 FOR THE MEDICAL BOARD OF CALIFORNIA  
22 KIMBERLY KIRCHMEYER  
23 EXECUTIVE DIRECTOR

1 XAVIER BECERRA  
Attorney General of California  
2 ALEXANDRA M. ALVAREZ  
Supervising Deputy Attorney General  
3 CHRISTINE A. RHEE  
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6 San Diego, CA 92186-5266  
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7 Facsimile: (619) 645-2061

8 *Attorneys for Complainant*

FILED  
STATE OF CALIFORNIA  
MEDICAL BOARD OF CALIFORNIA  
SACRAMENTO Oct 23 2017  
BY: *[Signature]* ANALYST

10 BEFORE THE  
11 MEDICAL BOARD OF CALIFORNIA  
DEPARTMENT OF CONSUMER AFFAIRS  
12 STATE OF CALIFORNIA

13 In the Matter of the Accusation Against:

Case No. 800-2016-025895

14 DAVID M. MORROW, M.D.  
116 N. Paul Drive  
15 Beverly Hills, CA 90210

ACCUSATION

16 Physician's and Surgeon's Certificate,  
No. C33963,

17 Respondent.

19 Complainant alleges:

21 PARTIES

22 1. Kimberly Kirchmeyer (Complainant) brings this Accusation solely in her official  
23 capacity as the Executive Director of the Medical Board of California.

24 2. On or about January 7, 1972, the Medical Board issued Physician's and Surgeon's  
25 Certificate No. C33963 to David M. Morrow, M.D. (Respondent). The Physician's and  
26 Surgeon's Certificate was in full force and effect at all times relevant to the charges brought  
27 herein and will expire on October 31, 2018, unless renewed.

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1 are agreed to with the board and successfully completed by the licensee, or other  
2 matters made confidential or privileged by existing law, is deemed public, and  
3 shall be made available to the public by the board pursuant to Section 803.1."

4 6. Section 2234 of the Code, states, in pertinent part:

5 "The board shall take action against any licensee who is charged with  
6 unprofessional conduct. In addition to other provisions of this article, unprofessional  
7 conduct includes, but is not limited to, the following:

8 "(a) Violating or attempting to violate, directly or indirectly, assisting in or  
9 abetting the violation of, or conspiring to violate any provision of this chapter [Chapter  
10 5, the Medical Practice Act].

11 "...

12 "(e) The commission of any act involving dishonesty or corruption which is  
13 substantially related to the qualifications, functions, or duties of a physician and  
14 surgeon.

15 "..."

16 7. Unprofessional conduct under Business and Professions Code section 2234 is conduct  
17 which breaches the rules or ethical code of the medical profession, or conduct which is  
18 unbecoming of a member of good standing of the medical profession, and which demonstrates an  
19 unfitness to practice medicine. (*Shea v. Board of Medical Examiners* (1978) 81 Cal.App.3d 564,  
20 575.)

21 8. Section 2236 of the Code states, in pertinent part:

22 "(a) The conviction of any offense substantially related to the qualifications,  
23 functions, or duties of a physician and surgeon constitutes unprofessional conduct  
24 within the meaning of this chapter [Chapter 5, the Medical Practice Act]. The record of  
25 conviction shall be conclusive evidence only of the fact that the conviction occurred.

26 "...

27 "(c) The clerk of the court in which a licensee is convicted of a crime shall,  
28 within 48 hours after the conviction, transmit a certified copy of the record of

1 conviction to the board. The division may inquire into the circumstances surrounding  
2 the commission of a crime in order to fix the degree of discipline or to determine if the  
3 conviction is of an offense substantially related to the qualifications, functions, or  
4 duties of a physician and surgeon.

5 "(d) A plea or verdict of guilty or a conviction after a plea of nolo contendere is  
6 deemed to be a conviction within the meaning of this section and Section 2236.1. The  
7 record of conviction shall be conclusive evidence of the fact that the conviction  
8 occurred."

9 9. California Code of Regulations, title 16, section 1360, states:

10 "For the purposes of denial, suspension or revocation of a license, certificate or  
11 permit pursuant to Division 1.5 (commencing with Section 475) of the code, a crime or  
12 act shall be considered to be substantially related to the qualifications, functions or  
13 duties of a person holding a license, certificate or permit under the Medical Practice  
14 Act if to a substantial degree it evidences present or potential unfitness of a person  
15 holding a license, certificate or permit to perform the functions authorized by the  
16 license, certificate or permit in a manner consistent with the public health, safety or  
17 welfare. Such crimes or acts shall include but not be limited to the following: Violating  
18 or attempting to violate, directly or indirectly, or assisting in or abetting the violation  
19 of, or conspiring to violate any provision of the Medical Practice Act."

20 **FIRST CAUSE FOR DISCIPLINE**

21 **(Conviction of a Crime Substantially Related to the Qualifications, Functions or Duties of a  
22 Physician and Surgeon)**

23 10. Respondent has subjected his Physician's and Surgeon's Certificate No. C33963 to  
24 disciplinary action under sections 2227 and 2234, as defined by section 2236, subdivision (a), and  
25 section 1360 of title 16 of the California Code of Regulations, in that he has been convicted of a  
26 crime substantially related to the qualifications, functions and duties of a physician and surgeon.

27 The circumstances are as follows:

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1 11. From on or about January 2007<sup>1</sup> and continuing through on or about March 2011,  
2 Respondent operated a surgery center, the Morrow Institute and Specialty Surgeons, Inc. and  
3 Stellar Surgeries Specialties, Inc., in Rancho Mirage, California. Cosmetic and other types of  
4 surgeries were performed at the surgery center, including abdominoplasty, tummy tucks,  
5 rhinoplasty, septoplasty, breast augmentations, hernia repairs, gynecological surgery, and vein  
6 procedures.

7 12. From on or about January 2007 and continuing through on or about March 2011,  
8 certain cosmetic surgeries were billed to insurance companies as "medically necessary" so that  
9 insurance companies would pay for them.

10 13. Respondent participated in a scheme to obtain money from the insurance companies  
11 by means of false or fraudulent pretenses. More specifically, Respondent submitted altered  
12 documents to the insurance companies in support of billings Respondent submitted to the  
13 insurance companies. Such altered documents made and facts omitted as part of the scheme were  
14 material to the insurance companies' decision to pay claims. While submitting these claims,  
15 Respondent had the intent to defraud these insurance companies. Respondent later admitted that  
16 the loss from the Respondent's scheme is valued at \$3,491,053.65.

17 14. On or about September 2, 2015, Respondent was federally indicted in the case  
18 entitled, *United States of America v. The Morrow Institute Medical Group, Inc., David M.*  
19 *Morrow, and Linda Morrow, Defendants*, Case No. SACR15-00099. Respondent was charged  
20 with the following: 20 counts of a violation of 18 U.S.C. §§ 1341, 2(a), 2(b) [mail fraud]; one (1)  
21 count of a violation of 18 U.S.C. § 1349 [conspiracy to commit mail fraud]; four (4) counts of a  
22 violation of 26 U.S.C. § 7206(1) [making or subscribing to a false tax return]; and one (1) count  
23 of a violation of 42 U.S.C. §§ 1320d-6(a)(3) and (b)(1) [unlawful disclosure of individually  
24 identifiable health information].

25 15. On or about February 16, 2016, Respondent signed a plea agreement in the case  
26 entitled, *United States of America v. The Morrow Institute Medical Group, Inc., David M.*

27 <sup>1</sup> Conduct occurring more than seven (7) years from the filing date of this Accusation is for  
28 informational purposes only and is not alleged as a basis for disciplinary action.

1 *Morrow, and Linda Morrow, Defendants*, Case No. SACR-15-00099, admitting to the factual  
2 basis for Counts 21 and 22 of the Indictment, conspiracy to commit mail fraud and making or  
3 subscribing to a false tax return.

4 16. On or about March 18, 2016, Respondent formally changed his plea from not guilty to  
5 guilty for Counts 21 and 22 of the Indictment for Case No. SACR15-00099.

6 17. On or about October 2, 2017, Respondent was sentenced for his guilty plea to Counts  
7 21 and 22 of the Indictment. Respondent's sentence included, but was not limited to commitment  
8 to the custody of the Bureau of Prisons for a term of 240 months to be followed by supervised  
9 release for a term of three (3) years, restitution, mental health treatment, outpatient substance  
10 abuse treatment, and abstention from the use of alcohol and the unlawful use of controlled  
11 substances.

12 **SECOND CAUSE FOR DISCIPLINE**

13 **(Commission of Any Act Involving Dishonesty or Corruption that is Substantially Related  
14 to the Qualifications, Functions, or Duties of a Physician and Surgeon)**

15 18. Respondent has further subjected his Physician's and Surgeon's Certificate No.  
16 C33963 to disciplinary action under sections 2227 and 2234, subdivision (e), of the Code, in that  
17 he committed dishonest or corrupt acts substantially related to the qualifications, functions and  
18 duties of a physician and surgeon, as more particularly alleged in paragraphs 11 through 17,  
19 above, which are hereby incorporated by reference and re-alleged as if fully set forth herein.

20 **THIRD CAUSE FOR DISCIPLINE**

21 **(General Unprofessional Conduct)**

22 19. Respondent has further subjected his Physician's and Surgeon's Certificate No.  
23 C33963 to disciplinary action under sections 2227 and 2234, in that he has engaged in conduct  
24 which breaches the rules or ethical code of the medical profession, or conduct which is  
25 unbecoming to a member in good standing of the medical profession as more particularly alleged  
26 in paragraphs 11 through 18, above, which are hereby incorporated by reference and re-alleged as  
27 if fully set forth herein.

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PRAYER

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

1. Revoking or suspending Physician's and Surgeon's Certificate No. C33963, issued to Respondent David M. Morrow, M.D.;

2. Revoking, suspending or denying approval of Respondent David M. Morrow, M.D.'s authority to supervise physician assistants, pursuant to section 3527 of the Code, and advanced practice nurses;

3. Ordering Respondent David M. Morrow, M.D., if placed on probation, to pay the Board the costs of probation monitoring; and

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

DATED: October 23, 2017

  
KIMBERLY KIRCHMEYER  
Executive Director  
Medical Board of California  
State of California  
*Complainant*

SD2016703339  
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