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

FILED

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

October 2013 Grand Jury

UNITED STATES OF AMERICA,  
Plaintiff,

v.

HOVIK SIMITIAN,  
aka "John," and  
ANAHIT SHATVORYAN,  
aka "Anna,"  
aka "Anne,"

Defendants.

No. CR 14-

CR14-0567

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. § 1347: Health Care  
Fraud; 18 U.S.C. § 2(b): Causing  
an Act to be Done;  
18 U.S.C. § 371: Conspiracy to  
Pay and Receive Health Care  
Kickbacks in Violation of 42  
U.S.C. §§ 1320a-7b(b)(1)(A) and  
(2)(A)]

The Grand Jury charges:

COUNT ONE

[18 U.S.C. § 1349]

A. INTRODUCTORY ALLEGATIONS

At all times relevant to this Indictment:

1. Columbia Medical Group, Inc. ("Columbia") was a  
medical clinic located at 1211 N. Vermont Avenue, Suite 205, Los  
Angeles, California 90029, within the Central District of  
California.

1           2. Life Care Medical Clinic, A Professional Corporation  
2 ("Life Care") was a medical clinic located at 1211 N. Vermont  
3 Avenue, Suite 207, Los Angeles, California 90029, within the  
4 Central District of California.

5           3. Safe Health Medical Clinic, A Professional Corporation  
6 ("Safe Health") was a medical clinic located at 1211 N. Vermont  
7 Avenue, Suite 207, Los Angeles, California 90029, within the  
8 Central District of California.

9           4. In practice, Columbia, Life Care, and Safe Health  
10 (collectively, the "Clinics") operated as a single medical  
11 clinic.

12           5. Defendant HOVIK SIMITIAN, also known as ("aka") "John"  
13 ("SIMITIAN"), co-managed and co-operated the Clinics.

14           6. Defendant ANAHIT SHATVORYAN, aka "Anna," aka "Anne"  
15 ("SHATVORYAN"), co-managed and co-operated the Clinics.

16           7. A co-conspirator known to the Grand Jury ("CC-1") was  
17 a "marketer" who recruited Medicare beneficiaries for the  
18 Clinics in exchange for illegal kickbacks.

19           The Medicare Program

20           8. Medicare was a federal health care benefit program,  
21 affecting commerce, that provided benefits to individuals who  
22 were 65 years and older or disabled. Medicare was administered  
23 by the Centers for Medicare and Medicaid Services ("CMS"), a  
24 federal agency under the United States Department of Health and  
25 Human Services. Medicare was a "health care benefit program" as  
26 defined by Title 18, United States Code, Section 24(b).

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1           9.    Individuals who qualified for Medicare benefits were  
2 referred to as Medicare "beneficiaries." Each beneficiary was  
3 given a unique health insurance claim number ("HICN").

4           10.   Physicians and other health care providers that  
5 provided medical services that were reimbursed by Medicare were  
6 referred to as Medicare "providers." To participate in  
7 Medicare, providers were required to submit an application in  
8 which the provider agreed to comply with all Medicare-related  
9 laws and regulations. If Medicare approved a provider's  
10 application, Medicare assigned the provider a Medicare "provider  
11 number," which was used for processing and payment of claims.

12           11.   A health care provider with a Medicare provider number  
13 could submit claims to Medicare to obtain reimbursement for  
14 services rendered to Medicare beneficiaries.

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

23           13.   Medicare generally reimbursed a provider for physician  
24 services that were medically necessary to the health of the  
25 beneficiary and were personally furnished by the physician or  
26 the physician's employee under the physician's direction.

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1           14. CMS contracted with regional contractors to process  
2 and pay Medicare claims. Noridian Administrative Services  
3 ("Noridian") was the contractor that processed and paid Medicare  
4 claims involving Medicare Part B physician services in Southern  
5 California from approximately September 2013 to present. Prior  
6 to Noridian, the contractor for Part B physician services was  
7 Palmetto GBA from 2009 to 2013. Prior to Palmetto GBA, the  
8 contractor for Part B physician services was National Health  
9 Insurance Company from 2006 to 2009.

10           15. To bill Medicare for physician services, a provider  
11 was required to submit a claim form (Form 1500) to the Medicare  
12 contractor processing claims at that time. When a Form 1500 was  
13 submitted, usually in electronic form, the provider was required  
14 to certify: (a) that the contents of the form were true,  
15 correct, and complete; (b) that the form was prepared in  
16 compliance with the laws and regulations governing Medicare; and  
17 (c) that the services being billed were medically necessary.

18           16. A Medicare claim for payment was required to set  
19 forth, among other things, the following: (a) the beneficiary's  
20 name and unique Medicare identification number; (b) the type of  
21 services provided to the beneficiary; (c) the date that the  
22 services were provided; and (d) the name and Unique Physician  
23 Identification number ("UPIN") of the physician who prescribed  
24 or ordered the services.

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1 B. THE OBJECT OF THE CONSPIRACY

2 17. Beginning in or around February 2010, and continuing  
3 through in or around June 2014, in Los Angeles County, within  
4 the Central District of California, and elsewhere, defendants  
5 SIMITIAN and SHATVORYAN, together with CC-1 and others known and  
6 unknown to the Grand Jury, knowingly combined, conspired, and  
7 agreed to commit health care fraud, in violation of Title 18,  
8 United States Code, Section 1347.

9 C. THE MANNER AND MEANS OF THE CONSPIRACY

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

12 a. On or about February 3, 2010, Columbia submitted  
13 an amended enrollment application to Medicare, which listed  
14 defendant SIMITIAN as an authorized official for Columbia.

15 b. Columbia maintained a bank account at U.S. Bank,  
16 account number \*\*\*8070, and defendant SIMITIAN signed checks  
17 drawn on this account.

18 c. On or about June 28, 2011, Life Care submitted an  
19 enrollment application to Medicare, which listed defendant  
20 SIMITIAN as a manager of Life Care.

21 d. In or around June 2011, defendant SIMITIAN opened  
22 a bank account for Life Care at U.S. Bank, account number  
23 \*\*\*8504. Defendant SIMITIAN was the sole authorized signatory  
24 on this account.

25 e. On or about August 1, 2011, Safe Health submitted  
26 an enrollment application to Medicare, which listed defendant  
27 SIMITIAN as a manager of Safe Health.

28

1 f. On or about August 8, 2011, defendant SIMITIAN  
2 opened a bank account for Safe Health at U.S. Bank, account  
3 number \*\*\*5930. Defendant SIMITIAN was the sole authorized  
4 signatory on this account.

5 g. Individuals known as "marketers," including CC-1,  
6 would travel throughout Southern California to recruit Medicare  
7 beneficiaries and take them to the Clinics. In order to induce  
8 the beneficiaries to visit the Clinics, the marketers, including  
9 CC-1, would promise to provide the beneficiaries with free  
10 durable medical equipment ("DME") or sometimes provide them with  
11 cash.

12 h. The marketers, including CC-1, would bring  
13 Medicare beneficiaries to the Clinics. Defendants SIMITIAN,  
14 SHATVORYAN, and others known and unknown to the Grand Jury,  
15 would pay marketers, including CC-1, illegal kickbacks for  
16 bringing the Medicare beneficiaries to the Clinics.

17 i. In order to conceal that the payments to the  
18 marketers were in exchange for referring Medicare beneficiaries  
19 to the Clinics, defendants SIMITIAN and SHATVORYAN would write  
20 on the Clinics' checks that the payments were for transporting  
21 the beneficiaries to the Clinics.

22 j. At times, while the beneficiaries were at the  
23 Clinics, co-conspirators known and unknown to the Grand Jury,  
24 acting at the direction of defendants SIMITIAN and SHATVORYAN,  
25 provided the beneficiaries with certain medically unnecessary  
26 services, including blood draws, ultrasounds, and  
27 electrocardiograms ("EKGs"). At other times, the beneficiaries  
28 received no services.

1 k. Defendants SIMITIAN, SHATVORYAN, and their co-  
2 conspirators would submit, and cause the submission of, false  
3 and fraudulent claims to Medicare for services that were not  
4 medically necessary and never actually provided to the Medicare  
5 beneficiaries. These services included, among others, EKGs,  
6 studies of anorectal pressure generated by muscles surrounding  
7 the anus ("anorectal pressure tests"), nerve conduction tests,  
8 ultrasound scans and ultrasound examinations, and electronic  
9 assessments of bladder emptying. The beneficiaries for which  
10 such false and fraudulent claims were submitted included M.R.,  
11 F.D., J.E.B., O.E., E.R., M.S.C., R.L., M.H., M.D.J., J.C.,  
12 M.D.E., M.R., A.A., G.H., and H.R.

13 l. As a result of the submission of the false and  
14 fraudulent claims described above, Medicare made payments to  
15 bank accounts for Columbia, Life Care, and Safe Health described  
16 above.

17 19. Between in or around February 2010, and in or around  
18 June 2014, defendants SIMITIAN, SHATVORYAN, and their co-  
19 conspirators submitted and caused the submission of  
20 approximately \$4,526,791 in false and fraudulent claims to  
21 Medicare, resulting in Medicare payments of approximately  
22 \$1,668,559.

COUNTS TWO THROUGH SEVEN

[18 U.S.C. §§ 1347, 2(b)]

A. INTRODUCTORY ALLEGATIONS

20. The Grand Jury incorporates by reference and re-alleges paragraphs 1 through 16 and 18 through 19 of this Indictment as though set forth in their entirety herein.

B. THE SCHEME TO DEFRAUD

21. Beginning in or around February 2010, and continuing through in or around June 2014, in Los Angeles County, within the Central District of California, and elsewhere, defendants SIMITIAN and SHATVORYAN, together with CC-1 and others known and unknown to the Grand Jury, knowingly, willfully, and with intent to defraud, executed, and attempted to execute, a scheme and artifice: (a) to defraud a health care benefit program, namely Medicare, as to material matters in connection with the delivery of and payment for health care benefits, items, and services; and (b) to obtain money from Medicare by means of material false and fraudulent pretenses and representations and the concealment of material facts in connection with the delivery of and payment for health care benefits, items, and services.

C. MEANS TO ACCOMPLISH THE SCHEME TO DEFRAUD

22. The fraudulent scheme operated, in substance, as described in paragraph 18 of this Indictment, which is hereby incorporated by reference as though set forth in its entirety herein.

D. EXECUTIONS OF THE FRAUDULENT SCHEME

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

1 SIMITIAN and SHATVORYAN, together with CC-1 and others known and  
 2 unknown to the Grand Jury, for the purpose of executing and  
 3 attempting to execute the fraudulent scheme described above,  
 4 knowingly and willfully submitted and caused to be submitted to  
 5 Medicare for payment the following false and fraudulent claims:

<u>COUNT</u>	<u>BENEFICIARY</u>	<u>CLAIM NUMBER</u>	<u>APPROX. DATE SUBMITTED</u>	<u>APPROX. AMOUNT OF CLAIM</u>
TWO	M.R.	551110281356170	10/08/2010	\$800
THREE	H.R.	551111024569520	08/19/2011	\$270
FOUR	G.H.	551812044503640	02/13/2012	\$270
FIVE	F.D.	551812117004020	04/26/2012	\$270
SIX	F.D.	551812123487170	05/02/2012	\$270
SEVEN	A.A.	551812317725430	11/12/2012	\$270

COUNT EIGHT

[18 U.S.C. § 371]

A. INTRODUCTORY ALLEGATIONS

24. The Grand Jury incorporates by reference and re-alleges paragraphs 1 through 16 and 18 through 19 of this Indictment as though set forth in their entirety herein.

B. OBJECT OF THE CONSPIRACY

25. Beginning in or around February 2010, and continuing through in or around June 2014, in Los Angeles County, within the Central District of California, and elsewhere, defendants SIMITIAN and SHATVORYAN, together with CC-1 and others known and unknown to the Grand Jury, knowingly combined, conspired, and agreed to pay and receive kickbacks for patient referrals, in violation of Title 42, United States Code, Sections 1320a-7b(b)(1)(A) and (2)(A).

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. Marketers, including CC-1, would recruit Medicare beneficiaries to visit the Clinics.

b. Defendants SIMITIAN and SHATVORYAN would pay, and cause to be paid, kickbacks to the marketers, including CC-1, in return for patient referrals that the Clinics would use to submit claims to Medicare.

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1 D. OVERT ACTS

2 27. In furtherance of the conspiracy and to accomplish its  
3 object, defendants SIMITIAN and SHATVORYAN, together with CC-1  
4 and others known and unknown to the Grand Jury, committed and  
5 willfully caused others to commit the following overt acts,  
6 among others, within the Central District of California and  
7 elsewhere:

8 Overt Act No. 1: On or about July 22, 2011, defendants  
9 SIMITIAN and SHATVORYAN paid and caused to be paid kickbacks for  
10 patient referrals to the Clinics by CC-1 in the amount of \$300  
11 paid to CC-1. This check was drawn upon Columbia's U.S. Bank  
12 account number \*\*\*\*8070 (check number #3158).

13 Overt Act No. 2: On or about October 5, 2011, defendants  
14 SIMITIAN and SHATVORYAN paid and caused to be paid kickbacks for  
15 patient referrals to the Clinics by CC-1 in the amount of \$550  
16 paid to CC-1. This check was drawn upon Life Care's U.S. Bank  
17 account number \*\*\*\*8504 (check number #1109).

18 Overt Act No. 3: On or about January 26, 2012, defendants  
19 SIMITIAN and SHATVORYAN paid and caused to be paid kickbacks for  
20 patient referrals to the Clinics by CC-1 in the amount of \$800  
21 paid to CC-1. This check was drawn upon Life Care's U.S. Bank  
22 account number \*\*\*\*8504 (check number #1394).

23 Overt Act No. 4: On or about February 12, 2013, defendants  
24 SIMITIAN and SHATVORYAN paid and caused to be paid kickbacks for  
25 patient referrals to the Clinics by CC-1 in the amount of \$950  
26 paid to CC-1. This check was drawn upon Life Care's U.S. Bank  
27 account number \*\*\*\*8504 (check number #1910).

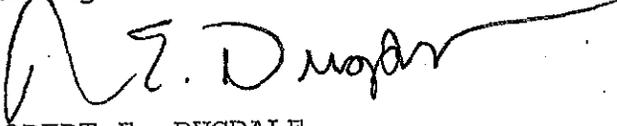
1 Overt Act No. 5: On or about February 27, 2013, defendants  
2 SIMITIAN and SHATVORYAN paid and caused to be paid kickbacks for  
3 patient referrals to the Clinics by CC-1 in the amount of \$400  
4 paid to CC-1. This check was drawn upon Safe Health's U.S. Bank  
5 account number \*\*\*\*5930 (check number #1541).

6 A TRUE BILL

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8 151

9  
10 Foreperson

11  
12 STEPHANIE YONEKURA  
Acting United States Attorney

13   
14  
15 ROBERT E. DUGDALE  
Assistant United States Attorney  
16 Chief, Criminal Division

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

19 CONSUELO WOODHEAD  
Assistant United States Attorney  
20 Deputy Chief, Major Frauds Section

21 GEJAA GOBENA  
Deputy Chief, Fraud Section  
22 United States Department of Justice

23 BEN CURTIS  
Assistant Chief, Fraud Section  
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25  
26 BLANCA QUINTERO  
ALEXANDER F. PORTER  
27 Trial Attorneys, Fraud Section  
United States Department of Justice  
28

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

CRIMINAL MINUTES - CHANGE OF PLEA

Case No. CR 14-00567 BRO

Date August 18, 2015

Present: The Honorable BEVERLY REID O'CONNELL, UNITED STATES DISTRICT JUDGE

Interpreter N/A

Julieta Lozano

Myra Ponce

Alexander F. Porter

*Deputy Clerk*

*Court Reporter*

*Assistant U.S. Attorney*

<u>U.S.A. v. Defendant(s):</u>	<u>Present</u>	<u>Cust.</u>	<u>Bond</u>	<u>Attorneys for Defendants:</u>	<u>Present</u>	<u>App.</u>	<u>Ret.</u>
1) Hovik Simitian	√		√	1) Jilbert Tahymazian	√		√

**Proceedings:** CHANGE OF PLEA (Held and Completed)

- Defendant moves to change plea to the Indictment.
- Defendant now enters a new and different plea of Guilty to Count One of the Indictment.
- The Court questions the defendant regarding plea of Guilty and finds it knowledgeable and voluntary and orders the plea accepted and entered.
- The Court refers the defendant to the Probation Office for investigation and report and continues the matter to **November 16, 2015 at 9:00 a.m. for sentencing.**
- The Court vacates the jury trial date and status conference date as to this defendant only.
- Court orders: This matter referred to the U.S. Probation Office for a presentence investigation and preparation of a presentence report. The report to be disclosed to the defendant thirty-five (35) days prior to sentencing unless the minimum period is waived.

: 22

Initials of Deputy  
Clerk jloz

cc: USPO, PSA

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 2 ROBERT E. DUGDALE  
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 UNITED STATES OF AMERICA

10 UNITED STATES DISTRICT COURT

11 FOR THE CENTRAL DISTRICT OF CALIFORNIA

12 UNITED STATES OF AMERICA,

13 Plaintiff,

14 v.

15 HOVIK SIMITIAN,

16 Defendant.

No. CR 14-0567-BRO

PLEA AGREEMENT FOR DEFENDANT  
HOVIK SIMITIAN

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

25 DEFENDANT'S OBLIGATIONS

26 2. Defendant agrees to:  
 27  
 28



1 c. At the time of sentencing, move to dismiss the  
2 remaining counts of the indictment as against defendant. Defendant  
3 agrees, however, that at the time of sentencing the Court may  
4 consider any dismissed charges in determining the applicable  
5 Sentencing Guidelines range, the propriety and extent of any  
6 departure from that range, and the sentence to be imposed.

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

13 e. Recommend that defendant be sentenced to a term of  
14 imprisonment no higher than the low end of the applicable Sentencing  
15 Guidelines range, provided that the offense level used by the Court  
16 to determine that range is, after credit for acceptance of  
17 responsibility under U.S.S.G. Section 3E1.1, 29 or higher and  
18 provided that the Court does not depart downward in offense level or  
19 criminal history category. For purposes of this agreement, the low  
20 end of the Sentencing Guidelines range is that defined by the  
21 Sentencing Table in U.S.S.G. Chapter 5, Part A.

22 NATURE OF THE OFFENSE

23 4. Defendant understands that for defendant to be guilty of  
24 the crime charged in Count One, that is, a violation of Title 18,  
25 United States Code, Section 1349, the following must be true:

26 (a) Between in or around February 2010 and June 2014,  
27 there was an agreement between two or more persons to commit the  
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1 crime of health care fraud, in violation of Title 18, United States  
2 Code, Section 1347; and

3 (b) Defendant became a member of the conspiracy knowing  
4 its object and intending to help accomplish it.

5 5. Defendant further understands that for defendant to have  
6 committed the crime of health care fraud, the following must be true:

7 (a) Defendant knowingly and willfully participated in a  
8 scheme or plan to defraud a health care benefit program, namely  
9 Medicare, or a scheme or plan for obtaining money or property from  
10 Medicare by means of false or fraudulent pretenses, representations,  
11 or promises;

12 (b) The statements made or facts omitted as part of the  
13 scheme were material; that is, they had a natural tendency to  
14 influence, or were capable of influencing, the health care benefit  
15 program to part with money or property;

16 (c) Defendant acted with the intent to defraud; that is,  
17 the intent to deceive or cheat; and

18 (d) The scheme involved the delivery of or payment for  
19 health care benefits, items, or services.

20 PENALTIES AND RESTITUTION

21 6. Defendant understands that the statutory maximum sentence  
22 that the Court can impose for a violation of Title 18, United States  
23 Code, Section 1349, as charged in Count One, is: 10 years'  
24 imprisonment; a three-year period of supervised release; a fine of  
25 \$250,000 or twice the gross gain or gross loss resulting from the  
26 offense, whichever is greatest; and a mandatory special assessment of  
27 \$100.

1           7. Defendant understands that he will be required to pay full  
2 restitution to Medicare, the victim of the offense to which defendant  
3 is pleading guilty. Defendant agrees that, in return for the USAO's  
4 compliance with its obligations under this agreement, the Court may  
5 order restitution to persons other than the victim(s) of the offenses  
6 to which defendant is pleading guilty and in amounts greater than  
7 those alleged in the counts to which the defendant is pleading  
8 guilty. In particular, defendant agrees that the Court may order  
9 restitution to any victim of any of the following for any losses  
10 suffered by that victim as a result: (a) any relevant conduct, as  
11 defined in U.S.S.G. § 1B1.3, in connection with the offense to which  
12 defendant is pleading guilty; and (b) any counts dismissed pursuant  
13 to this agreement as well as all relevant conduct, as defined in  
14 U.S.S.G. § 1B1.3, in connection with those counts. The parties  
15 currently believe that the applicable amount of restitution is at  
16 least \$1,668,559, but recognize and agree that this amount could  
17 change based on facts that come to the attention of the parties prior  
18 to sentencing. Defendant further agrees that defendant will not seek  
19 the discharge of any restitution obligation, in whole or in part, in  
20 any present or future bankruptcy proceeding.

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

1 result in defendant serving a total term of imprisonment greater than  
2 the statutory maximum stated above.

3 9. Defendant understands that, by pleading guilty, defendant  
4 may be giving up valuable government benefits and valuable civic  
5 rights, such as the right to vote, the right to possess a firearm,  
6 the right to hold office, and the right to serve on a jury.  
7 Defendant understands that once the court accepts defendant's guilty  
8 plea, it will be a federal felony for defendant to possess a firearm  
9 or ammunition. Defendant understands that the conviction in this  
10 case may also subject defendant to various other collateral  
11 consequences, including but not limited to revocation of probation,  
12 parole, or supervised release in another case and suspension or  
13 revocation of a professional license. Defendant understands that  
14 unanticipated collateral consequences will not serve as grounds to  
15 withdraw defendant's guilty plea.

16 10. Defendant understands that, if defendant is not a United  
17 States citizen, the felony conviction in this case may subject  
18 defendant to: removal, also known as deportation, which may, under  
19 some circumstances, be mandatory; denial of citizenship; and denial  
20 of admission to the United States in the future. The court cannot,  
21 and defendant's attorney also may not be able to, advise defendant  
22 fully regarding the immigration consequences of the felony conviction  
23 in this case. Defendant understands that unexpected immigration  
24 consequences will not serve as grounds to withdraw defendant's guilty  
25 plea.

26 FACTUAL BASIS

27 11. Defendant admits that defendant is, in fact, guilty of the  
28 offense to which defendant is agreeing to plead guilty. Defendant

1 and the USAO agree to the statement of facts provided below and agree  
2 that this statement of facts is sufficient to support a plea of  
3 guilty to the charge described in this agreement and to establish the  
4 Sentencing Guidelines factors set forth in paragraphs 13 and 14 below  
5 but is not meant to be a complete recitation of all facts relevant to  
6 the underlying criminal conduct or all facts known to either party  
7 that relate to that conduct.

8 At all times relevant to this plea agreement, the Medicare  
9 Program ("Medicare") was a federal health care benefit program, as  
10 defined by Title 18, United States Code, Section 24(b).

11 Beginning in or around February 2010, and continuing through in  
12 or around June 2014, in Los Angeles County, within the Central  
13 District of California, and elsewhere, defendant, together with  
14 others, knowingly combined, conspired, and agreed to commit health  
15 care fraud, in violation of Title 18, United States Code, Section  
16 1347. The criminal conspiracy operated, in substance, in the  
17 following manner:

18 Defendant was the owner and manager of three clinics, Columbia  
19 Medical Group, Inc., Life Care Medical Clinic, and Safe Health  
20 Medical Clinic (collectively, the "Clinics"), which were located at  
21 1211 N. Vermont Avenue, Los Angeles, California. As the owner and  
22 manager of the Clinics, defendant was responsible for the day-to-day  
23 operation of the Clinics. Defendant also signed and submitted to  
24 Medicare enrollment documentation that listed defendant as an  
25 authorized official, manager, and CFO of the Clinics.

26 During the course of the conspiracy, defendant and co-  
27 conspirator Anahit Shatvoryan ("Shatvoryan"), paid illegal kickbacks  
28 to patient recruiters or "marketers" who defendant knew solicited

1 individuals with Medicare benefits, known as "Medicare  
2 beneficiaries," to bring them to the Clinics. Defendant and co-  
3 conspirator Shatvoryan paid the patient recruiters an illegal  
4 kickback of \$150 to \$200 for each patient that they recruited and  
5 referred to the Clinics. During the course of the conspiracy,  
6 defendant knew it was illegal for marketers to recruit Medicare  
7 beneficiaries and bring them to the Clinics, and for defendant and  
8 co-conspirator Shatvoryan to pay kickbacks to the marketers in  
9 exchange for patient referrals.

10       Once the Medicare beneficiaries were at the Clinics, acting at  
11 the direction of defendant and co-conspirator Shatvoryan, the Clinics  
12 at times provided the Medicare beneficiaries with medically  
13 unnecessary services. At other times, again at the direction of  
14 defendant and co-conspirator Shatvoryan, the Medicare beneficiaries  
15 received no services. In both scenarios, defendant and co-  
16 conspirator Shatvoryan would submit, and cause the submission of,  
17 false and fraudulent claims to Medicare for services that defendant  
18 knew were not medically necessary and/or never actually provided to  
19 the Medicare beneficiaries. These services included, among others,  
20 urinary incontinence tests, and studies of anorectal pressure  
21 generated by muscles surrounding the anus ("anorectal pressure  
22 tests"). For instance, during the time that defendant worked at the  
23 Clinics, defendant knew that neither urinary incontinence tests nor  
24 anorectal pressure tests were conducted at the Clinics.

25       Additionally, defendant and others, including co-conspirator  
26 Shatvoryan, would complete documentation necessary for the billing of  
27 services that defendant knew were not provided to the Medicare  
28 beneficiaries. For instance, for the billing of the urinary

1 incontinence test, defendant and co-conspirator Shatvoryan would  
2 falsely document that the tests had been performed, when in fact,  
3 defendant knew that the tests were never performed on the  
4 beneficiaries. In addition, in completing superbills to be provided  
5 to the Clinics' billing company, defendant and co-conspirator  
6 Shatvoryan would include services such as the urinary incontinence  
7 test, and others, that defendant knew were never actually provided to  
8 the Medicare beneficiaries. Defendant and co-conspirator Shatvoryan  
9 would submit all paperwork, including the superbills, to the Clinics'  
10 billing company to bill Medicare on behalf of the Clinics. Defendant  
11 knew that the superbills and all other forms and information provided  
12 to the billing company would be used by the billing company to bill  
13 Medicare for false and fraudulent claims for services that were not  
14 medically necessary and never actually provided to the Medicare  
15 beneficiaries.

16 As a direct result of defendant's conduct, defendant and his co-  
17 conspirators, including co-conspirator Shatvoryan, submitted and  
18 caused the submission of approximately \$4,526,791 in false and  
19 fraudulent claims to Medicare, and Medicare paid approximately  
20 \$1,668,559 on those claims.

21 Defendant committed all of the above acts knowingly and  
22 willfully, and with the intent to defraud.

23 SENTENCING FACTORS

24 12. Defendant understands that in determining defendant's  
25 sentence the Court is required to calculate the applicable Sentencing  
26 Guidelines range and to consider that range, possible departures  
27 under the Sentencing Guidelines, and the other sentencing factors set  
28 forth in 18 U.S.C. § 3553(a). Defendant understands that the

1 Sentencing Guidelines are advisory only, that defendant cannot have  
 2 any expectation of receiving a sentence within the calculated  
 3 Sentencing Guidelines range, and that after considering the  
 4 Sentencing Guidelines and the other § 3553(a) factors, the Court will  
 5 be free to exercise its discretion to impose any sentence it finds  
 6 appropriate up to the maximum set by statute for the crime of  
 7 conviction.

8 13. Defendant and the USAO agree to the following applicable  
 9 Sentencing Guidelines factors:

10	Base Offense Level:	6	[U.S.S.G. § 2B1.1(a)(2)]
11	Loss Amount:		
12	More than \$2.5 million but less than \$7 million	18	[U.S.S.G. § 2B1.1(b)(1)(J)]
13	Aggravating role:	4	[U.S.S.G. § 3B1.1(a)]
14	Health care fraud:	2	[U.S.S.G. § 3B1.1(b)(7)]
15	Abuse of trust:	2	[U.S.S.G. § 3B1.3]
16	Acceptance of responsibility:	-3	[U.S.S.G. § 3E1.1]
17	Total Offense Level:	29	

18  
 19 14. On April 9, 2015, the Sentencing Commission approved  
 20 amendments to the Sentencing Guidelines that will go into effect on  
 21 November 1, 2015, unless modified or disapproved by Act of Congress.  
 22 If defendant's sentencing were governed by those amendments,  
 23 defendant and the USAO agree the following applicable Sentencing  
 24 Guidelines factors would apply:

25	Base Offense Level:	6	[U.S.S.G. § 2B1.1(a)(2)]
26	Loss Amount:		
27	More than \$3.5 million but less than \$9.5 million	18	[U.S.S.G. § 2B1.1(b)(1)(J)]
28	Aggravating role:	4	[U.S.S.G. § 3B1.1(a)]

1	Health care fraud:	2	[U.S.S.G. § 3B1.1(b) (7)]
2	Abuse of trust:	2	[U.S.S.G. § 3B1.3]
3	Acceptance of responsibility:	-3	[U.S.S.G. § 3E1.1]
4	Total Offense Level:	29	

5 The USAO will agree to a two-level downward adjustment for acceptance  
6 of responsibility (and, if applicable, move for an additional one-  
7 level downward adjustment under U.S.S.G. § 3E1.1(b)) only if the  
8 conditions set forth in paragraph 3(d) are met. Subject to paragraph  
9 26 below, defendant and the USAO agree not to argue, either orally or  
10 in writing, that any other specific offense characteristics,  
11 adjustments, or departures relating to the offense level be imposed.  
12 Defendant agrees, however, that if, after signing this agreement but  
13 prior to sentencing, defendant were to commit an act, or the USAO  
14 were to discover a previously undiscovered act committed by defendant  
15 prior to signing this agreement, which act, in the judgment of the  
16 USAO, constituted obstruction of justice within the meaning of  
17 U.S.S.G. § 3C1.1, the USAO would be free to seek the enhancement set  
18 forth in that section.

19 15. Defendant understands that there is no agreement as to  
20 defendant's criminal history or criminal history category.

21 16. Defendant and the USAO reserve the right to argue for a  
22 sentence outside the sentencing range established by the Sentencing  
23 Guidelines based on the factors set forth in 18 U.S.C. § 3553(a) (1),  
24 (a) (2), (a) (3), (a) (6), and (a) (7).

25 WAIVER OF CONSTITUTIONAL RIGHTS

26 17. Defendant understands that by pleading guilty, defendant  
27 gives up the following rights:  
28

1           a.    The right to persist in a plea of not guilty.  
2           b.    The right to a speedy and public trial by jury.  
3           c.    The right to be represented by counsel -- and if  
4 necessary have the court appoint counsel -- at trial. Defendant  
5 understands, however, that, defendant retains the right to be  
6 represented by counsel -- and if necessary have the court appoint  
7 counsel -- at every other stage of the proceeding.

8           d.    The right to be presumed innocent and to have the  
9 burden of proof placed on the government to prove defendant guilty  
10 beyond a reasonable doubt.

11           e.    The right to confront and cross-examine witnesses  
12 against defendant.

13           f.    The right to testify and to present evidence in  
14 opposition to the charges, including the right to compel the  
15 attendance of witnesses to testify.

16           g.    The right not to be compelled to testify, and, if  
17 defendant chose not to testify or present evidence, to have that  
18 choice not be used against defendant.

19           h.    Any and all rights to pursue any affirmative defenses,  
20 Fourth Amendment or Fifth Amendment claims, and other pretrial  
21 motions that have been filed or could be filed.

22                                   WAIVER OF APPEAL OF CONVICTION

23           18. Defendant understands that, with the exception of an appeal  
24 based on a claim that defendant's guilty plea was involuntary, by  
25 pleading guilty defendant is waiving and giving up any right to  
26 appeal defendant's conviction on the offense to which defendant is  
27 pleading guilty.

28

1                                    LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE

2            19. Defendant agrees that, provided the Court imposes a total  
3 term of imprisonment on all counts of conviction of no more than 108  
4 months, defendant gives up the right to appeal all of the following:  
5 (a) the procedures and calculations used to determine and impose any  
6 portion of the sentence; (b) the term of imprisonment imposed by the  
7 Court; (c) the fine imposed by the court, provided it is within the  
8 statutory maximum; (d) the amount and terms of any restitution order,  
9 provided it requires payment of no more than \$1,668,559; (e) the term  
10 of probation or supervised release imposed by the Court, provided it  
11 is within the statutory maximum; and (f) any of the following  
12 conditions of probation or supervised release imposed by the Court:  
13 the conditions set forth in General Orders 318, 01-05, and/or 05-02  
14 of this Court; the drug testing conditions mandated by 18 U.S.C.  
15 §§ 3563(a)(5) and 3583(d); and the alcohol and drug use conditions  
16 authorized by 18 U.S.C. § 3563(b)(7).

17            20. The USAO agrees that, provided (a) all portions of the  
18 sentence are at or below the statutory maximum specified above and  
19 (b) the Court imposes a term of imprisonment of no less than 87  
20 months, the USAO gives up its right to appeal any portion of the  
21 sentence, with the exception that the USAO reserves the right to  
22 appeal the following: the amount of restitution ordered if that  
23 amount is less than \$1,668,559.

24                                    RESULT OF WITHDRAWAL OF GUILTY PLEA

25            21. Defendant agrees that if, after entering a guilty plea  
26 pursuant to this agreement, defendant seeks to withdraw and succeeds  
27 in withdrawing defendant's guilty plea on any basis other than a  
28 claim and finding that entry into this plea agreement was

1 involuntary, then the USAO will be relieved of all of its obligations  
2 under this agreement; and (b) should the USAO choose to pursue any  
3 charge or any civil, administrative, or regulatory action that was  
4 either dismissed or not filed as a result of this agreement, then  
5 (i) any applicable statute of limitations will be tolled between the  
6 date of defendant's signing of this agreement and the filing  
7 commencing any such action; and (ii) defendant waives and gives up  
8 all defenses based on the statute of limitations, any claim of pre-  
9 indictment delay, or any speedy trial claim with respect to any such  
10 action, except to the extent that such defenses existed as of the  
11 date of defendant's signing this agreement.

12 EFFECTIVE DATE OF AGREEMENT

13 22. This agreement is effective upon signature and execution of  
14 all required certifications by defendant, defendant's counsel, and a  
15 United States Department of Justice Trial Attorney.

16 BREACH OF AGREEMENT

17 23. Defendant agrees that if defendant, at any time after the  
18 signature of this agreement and execution of all required  
19 certifications by defendant, defendant's counsel, and a United States  
20 Department of Justice Trial Attorney, knowingly violates or fails to  
21 perform any of defendant's obligations under this agreement ("a  
22 breach"), the USAO may declare this agreement breached. All of  
23 defendant's obligations are material, a single breach of this  
24 agreement is sufficient for the USAO to declare a breach, and  
25 defendant shall not be deemed to have cured a breach without the  
26 express agreement of the USAO in writing. If the USAO declares this  
27 agreement breached, and the Court finds such a breach to have  
28 occurred, then: (a) if defendant has previously entered a guilty plea

1 pursuant to this agreement, defendant will not be able to withdraw  
2 the guilty plea, and (b) the USAO will be relieved of all its  
3 obligations under this agreement.

4 24. Following the Court's finding of a knowing breach of this  
5 agreement by defendant, should the USAO choose to pursue any charge  
6 or any civil, administrative, or regulatory action that was either  
7 dismissed or not filed as a result of this agreement, then:

8 a. Defendant agrees that any applicable statute of  
9 limitations is tolled between the date of defendant's signing of this  
10 agreement and the filing commencing any such action.

11 b. Defendant waives and gives up all defenses based on  
12 the statute of limitations, any claim of pre-indictment delay, or any  
13 speedy trial claim with respect to any such action, except to the  
14 extent that such defenses existed as of the date of defendant's  
15 signing this agreement.

16 c. Defendant agrees that: (i) any statements made by  
17 defendant, under oath, at the guilty plea hearing (if such a hearing  
18 occurred prior to the breach); (ii) the agreed to factual basis  
19 statement in this agreement; and (iii) any evidence derived from such  
20 statements, shall be admissible against defendant in any such action  
21 against defendant, and defendant waives and gives up any claim under  
22 the United States Constitution, any statute, Rule 410 of the Federal  
23 Rules of Evidence, Rule 11(f) of the Federal Rules of Criminal  
24 Procedure, or any other federal rule, that the statements or any  
25 evidence derived from the statements should be suppressed or are  
26 inadmissible.



1 the sentence defendant will receive, except that it will be within  
2 the statutory maximum.

3 NO ADDITIONAL AGREEMENTS

4 28. Defendant understands that, except as set forth herein,  
5 there are no promises, understandings, or agreements between the USAO  
6 and defendant or defendant's attorney, and that no additional  
7 promise, understanding, or agreement may be entered into unless in a  
8 writing signed by all parties or on the record in court.

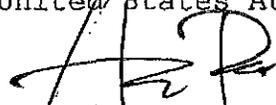
9 PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

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

13 AGREED AND ACCEPTED

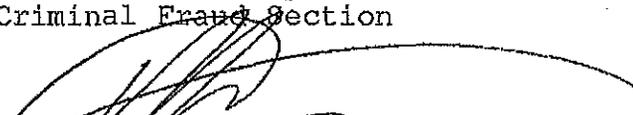
14 UNITED STATES ATTORNEY'S OFFICE  
15 FOR THE CENTRAL DISTRICT OF  
16 CALIFORNIA

16 EILEEN M. DECKER  
17 United States Attorney

18 

19 BLANCA QUINTERO  
20 ALEXANDER F. PORTER  
21 Trial Attorneys  
22 United States Department of Justice  
23 Criminal Fraud Section

8/6/15  
Date

24 

25 HOVIK SIMITIAN  
26 Defendant

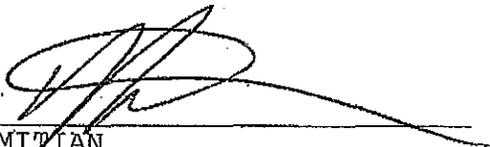
8/6/15  
Date

27   
28 JILBERT TAHMAZIAN  
Attorney for Defendant Hovik Simitian

8/6/15  
Date

CERTIFICATION OF DEFENDANT

I have read this agreement in its entirety. I have had enough time to review and consider this agreement, and I have carefully and thoroughly discussed every part of it with my attorney. I understand the terms of this agreement, and I voluntarily agree to those terms. I have discussed the evidence with my attorney, and my attorney has advised me of my rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. No promises, inducements, or representations of any kind have been made to me other than those contained in this agreement. No one has threatened or forced me in any way to enter into this agreement. I am satisfied with the representation of my attorney in this matter, and I am pleading guilty because I am guilty of the charges and wish to take advantage of the promises set forth in this agreement, and not for any other reason.



HOVIK SIMITIAN  
Defendant

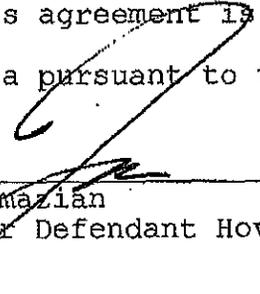
8/6/15

Date

CERTIFICATION OF DEFENDANT'S ATTORNEY

I am Hovik Simitian's attorney. I have carefully and thoroughly discussed every part of this agreement with my client. Further, I have fully advised my client of his rights, of possible pretrial

1 motions that might be filed, of possible defenses that might be  
2 asserted either prior to or at trial, of the sentencing factors set  
3 forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines  
4 provisions, and of the consequences of entering into this agreement.  
5 To my knowledge: no promises, inducements, or representations of any  
6 kind have been made to my client other than those contained in this  
7 agreement; no one has threatened or forced my client in any way to  
8 enter into this agreement; my client's decision to enter into this  
9 agreement is an informed and voluntary one; and the factual basis set  
10 forth in this agreement is sufficient to support my client's entry of  
11 a guilty plea pursuant to this agreement.

12  
13   
14 \_\_\_\_\_  
15 Gilbert Tahmazian  
16 Attorney for Defendant Hovik  
17 Simitian

8/6/15  
18 \_\_\_\_\_  
19 Date

United States District Court  
Central District of California

UNITED STATES OF AMERICA vs.

Docket No. CR 14-00567 BRO - 1

Defendant HOVIK SIMITIAN

Social Security No.            

akas: Simitian, John

(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
01	04	2016

**COUNSEL**

JILBERT TAHMAZIAN, RETAINED

(Name of Counsel)

**PLEA**

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

**FINDING**

There being a finding/verdict of **GUILTY**, defendant has been convicted as charged of the offense(s) of:  
Conspiracy to Commit Health Care Fraud in violation of 18 U.S.C. § 1349 as charged in Count 1 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, Hovik Simitian, is hereby committed on Count 1 of the to the custody of the Bureau of Prisons for a term of 78 months.

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

It is ordered that the defendant shall pay restitution in the total amount of \$1,668,559 pursuant to 18 U.S.C. § 3663A.

Defendant shall pay restitution in the total amount of \$1,668,559 to victim(s) 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 by the Probation Officer 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 \$25, whichever is greater, shall be made during the period of supervised release. These payments shall begin 30 days after the commencement of supervision. Nominal restitution payments are ordered as the Court finds

that the defendant's economic circumstances do not allow for either immediate or future payment of the amount ordered.

The defendant shall be held jointly and severally liable with co-defendant, Anahit Shatvoryan 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. Payments may be subject to penalties for default and delinquency pursuant to 18 U.S.C. § 3612(g).

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

Pursuant to Guideline § 5E1.2(a), all fines are waived as the Court finds that the defendant has established that he is unable to pay and is not likely to become able to pay any fine.

Upon release from imprisonment, the defendant shall be placed on supervised release for a term of three years 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 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.
3. 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.
4. 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 approved by the United States Probation Office for treatment of narcotic addiction or drug dependency, which may include counseling and testing, to determine if the defendant has reverted to the use of drugs, and the defendant shall reside in the treatment program until discharged by the Program Director and Probation Officer.

5. As directed by the Probation Officer, the defendant shall pay all or part of the costs of the defendant's drug dependency to the aftercare contractors during the period of community supervision, pursuant to 18 U.S.C. § 3672. The defendant shall provide payment and proof of payment as directed by the Probation Officer.
6. 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.
7. The defendant shall cooperate in the collection of a DNA sample from the defendant.
8. The defendant shall apply all monies received from income tax refunds to the outstanding court-ordered financial obligation. In addition, the defendant shall apply all monies received from lottery winnings, inheritance, judgments and any anticipated or unexpected financial gains to the outstanding court-ordered financial obligation.

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.

It is further ordered that the defendant surrender himself to the institution designated by the Bureau of Prisons on February 16, 2016. In the absence of such designation, the defendant shall report on or before the same date and time, to the United States Marshal located at the Roybal Federal Building, 255 East Temple Street, Los Angeles, California 90012.

The Court recommends that the defendant be designated in a Bureau of Prison facility at Terminal Island.

The Court recommends to the Bureau of Prisons: that defendant be designated to a BOP facility that offers the 500-hour Residential Drug Abuse Program (RDAP)

Defendant informed that he has waived his right to appeal.

On the Government's motion, all remaining counts of the underlying indictment/ information are ordered dismissed.

Bond is exonerated upon surrender.

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.

January 4, 2016

Date

  
U. S. District Judge BEVERLY REID O'CONNELL

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

January 4, 2016

Filed Date

By Renee A. Fisher

Deputy Clerk

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).

**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.

**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 \_\_\_\_\_

USA vs. HOVIK SIMITIAN

Docket No.: CR 14-00567 BRO - 1

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