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CENTRAL DIST. OF CALIF.
LOS ANGELES

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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
February 2017 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

JULIAN OMIDI,
aka "Combiz Omid,"
aka "Combiz Julian Omid,"
aka "Kambiz Omid,"
aka "Kambiz Beniamia Omid,"
aka "Ben Omid,"
INDEPENDENT MEDICAL SERVICES,
INC., a professional corporation,
SURGERY CENTER MANAGEMENT, LLC,
and
MIRALI ZARRABI, M.D.,
aka "Mirali Akba Ghandchi
Zarrabi,"
aka "M.A. Ghandchi Zarrabi,"

Defendants.

CR No. 17-00661(A) -DMG

F I R S T
S U P E R S E D I N G
I N D I C T M E N T

[18 U.S.C. § 1341: Mail Fraud; 18 U.S.C. § 1343: Wire Fraud; 18 U.S.C. § 1028A(a)(1): Aggravated Identity Theft; 18 U.S.C. § 1035: False Statements Relating to Health Care Matters; 18 U.S.C. § 1956(h): Conspiracy to Commit Promotional Money Laundering; 18 U.S.C. § 1956(a)(1)(A): Promotional Money Laundering; 18 U.S.C. § 2: Aiding and Abetting and Causing an Act to Be Done; 18 U.S.C. §§ 981(a)(1)(C), 982(a)(1), 982(a)(2)(B), 982(a)(7), and 1029(c)(1)(C) and 28 U.S.C. § 2461(c): Criminal Forfeiture]

The Grand Jury charges:

COUNTS ONE THROUGH TWENTY-EIGHT

[18 U.S.C. §§ 1341, 2]

[Defendants J. OMIDI, IMS, SCM, and ZARRABI]

A. INTRODUCTORY ALLEGATIONS

At all times relevant to this First Superseding Indictment:

1 1. Defendant JULIAN OMIDI, also known as ("aka") "Combiz
2 Omididi," aka "Combiz Julian Omididi," aka "Kambiz Omididi," aka "Kambiz
3 Beniamia Omididi," aka "Ben Omididi" ("defendant J. OMIDI"), was a
4 resident of Los Angeles, California, within the Central District of
5 California. Defendant J. OMIDI was a medical doctor whose license to
6 practice in California was revoked effective June 19, 2009.

7 2. Defendant SURGERY CENTER MANAGEMENT, LLC ("defendant SCM")
8 was a limited liability company registered in the State of
9 California, operating in Beverly Hills, California, within the
10 Central District of California. Defendant SCM used the address 269
11 Beverly Drive, Suite 353, Beverly Hills, California 90212 (the "Suite
12 353 Address"). Defendant SCM had multiple bank accounts, including
13 bank accounts at Wells Fargo Bank from in or about July 2010 until in
14 or about March 2012. Defendant J. OMIDI was listed as an owner of
15 and had signature authority for the SCM Wells Fargo Bank account with
16 account number ending in 4735 (the "SCM WFB Account"). Co-
17 conspirator C.K. was an employee of defendant SCM starting in or
18 about July 2010 and, beginning at least in or about October 2010, was
19 listed as a manager for defendant SCM on corporate documents and
20 agreements.

21 3. On or about March 15, 2012, defendant SCM entered into an
22 assignment agreement with Golden State Practice Management, LLC
23 ("GSPM"), under which defendant SCM, among other things, assigned to
24 GSPM its duties, obligations, rights, title, and interest in and to
25 all contracts and agreements between defendant SCM and defendant
26 INDEPENDENT MEDICAL SERVICES, INC. ("defendant IMS", as further
27 described below), and delivered to GSPM any checks, cash, or other
28 form of payment defendant SCM received. Co-conspirator C.K. signed

1 the agreement as "President" of defendant SCM. Under the agreement,
2 defendant IMS agreed to maintain and perform with GSPM all of its
3 agreements, duties, obligations, and other contracts it had with
4 defendant SCM to the full nature and extent it was obligated to do so
5 with defendant SCM.

6 4. Defendant IMS was a professional corporation registered in
7 the State of California, operating primarily in Beverly Hills,
8 California, within the Central District of California. Defendant IMS
9 used the Suite 353 Address. Defendant IMS had multiple bank
10 accounts, including a bank account at Chase Bank bearing an account
11 number ending in 7541 (the "IMS Chase Account") from in or about May
12 2012 until in or about August 2014.

13 5. On or about March 15, 2012, defendant IMS entered into an
14 assignment agreement with GSPM, under which defendant IMS assigned to
15 GSPM, among other things, all of its rights, title, and interest in
16 and to all accounts receivable, rights to receive monies, and
17 payments for services rendered by defendant IMS and its physicians.
18 In the agreement, defendant IMS described as its property a number of
19 entities, including VIMA Medical, Inc., a professional corporation
20 ("VIMA").

21 6. Defendant MIRALI ZARRABI, M.D., aka "Mirali Akbar Ghandchi
22 Zarrabi," aka "M.A. Ghandchi Zarrabi" ("defendant ZARRABI"), was a
23 resident of Beverly Hills, California, within the Central District of
24 California. Defendant ZARRABI was a medical doctor licensed to
25 practice in California and an independent contractor for defendant
26 IMS.

27 7. 1-800-Get-Thin, LLC ("1-800-Get-Thin") was a limited
28 liability company registered in the State of California, operating in

1 Beverly Hills, California, within the Central District of California.
2 1-800-Get-Thin leased to defendant SCM the "1-800-Get-Thin" telephone
3 number 1-800-438-8446 and the URL "800getthin.com," from in or about
4 2010 to in or about 2015.

5 Lap-Band Surgery and Bariatric Coverage

6 8. Lap-Band surgery (a type of bariatric surgery) was an
7 elective weight-loss procedure that employed the Lap-Band, a
8 restricted device, regulated by the United States Food and Drug
9 Administration.

10 9. Lap-Band surgery was intended for use only in morbidly
11 obese adult patients who met specific criteria based on their body
12 mass index ("BMI"), had failed more conservative weight-reduction
13 alternatives, and committed to making various permanent changes in
14 their eating habits.

15 10. If a patient had bariatric coverage through his or her
16 health insurance, the insurance company typically required that the
17 Lap-Band surgery be pre-approved before providers could bill and
18 obtain payment for the surgery and related pre-operative and post-
19 operative services and procedures. Patients with bariatric coverage
20 generally were pre-approved and the Lap-Band surgery deemed medically
21 necessary only if, among other requirements, they either had a BMI of
22 40 or more, or a BMI of 35 or more and at least one co-morbidity,
23 such as obstructive sleep apnea ("OSA"), typically diagnosed through
24 a sleep study.

25 11. In order to obtain pre-approval for Lap-Band surgery, the
26 medical provider typically submitted a pre-authorization request
27 (also known as a letter of medical necessity or "LOMN") that
28 established the medical necessity for the Lap-Band procedure with

1 documentation showing that the patient was morbidly obese and met all
2 the additional qualifications of the particular plan, including
3 documentation of any co-morbidity.

4 Sleep Studies

5 12. A polysomnography ("PSG") was a baseline sleep study
6 ordered by a licensed physician based on an individualized assessment
7 of a patient's risk for a sleep disorder. That individualized
8 assessment could include a review of a patient's score on
9 questionnaires designed to evaluate a patient's risk for sleep apnea
10 or other sleep-related disorders, including the Berlin questionnaire
11 and the Epworth Sleepiness Scale ("ESS").

12 13. If, based on the PSG results, the licensed physician
13 interpreting the PSG diagnosed the patient with OSA and prescribed
14 treatment using a continuous positive airway pressure ("CPAP")
15 machine, a second sleep study, known as a titration study or CPAP
16 study, could be conducted to find the appropriate pressure for use in
17 treating the OSA using the CPAP.

18 14. Sleep studies such as PSGs and titration studies generated
19 raw data that was scored by a Registered Polysomnographic Sleep
20 Technician ("RPSGT"). As part of that scoring, the RPSGT calculated
21 the apnea-hypopnea index ("AHI"), a score related to the number of
22 breathing cessations (apneas) and drops in the breathing rate
23 accompanied by oxygen desaturation (hypopneas) that occurred in the
24 study. An AHI of less than 5 was normal, while an AHI between 5 and
25 14.9 reflected mild OSA, between 15 and 29.9 reflected moderate OSA,
26 and 30 or higher reflected severe OSA.

27 15. The sleep study would then be interpreted by a qualified
28 licensed physician, who used the sleep study results to arrive at

1 diagnoses and treatment recommendations specific to the patient's
2 results.

3 16. Most insurance companies required a diagnosis of moderate
4 or severe OSA to qualify as a co-morbidity that would support a
5 request for Lap-Band pre-approval.

6 GET THIN and the GET THIN Sleep Study Program

7 17. "GET THIN" referred to a network of more than 200 entities
8 – including defendant IMS; defendant SCM; GSPM; VIMA; 1-800-Get-Thin;
9 Royalty Surgical Center, LLC ("Royalty"); and DeVida USA, LLC
10 ("DeVida") – that worked to promote, perform, and submit insurance
11 claims for Lap-Band surgeries and other medical procedures, including
12 sleep studies, in the Central District of California, and elsewhere,
13 between at least in or about 2008 and the present.

14 18. GET THIN was controlled, at least in part, by defendant J.
15 OMIDI who, together with others: (a) set and reviewed GET THIN's
16 policies and procedures, including policies and procedures with
17 respect to the services GET THIN would provide, the billing for those
18 services, and materials submitted to insurance companies;
19 (b) reviewed individual patient files and claims for services
20 submitted to insurance carriers; and (c) approved GET THIN expenses.

21 19. Beginning in or about February 2010, defendant SCM was
22 listed as a "Member" of GET THIN and as associated with the
23 management of multiple GET THIN entities, including GET THIN's
24 surgery centers.

25 20. Beginning in or about April 2010 and continuing to at least
26 in or around December 2015, defendant IMS maintained a sleep study
27 program (the "GET THIN SSP") to conduct sleep studies for patients
28 who came to GET THIN seeking Lap-Band surgery. The majority of

1 individuals who worked with defendant IMS with respect to the GET
2 THIN SSP, including defendant ZARRABI, were hired by defendant IMS as
3 independent contractors with defendant J. OMIDI's approval.

4 21. Between in or around May 2010 and in or around December
5 2015, co-conspirator C.K., who was not a licensed medical
6 professional, was the manager of the GET THIN SSP and an
7 administrator for defendant IMS. Beginning at least in or about
8 December 2010, co-conspirator C.K. was listed as a manager for
9 defendant IMS on corporate documents and agreements.

10 22. Defendant IMS contracted with (a) an RPSGT to score
11 manually the raw data from sleep study tests between in or about
12 April 2010 and in or about August 2014; and (b) defendant ZARRABI to
13 review and interpret the scored sleep studies for the GET THIN SSP
14 starting in or about June 2010.

15 23. The GET THIN SSP also employed others who were not licensed
16 medical professionals, including the manager of GET THIN's nutrition
17 department ("S.H."), and Co-Conspirator 2 ("CC-2"), an administrative
18 assistant and then manager for the GET THIN SSP, to assist co-
19 conspirator C.K. in dealing with the influx of patients and backlog
20 of sleep study reports.

21 24. The GET THIN SSP conducted sleep studies in multiple
22 locations in California, including locations in Apple Valley, Long
23 Beach, Palmdale, San Bernardino, and West Hills, all in the Central
24 District of California. Although sometimes located in suites next to
25 ambulatory surgery centers ("ASCs"), the sleep studies were not
26 conducted in ASCs. In particular, no sleep studies were conducted at
27 the Modern Institute of Plastic Surgery in Beverly Hills, California.

28

1 GET THIN's Insurance Claims for Lap-Band Surgery, Sleep Studies,
2 and DME Referrals

3 25. GET THIN included entities and associated individuals,
4 including defendant IMS and VIMA, that were medical providers ("GET
5 THIN Providers") and had provider numbers enabling them to submit
6 claims to insurance companies for services they allegedly provided to
7 patients.

8 26. According to defendant ZARRABI's contract with IMS,
9 defendant ZARRABI's services for the GET THIN SSP were to be billed
10 under defendant IMS's provider number. In practice, however,
11 defendant ZARRABI's services for the GET THIN SSP were billed under
12 provider numbers for defendant IMS, VIMA, and other GET THIN
13 entities.

14 27. GET THIN Providers submitted claims for services to a
15 number of health care benefit programs, including TriCare (the
16 federally funded health care benefit program that provides coverage
17 for active duty, retired, and reserve members of the military and
18 certain other individuals) and private insurers such as Anthem Blue
19 Cross, UnitedHealthcare, Aetna, CIGNA, Health Net, Operating
20 Engineers Health & Welfare Fund, Blue Shield of California,
21 Government Employee's Health Association, Inc. ("GEHA"), and others
22 (collectively, the "Insurance Companies"). TriCare and the Insurance
23 Companies were health care benefit programs as defined in 18 U.S.C.
24 § 24(b).

25 28. GET THIN Providers were typically non-contracted or out-of-
26 network providers who lacked any agreement with the Insurance
27 Companies. TriCare and the Insurance Companies typically paid such
28 out-of-network providers a percentage of either (a) the amount billed

1 or (b) a "usual and customary" rate for the service, which was
2 generally higher than the in-network rate. In addition, the patient
3 (also known as the "subscriber" or "member" of the insurance plan)
4 was also responsible for payment of the difference between the out-
5 of-network provider's fees and the amount paid by TriCare and the
6 Insurance Companies.

7 29. GET THIN Providers submitted claims for professional
8 services (on a CMS Form 1500) and facility fees (on a CMS Form UB-04)
9 using current procedural terminology ("CPT") codes identifying the
10 services provided. In submitting a claim, the GET THIN Providers
11 represented that all of the information in the claim was true and
12 accurate -- including patient identity, CPT codes, diagnosis,
13 provider identity, place of service, and date of service -- and that
14 the service provided was medically necessary.

15 30. GET THIN Providers, including defendant IMS, typically
16 submitted claims to TriCare and the Insurance Companies for Lap-Band
17 surgery using CPT code 43770. Claims for other services and
18 procedures billed in conjunction with the surgery -- such as
19 anesthesia, pathology, biopsies, or hernia repair -- were submitted
20 under separate CPT codes.

21 31. GET THIN Providers, including defendant IMS, typically
22 submitted claims for sleep studies under CPT codes 95810 (for PSGs)
23 and 95811 (for titration studies). GET THIN Providers submitted
24 sleep study claims for professional services (often under the
25 provider number of defendant IMS) or facility fees (often under the
26 provider number of Modern Institute of Plastic Surgery, which used as
27 its mailing address the Suite 353 Address), or sometimes both.

1 32. GET THIN also referred patients to other providers, such as
2 durable medical equipment ("DME") providers, including the primary
3 DME provider used by GET THIN ("DME Provider 1"), for CPAP devices,
4 including AutoPAP or APAP devices, and accessories following the
5 patients' sleep studies. GET THIN provided to the DME providers
6 documentation including CPAP prescriptions signed by GET THIN-
7 affiliated doctors, such as defendant ZARRABI, SSRs generated by the
8 GET THIN SSP, and notes of the medical clearance visits conducted by
9 GET THIN internists in support of those referrals. The DME
10 providers, including DME Provider 1, then submitted claims for CPAP
11 devices and accessories to Tricare and the Insurance Companies,
12 typically under CPT codes E0601, E0562, and A7030 through A7039.

13 33. The information in the claim forms was material to payment,
14 and TriCare and the Insurance Companies would deny claims that
15 contained false, inaccurate, or misleading information about, for
16 example, the service purportedly performed or its medical necessity,
17 the identity of the provider, or the place of service; insurers were
18 only obligated to pay "clean" claims, that is, claims that were
19 accurate and complete.

20 34. With respect to sleep study claims, if TriCare and the
21 Insurance Companies had known any of the following, they might have
22 denied the claims or subjected them to additional scrutiny:

23 a. That a sleep study claim was submitted for a sleep
24 study with false information, including false information as to
25 whether the study had actually been interpreted by a qualified
26 licensed physician;

27 b. That the sleep study was not medically necessary;
28

1 c. That medical records, such as sleep study reports,
2 submitted in support of the claims contained false and fraudulent
3 information; or

4 d. That employees had received commissions for the
5 scheduling or completion of sleep studies.

6 35. With respect to claims for DME such as CPAPs or CPAP-
7 accessories, if TriCare and the Insurance Companies had known any of
8 the following, they might have denied the claims or subjected them to
9 additional scrutiny:

10 a. That the CPAP was not medically necessary;

11 b. That the CPAP had not, in fact, been prescribed by a
12 physician;

13 c. That the prescribing physician expected to be paid for
14 writing the CPAP prescription; or

15 d. That medical records purporting to support the medical
16 necessity of the CPAP contained false and fraudulent information.

17 36. With respect to requests for Lap-Band approval, if TriCare
18 and the Insurance Companies had known that an LOMN and/or attached
19 supporting documentation contained false or fraudulent statements
20 purporting to support the medical necessity for the Lap-Band
21 procedure, including false or fraudulent statements or documentation
22 concerning an alleged co-morbidity, they might not have approved Lap-
23 Band surgery or paid claims submitted for Lap-Band surgery and
24 related services for that patient, or they might have subjected the
25 pre-authorization request to additional scrutiny.

26 B. THE FRAUDULENT SCHEME

27 37. Beginning in or about May 2010 and continuing through in or
28 about March 2016, in Los Angeles County, within the Central District

1 of California, and elsewhere, defendants J. OMIDI, IMS, SCM, and
2 ZARRABI, together with co-conspirators C.K., S.H., and CC-2, and
3 others known and unknown to the Grand Jury, knowingly and with intent
4 to defraud, devised, participated in, and executed a scheme to
5 defraud TriCare and the Insurance Companies as to material matters,
6 and to obtain money and property from TriCare and the Insurance
7 Companies by means of material false and fraudulent pretenses,
8 representations, and promises, and the concealment of material facts.

9 38. The fraudulent scheme was carried out, in substance, as
10 follows:

11 a. GET THIN aggressively promoted Lap-Band surgery
12 through advertisements in Southern California, and elsewhere,
13 encouraging potential patients to call "1-800-GET-THIN" and attend a
14 presentation (often referred to as a "seminar") about the surgery.

15 b. Before patients attended a seminar, GET THIN obtained
16 their insurance information, using that to determine whether the
17 patients had bariatric coverage (that is, whether their insurance
18 plan covered Lap-Band surgery) and, if so, whether that coverage
19 extended to out-of-network providers like GET THIN. If the potential
20 patients' insurance plans did not cover Lap-Band surgery, GET THIN
21 would internally identify these patients as having "No Bariatric
22 Benefits" or "No Bariatric Benefits-Even With Medical Necessity."

23 c. Before or around the time patients attended a seminar,
24 those patients were instructed to fill out and sign a variety of
25 intake paperwork. That paperwork typically included forms in which
26 the patients assigned their rights and benefits regarding their
27 insurance policies to defendant SCM, instructed their insurance
28 companies to pay for services purportedly provided by GET THIN

1 Providers by check made payable and mailed to defendant SCM at the
2 Suite 353 Address, and authorized defendant SCM to deposit any
3 insurance checks received in payment for services provided by GET
4 THIN Providers. The intake paperwork also at times included a form
5 entitled "Assignment of Benefits," to be signed by the patients, in
6 which the patients authorized direct payment to GET THIN Providers of
7 any benefits for treatments or services. Some of those "Assignment
8 of Benefits" forms notified patients that defendant J. OMIDI was an
9 owner of "the management company for the above mentioned surgery
10 center" and had a "vested interest in the [surgery] center and will
11 be receiving compensation for the procedures performed."

12 d. After attending a seminar, patients often met with
13 Lap-Band surgeons under contract with GET THIN entities, including
14 defendant IMS, who conducted brief examinations. After these
15 examinations, a sleep study typically was ordered as a pre-operative
16 procedure by marking a check-box for "Polysomnography" on a "Surgery
17 Scheduling Form," even though some of the patients had insurance that
18 likely would not cover Lap-Band surgery under any circumstances and
19 even though there was often little medical need for the sleep study
20 documented by the brief examinations or in the patient intake
21 materials. On some occasions, the check-box for "Polysomnography"
22 was not checked.

23 e. Next, GET THIN's patient consultants, in accordance
24 with policies set by defendant J. OMIDI and others, and irrespective
25 of whether the "Polysomnography" box on the "Surgery Scheduling Form"
26 was checked, routinely scheduled patients for a PSG to be conducted
27 through the GET THIN SSP in an effort to uncover a co-morbidity that
28 would assist GET THIN in obtaining insurance approval for Lap-Band

1 surgery from various health care benefit programs. Later, policies
2 required the scheduling of a titration study at the same time, even
3 though the PSG had not yet been conducted and sleep apnea had not
4 been diagnosed. At the time defendant J. OMIDI and others set these
5 policies, defendant J. OMIDI knew that some of these patients had
6 insurance that likely would not cover Lap-Band surgery under any
7 circumstances, but that the insurance often would pay for the
8 performance of one or more sleep studies.

9 f. As an incentive to encourage the performance of Lap-
10 Band surgeries and other procedures including sleep studies, GET THIN
11 patient consultants received commissions when patients they worked
12 with underwent the procedures, including approximately \$40-\$70 for
13 each Lap-Band surgery and approximately \$20 for each sleep study.
14 Other GET THIN employees or independent contractors also received
15 commissions relating to procedures, including for confirming sleep
16 study appointments. Defendant J. OMIDI reviewed and approved the
17 payment of those commissions.

18 g. Individuals hired by defendant IMS, with defendant J.
19 OMIDI's approval, conducted the sleep studies, which were then scored
20 by an RPSGT hired by defendant IMS. At co-conspirator C.K.'s
21 direction, the RPSGT would input the sleep study scores into a sleep
22 study report ("SSR") template that included the electronic signature
23 of defendant ZARRABI and standardized diagnoses and treatment options
24 that were not individualized to the patient. As defendant J. OMIDI
25 and co-conspirator C.K. knew, defendant ZARRABI permitted his
26 electronic signature to be used in these SSRs even though he would
27 often not review or interpret the SSRs or was reviewing SSRs that, as
28 discussed below, had been altered by co-conspirator C.K. and others

1 at defendant J. OMIDI's direction to reflect results not supported by
2 the raw data from the sleep studies, without reviewing the underlying
3 raw data to confirm their accuracy. Although defendant ZARRABI did
4 not review many of these SSRs, he knew they included results not
5 supported by the raw data from the sleep studies.

6 h. Defendant J. OMIDI instructed co-conspirator C.K.,
7 either directly or through intermediaries such as co-conspirator S.H.
8 or through post-it notes on patient files, to alter the sleep study
9 results in the SSRs (i) to make it appear as though the patients had
10 OSA when they, in fact, did not; or (ii) to make it appear as though
11 they had more severe OSA than they, in fact, had. Defendant J. OMIDI
12 authorized other GET THIN SSP employees, including co-conspirator
13 S.H., to assist co-conspirator C.K. in the falsification of SSRs.

14 i. In order to make patients more likely to receive
15 insurance pre-approval for Lap-Band surgery and provide supporting
16 documentation justifying the initial performance of the sleep
17 studies, defendant J. OMIDI also instructed co-conspirator C.K. to
18 conduct or provide ESS scores for patients. Defendant J. OMIDI
19 authorized co-conspirator C.K.'s use of CC-2 to obtain those ESS
20 scores, which, as defendant J. OMIDI and co-conspirator C.K. both
21 knew, were often obtained after the sleep studies had already been
22 performed and were often fabricated to indicate falsely that the
23 patients were suffering from extreme daytime sleepiness when, in
24 fact, they were not. The falsified ESS scores were then included in
25 the SSRs and often referenced in LOMNs.

26 j. Defendant J. OMIDI instructed co-conspirator C.K. to
27 falsify the SSRs, knowing and intending that (i) those falsified SSRs
28 would be provided to TriCare and the Insurance Companies -- often

1 attached to an LOMN that also referenced the falsified sleep study
2 results and ESS scores -- as part of GET THIN's request for pre-
3 authorization for Lap-Band surgery and (ii) TriCare and the Insurance
4 Companies would rely on the falsified SSRs (including their
5 fabricated results and representation that the SSRs had been reviewed
6 by defendant ZARRABI) and corresponding inaccurate LOMN statements
7 regarding the sleep study results in making decisions regarding Lap-
8 Band pre-approval. Defendant ZARRABI was also aware that SSRs he did
9 not review and which he knew contained inaccurate information would
10 be provided to, and relied upon by, TriCare and the Insurance
11 Companies as part of GET THIN's request for pre-authorization for
12 Lap-Band surgery.

13 k. GET THIN employees, including co-conspirators C.K. and
14 S.H., acting at defendant J. OMIDI's direction or with his knowledge
15 and approval, also falsified other information that was included in
16 the LOMNs, including patients' heights, weights, and BMIs, or
17 materials that would be attached to the LOMNs, including nutrition
18 summary letters, some of which J. OMIDI knew or later became aware
19 bore forged or unauthorized signatures of dieticians contracted with
20 GET THIN. As defendant J. OMIDI knew and intended, this false
21 information was included in an effort to make the patients more
22 likely to receive insurance pre-approval for Lap-Band surgery.

23 l. Defendant J. OMIDI routinely reviewed LOMNs and
24 discussed their contents with members of GET THIN's processing
25 department, which was responsible for generating the LOMNs.
26 Defendant J. OMIDI at times directed GET THIN employees to revise the
27 LOMNs, including to reflect the falsified sleep study results and ESS
28 scores. Defendant J. OMIDI did so, knowing that his medical license

1 had been revoked, that the individuals writing and revising the LOMNs
2 were not medical professionals, that LOMNs were created from
3 templates with cloned language not specific to patients' conditions,
4 and that, to the extent the LOMNs were reviewed by physicians (which
5 was not always the case), those physicians had often never seen or
6 examined the patients and were asked to review the LOMNs based only
7 on select supporting documentation provided to them by other GET THIN
8 employees or without receiving any supporting documentation at all.
9 Defendant J. OMIDI typically approved the LOMNs before they were
10 submitted to TriCare and the Insurance Companies.

11 m. Once insurance pre-approval for Lap-Band surgery was
12 obtained, based in part on the fraudulent information in the SSRs
13 altered by co-conspirators C.K. and S.H. and others at defendant J.
14 OMIDI's direction, surgeons contracted by GET THIN performed Lap-Band
15 surgery on the patients, and GET THIN Providers, including defendant
16 IMS, submitted claims for Lap-Band surgery and services associated
17 with it to TriCare and the Insurance Companies, and often received
18 payment from TriCare and the Insurance Companies for those claims.

19 n. As defendants J. OMIDI and ZARRABI knew and intended,
20 GET THIN Providers, including defendant IMS, billed TriCare and the
21 Insurance Companies for sleep studies that had not been reviewed or
22 interpreted by defendant ZARRABI. As defendants J. OMIDI and ZARRABI
23 also knew and intended, GET THIN employees submitted to TriCare and
24 the Insurance Companies falsified SSRs in support of sleep study
25 claims, and often received payment from TriCare and the Insurance
26 Companies for those claims.

27 o. At times, GET THIN also sent statements to patients,
28 demanding payment from patients for co-insurance, co-pay, or

1 deductible payments or amounts not covered by the patients' insurance
2 plans relating to services provided by the various GET THIN
3 Providers. Some of these statements, including statements issued as
4 late as 2015, purported to come from defendant SCM and direct the
5 patient to remit payment to defendant SCM.

6 p. GET THIN also provided the falsified SSRs to DME
7 providers such as DME Provider 1, together with prescriptions for
8 CPAP devices, as purported support for the medical necessity of the
9 DME. The prescriptions were almost uniformly for APAP devices and
10 accessories, with a claimed lifetime need. Between in or about
11 September 2010 and in or about April 2011, those prescriptions were
12 signed by GET THIN internists contracted with defendant IMS, who
13 often signed the prescriptions after only reviewing, if anything, the
14 falsified SSRs provided to them by co-conspirator C.K. and others,
15 and without making any independent medical assessment of the type of
16 DME that would be medically necessary. The types of DME to be
17 ordered typically were already pre-printed on the prescriptions when
18 the GET THIN internists signed them. Between in or about April 2011
19 and in or about January 2013, defendant ZARRABI authorized the use of
20 his electronic signature on the CPAP prescriptions, knowing that (1)
21 he had not reviewed all of the SSRs that purportedly supported the
22 DME prescriptions and (2) he had demanded to be paid approximately
23 \$10 to \$25 for each CPAP prescription submitted under his name.

24 q. As defendants J. OMIDI and ZARRABI knew and intended,
25 the materials sent to DME providers in support of the purported
26 medical necessity of the DME were used by those DME providers in
27 support of claims for the DME that the DME providers submitted to
28

1 insurance companies, claims for which, in many instances, the DME
2 providers received payment from the insurance companies.

3 r. In an attempt to conceal the falsification of the
4 SSRs, defendant J. OMIDI directed co-conspirator C.K. to obtain and
5 destroy the raw data associated with the sleep studies conducted
6 through GET THIN's SSP, and co-conspirator C.K. followed that
7 direction and destroyed the raw data.

8 s. Also in an attempt to prevent discovery of the
9 falsification of the SSRs and lull GET THIN physicians into believing
10 the changing of SSRs was medically appropriate, defendant J. OMIDI
11 directed co-conspirator C.K. to create documentation that attempted
12 to justify the changing of SSRs by claiming that defendant ZARRABI
13 was adjusting the standard sleep study scoring parameters, even
14 though defendant J. OMIDI and co-conspirator C.K. both knew at the
15 time that the documentation did not justify the falsification of the
16 SSRs. Defendant ZARRABI was aware his name was being used on this
17 documentation at least by July 2012, if not before, even though he
18 knew he was not qualified to modify the standard sleep study scoring
19 parameters.

20 t. Between in or about August 2010 and in or about
21 October 2013, defendant ZARRABI received payment for the
22 interpretations he purported to provide to the GET THIN SSP from bank
23 accounts associated with defendants SCM and IMS, as well as GSPM,
24 including the SCM WFB Account and the IMS Chase Account. Defendant
25 ZARRABI received additional payments, purportedly for interpretations
26 he provided in 2014, in October and December 2015 from a bank account
27 associated with Royalty. Defendant J. OMIDI approved these payments.
28

1 39. GET THIN Providers, including defendant IMS, billed TriCare
2 and the Insurance Companies at least approximately \$240,000,000 for
3 Lap-Band surgeries for patients for whom SSRs had been falsified to
4 reflect that the patients suffered from OSA or more severe OSA than
5 the patients, in fact, had. TriCare and the Insurance Companies paid
6 more than approximately \$38,000,000 on those claims.

7 40. GET THIN Providers, including defendant IMS, also billed
8 TriCare and the Insurance Companies between approximately \$14,000 and
9 \$18,000 each for sleep studies that were not interpreted by defendant
10 ZARRABI, often providing falsified SSRs in support of the claims.

11 GET THIN Providers, including defendant IMS, also billed TriCare and
12 the Insurance Companies between approximately \$14,000 and \$18,000
13 each for titration sleep studies that were not medically necessary,
14 given the results of the initial sleep studies. During the course of
15 the scheme, GET THIN Providers billed Anthem Blue Cross, Aetna,
16 UnitedHealthcare, CIGNA, HealthNet, and TriCare tens of millions of
17 dollars for sleep studies and received millions in payment on those
18 claims.

19 41. Payments by TriCare and the Insurance Companies on these
20 claims were often made out to GET THIN providers, including defendant
21 IMS, or, at times, to patients, who had often agreed during the
22 patient intake process to assign and sign over those payments to
23 defendant SCM and later signed them over to defendant SCM or other
24 GET THIN affiliates. The insurance payments were then deposited into
25 bank accounts associated with GET THIN entities, including bank
26 accounts associated with defendants SCM and IMS.

27 42. DME providers such as DME Provider 1 also submitted claims
28 for CPAP devices and accessories, including rental and equipment

1 replacement claims that stretched over years, based on fabricated
2 SSRs and prescriptions signed by defendant ZARRABI and others as
3 described above, and received payment for those claims.

4 C. THE USE OF THE MAILS

5 43. On or about the dates set forth below, within the Central
6 District of California and elsewhere, defendants J. OMIDI, IMS, SCM,
7 and ZARRABI, for the purpose of executing and attempting to execute
8 the above-described scheme to defraud, willfully caused the following
9 items to be placed in an authorized depository for mail matter to be
10 sent and delivered by the United States Postal Service:
11

COUNT	DATE	ITEM MAILED
ONE	1/29/13	CMS HCFA 1500 claim form for \$15,971 for titration study (CPT code 95811) for D.S. on December 10, 2011 and titration study SSR, mailed to United Healthcare
TWO	2/13/13	Check No. I0001682492 issued by Tricare - West Region Claims payable to DME Provider 1 in the amount of \$2,969.59, including \$187.01 in payment of a claim for CPAP accessories (CPT codes A7032, A7034, A7037, and A7038) provided to J.J. on January 10, 2013, mailed to DME Provider 1
THREE	2/27/13	Check No. I0001755925 issued by Champus - Tri West WI payable to DME Provider 1 in the amount of \$4,085.34, including \$285.14 in payment of a claim for CPAP accessories (CPT codes A7032, A7034, A7035, A7037, A7038, and A7039) provided to A.F. on January 30, 2013, mailed to DME Provider 1
FOUR	3/6/13	Check No. I0001792136 issued by Champus - Tri West WI payable to DME Provider 1 in the amount of \$2,747.32, including \$50.49 in payment of a claim for CPAP accessories (CPT codes A7033 and A7038) provided to L.M. on February 21, 2013, mailed to DME Provider 1

COUNT	DATE	ITEM MAILED
FIVE	3/12/13	Check No. 0806075258 issued by HealthNet payable to DME Provider 1 in the amount of \$3,559.65, including \$991.64 in payment of claims for CPAP accessories (CPT codes A7032, A7034, A7037, and A7038) provided to J.C. on 8/24/12 and \$880.02 in payment of claims for CPAP accessories (CPT codes A7032, A7034, A7035, A7037, A7038, and A7039) provided to J.C. on 11/27/12, mailed to DME Provider 1
SIX	3/15/13	Check No. 121301 issued by Operating Engineers Health and Welfare Fund payable to DME Provider 1 in the amount of \$185.03 in payment of a claim for an APAP (CPT code E0601) provided to E.J. on July 31, 2011, mailed to DME Provider 1
SEVEN	4/3/13	Check No. I0001937686 issued by Champus - Tri West WI payable to DME Provider 1 in the amount of \$3,280.82, including \$220.64 in payment of a claim for CPAP accessories (CPT codes A7030, A7035, A7037, A7038, and A7039) provided to M.B. on March 21, 2013, mailed to DME Provider 1
EIGHT	4/5/13	Check No. 5692250094SRS issued by Tricare - West Claims payable to DME Provider 1 in the amount of \$310.75, including \$195.94 in payment of a claim for CPAP accessories (CPT codes A7032, A7034, A7037, and A7038) provided to L.W. on March 21, 2013, mailed to DME Provider 1
NINE	4/15/13	Check No. 92301737 issued by United Healthcare payable to DME Provider 1 in the amount of \$130.50 in payment of a claim for CPAP accessories (CPT codes A7032, A7034, A7037, and A7038) provided to T.L. on March 30, 2013, mailed to DME Provider 1
TEN	4/24/13	Check No. I0002014136 issued by Tricare - West Region Claims payable to DME Provider 1 in the amount of \$8,515.20, including \$224.39 in payment of a claim for CPAP accessories (CPT codes A7030, A7037, and A7038) provided to T.S. on March 29, 2013, mailed to DME Provider 1
ELEVEN	5/8/13	CMS HCFA 1500 claim form for \$15,540 for titration study (CPT code 95811) for V.C. on June 2, 2011 and titration study SSR, mailed to Anthem
TWELVE	6/5/13	Check No. 38134488 issued by GEHA payable to Lee K. Au, MD in the amount of \$3,684.00 in payment of a claim for Lap-Band surgery for S.G. on August 31, 2012, mailed to Dr. Au

COUNT	DATE	ITEM MAILED
THIRTEEN	6/5/13	CMS UB04 claim form for \$16,525 for PSG (CPT 95810) for A.A. on October 14, 2010 and PSG SSR, mailed to GEHA
FOURTEEN	6/12/13	Check No. 169205 issued by Operating Engineers Health and Welfare Fund payable to Independent Medical Services, Inc. in the amount of \$888.90 in payment of a claim for titration study (CPT code 95811) for K.R. on February 16, 2012, mailed to IMS
FIFTEEN	7/25/13	Check No. 0108284910 issued by Anthem payable to Independent Medical Services, Inc. in the amount of \$6,687.25, including \$3,245.00 in payment of a claim for PSG (CPT code 95810) for S.K. on February 9, 2012, mailed to IMS
SIXTEEN	9/7/13	Check issued by Anthem payable to P.R. in the amount of \$6,076.16 in payment of a claim for Lap-Band surgery (CPT code 43770) for P.R. on September 8, 2011, mailed to P.R.
SEVENTEEN	11/9/13	Check issued by Anthem payable to P.R. in the amount of \$6,076.16 in payment of a claim for Lap-Band surgery (CPT code 43770) for P.R. on September 8, 2011, mailed to P.R.
EIGHTEEN	12/18/13	Check No. 240646 issued by Operating Engineers Health and Welfare Fund payable to DME Provider 1 in the amount of \$527.28 in payment of a claim for CPAP accessories (CPT Codes A7032, A7034, A7035, A7037, A7038, A7039) provided to C.R. on August 28, 2013, mailed to DME Provider 1
NINETEEN	12/18/13	Check No. 238759 issued by Operating Engineers Health and Welfare Fund payable to DME Provider 1 in the amount of \$148.02 in payment of a claim for APAP (CPT Code E0601) provided to N.A. on June 24, 2011, mailed to DME Provider 1
TWENTY	2/19/14	Check No. 4981383 issued by California's Valued Trust payable to Independent Medical Services, Inc. in the amount of \$548.93 in payment of a claim for PSG (CPT code 95810) for S.Z. on February 7, 2014, mailed to IMS
TWENTY-ONE	3/31/14	Check No. 854866457 issued by Blue Cross Blue Shield of Massachusetts payable to T.M. in the amount of \$1,072.25 in payment of a claim for titration study (CPT code 95811) for F.M. on March 14, 2014, mailed to T.M.

COUNT	DATE	ITEM MAILED
TWENTY-TWO	4/4/14	Check No. 278850 issued by Operating Engineers Health & Welfare Fund in the amount of \$514.08 payable to Independent Medical Services, Inc. in payment of a claim for Lap-Band surgery (CPT code 43770) for S.N. on May 17, 2013, mailed to IMS
TWENTY-THREE	4/8/14	Check No. 239426 issued by Operating Engineers Health & Welfare Fund payable to Modern Institute of Plastic Surgery in the amount of \$5,745.42 in payment of a claim for titration study (CPT code 95811) for A.W. on February 19, 2011, mailed to MIPS
TWENTY-FOUR	8/21/14	Check No. 5064977 issued by California's Valued Trust payable to Independent Medical Services, Inc. in the amount of \$879.28, including \$601.39 in payment of a claim for titration study (CPT code 95811) for S.Z. on August 1, 2014, mailed to IMS
TWENTY-FIVE	9/12/14	Check No. 50006640 issued by Blue Shield of California payable to T.R. in the amount of \$421.44 in payment of a claim for titration study (CPT code 95811) for T.R. on August 8, 2014, mailed to T.R.
TWENTY-SIX	10/1/14	Check No. 356653 issued by Operating Engineers Health & Welfare Fund payable to Independent Medical Services in the amount of \$3,213.01 in payment of a claim for Lap-Band surgery (CPT code 43770) for S.N. on May 17, 2013, mailed to IMS
TWENTY-SEVEN	1/8/15	Check No. 394464 issued by Operating Engineers Health & Welfare Fund payable to San Diego ASC, LLC in the amount of \$24,374.82 in payment for a claim for Lap-Band surgery (CPT code 43770) for S.N. on May 17, 2013, mailed to San Diego ASC, LLC
TWENTY-EIGHT	3/22/16	Check No. 0121443507 issued by Anthem Blue Cross payable to Independent Medical Services, Inc. in the amount of \$782.75 in payment of a claim for PSG (CPT code 95810) for K.M. on August 15, 2014, mailed to IMS

COUNTS TWENTY-NINE THROUGH THIRTY-ONE

[18 U.S.C. §§ 1343, 2]

[Defendants J. OMIDI, IMS, SCM, and ZARRABI]

44. The Grand Jury hereby realleges and incorporates by reference paragraphs 1 through 42 of this First Superseding Indictment as though fully set forth herein.

C. THE USE OF THE WIRES

45. On or about the dates set forth below, within the Central District of California and elsewhere, defendants J. OMIDI, IMS, SCM, and ZARRABI, for the purpose of executing and attempting to execute the above-described scheme to defraud, transmitted, willfully caused the transmission of, and aided and abetted the transmission of, the following items by means of wire and radio communication in interstate and foreign commerce:

COUNT	DATE	ITEM WIRED
TWENTY-NINE	1/16/15	Facsimile from MIPS in California to Aetna in Kentucky regarding PSG conducted on June 18, 2011 for patient K.H., including PSG SSR and itemized bill for \$17,365.00
THIRTY	1/22/15	Facsimile from MIPS in California to Aetna in Kentucky regarding titration sleep study conducted on August 3, 2011 for patient K.H., including titration study SSR
THIRTY-ONE	7/16/15	Facsimile from MIPS in California to Aetna in Kentucky regarding PSG conducted on October 24, 2011 for patient V.G., including PSG SSR, History and Physical form, and insurance information

COUNT THIRTY-TWO

[18 U.S.C. §§ 1028A(a)(1), 2]

[Defendant J. OMIDI]

46. The Grand Jury hereby realleges and incorporates by reference paragraphs 1 through 42 of this First Superseding Indictment as though fully set forth herein.

47. On or about March 24, 2014, in Los Angeles County, within the Central District of California, and elsewhere, defendant J. OMIDI, aided and abetted by others known and unknown to the Grand Jury, knowingly transferred, possessed, and used, and willfully caused to be transferred, possessed, and used, without lawful authority, a means of identification that defendant J. OMIDI knew belonged to another person, that is, the name of defendant ZARRABI, during and in relation to mail fraud, a felony violation of Title 18, United States Code, Section 1341, as charged in Count Twenty-One of this First Superseding Indictment.

COUNTS THIRTY-THREE AND THIRTY-FOUR

[18 U.S.C. §§ 1035, 2]

[Defendants J. OMIDI and ZARRABI]

48. The Grand Jury hereby realleges and incorporates by reference paragraphs 1 through 42 of this First Superseding Indictment as though fully set forth herein.

49. On or about the dates set forth below, in Los Angeles County, within the Central District of California, and elsewhere, in a matter involving a health care benefit program, specifically, the private insurance providers set forth below, defendants J. OMIDI and ZARRABI, together with co-conspirators C.K. and S.H., and others known and unknown to the Grand Jury, each aiding and abetting the other, knowingly and willfully made and caused to be made materially false, fictitious, and fraudulent statements and representations in connection with the delivery of and payment for health care benefits, items, and services, specifically, by submitting the SSRs, which they knew to be materially false, to the following insurance providers in support of requests for authorization of Lap-Band surgery:

COUNT	DATE	FALSE AND FRAUDULENT STATEMENT
THIRTY-THREE	3/29/13	Letter of medical necessity and supporting documentation, including falsified PSG SSR, faxed to Aetna seeking pre-approval for Lap-Band surgery for J.R.
THIRTY-FOUR	4/12/13	Letter of medical necessity and supporting documentation, including falsified titration SSR, faxed to Operating Engineers Health & Welfare Fund seeking pre-approval for Lap-Band surgery for S.N.

1 COUNT THIRTY-FIVE

2 [18 U.S.C. § 1956(h)]

3 [Defendants J. OMIDI, IMS, and SCM]

4 50. The Grand Jury hereby realleges and incorporates by
5 reference paragraphs 1 through 42 of this First Superseding
6 Indictment as though fully set forth herein.

7 51. At all times relevant to this First Superseding Indictment,
8 DeVida was a limited liability company registered in the State of
9 California, operating in Beverly Hills, California, within the
10 Central District of California. Defendant SCM was identified as
11 DeVida's sole member in DeVida's Operating Agreement dated December
12 29, 2010. Defendant J. OMIDI was identified in publicly filed
13 documents as DeVida's organizer and initial agent for service of
14 process, and was listed as a key individual on and had signature
15 authority for one of DeVida's Wells Fargo Bank accounts, account
16 number ending in x5892 (the "DeVida WFB Account"), from in or about
17 January 2011 until in or about March 2012.

18 52. At all times relevant to this First Superseding Indictment,
19 Royalty was a limited liability company registered in the State of
20 California, operating in Beverly Hills, California, within the
21 Central District of California. Royalty maintained a bank account at
22 Hanmi Bank bearing an account number ending in x4292 (the "Royalty
23 Hanmi Account") from in or about January 2015 until at least August
24 2016.

25 C. THE OBJECT OF THE CONSPIRACY

26 53. Beginning no later than in or around January 2011, and
27 continuing until at least in or around December 2015, in Los Angeles
28 County, within the Central District of California, and elsewhere,

1 defendants J. OMIDI, IMS, SCM, together with co-conspirators C.K.,
2 S.H., and CC-2, defendant ZARRABI, and others known and unknown to
3 the Grand Jury, knowingly combined, conspired, and agreed to commit
4 an offense against the United States, namely, Money Laundering, in
5 violation of Title 18, United States Code, Section 1956(a)(1)(A)(i),
6 by conducting and attempting to conduct financial transactions
7 affecting interstate and foreign commerce to promote the carrying on
8 of some form of specified unlawful activity, namely, false statements
9 regarding health care matters, in violation of Title 18, United
10 States Code, Section 1035.

11 D. MEANS BY WHICH THE OBJECT OF THE CONSPIRACY WAS TO BE
12 ACCOMPLISHED

13 54. The object of the conspiracy was carried out, and to be
14 carried out, in substance, in the following manner and by the
15 following means, among others:

16 a. Defendant J. OMIDI would authorize the hiring of, and
17 payments to, individuals engaged in promoting GET THIN's sleep study
18 fraud by completing such tasks as (i) altering SSR results, (ii)
19 fabricating SSR supporting documentation to justify the ordering of
20 sleep studies and the high incidence of obstructive sleep apnea
21 findings, and (iii) signing off on un-reviewed SSRs and accepting
22 clinical responsibility for SSRs.

23 b. Co-conspirator C.K. would hire individuals to complete
24 these tasks, including co-conspirators S.H. and CC-2, at the pay rate
25 approved by defendant J. OMIDI.

26 c. Co-conspirator C.K., at defendant J. OMIDI's
27 direction, would falsify SSRs, including fabricated test information
28

1 to support a fabricated diagnosis of more severe sleep apnea than the
2 patient, in fact, had.

3 d. Co-conspirator S.H. would aid co-conspirator C.K. in
4 his falsification of SSRs in exchange for a \$10 commission for each
5 altered SSR.

6 e. CC-2 would aid co-conspirator C.K. by coaching
7 patients to higher ESS scores on patient questionnaires, or by
8 fabricating ESS scores altogether, to make it appear that patients
9 had significant daytime sleepiness. The inflation and fabrication of
10 ESS scores, in favor of daytime sleepiness, helped justify the
11 consistent ordering of sleep studies and buttressed GET THIN's
12 consistent finding of obstructive sleep apnea among GET THIN
13 patients. CC-2 received \$2 for each ESS questionnaire completed.

14 f. Defendant ZARRABI would accept clinical responsibility
15 for SSRs, even after he stopped consistently working for GET THIN, in
16 exchange for payment.

17 g. Co-conspirator C.K. would seek approval from defendant
18 J. OMIDI for individual payments made to co-conspirators S.H. and CC-
19 2 and defendant ZARRABI.

20 h. Co-conspirator C.K. would submit payment requests or
21 invoices for co-conspirators S.H. and CC-2 and defendant ZARRABI to
22 GET THIN's accounting department to ensure issuance of checks to
23 these individuals.

24 i. GET THIN, through related entities, including
25 defendants SCM and IMS, Royalty, and DeVida, would issue checks using
26 the proceeds of mail fraud and wire fraud to co-conspirators S.H. and
27 CC-2 and defendant ZARRABI to compensate them for their roles in
28 expanding and buttressing the sleep study fraud.

1 E. OVERT ACTS

2 55. On or about the following dates, in furtherance of the
3 conspiracy and to accomplish its object, defendants J. OMIDI, IMS,
4 and SCM, together with co-conspirators C.K., S.H., and CC-2, and
5 defendant ZARRABI, and others known and unknown to the Grand Jury,
6 committed and willfully caused others to commit the following overt
7 acts, among others, in the Central District of California and
8 elsewhere:

9 Overt Act No. 1: On or before April 1, 2011, defendant J.
10 OMIDI approved a payment to CC-2 in the amount of \$1,034.

11 Overt Act No. 2: On or about April 1, 2011, co-conspirator
12 C.K. sent GET THIN's accounting department an email, copying
13 defendant J. OMIDI, seeking payment of CC-2's invoice in the amount
14 of \$1,034 for 517 ESS reports finalized between March 1, 2011 and
15 March 30, 2011.

16 Overt Act No. 3: On or about April 5, 2011, CC-2 negotiated,
17 or caused to be negotiated, check number 20600, drawn on the DeVida
18 WFB Account and made payable to CC-2 in the amount of \$1,034.

19 Overt Act No. 4: In or about June 2011, to increase sleep
20 study processing productivity, defendant J. OMIDI approved a \$10
21 commission to co-conspirator S.H. for each altered SSR.

22 Overt Act No. 5: On or before July 1, 2011, defendant J.
23 OMIDI approved a payment to co-conspirator S.H. in the amount of
24 \$1,310.

25 Overt Act No. 6: On or about July 1, 2011, co-conspirator
26 C.K. sent GET THIN's accounting department an email, copying
27 defendant J. OMIDI, seeking payment of co-conspirator S.H.'s invoice
28

1 in the amount of \$1,310 for 131 SSRs altered or "pre-formatted"
2 between June 16, 2011 to June 30, 2011.

3 Overt Act No. 7: On or about July 1, 2011, defendant SCM
4 issued check number 6499, drawn on the SCM WFB Account and made
5 payable to co-conspirator S.H. in the amount of \$1,310.

6 Overt Act No. 8: On or about July 8, 2011, co-conspirator
7 S.H. negotiated, or caused to be negotiated, check number 6499,
8 drawn on the SCM WFB Account and made payable to co-conspirator S.H.
9 in the amount of \$1,310.

10 Overt Act No. 9: On or about December 2, 2011, co-conspirator
11 C.K. sent GET THIN's accounting department an email, copying
12 defendant J. OMIDI, seeking payment of co-conspirator S.H.'s invoice
13 in the amount of \$1,220 for 122 SSRs altered or "pre-formatted"
14 between November 16, 2011 to November 30, 2011.

15 Overt Act No. 10: On or before December 5, 2011, defendant J.
16 OMIDI approved a payment to co-conspirator S.H. in the amount of
17 \$1,220.

18 Overt Act No. 11: On or about December 5, 2011, defendant SCM
19 issued check number 8388, drawn on the SCM WFB Account and made
20 payable to co-conspirator S.H. in the amount of \$1,220.

21 Overt Act No. 12: On or about December 7, 2011, co-conspirator
22 S.H. negotiated, or caused to be negotiated, check number 8388,
23 drawn on the SCM WFB Account and made payable to co-conspirator S.H.
24 in the amount of \$1,220.

25 Overt Act No. 13: On or before October 8, 2012, defendant J.
26 OMIDI approved a payment to co-conspirator S.H. in the amount of
27 \$430.

1 Overt Act No. 14: On or about October 8, 2012, defendant IMS
2 recorded as an accounts payable payment in its accounting records a
3 payment to co-conspirator S.H. in the amount of \$430, which was
4 previously recorded in the accounting records as a sleep study item.

5 Overt Act No. 15: On or about October 8, 2012, defendant IMS
6 issued check number 10110, drawn on the IMS Chase Account and made
7 payable to co-conspirator S.H. in the amount of \$430.

8 Overt Act No. 16: On or about October 10, 2012, co-conspirator
9 S.H. negotiated, or caused to be negotiated, check number 10110,
10 drawn on the IMS Chase Account and made payable to co-conspirator
11 S.H. in the amount of \$430.

12 Overt Act No. 17: On or about October 11, 2012, co-conspirator
13 S.H. sent co-conspirator C.K. his invoice in the amount of \$1,290
14 for 129 SSRs altered or "pre-formatted" during October 1, 2012 and
15 October 15, 2012.

16 Overt Act No. 18: On or before October 24, 2012, defendant J.
17 OMIDI approved a payment to co-conspirator S.H. in the amount of
18 \$1,290.

19 Overt Act No. 19: On or about October 24, 2012, defendant IMS
20 issued check number 10141 drawn on the IMS Chase Account and made
21 payable to co-conspirator S.H.'s wife in the amount of \$1,290.

22 Overt Act No. 20: On or about October 25, 2012, co-conspirator
23 S.H. negotiated, or caused to be negotiated, check number 10141,
24 drawn on the IMS Chase Account and made payable to co-conspirator
25 S.H.'s wife in the amount of \$1,290.

26 Overt Act No. 21: On or about October 2, 2015, co-conspirator
27 C.K. sent defendant ZARRABI an email informing defendant ZARRABI
28 that a \$2,000 payment would be issued to defendant ZARRABI on

1 account of 125 sleep studies submitted in 2014 with defendant
2 ZARRABI's signature.

3 Overt Act No. 22: On or before October 9, 2015, defendant J.
4 OMIDI approved a payment to defendant ZARRABI in the amount of
5 \$2,000.

6 Overt Act No. 23: On or about October 9, 2015, at defendant J.
7 OMIDI's instruction, Royalty issued check number 1003 drawn on the
8 Royalty Hanmi Account and made payable to defendant ZARRABI's
9 medical corporation in the amount of \$2,000.

10 Overt Act No. 24: On or about October 23, 2015, defendant
11 ZARRABI negotiated, or caused to be negotiated, check number 1003,
12 drawn on the Royalty Hanmi Account and made payable to defendant
13 ZARRABI in the amount of \$2,000.

14 Overt Act No. 25: In or around November 2015, co-conspirator
15 C.K. and defendant ZARRABI discussed GET THIN's practice of
16 regularly falsifying SSRs.

17 Overt Act No. 26: In or around November 2015, defendant
18 ZARRABI, after discussing SSR falsifications with co-conspirator
19 C.K., demanded payment for all SSRs submitted to insurance companies
20 by Get Thin with defendant ZARRABI's signature.

21 Overt Act No. 27: On or before December 1, 2015, co-
22 conspirator C.K. sought authorization from defendant J. OMIDI to pay
23 defendant ZARRABI \$500 to "transfer clinical responsibility" for the
24 SSRs submitted in 2015.

25 Overt Act No. 28: On or before December 1, 2015, defendant J.
26 OMIDI approved a payment to defendant ZARRABI in the amount of \$500.

27 Overt Act No. 29: On or about December 18, 2015, defendant
28 ZARRABI negotiated, or caused to be negotiated, check number 1006,

1 drawn on the Royalty Hanmi Account and made payable to defendant
2 ZARRABI's medical corporation in the amount of \$500, with a memo
3 line stating "medical services sleep study."
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COUNTS THIRTY-SIX AND THIRTY-SEVEN

[18 U.S.C. §§ 1956(a)(1)(A)(i), 2]

[Defendants J. OMIDI and IMS]

56. The Grand Jury hereby repeats and realleges paragraphs 1 through 42, 51 through 52, and 54 through 55 of this First Superseding Indictment as though fully set forth herein.

57. On or about the following dates, in Los Angeles County, within the Central District of California, and elsewhere, defendants J. OMIDI and IMS, together with others known and unknown to the Grand Jury, knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, conducted, attempted to conduct, aided and abetted the conducting of, and willfully caused others to conduct the following financial transactions affecting interstate and foreign commerce, which transactions, in fact, involved the proceeds of specified unlawful activity, namely, mail fraud and wire fraud, in violation of Title 18, United States Code, Sections 1341 and 1343, knowing that each of the transactions was designed in whole or in part to promote the carrying on of a specified unlawful activity, namely, false statements regarding health care matters, in violation of Title 18,

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1 United States Code, Section 1035:

COUNT	DEFENDANTS	DATE	FINANCIAL TRANSACTION
THIRTY-SIX	J. OMIDI IMS	10/24/2012	Issuance of check number 10141 drawn on the IMS Chase Bank Account and made payable to co-conspirator S.H.'s wife in the amount of \$1,290
THIRTY-SEVEN	J. OMIDI	10/9/2015	Issuance of check number 1003 drawn on the Royalty Hanmi Account and made payable to defendant ZARRABI's medical corporation in the amount of \$2,000

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FORFEITURE ALLEGATION ONE

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

1. Pursuant to Federal Rule of Criminal Procedure 32.2(a), notice is hereby given that upon conviction of any of the offenses set forth in Counts One through Thirty-One of this First Superseding Indictment, each defendant so convicted shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), the following:

a. All right, title and interest in any property, real or personal, which constitutes or is derived from proceeds obtained, directly or indirectly, as a result of each such violation, or property traceable to such property; and/or

b. To the extent such property is not available for forfeiture, a sum of money equal to the total value of property described in paragraph 1(a).

2. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, Section 2461(c), each defendant so convicted shall forfeit substitute property, up to the total value of the property described in paragraph 1 if, by any act or omission of the defendant, the property described in paragraph 1 or any portion thereof, (a) cannot be located upon the exercise of due diligence; (b) has been transferred or sold to, or deposited with, a third party; (c) has been placed beyond the jurisdiction of the court; (d) has been substantially diminished in value; or (e) has been commingled with other property that cannot be divided without difficulty.

FORFEITURE ALLEGATION TWO

[18 U.S.C. §§ 982(a)(2)(B) and 1029(c)(1)(C)]

1 Pursuant to Federal Rule of Criminal Procedure 32.2(a),
2 notice is hereby given that upon conviction of the offense set forth
3 in Count Thirty-Two of this First Superseding Indictment, defendant
4 JULIAN OMIDI, also known as ("aka") "Combiz Omid," aka "Combiz
5 Julian Omid," aka "Kambiz Omid," aka "Kambiz Beniamia Omid," aka
6 "Ben Omid ("defendant J. OMIDI"), shall forfeit to the United States
7 of America, pursuant to Title 18, United States Code, Sections
8 982(a)(2)(B) and 1029(c)(1)(C), the following:
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10 (a) Any property, real or personal, constituting, or
11 derived from, proceeds obtained directly or indirectly, as the result
12 of such violation;
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14 (b) Any personal property used or intended to be used to
15 commit the offense; and

16 (c) To the extent such property is not available for
17 forfeiture, a sum of money equal to the total value of the property
18 described in subparagraphs (a) and (b).

19 2. Pursuant to Title 21, United States Code, Section 853(p), as
20 incorporated by Title 18, United States Code, Sections 982(b)(1), (2)
21 and 1029(c)(2), defendant J. OMIDI, if so convicted, shall forfeit
22 substitute property, if, by any act or omission of the defendant, the
23 property described in subparagraphs 1(a) or (b), or any portion
24 thereof, cannot be located upon the exercise of due diligence; has
25 been transferred, sold to, or deposited with a third party; has been
26 placed beyond the jurisdiction of the court; has been substantially
27 diminished in value; or has been commingled with other property that
28 cannot be divided without difficulty.

1 FORFEITURE ALLEGATION THREE

2 [18 U.S.C. § 982(a)(7)]

3 1. Pursuant to Federal Rule of Criminal Procedure 32.2(a),
4 notice is hereby given that upon conviction of either or both of the
5 offenses set forth in Counts Thirty-Three and Thirty-Four of this
6 First Superseding Indictment, each defendant so convicted shall
7 forfeit to the United States of America, pursuant to Title 18, United
8 States Code, Section 982(a)(7) and (b)(1), the following:

9 (a) Any property, real or personal, constituting or
10 derived, directly or indirectly, from the gross proceeds traceable to
11 any such offense; and

12 (b) To the extent such property is not available for
13 forfeiture, a sum of money equal to the total value of the property
14 described in subparagraph (a).

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

FORFEITURE ALLEGATION FOUR

[18 U.S.C. § 982(a)(1)]

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3 1. Pursuant to Federal Rule of Criminal Procedure 32.2(a),
4 notice is hereby given that upon conviction of any offense set forth
5 in Counts Thirty-Five through Thirty-Seven, each defendant so
6 convicted shall forfeit to the United States of America, pursuant to
7 Title 18, United States Code, Section 982(a)(1), the following:

8 a. All right, title and interest in any property, real or
9 personal, involved in or traceable to such offense; and

10 b. To the extent such property is not available for
11 forfeiture, a sum of money equal to the total amount of property
12 described in paragraph 1(a).

13 2. Pursuant to Title 21, United States Code, Section 853(p),
14 as incorporated by Title 18, United States Code, Section 982(b)(1),
15 each defendant so convicted shall forfeit substitute property, up to
16 the total value of the property described in paragraph 1 if, by any
17 act or omission of the defendant, the property described in paragraph
18 1 or any portion thereof, (a) cannot be located upon the exercise of
19 due diligence; (b) has been transferred or sold to, or deposited
20 with, a third party; (c) has been placed beyond the jurisdiction of

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1 the court; (d) has been substantially diminished in value; or (e) has
2 been commingled with other property that cannot be divided without
3 difficulty.

4 A TRUE BILL

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6 Foreperson *15*

7 SANDRA R. BROWN
8 Attorney for the United States,
9 Acting Under Authority Conferred
10 by 28 U.S.C. § 515

11 *[Signature]*
12 LAWRENCE S. MIDDLETON
13 Assistant United States Attorney
14 Chief, Criminal Division

15 GEORGE S. CARDONA
16 Assistant United States Attorney
17 Chief, Major Frauds Section

18 KRISTEN A. WILLIAMS
19 Assistant United States Attorney
20 Deputy Chief, Major Frauds
21 Section

22 CATHY J. OSTILLER
23 Assistant United States Attorney
24 Major Frauds Section
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