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

BY \_\_\_\_\_

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

September 2011 Grand Jury

CR 11 01075

10 UNITED STATES OF AMERICA,

11 Plaintiff,

12 v.

13 ARMAN GRIGORYAN,

14 LIANNA OVSEPIAN,

14 aka "Lili,"

15 KENNETH WAYNE JOHNSON,

15 NURISTA GRIGORYAN,

16 aka "Nora,"

16 PHIC LIM,

16 aka "PK,"

17 ARTAK OVSEPIAN,

17 EDGAR HOVANNISYAN,

18 ARTUR HARUTYUNYAN,

18 SAMVEL TAMAZYAN,

19 MIKAYEL GHUKASYAN,

19 ARTYOM YEGHIAZARYAN,

20 THEANA KHOU,

20 NUNE OVSEPYAN,

21 LISA DANIELLE MENDEZ,

22 aka "Danielle,"

22 ANTHONY GLEN JONES,

23 DAVID SMITH,

23 aka "Green Eyes,"

24 VINCENT VO,

24 aka "Minh," and

25 RICHARD BOND WASHINGTON,

25 Defendants.

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CR No. 11-11 01075  
**I N D I C T M E N T**  
[18 U.S.C. § 1349: Conspiracy to Commit Health Care Fraud; 18 U.S.C. § 1028(f): Conspiracy to Possess at Least Five Identification Documents and Authentication Features With Intent to Use Unlawfully; 18 U.S.C. § 1028(a)(3): Possession of at Least Five Identification Documents and Authentication Features With Intent to Use Unlawfully; 18 U.S.C. § 1028A: Aggravated Identity Theft; 18 U.S.C. § 371: Conspiracy to Engage in the Misbranding of Prescription Drugs; 18 U.S.C. § 1956(h): Conspiracy to Engage in Transactions in Criminally Derived Proceeds; 18 U.S.C. § 1956: Money Laundering; 18 U.S.C. § 1957: Engaging in Transactions in Criminally Derived Proceeds; 31 U.S.C. § 5324(a)(3): Structuring; 18 U.S.C. § 1001(a)(2): False Statement to a Federal Officer; 18 U.S.C. § 2: Aiding and Abetting and Causing an Act to Be Done]

1 The Grand Jury charges:

2 GENERAL ALLEGATIONS

3 At all times relevant to this Indictment:

4 The Defendants and Manor Medical

5 1. Defendants ARMAN GRIGORYAN, LIANNA OVSEPIAN, also known  
6 as ("aka") "Lili," NURISTA GRIGORYAN, aka "Nora," and ARTAK  
7 OVSEPIAN operated a business known as Manor Medical Imaging, Inc.  
8 ("Manor"), located in Glendale, California, within the Central  
9 District of California.

10 2. Manor functioned as a "prescription mill" that  
11 generated thousands of prescriptions for expensive anti-psychotic  
12 medications ("Psych Meds"), namely, Abilify, Seroquel, and  
13 Zyprexa, which Manor's "patients" did not in fact need. Those  
14 prescriptions (the "Manor Prescriptions") were made to appear to  
15 be signed and issued by defendant KENNETH WAYNE JOHNSON  
16 ("JOHNSON"), a medical doctor, when in fact defendant JOHNSON did  
17 not issue or lawfully authorize the Manor Prescriptions, nor did  
18 defendant JOHNSON examine Manor's "patients." Instead, defendant  
19 JOHNSON allowed other Manor employees, primarily defendant  
20 NURISTA GRIGORYAN, to falsely pose as physicians and physician's  
21 assistants and to issue the Manor Prescriptions using defendant  
22 JOHNSON's name and Medi-Cal and Medicare billing information.

23 3. Patient recruiters, or "Cappers," would bring  
24 beneficiaries of Medicare and/or Medi-Cal ("the beneficiaries")  
25 to Manor. Cappers who recruited beneficiaries on behalf of Manor  
26 included defendants LISA DANIELLE MENDEZ, aka "Danielle"  
27 ("MENDEZ"), ANTHONY GLEN JONES ("JONES"), DAVID SMITH, aka "Green  
28

1 Eyes" ("SMITH"), VINCENT VO, aka "Minh" ("VO"), and RICHARD BOND  
2 WASHINGTON ("WASHINGTON").

3 4. Upon arriving at Manor, each of the beneficiaries, in  
4 exchange for cash or other inducements, would receive Manor  
5 Prescriptions for one Psych Med and at least one other drug.  
6 After the Manor Prescriptions were provided to the beneficiaries,  
7 "Drivers" employed by Manor would take the recruited  
8 beneficiaries to pharmacies, where, under the supervision of the  
9 Drivers, the beneficiaries filled their Manor Prescriptions. The  
10 Drivers used by Manor included defendants ARTAK OVSEPIAN, who  
11 served as manager of Manor's Drivers, ARMAN GRIGORYAN, EDGAR  
12 HOVANNISYAN ("HOVANNISYAN"), ARTUR HARUTYUNYAN ("HARUTYUNYAN"),  
13 MIKAYEL GHUKASYAN ("GHUKASYAN"), ARTYOM YEGHIAZARYAN  
14 ("YEGHIAZARYAN"), and SAMVEL TAMAZYAN ("TAMAZYAN"), who was aided  
15 and abetted by defendant NUNE OVSEPIAN.

16 5. After the Manor Prescriptions were filled, the Drivers  
17 would take the Psych Meds from the beneficiaries and deliver  
18 those medications to Manor.

19 6. Manor also generated Psych Med prescriptions, which  
20 also were falsely made to appear to be written by defendant  
21 JOHNSON, in the names of beneficiaries who never visited Manor  
22 and whose identities were stolen. In these instances, using  
23 falsified patient authorization forms, Manor employees would  
24 either fax prescriptions to pharmacies or have the Drivers bring  
25 prescriptions to pharmacies. The Drivers would then fill the  
26 prescriptions, which included Psych Meds, and the Drivers would  
27 then deliver the Psych Meds to Manor.

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1           7.     The following pharmacies, among others, filled Manor  
2     Prescriptions: Huntington Pharmacy ("Huntington"), owned by  
3     defendants PHIC LIM, aka "PK" ("LIM") and THEANA KHOU ("KHOU");  
4     Pacific Grand Pharmacy ("Pacific Grand"); Adams Square Pharmacy  
5     ("Adams Square"); West Vern Pharmacy ("West Vern"); Garos  
6     Pharmacy ("Garos"); Midway Drugs Pharmacy ("Midway Drugs"); and  
7     Merced Medical Pharmacy ("Merced Medical") (collectively, "the  
8     Pharmacies").

9           8.     As the defendants knew, the Pharmacies would bill  
10    Medicare (via the beneficiaries' prescription drug plans  
11    ("PDPs")) or Medi-Cal for each of the Manor Prescriptions.  
12    Between in or about September 2009 and in or about October 2011,  
13    the Pharmacies submitted no less than approximately \$18,045,398  
14    in claims to Medicare or Medi-Cal for at least 21,075 Manor  
15    Prescriptions. Medicare and Medi-Cal actually paid the  
16    Pharmacies a combined amount of approximately \$7,291,419 for  
17    14,705 of those claims, with Huntington alone receiving  
18    approximately \$2,220,016 of those payments.

19          9.     Defendants LIM and KHOU maintained control over the  
20    following financial accounts, into which they deposited and  
21    through which they laundered proceeds derived from their  
22    involvement in filling Manor Prescriptions: an East West bank  
23    account ending in the numbers 7236 ("the East West Account");  
24    Chase Bank accounts ending in the numbers 0725 ("Chase Account  
25    1") and 8303 ("Chase Account 2"); a HSBC account ending in the  
26    numbers 0993 ("HSBC Account 1"), each held in the name "P.S.  
27    Enterprise Inc. d/b/a Huntington Pharmacy"; a Chase Bank Account  
28    ending in numbers 2674 ("Chase Account 3"); and a TD Ameritrade

1 account ending in the numbers 9811 (the "TD Ameritrade Account"),  
2 each held in the name "Phic K Lim & Theana S Khou Family Trust."

3 The Medicare Program

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

10 Medicare Part B

11 11. Medicare Part B covered, among other things, medically  
12 necessary physician services and medically necessary outpatient  
13 tests ordered by a physician.

14 12. Health care providers, including physicians and  
15 clinics, could receive direct reimbursement from Medicare by  
16 applying to Medicare and receiving a Medicare provider number.  
17 To obtain payment for Part B services, an enrolled physician or  
18 clinic, using its Medicare provider number, would submit claims  
19 to Medicare, certifying that the information on the claim form  
20 was truthful and accurate and that the services provided were  
21 reasonable and necessary to the health of the Medicare  
22 beneficiary.

23 Medicare Part D

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

1 14. To obtain payment for prescription drugs provided to  
2 such Medicare beneficiaries, pharmacies would submit their claims  
3 for payment to the beneficiary's PDP. The beneficiary would be  
4 responsible for any deductible or co-payment required under his  
5 or her PDP.

6 15. Medicare PDPs commonly provided plan participants with  
7 identification cards for use in obtaining prescription drugs.

8 The Medi-Cal Program

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

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

19 18. Medi-Cal reimbursed physicians and other health care  
20 providers for medically necessary treatment and services rendered  
21 to Medi-Cal beneficiaries.

22 19. Health care providers, including doctors and  
23 pharmacies, could receive direct reimbursement from Medi-Cal by  
24 applying to Medi-Cal and receiving a Medi-Cal provider number.

25 20. To obtain payment for services, an enrolled provider,  
26 using its unique provider number, would submit claims to Medi-Cal  
27 certifying that the information on the claim form was truthful

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1 and accurate and that the services provided were reasonable and  
2 necessary to the health of the Medi-Cal beneficiary.

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COUNT ONE

[18 U.S.C. § 1349]

21. The Grand Jury hereby repeats, re-alleges, and incorporates by reference paragraphs 1 through 20 of this Indictment as if set forth herein.

A. OBJECT OF THE CONSPIRACY

22. Beginning on a date unknown, and continuing through on or about October 27, 2011, in Los Angeles County, within the Central District of California, and elsewhere, defendants ARMAN GRIGORYAN, LIANNA OVSEPIAN, JOHNSON, NURISTA GRIGORYAN, LIM, ARTAK OVSEPIAN, HOVANNISYAN, HARUTYUNYAN, TAMAZYAN, GHUKASYAN, YEGHIAZARYAN, KHOU, NUNE OVSEPYAN, MENDEZ, JONES, SMITH, VO, and WASHINGTON, together with others known and unknown to the Grand Jury, conspired and agreed with each other to knowingly and intentionally commit health care fraud, in violation of Title 18, United States Code, Section 1347.

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

23-30. The means by which the object of the conspiracy was to be accomplished included the following: the Grand Jury hereby repeats, re-alleges, and incorporates by reference paragraphs 1 through 8 of this Indictment as if fully set forth herein.

C. OVERT ACTS

31. In furtherance of the conspiracy and to accomplish its object, on or about the following dates, defendants ARMAN GRIGORYAN, LIANNA OVSEPIAN, JOHNSON, NURISTA GRIGORYAN, LIM, ARTAK OVSEPIAN, HOVANNISYAN, HARUTYUNYAN, TAMAZYAN, GHUKASYAN, YEGHIAZARYAN, KHOU, NUNE OVSEPYAN, MENDEZ, JONES, SMITH, VO, and

1 WASHINGTON, together with unnamed co-conspirators and others  
2 known and unknown to the Grand Jury, committed and willfully  
3 caused others to commit the following overt acts, among others,  
4 within the Central District of California, and elsewhere:

5 DEFENDANT ARMAN GRIGORYAN

6 Overt Act No. 1: On August 12, 2010, defendant ARMAN  
7 GRIGORYAN collected a bag of pharmaceuticals, including Psych  
8 Meds, from defendant HARUTYUNYAN.

9 Overt Act No. 2: On April 15, 2010, defendant ARMAN  
10 GRIGORYAN recruited beneficiaries to fill Manor Prescriptions and  
11 drove recruited beneficiaries to Huntington to fill Manor  
12 Prescriptions.

13 Overt Act No. 3: On May 29, 2010, defendant ARMAN  
14 GRIGORYAN drove recruited beneficiaries to Huntington to fill  
15 Manor Prescriptions.

16 DEFENDANT LIANNA OVSEPIAN

17 Overt Act No. 4: On September 29, 2010, defendant  
18 LIANNA OVSEPIAN contacted and spoke with an auditor employed by  
19 Medicare PDP Prescription Solutions Inc. ("PSI") regarding an  
20 audit conducted by PSI of Manor Prescriptions filled by  
21 Huntington.

22 Overt Act No. 5: On January 24, 2011, defendant LIANNA  
23 OVSEPIAN contacted R.T., the owner of Sunny Bay Pharmacy, to  
24 recruit R.T.'s assistance in filling Manor Prescriptions.

25 Overt Act No. 6: On February 8, 2011, defendant LIANNA  
26 OVSEPIAN met with an undercover agent posing as an employee of  
27 Sunny Bay Pharmacy to discuss recruiting Sunny Bay Pharmacy to  
28 fill Manor Prescriptions.

1           Overt Act No. 7: On May 19, 2011, defendant LIANNA  
2 OVSEPIAN held a meeting with defendants GHUKASYAN, HARUTYUNYAN,  
3 and ARTAK OVSEPIAN at Manor.

4           Overt Act No. 8: On September 13, 2011, at Manor,  
5 defendant LIANNA OVSEPIAN assisted defendants HARUTYUNYAN and  
6 HOVANNISYAN in burning pharmacy bags and other materials.

7           DEFENDANT JOHNSON

8           Overt Act No. 9: On November 3, 2010, defendant  
9 JOHNSON contacted and spoke with a PSI auditor regarding an audit  
10 of Manor Prescriptions filled by Huntington.

11           Overt Act No. 10: On February 8, 2011, defendant  
12 JOHNSON met with an undercover agent posing as an employee of  
13 Sunny Bay Pharmacy to discuss recruiting Sunny Bay Pharmacy to  
14 fill Manor Prescriptions.

15           DEFENDANT NURISTA GRIGORYAN

16           Overt Act No. 11: On October 25, 2011, defendant  
17 NURISTA GRIGORYAN completed patient medical records while seated  
18 in her car parked at Manor.

19           DEFENDANTS LIM and KHOU

20           Overt Act No. 12: On August 6, 2010, defendant KHOU  
21 transferred \$165,000 in funds received by Huntington from  
22 Medi-Cal for billings of Manor Prescriptions to the TD Ameritrade  
23 Account.

24           Overt Act No. 13: On September 6, 2010, defendant LIM  
25 transferred \$67,000 in funds received by Huntington from Medi-Cal  
26 for billings of Manor Prescriptions to the TD Ameritrade Account.

27           Overt Act No. 14: In October 2010, defendant LIM  
28 provided a PSI auditor with statements purportedly signed by 16

1 beneficiaries, which falsely asserted that the beneficiaries  
2 retracted prior complaints to PSI that Manor Prescriptions were  
3 being fraudulently filled using their Medicare benefits without  
4 their knowledge or authorization.

5 Overt Act No. 15: On September 21, 2010, defendant LIM  
6 spoke with an auditor from the California Department of Health  
7 Care Services ("DHCS") regarding an audit conducted by DHCS of  
8 Manor Prescriptions filled by Huntington.

9 DEFENDANT ARTAK OVSEPIAN

10 Overt Act No. 16: On September 20, 2010, defendant  
11 ARTAK OVSEPIAN drove recruited beneficiaries to Pacific Grand to  
12 fill Manor Prescriptions.

13 Overt Act No. 17: On September 21, 2010, defendant  
14 ARTAK OVSEPIAN drove recruited beneficiaries to Pacific Grand to  
15 fill Manor Prescriptions.

16 Overt Act No. 18: On January 24, 2011, defendant ARTAK  
17 OVSEPIAN traveled with defendant LIANNA OVSEPIAN to Sunny Bay  
18 Pharmacy to contact R.T. and recruit R.T.'s assistance in filling  
19 Manor Prescriptions.

20 Overt Act No. 19: On January 25, 2011, defendant ARTAK  
21 OVSEPIAN drove a recruited beneficiary to Sunny Bay Pharmacy to  
22 fill Manor Prescriptions.

23 Overt Act No. 20: On January 26, 2011, defendant ARTAK  
24 OVSEPIAN drove recruited beneficiaries to Sunny Bay Pharmacy to  
25 fill Manor Prescriptions.

26 Overt Act No. 21: On May 19, 2011, defendant ARTAK  
27 OVSEPIAN drove recruited beneficiaries to Midway Drugs to fill  
28 Manor Prescriptions.

1           Overt Act No. 22: On May 25, 2011, defendant ARTAK  
2 OVSEPIAN drove recruited beneficiaries to Midway Drugs to fill  
3 Manor Prescriptions.

4           Overt Act No. 23: On June 14, 2011, defendant ARTAK  
5 OVSEPIAN drove recruited beneficiaries to a pharmacy to fill  
6 Manor Prescriptions.

7           Overt Act No. 24: On July 19, 2011, defendant ARTAK  
8 OVSEPIAN assisted in loading recruited beneficiaries into vans at  
9 Manor.

10           Overt Act No. 25: On July 20, 2011, defendant ARTAK  
11 OVSEPIAN drove recruited beneficiaries to Merced Medical to fill  
12 Manor Prescriptions.

13           Overt Act No. 26: On September 21, 2011, defendant  
14 ARTAK OVSEPIAN assisted in loading recruited beneficiaries into  
15 vans at Manor.

16           DEFENDANTS HOVANNISYAN, HARUTYUNYAN, and GHUKASYAN

17           Overt Act No. 27: On August 12, 2010, defendants  
18 HARUTYUNYAN drove recruited beneficiaries to Huntington to fill  
19 Manor Prescriptions.

20           Overt Act No. 28: On January 11, 2011, defendant  
21 HOVANNISYAN drove recruited beneficiaries to Midway Drugs to fill  
22 Manor Prescriptions.

23           Overt Act No. 29: On May 19, 2011, defendants  
24 HARUTYUNYAN and GHUKASYAN followed an investigating agent who had  
25 been conducting surveillance of Manor.

26           Overt Act No. 30: On May 19, 2011, defendants  
27 HOVANNISYAN and GHUKASYAN inspected cars parked near Manor to  
28 detect the presence of law enforcement surveillance of Manor.

1           Overt Act No. 31: On May 19, 2011, defendants  
2 HOVANNISYAN and GHUKASYAN loaded beneficiaries into vans and  
3 drove the recruited beneficiaries to Midway Drugs to fill Manor  
4 Prescriptions.

5           Overt Act No. 32: On July 20, 2011, defendants  
6 HOVANNISYAN and HARUTYUNYAN drove recruited beneficiaries to  
7 Merced Medical to fill Manor Prescriptions.

8           DEFENDANTS TAMAZYAN and NUNE OVSEPIAN

9           Overt Act No. 33: On February 11, 2011, defendants  
10 TAMAZYAN and NUNE OVSEPIAN possessed approximately 300 documents  
11 bearing xerox copies of beneficiaries' identification and  
12 government health insurance cards.

13           DEFENDANT YEGHIAZARYAN

14           Overt Act No. 34: On September 20, 2011, defendant  
15 YEGHIAZARYAN drove recruited beneficiaries to Merced Medical to  
16 fill Manor Prescriptions.

17           Overt Act No. 35: On September 21, 2011, defendant  
18 YEGHIAZARYAN drove recruited beneficiaries to a pharmacy to fill  
19 Manor Prescriptions.

20           DEFENDANTS MENDEZ and JONES

21           Overt Act No. 36: On September 20, 2010, defendant  
22 MENDEZ assisted in driving recruited beneficiaries to Pacific  
23 Grand to fill Manor Prescriptions.

24           Overt Act No. 37: On May 19, 2011, defendant MENDEZ  
25 took recruited beneficiaries to Manor.

26           Overt Act No. 38: On July 19, 2011, defendants MENDEZ  
27 and JONES brought recruited beneficiaries to Manor.

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1           Overt Act No. 39: On July 20, 2011, defendants MENDEZ  
2 and JONES met with recruited beneficiaries at Manor.

3           Overt Act No. 40: On September 20, 2011, defendants  
4 MENDEZ and JONES met with recruited beneficiaries at Manor.

5           Overt Act No. 41: On September 21, 2011, defendants  
6 MENDEZ and JONES met with recruited beneficiaries at Manor.

7           DEFENDANT SMITH

8           Overt Act No. 42: On May 19, 2011, defendant SMITH met  
9 with beneficiaries at Manor.

10          DEFENDANT VO

11          Overt Act No. 43: In March 2010, defendant VO took  
12 recruited beneficiaries to Manor.

13          DEFENDANT WASHINGTON

14          Overt Act No. 44: On May 29, 2010, defendant  
15 WASHINGTON recruited beneficiaries to fill Manor Prescriptions.

COUNT TWO

[18 U.S.C. § 1028(f)]

A. OBJECT OF THE CONSPIRACY

32. Beginning on a date unknown, and continuing through on or about October 27, 2011, in Los Angeles County, within the Central District of California, and elsewhere, defendants ARMAN GRIGORYAN, LIANNA OVSEPIAN, also known as ("aka") "Lili," KENNETH WAYNE JOHNSON ("JOHNSON"), NURISTA GRIGORYAN, aka "Nora," PHIC LIM, aka "PK" ("LIM"), ARTAK OVSEPIAN, EDGAR HOVANNISYAN ("HOVANNISYAN"), ARTUR HARUTYUNYAN ("HARUTYUNYAN"), SAMVEL TAMAZYAN ("TAMAZYAN"), MIKAYEL GHUKASYAN ("GHUKASYAN"), ARTYOM YEGHIAZARYAN ("YEGHIAZARYAN"), THEANA KHOU ("KHOU"), NUNE OVSEPYAN, LISA DANIELLE MENDEZ, aka "Danielle" ("MENDEZ"), ANTHONY GLEN JONES ("JONES"), DAVID SMITH, aka "Green Eyes" ("SMITH"), VINCENT VO, aka "Minh" ("VO"), and RICHARD BOND WASHINGTON ("WASHINGTON"), together with others known and unknown to the Grand Jury, conspired and agreed with each other to knowingly and intentionally possess with intent to use unlawfully and transfer unlawfully at least five identification documents and authentication features, in violation of Title 18, United States Code, Sections 1028(a)(3), (b)(1)(A)(i).

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

33. The means by which the object of the conspiracy was to be accomplished included the following:

34-41. The Grand Jury hereby repeats, re-alleges, and incorporates by reference paragraphs 1 through 8 of this Indictment as if fully set forth herein.

1 C. OVERT ACTS

2 42. In furtherance of the conspiracy and to accomplish its  
3 object, on or about following dates, defendants ARMAN GRIGORYAN,  
4 LIANNA OVSEPIAN, JOHNSON, NURISTA GRIGORYAN, LIM, ARTAK OVSEPIAN,  
5 HOVANNISYAN, HARUTYUNYAN, TAMAZYAN, GHUKASYAN, YEGHIAZARYAN,  
6 KHOU, NUNE OVSEPYAN, MENDEZ, JONES, SMITH, VO, and WASHINGTON,  
7 together with others known and unknown to the Grand Jury,  
8 committed and willfully caused others to commit the following  
9 overt acts, among others, within the Central District of  
10 California and elsewhere.

11 43. The Grand Jury hereby repeats, re-alleges, and  
12 incorporates by reference Overt Acts 1 through 44 of Count One of  
13 this Indictment as if fully set forth herein.

COUNT THREE

[18 U.S.C. §§ 1028(a)(3), (b)(1)(A)(i), 2(a)]

44. On or about February 16, 2011, in Los Angeles County, within the Central District of California, defendants SAMVEL TAMAZYAN ("TAMAZYAN") and NUNE OVSEPIAN ("OVSEPIAN"), each aiding and abetting the other, knowingly possessed with intent to use unlawfully and transfer unlawfully at least five identification documents not issued lawfully for the use of either defendant TAMAZYAN or OVSEPIAN, authentication features, and false identification documents, namely, health insurance identification cards and health insurance account numbers, including identification documents, authentication features, and false identification documents which were issued and which appeared to have been issued by and under the authority of the United States.

COUNT FOUR

[18 U.S.C. §§ 1028A, 2(a)]

45. On or about February 16, 2011, in Los Angeles County, within the Central District of California, and elsewhere, defendants SAMVEL TAMAZYAN and NUNE OVSEPIAN, each aiding and abetting the other, knowingly transferred, possessed, and used, without lawful authority, a means of identification of another person, that is, the names and unique government-issued public health care identification numbers of N.P., J.M., and A.T., during and in relation to a felony violation of Title 18, United States Code, Section 1028(a)(3) (Possession of At Least Five Identification Documents and Authentication Features With Intent to Use Unlawfully) as charged in Count Three of this Indictment.

COUNT FIVE

[18 U.S.C. §§ 1028A, 2]

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3 46. The Grand Jury hereby repeats, re-alleges, and  
4 incorporates by reference paragraphs 1 through 8 of this  
5 Indictment as if set forth herein.

6 47. Beginning on a date unknown, and continuing through on  
7 or about October 27, 2011, in Los Angeles County, within the  
8 Central District of California, and elsewhere, defendants ARMAN  
9 GRIGORYAN, LIANNA OVSEPIAN, JOHNSON, NURISTA GRIGORYAN, LIM,  
10 ARTAK OVSEPIAN, HOVANNISYAN, HARUTYUNYAN, TAMAZYAN, GHUKASYAN,  
11 YEGHIAZARYAN, KHOU, NUNE OVSEPYAN, MENDEZ, JONES, SMITH, VO, and  
12 WASHINGTON, each aiding and abetting the others, knowingly  
13 transferred, possessed, and used, and caused to be transferred,  
14 possessed, and used, without lawful authority, a means of  
15 identification of another person, that is, the names and unique  
16 government-issued public health care identification numbers of  
17 H.T., A.V., M.V., R.E., R.R., Q.T., E.P., S.M., E.R., T.D., and  
18 J.H., during and in relation to a felony violation of Title 18,  
19 United States Code, Section 1349, Conspiracy to Commit Health  
20 Care Fraud, as charged in Count One of this Indictment.



1 KHOU, and NUNE OVSEPYAN, together with unnamed co-conspirators  
2 and others known and unknown to the Grand Jury, committed and  
3 willfully caused others to commit the following overt acts, among  
4 others, within the Central District of California and elsewhere.

5 60. The Grand Jury hereby repeats, re-alleges, and  
6 incorporates by reference Overt Acts 1 through 35 of Count One as  
7 if fully set forth herein.

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COUNT SEVEN

[18 U.S.C. § 1956(h)]

61. The Grand Jury hereby repeats, re-alleges, and incorporates by reference paragraphs 1 through 9 of this Indictment as if set forth herein.

A. OBJECTS OF THE CONSPIRACY

62. Beginning on an unknown date, and continuing through on or about October 27, 2011, in Los Angeles County, within the Central District of California, and elsewhere, defendants LIM and KHOU, and others known and unknown to the Grand Jury, conspired and agreed with each other to knowingly and intentionally commit the following offenses against the United States:

a. conducting financial transactions affecting interstate commerce knowing that property involved in the financial transactions represented the proceeds of some form of unlawful activity, and which property, in fact, involved the proceeds of specified unlawful activity, that is, health care fraud, in violation of Title 18, United States Code, Section 1349, and knowing that the transactions were designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of such specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i);

b. knowingly engaging and attempting to engage in monetary transactions in criminally derived property of a value greater than \$10,000, that is, proceeds from health care fraud, knowing that the funds involved represented the proceeds of some form of unlawful activity, in violation of Title 18, United

1 States Code, Section 1957(a) ..

2 B. MEANS BY WHICH THE OBJECTS OF THE CONSPIRACY WERE TO BE  
3 ACCOMPLISHED

4 63. The objects of the conspiracy were to be accomplished  
5 in substance as follows:

6 a. Defendants LIM and KHOU would receive Medi-Cal  
7 check payments from the State of California as a result of the  
8 health care fraud conspiracy set forth in Count One above.

9 b. Defendants LIM and KHOU would deposit, and cause to  
10 be deposited, checks consisting of proceeds derived from the  
11 health care fraud conspiracy set forth in Count One above into  
12 the East West Account and into Chase Account 1.

13 c. Defendants LIM and KHOU would transfer, and cause  
14 to be transferred, proceeds from the East West Account to the TD  
15 Ameritrade Account.

16 d. Defendants LIM and KHOU would transfer, and cause  
17 to be transferred, proceeds from Chase Account 1 to HSBC  
18 Account 1.

19 C. OVERT ACTS

20 64. In furtherance of the conspiracy and to accomplish its  
21 objects, on or about the following dates, defendants LIM and  
22 KHOU, together with others known and unknown to the Grand Jury,  
23 committed, and willfully caused to be committed, various overt  
24 acts within the Central District of California, and elsewhere,  
25 including but not limited to the following:

26 MOVEMENT OF THE CRIMINALLY DERIVED PROCEEDS FROM EAST WEST  
27 ACCOUNT 1 TO THE TD AMERITRADE ACCOUNT

28 Overt Act No. 1: On April 22, 2010, defendants LIM and

1 KHOU deposited into the East West Account a check from Medi-Cal  
2 in the amount of \$44,733.03, of which \$41,963.89 was issued for  
3 reimbursement based on claims for Manor Prescriptions.

4 Overt Act No. 2: On June 4, 2010, defendants LIM and  
5 KHOU deposited into the East West Account a check from Medi-Cal  
6 in the amount of \$39,914.54, of which \$34,524.96 was issued for  
7 reimbursement based on claims for Manor Prescriptions.

8 Overt Act No. 3: On August 6, 2010, defendants LIM and  
9 KHOU transferred \$165,000 from the East West Account by writing a  
10 check to defendant KHOU "for deposit only" to the TD Ameritrade  
11 Account.

12 Overt Act No. 4: On August 26, 2010, defendants LIM  
13 and KHOU deposited into the East West Account a check from Medi-  
14 Cal in the amount of \$67,152.41, of which \$63,845.95 was issued  
15 for reimbursement based on claims for Manor Prescriptions.

16 Overt Act No. 5: On September 6, 2010, defendants LIM  
17 and KHOU transferred \$67,000 from the East West Account by  
18 writing a check to defendant LIM "for deposit only" to the TD  
19 Ameritrade Account.

20 MOVEMENT OF THE CRIMINALLY DERIVED PROCEEDS FROM CHASE  
21 ACCOUNT 1 TO HSBC ACCOUNT 1

22 Overt Act No. 6: On February 25, 2010, defendants LIM  
23 and KHOU deposited into Chase Account 1 a check from Medi-Cal in  
24 the amount of \$75,486.57, of which \$74,026.66 was issued for  
25 reimbursement based on claims for Manor Prescriptions.

26 Overt Act No. 7: On March 1, 2010, defendants LIM and  
27 KHOU transferred \$80,000 from Chase Account 1 to HSBC Account 1.

28 Overt Act No. 8: On March 18, 2010, defendants LIM and

1 KHOU deposited into Chase Account 1 a check from Medi-Cal in the  
2 amount of \$59,728.78, of which \$50,575.96 was issued for  
3 reimbursement based on claims for Manor Prescriptions.

4 Overt Act No. 9: On March 22, 2010, defendants LIM and  
5 KHOU transferred \$60,000 from Chase Account 1 to HSBC Account 1.

6 Overt Act No. 10: On April 8, 2010, defendants LIM and  
7 KHOU deposited into Chase Account 1 a check from Medi-Cal in the  
8 amount of \$63,217.98, of which \$61,428.49 was issued for  
9 reimbursement based on claims for Manor Prescriptions.

10 Overt Act No. 11: On April 14, 2010, defendants LIM  
11 and KHOU transferred \$130,000 from Chase Account 1 to HSBC  
12 Account 1.

13 Overt Act No. 12: On May 6, 2010, defendants LIM and  
14 KHOU deposited into Chase Account 1 a check from Medi-Cal in the  
15 amount of \$76,146.78, of which \$73,055.06 was issued for  
16 reimbursement based on claims for Manor Prescriptions.

17 Overt Act No. 13: On May 12, 2010, defendants LIM and  
18 KHOU transferred \$70,000 from Chase Account 1 to HSBC Account 1.

19 Overt Act No. 14: On June 17, 2010, defendants LIM and  
20 KHOU deposited into Chase Account 1 a check from Medi-Cal in the  
21 amount of \$23,174.10, of which \$22,008.07 was issued for  
22 reimbursement based on claims for Manor Prescriptions.

23 Overt Act No. 15: On June 21, 2010, defendants LIM and  
24 KHOU transferred \$50,000 from Chase Account 1 to HSBC Account 1.

25 Overt Act No. 16: On July 1, 2010, defendants LIM and  
26 KHOU deposited into Chase Account 1 a check from Medi-Cal in the  
27 amount of \$105,801.90, of which \$98,890.03 was issued for  
28 reimbursement based on claims for Manor Prescriptions.

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Overt Act No. 17: On July 19, 2010, defendants LIM and KHOU transferred \$100,000 from Chase Account 1 to HSBC Account 1.

Overt Act No. 18: On August 19, 2010, defendants LIM and KHOU deposited into Chase Account 1 a check from Medi-Cal in the amount of \$94,645.12, of which \$94,396.62 was issued for reimbursement based on claims for Manor Prescriptions.

Overt Act No. 19: On August 23, 2010, defendants LIM and KHOU transferred \$30,000 from Chase Account 1 to HSBC Account 1.

## COUNTS EIGHT through SIXTEEN

[18 U.S.C. §§ 1956(a)(1)(B)(i), 2]

65. The Grand Jury hereby repeats, re-alleges, and incorporates by reference paragraphs 1 through 9 of this Indictment as if set forth herein.

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

<u>COUNT</u>	<u>DATE</u>	<u>FINANCIAL TRANSACTION</u>
EIGHT	3/1/2010	Transfer of \$80,000 from Chase Account 1 to HSBC Account 1
NINE	3/22/2010	Transfer of \$60,000 from Chase Account 1 to HSBC Account 1
TEN	4/14/2010	Transfer of \$130,000 from Chase Account 1 to HSBC Account 1
ELEVEN	5/12/2010	Transfer of \$70,000 from Chase Account 1 to HSBC Account 1
TWELVE	6/21/2010	Transfer of \$50,000 from Chase Account 1 to HSBC Account 1

1	THIRTEEN	7/19/2010	Transfer of \$100,000 from Chase Account 1 to HSBC Account 1
2			
3	FOURTEEN	8/6/2010	Transfer of \$165,000 from the East West Account to the TD Ameritrade Account
4			
5	FIFTEEN	8/23/2010	Transfer of \$30,000 from Chase Account 1 to HSBC Account 1
6	SIXTEEN	9/6/2010	Transfer of \$67,000 from the East West Account to the TD Ameritrade Account
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COUNTS SEVENTEEN through TWENTY-THREE

[18 U.S.C. §§ 1957(a), 2]

67. The Grand Jury hereby repeats, re-alleges, and incorporates by reference paragraphs 1 through 9 of this Indictment as if set forth herein.

68. On or about the following dates, in Los Angeles County, within the Central District of California, and elsewhere, defendants LIM and KHOU, each aiding and abetting the other, knowing that the funds involved represented the proceeds of some form of unlawful activity, conducted, and willfully caused others to conduct, the following monetary transactions in criminally derived property of a value greater than \$10,000, which property, in fact, was derived from specified unlawful activity, namely, health care fraud, in violation of Title 18, United States Code, Section 1347:

<u>COUNT</u>	<u>DATE</u>	<u>MONETARY TRANSACTION</u>
SEVENTEEN	4/22/2010	Deposit of check for \$44,733.03 into the East West Account
EIGHTEEN	6/4/2010	Deposit of check for \$39,914.54 into the East West Account
NINETEEN	8/6/2010	Transfer of \$165,000 from the East West Account to the TD Ameritrade Account
TWENTY	8/26/2010	Deposit of check for \$67,152.41 into the East West Account
TWENTY-ONE	9/6/2010	Transfer of \$67,000 from the East West Account to the TD Ameritrade Account
TWENTY-TWO	7/1/2010	Deposit of check for \$105,801.90 into Chase Account 1
TWENTY-THREE	8/19/2010	Deposit of check for \$94,645.12 into Chase Account 1

## COUNTS TWENTY-FOUR through THIRTY-FIVE

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

69. The Grand Jury hereby repeats, re-alleges, and incorporates by reference paragraphs 1 through 9 of this Indictment as if set forth herein.

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

<u>COUNT</u>	<u>DATE</u>	<u>TRANSACTION</u>
TWENTY-FOUR	8/4/2009	Cash deposits in the amounts of \$1,662 and \$9,000 into Chase Account 1.
TWENTY-FIVE	8/5/2009	Cash deposits in the amounts of \$2,377 and \$8,000 into Chase Account 1.
TWENTY-SIX	8/6/2009	Cash deposits in the amounts of \$2,000, \$2,726, and \$8,000 into Chase Account 1.
TWENTY-SEVEN	9/8/2009	Cash deposits in the following amounts: \$3,741 and \$9,000 into Chase Account 1; \$9,000 into Chase Account 2; and \$7,000 into Chase Account 3.
TWENTY-EIGHT	9/24/2009	Cash deposits in the amounts of \$9,000 into Chase Account 1 and \$9,000 into Chase Account 2.
TWENTY-NINE	9/25/2009	Cash deposit in the amount of \$9,000 into Chase Account 1.

1	THIRTY	9/28/2009	Cash deposits in the amounts of \$5,000,
2			\$4,320, \$4,000, and \$1,609 into Chase
3			Account 1, and \$9,000 into Chase Account
4	THIRTY-	9/29/2009	Cash deposits in the amounts of \$1,509,
5	ONE		\$4,000, \$4,320, and \$5,000 into Chase
6			Account 1, and \$9,000 into Chase Account
7	THIRTY-	10/13/2009	Cash deposit in the amount of \$9,000 into
8	TWO		HSBC Account 1.
9	THIRTY-	10/14/2009	Cash deposit in the amount of \$9,000 into
10	THREE		HSBC Account 1.
11	THIRTY-	10/15/2009	Cash deposit in the amount of \$9,000 into
12	FOUR		HSBC Account 1.
13	THIRTY-	10/16/2009	Cash deposit in the amount of \$9,800 into
14	FIVE		HSBC Account 1.

COUNT THIRTY-SIX

[18 U.S.C. § 1001(a)(2)]

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3 71. The Grand Jury hereby repeats, re-alleges, and  
4 incorporates by reference paragraphs 1 through 8 of this  
5 Indictment as if set forth herein.

6 72. On or about October 27, 2011, in Los Angeles County,  
7 within the Central District of California, in a matter within the  
8 jurisdiction of the executive branch of the government of the  
9 United States, specifically, the United States Department of  
10 Health and Human Services, the United States Food and Drug  
11 Administration, and the United States Marshal's Service,  
12 defendant LIANNA OVSEPIAN knowingly and willfully made a  
13 materially false, fictitious, and fraudulent statement and  
14 representation, in that defendant LIANNA OVSEPIAN stated that she  
15 could not recognize a photograph of defendant LIM, that she did  
16 not recognize defendant LIM's name, that she was not familiar  
17 with Huntington Pharmacy, and that she does not recruit  
18 pharmacies to conduct business with Manor, when, in truth and in  
19 fact, as defendant LIANNA OVSEPIAN then well knew, defendant  
20 LIANNA OVSEPIAN knew defendant LIM, conducted business with  
21 defendant LIM and Huntington Pharmacy through her employment with  
22 Manor, and had recruited pharmacies to conduct business with  
23 Manor.

COUNT THIRTY-SEVEN

[18 U.S.C. § 1001(a)(2)]

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3 73. The Grand Jury hereby repeats, re-alleges, and  
4 incorporates by reference paragraphs 1 through 8 of this  
5 Indictment as if set forth herein.

6 74. On or about October 27, 2011, in Los Angeles County,  
7 within the Central District of California, in a matter within the  
8 jurisdiction of the executive branch of the government of the  
9 United States, specifically, the United States Department of  
10 Health and Human Services, the United States Food and Drug  
11 Administration, and the United States Marshal's Service,  
12 defendant NURISTA GRIGORYAN knowingly and willfully made a  
13 materially false, fictitious, and fraudulent statement and  
14 representation, knowing the same to be a materially false,  
15 fictitious, and fraudulent statement, in that defendant NURISTA  
16 GRIGORYAN stated that defendant JOHNSON worked at Manor four  
17 times per week, when, in truth and in fact, as defendant NURISTA  
18 GRIGORYAN then well knew, defendant JOHNSON did not work at Manor  
19 four times per week.  
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COUNT THIRTY-EIGHT

[18 U.S.C. § 1001(a) (2)]

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3 75. The Grand Jury hereby repeats, re-alleges, and  
4 incorporates by reference paragraphs 1 through 8 of this  
5 Indictment as if set forth herein.

6 76. On or about October 27, 2011, in Los Angeles County,  
7 within the Central District of California, in a matter within the  
8 jurisdiction of the executive branch of the government of the  
9 United States, specifically, the United States Department of  
10 Health and Human Services, the United States Food and Drug  
11 Administration, and the United States Marshal's Service,  
12 defendant ARTAK OVSEPIAN knowingly and willfully made a  
13 materially false, fictitious, and fraudulent statement, in that  
14 defendant ARTAK OVSEPIAN stated that he had driven patients from  
15 Manor to pharmacies on only one or two occasions when, in truth  
16 and in fact, as defendant ARTAK OVSEPIAN then well knew,  
17 defendant ARTAK OVSEPIAN had driven patients from Manor to  
18 pharmacies on multiple occasions, including at least eight  
19 occasions between September 2010 and September 2011, and  
20 defendant ARTAK OVSEPIAN had assisted in the transportation of  
21 patients from Manor to pharmacies on at least two other  
22 occasions.  
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FORFEITURE ALLEGATION 1

[28 U.S.C. § 2461(c); 18 U.S.C. § 981(a)(1)(C);  
and 18 U.S.C. §§ 1347 and 1349]

1. Pursuant to Title 28, United States Code, Section 2461(c); Title 18, United States Code, Section 981(a)(1)(C); and Title 18, United States Code, Sections 1347 and 1349, each defendant convicted of an offense charged in Counts One through Four and Six of this Indictment shall forfeit to the United States the following property:

a. All right, title, and interest in any and all property, real or personal, which constitutes or is derived from proceeds traceable to each such offense, including but not limited to the real property located in Pasadena owned by PHIC K. LIM AND THEANA S. KHOU, TRUSTEES, OR THEIR SUCCESSORS UNDER THE PHIC. K. LIM AND THEANA S. KHOU TRUST<sup>1</sup>;

b. A sum of money equal to the total amount of proceeds derived from each such offense for which said defendant is convicted. If more than one defendant is convicted of an offense, the defendants so convicted are jointly and severally liable for the amount involved in such offense.

2. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), each defendant so convicted shall forfeit substitute property, up to the total value of the property described in paragraph 2, if, by any act or omission of the defendant, the property described in paragraph 1, or any portion thereof, (a)

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<sup>1</sup> The referenced property is a residence and the street address has been redacted pursuant to Local Rule 79-5.4(e).

1 cannot be located upon the exercise of due diligence; (b) has  
2 been transferred or sold to, or deposited with, a third party;  
3 (c) has been placed beyond the jurisdiction of the court; (d) has  
4 been substantially diminished in value; or (e) has been  
5 commingled with other property that cannot be divided without  
6 difficulty.

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FORFEITURE ALLEGATION 2

[18 U.S.C. § 982(a)(1)]

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3 1. Pursuant to Title 18, United States Code, Section  
4 982(a)(1), each defendant convicted of an offense charged in  
5 Counts Seven through Twenty-Three of this Indictment shall  
6 forfeit to the United States the following property:

7 a. Any and all property, real or personal, involved  
8 in such offense, and all property traceable to such offense,  
9 including but not limited to the real property located in  
10 Pasadena owned by PHIC K. LIM AND THEANA S. KHOU, TRUSTEES, OR  
11 THEIR SUCCESSORS UNDER THE PHIC. K. LIM AND THEANA S. KHOU TRUST.

12 b. A sum of money equal to the total amount of money  
13 involved in the offense for which the defendant is convicted. If  
14 more than one defendant is convicted of an offense, the  
15 defendants so convicted are jointly and severally liable for the  
16 amount involved in such offense.

17 2. Pursuant to Title 21, United States Code, Section  
18 853(p), as incorporated by Title 18, United States Code, Section  
19 982(b), each defendant so convicted shall forfeit substitute  
20 property, up to the value of the amount described in paragraph 1,  
21 if, by any act or omission of said defendant, the property  
22 described in paragraph 1, or any portion thereof, cannot be  
23 located upon the exercise of due diligence; has been transferred,  
24 sold to, or deposited with a third party; has been placed beyond  
25 the jurisdiction of this court; has been substantially diminished  
26 in value; or has been commingled with other property that cannot  
27 be divided without difficulty.

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FORFEITURE ALLEGATION 3

[31 U.S.C. § 5317(c)(1)]

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3 1. Pursuant to Title 31, United States Code, Section  
4 3517(c)(1), each defendant convicted of an offense charged in  
5 Counts Twenty-Four through Thirty-Five of this Indictment shall  
6 forfeit to the United States all right, title, and interest in  
7 any and all property, real or personal, involved in the offense  
8 and any property traceable thereto. If the above-described  
9 property is unavailable, defendants shall forfeit a sum of money  
10 equal to the total amount of money involved in the offenses for  
11 which the defendant is convicted. If more than one defendant is  
12 convicted of an offense, the defendants so convicted are jointly  
13 and severally liable for the amount involved in such offense.

14 2. Pursuant to Title 21, United States Code, Section  
15 853(p), as incorporated by Title 31, United States Code, Section  
16 5317(c)(1)(B), each defendant so convicted shall forfeit  
17 substitute property, up to the value of the amount described in  
18 paragraph 1, if, by any act or omission of said defendant, the  
19 property described in paragraph 1, or any portion thereof, cannot  
20 be located upon the exercise of due diligence; has been  
21 transferred, sold to, or deposited with a third party; has been

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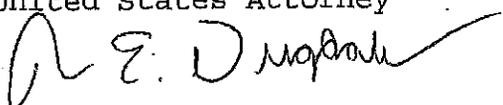
28 ///

1 placed beyond the jurisdiction of this court; has been  
2 substantially diminished in value; or has been commingled with  
3 other property that cannot be divided without difficulty.

4 A TRUE BILL

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7 Foreperson

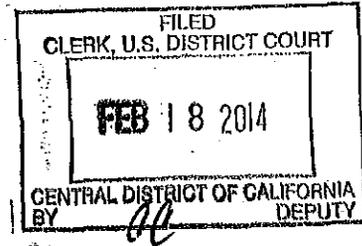
8  
9 ANDRÉ BIROTTE JR.  
United States Attorney

10   
11 ROBERT E. DUGDALE  
12 Assistant United States Attorney  
Chief, Criminal Division

13 RODRIGO A. CASTRO-SILVA  
14 Assistant United States Attorney  
Chief, OCDETF Section

15 JENNIFER L. WILLIAMS  
16 Assistant United States Attorney  
OCDETF Section

17 BENJAMIN R. BARRON  
18 Assistant United States Attorney  
OCDETF Section



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UNITED STATES OF AMERICA,

Plaintiff,

v.

KENNETH WAYNE JOHNSON, et al.,

Defendants.

No. CR 11-CR-1075-SJO

PROPOSED VERDICT FORM FOR  
DEFENDANT ARTAK OVSEPIAN

We, the Jury in the above-captioned case, present the following  
unanimous verdict.

(Cont.)

COUNT ONE

We, the Jury, unanimously find the defendant ARTAK OVSEPIAN

(check one):

GUILTY or  
 NOT GUILTY

of conspiring to commit health care fraud as charged in Count One of the Indictment.

(Cont.)

COUNT TWO

We, the Jury, unanimously find the defendant ARTAK OVSEPIAN

(check one):

GUILTY or

NOT GUILTY

of conspiring to possess at least five identification documents with intent to use unlawfully as charged in Count Two of the Indictment.

(Cont.)

COUNT FIVE

We, the Jury, unanimously find the defendant ARTAK OVSEPIAN

(check one):

GUILTY or

NOT GUILTY

of aggravated identity theft of Hoa Tran's means of identification as charged in Count Five of the Indictment.

(Cont.)

COUNT SIX

We, the Jury, unanimously find the defendant ARTAK OVSEPIAN  
(check one):

GUILTY or  
 NOT GUILTY

of conspiring to misbrand prescription drugs as charged in Count Six  
of the Indictment.

(Cont.)

COUNT THIRTY-EIGHT

We, the Jury, unanimously find the defendant ARTAK OVSEPIAN  
(check one):

GUILTY or  
 NOT GUILTY

of making a false statement to a government agency as charged in  
Count 38 of the Indictment.

Dated: 2/18/2014, in Los Angeles, California.

**REDACTED**

VERDICT FORM AS TO FOREPERSON  
SIGNATURE

United States District Court  
Central District of California

UNITED STATES OF AMERICA vs.

Docket No. CR 11-01075 SJO-6

Defendant OVSEPIAN, Artak  
akas: None

Social Security No. ■■■■  
(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
July	20,	2015

**COUNSEL**

Garob B. Ghazarian,(Retained)

(Name of Counsel)

**PLEA**

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

**FINDING**

There being a finding/verdict of GUILTY, defendant has been convicted as charged of the offense(s) of:  
18 U.S.C. § 1349, 18 U.S.C. § 1347: Conspiracy to Commit Health Care Fraud as charged in Count 1 of the Indictment; 18 U.S.C. § 1028(f), 18 U.S.C. § 1028(b)(1)(A)(i): Conspiracy to Possess at Least Five Identification Documents and Authentication Features with Intent to Use Unlawfully as charged in Count 2 of the Indictment; 18 U.S.C. § 1028A: Aggravated Identity Theft as charged in Count 5 of the Indictment; 18 U.S.C. § 371: Conspiracy to Engage in the Misbranding of Prescription Drugs as charged in Count 6 of the Indictment; 18 U.S.C. § 1001: False Statement to a Federal Officer as charged in Count 38 of the Indictment;

**JUDGMENT AND PROB/COMM ORDER**

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

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

Defendant shall pay restitution in the total amount of \$9,146,137.71 pursuant to 18 U.S.C. § 3663A, to victims as set forth in a separate victim list prepared by the probation office which this Court adopts and which reflects the Court's determination of the amount of restitution due to each victim. The victim list, which shall be forwarded to the fiscal section of the clerk's office, shall remain confidential to protect the privacy interests of the victims.

Restitution 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. If any amount of the restitution remains unpaid after release from custody, nominal monthly payments of at least 10% of defendant's gross monthly income but not less than \$200, whichever is greater, shall be made during the period of supervised release and shall begin 30 days after the commencement of supervision. Nominal restitution payments are ordered as the Court finds that the defendant's economic circumstances do not allow for either immediate or future payment of the amount ordered.

If the defendant makes a partial payment, each payee shall receive approximately proportional payment unless another priority order or percentage payment is specified in the judgment.

The defendant shall be held jointly and severally liable with codefendants Arman Grigoryan; Lianna Ovsepian, Kenneth Wayne Johnson; Nurista Grigoryan; Phic Lim; Edgar Hovannisyan; Artur Harutyunyan; Samvel Tamazyan; Artyom Yeghiazaryan; Theana Khou; Lisa Danielle Mendez; Anthony Glen Jones; David Smith; Vincent Vo; and Richard Bond Washington for the amount of restitution ordered in this judgment. The victims' recovery is limited to the amount of their loss and the defendant's liability for restitution ceases if and when the victims receive full restitution.

Pursuant to 18 U.S.C. § 3612(f)(3)(A), interest on the restitution ordered is waived because the defendant does not have the ability to pay interest.

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

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

Pursuant to the Sentencing Reform Act of 1984, it is the judgment of the Court that the defendant, Artak Ovsepian, is hereby committed on Counts 1, 2, 5, 6 and 38 of the 38-Count Indictment to the custody of the Bureau of Prisons for a term of 180 months. This term consists of 120 months on Count 1; 156 month on Counts 2; 60 months on Count 6; and 60 months on Count 38, all to be served concurrently; and 24 months on Count 5, to be served consecutively to Counts 1, 2, 6, and 38.

Upon release from imprisonment, the defendant shall be placed on supervised release for a term of three years. This term consists of 3 years on each of Counts 1, 2, 5, 6 and 38 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 United States Probation Office, General Order 05-02, and General Order 01-05, including the three special conditions delineated in General Order 01-05.
2. The defendant shall not commit any violation of local, state, or federal law or ordinance.
3. 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.
4. 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 illicit drugs, alcohol, and abusing prescription medications during the period of supervision.

5. During the course of supervision, the Probation Officer, with the agreement of the defendant and defense counsel, may place the defendant in a residential drug treatment program if required.
6. As directed by the Probation Officer, the defendant shall pay all or part of the costs of treating the defendant's drug dependency to the aftercare contractor during the period of community supervision, pursuant to 18 U.S.C. § 3672.
7. During the period of community supervision, the defendant shall pay the special assessment and restitution in accordance with this judgment's orders pertaining to such payment.
8. The defendant shall comply with the immigration rules and regulations of the United States, and if deported from this country, either voluntarily or involuntarily, not reenter the United States illegally. The defendant is not required to report to the Probation Office while residing outside of the United States; however, within 72 hours of release from any custody or any reentry to the United States during the period of Court-ordered supervision, the defendant shall report for instructions to the United States Probation Office located at United States Court House, 312 North Spring Street, Room 600, Los Angeles, California 90012.
9. The defendant shall apply monies received from income tax refunds, lottery winnings, inheritance, judgments, and any anticipated or unexpected financial gains to the outstanding Court-ordered financial obligation.

The Court advises the Defendant of his right to appeal.

The Court recommends that the defendant shall be designated in Southern California and that the defendant shall participate in the Bureau of Prison's RDAP program.

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.

USA vs. **OVSEPIAN, Artak**

Docket No.: **CR 11-01075 SJO-6**

*S. James Otero*

July 20, 2015.

Date

S. James Otero

U. S. District Judge/Magistrate Judge

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

Clerk, U.S. District Court

July 20, 2015.

Filed Date

By Victor Paul Cruz

Deputy Clerk

*Victor Paul Cruz*

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

**STANDARD CONDITIONS OF PROBATION AND SUPERVISED RELEASE**

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

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

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

USA vs. OVSEPIAN, Artak

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

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

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

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

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

Payments shall be applied in the following order:

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

**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. OVSEPIAN, Artak

Docket No.: CR 11-01075 SJO-6

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

\_\_\_\_\_  
Date

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

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

**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