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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA ex )	CV-12-00960 RSWL-JC
rel. JULIE A. MACIAS )	
Plaintiff, )	
v. )	<b>ORDER re Relator's</b>
PACIFIC HEALTH CORPORATION, )	<b>Motion for Default</b>
et al. )	<b>Judgment Against</b>
Defendants. )	<b>Defendants Pacific</b>
	<b>Health Corporation and</b>
	<b>Los Angeles Doctors</b>
	<b>Hospital Corporation</b>
	[508]

Currently before the Court is Relator Julie A. Macias' ("Relator") Motion for Default Judgment against Defendants Pacific Health Corporation and Los Angeles Doctors Hospital Corporation [508]. Having reviewed all papers submitted pertaining to this Motion, the Court **NOW FINDS AND RULES AS FOLLOWS:** the Court **GRANTS** Relator's Motion for Default Judgment.

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1 I. BACKGROUND

2 A. Factual Background

3 This case arises out of a *qui tam* action brought by  
4 Relator Julie A. Macias ("Relator") on behalf of  
5 herself in the name of the United States of America  
6 ("the Government") and the State of California for  
7 violations of the False Claims Act ("FCA"), 31 U.S.C. §  
8 3729, and California False Claims Act ("CFCA"), Cal.  
9 Gov't Code § 12651. Amended Compl. ("AC") ¶ 1, ECF No.  
10 31.<sup>1</sup>

11 Defendant Pacific Health Corporation ("PHC") owns  
12 and operates numerous hospitals in Los Angeles and  
13 Orange Counties. Id. ¶ 9. Defendant Los Angeles  
14 Doctors Hospital Corporation ("Doctors Hospital") is a  
15 subsidiary of PHC and owned and operated Los Angeles  
16 Metropolitan Medical Center ("LAMMC").<sup>2</sup> Id. ¶ 10. At  
17 all times relevant to this case, PHC controlled LAMMC,  
18 and Relator seeks default judgment assigning joint and  
19 several liability to Defendants PHC and Doctors  
20 Hospital (collectively, "Corporate Defendants" or  
21 "LAMMC"). Relator was a registered nurse on the  
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23 <sup>1</sup> The AC also alleges claims against the following  
24 Defendants: SGG, Inc. ("SGG"); Procure Mobile Response LLC  
25 ("Procure"); Karen Triggiani ("Triggiani"); Robert Barrett  
26 ("Barrett"); Keivan Golchini, M.D. ("Golchini"); Farhad  
27 Khossoussi, M.D. ("Khossoussi"); Alan Markie, M.D. ("Markie");  
and Litos O. Mallare, M.D. ("Mallare"). All of these Defendants  
have been dismissed from this Action. See ECF Nos. 335, 340,  
448, 467, 476, 478, 491.

28 <sup>2</sup> PHC announced that it was closing LAMMC in April of 2013.  
AC ¶ 36.

1 Psychiatric Evaluation Team ("PET") at LAMMC. AC ¶ 6.  
2 From April 2003 to July 2012, Relator was employed as a  
3 member of LAMMC's PET to conduct psychiatric  
4 evaluations for involuntary commitments pursuant to  
5 California Welfare and Institutions Code Section 5150  
6 ("5150 holds"). Id. ¶ 162.

7 Defendant SGG, Inc. ("SGG") was a California  
8 corporation with its principal place of business in San  
9 Marino, California. Id. ¶ 12. SGG was primarily  
10 engaged in the health services industry, including  
11 hospital marketing. Id. Defendant Karen Triggiani  
12 ("Triggiani") is an individual who founded SGG in 1997  
13 and was its sole shareholder from March 20, 1998 until  
14 August 15, 2007. Id. Triggiani was excluded from  
15 Medicare on June 19, 2008 after being convicted of  
16 conspiracy to commit Medicare fraud. Id. ¶ 217.

17 Defendant Robert Barrett ("Barrett") is Triggiani's  
18 husband, who was the sole shareholder of SGG from  
19 December 27, 2007 to August 1, 2009. Id. Defendant  
20 Dr. Keivan Golchini ("Golchini") is a doctor  
21 specializing in internal medicine, who was the sole  
22 shareholder of SGG from August 1, 2009 through December  
23 26, 2012 when SGG was dissolved. Id. ¶¶ 12, 16.

24 Defendant Dr. Farhad Khossoussi ("Khossoussi") is a  
25 practicing psychiatrist who was granted privileges to  
26 practice in the psychiatry department at LAMMC. Decl.  
27 of Farhad Khossoussi, M.D. in Supp. of Mot. for Summ.

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1 J. ("Khossoussi Decl.") ¶¶ 2-3, ECF No. 353.

2 Relator alleges that LAMMC engaged in a scheme to  
3 improperly refer, transport, and commit patients, often  
4 unwillingly, to LAMMC's locked psychiatric units to  
5 fraudulently bill Medicare and Medi-Cal. Id. ¶¶ 24,  
6 159-275. Triggiani allegedly provided case management  
7 and discharge planning services to LAMMC patients while  
8 she was excluded from Medicare in violation of excluded  
9 provider regulations. Id. ¶¶ 217-219, 221-264.

10 Pursuant to an allegedly sham contract with LAMMC, SGG  
11 (and in particular Triggiani) would recruit patients  
12 from outside facilities and refer them to LAMMC in  
13 exchange for kickback payments. Id. ¶¶ 24, 204-211.

14 Relator alleges that Dr. Khossoussi admitted and  
15 treated these patients knowing the referrals were in  
16 exchange for kickbacks. Id. ¶ 327. Dr. Khossoussi,  
17 according to Relator, then billed to government  
18 healthcare programs the services he provided to these  
19 patients. Id. Relator further alleges that Dr.  
20 Khossoussi continued to use SGG's and Triggiani's  
21 services even after Triggiani was convicted of  
22 conspiracy to commit Medicare fraud and excluded from  
23 Medicare. Id. ¶¶ 24, 212-264. Relator alleges that  
24 Defendants also attempted to conceal Triggiani's  
25 continued involvement. Id.

26 Physicians, hospitals, and ambulance companies who  
27 meet the requirements for participation in Medicare may  
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1 receive compensation for health care services furnished  
2 to patients eligible for benefits. Id. ¶ 43.  
3 Compliance with the federal Anti-Kickback Statute  
4 ("AKS") and excluded provider regulations are  
5 preconditions to receiving Medicare and Medi-Cal  
6 payments. Id. ¶¶ 44-47. LAMMC was required to certify  
7 its compliance with these requirements in annual cost  
8 reports. Id. ¶¶ 45-46, 60, 64-65, 67, 80, 97, 117,  
9 132-35. As a result, Relator alleges that LAMMC's  
10 ongoing scheme rendered it ineligible for Medicare and  
11 Medi-Cal reimbursement. Id. ¶¶ 324-30, 339-45, 347-51,  
12 364-69, 376-83, 385-89.

13 **B. Procedural Background**

14 Relator filed the original Complaint [1] in this  
15 Action on February 3, 2012. The United States declined  
16 to intervene on May 22, 2013. See U.S.'s Notice of  
17 Election to Decline Intervention, ECF No. 19. On  
18 August 20, 2013, Relator filed an Amended Complaint  
19 [31] in this Action. The State of California declined  
20 to intervene on February 11, 2014. See Cal.'s Notice  
21 of Election to Decline Intervention, ECF No. 36. As a  
22 result, the Court ordered that the seal be lifted and  
23 that the Complaint and Amended Complaint be served on  
24 Corporate Defendants. See Order re Unsealing of  
25 Compl., ECF No. 37.

26 Relator served the Summons and AC on Corporate  
27 Defendants on April 2, 2014 [39, 44-45]. On April 12,  
28

1 2014, Corporate Defendants moved to dismiss the AC on  
2 the grounds that "public disclosure" barred Relator's  
3 claims [58]. On May 30, 2014, the Court denied  
4 Corporate Defendants' Motion to Dismiss [100]. On  
5 January 26, 2016, counsel for Corporate Defendants  
6 brought a Motion to Withdraw as Counsel pursuant to  
7 Corporate Defendants' request because they did not have  
8 sufficient funds to pay counsel and requested they  
9 cease defending them. Mot. to Withdraw 4:9-16, ECF No.  
10 180. On March 21, 2016, the Court granted Corporate  
11 Defendants' Motion to Withdraw as Counsel. ECF No.  
12 187. The Court ordered Corporate Defendants to secure  
13 new counsel within thirty days of the Order. Order  
14 6:9-17. On April 26, 2016, the Court ordered Corporate  
15 Defendants to show cause why they failed to comply with  
16 the Court's March 21, 2016 Order. Order to Show Cause  
17 2:17-21; ECF No. 198. The Court advised Corporate  
18 Defendants that if they failed to do so, the Court may  
19 impose sanctions and strike their Answer, placing them  
20 in default. Id. at 2:21-24. Corporate Defendants  
21 failed to comply with the Court's April 26, 2016 Order,  
22 and their Answer was stricken on May 9, 2016 and the  
23 Clerk of Court entered default against Corporate  
24 Defendants. ECF Nos. 214, 215.

25 On July 18, 2016, Relator filed a Motion for  
26 Partial Default Judgment against Corporate Defendants  
27 as to her fifth, ninth, tenth, and eleventh claims—all  
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1 related to retaliation [246].<sup>3</sup> The Court granted  
2 Relator's Motion on October 11, 2016 [262]. The Court  
3 deferred entry of judgment on Relator's retaliation  
4 claim until the case was resolved in its entirety.  
5 Once the remaining Defendants were dismissed following  
6 settlement, Relator filed the Instant Motion for  
7 Default Judgment against Corporate Defendants on March  
8 29, 2019 [508] as to the remaining claims for  
9 violations of the FCA and CFCA.

## 10 II. DISCUSSION

### 11 A. Legal Standard

12 Federal Rule of Civil Procedure ("Rule") 55(b)  
13 authorizes a district court to grant default judgment.  
14 Pursuant to Local Rule 55-1, the party moving for  
15 default judgment must submit a declaration  
16 establishing: (1) when and against which party default  
17 was entered; (2) on which pleading default was entered;  
18 (3) whether the defaulting party is a minor,  
19 incompetent person, or active service member; and  
20 (4) proper service. Upon default, all factual  
21 allegations in the complaint, except those relating to  
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23 <sup>3</sup> The fifth claim against Corporate Defendants is a  
24 violation of the False Claims Act pursuant to 31 U.S.C. §  
25 3730(h). AC ¶ 357. The ninth claim against Corporate Defendants  
26 is a violation of California's False Claims Act pursuant to  
27 California Government Code § 12653(b). Id. ¶ 390. The tenth  
28 claim against Corporate Defendants is a violation of California's  
Health and Safety Code pursuant to § 1278.5. Id. ¶ 397. The  
eleventh claim against Corporate Defendants is a violation of  
California Labor Code § 1102.5 and constructive discharge in  
violation of public policy. Id. ¶ 405.

1 damages, are assumed to be true. TeleVideo Sys., Inc.  
2 v. Heidenthal, 826 F.2d 915, 917-18 (9th Cir. 1987)  
3 (quoting Geddes v. United Fin. Grp., 559 F.2d 557, 560  
4 (9th Cir. 1977)).

5 In exercising its discretion to grant default  
6 judgment, the court must consider the following factors  
7 (the "Eitel factors"): (1) possibility of prejudice to  
8 the plaintiff, (2) merits of the substantive claim,  
9 (3) sufficiency of the complaint, (4) sum of money at  
10 stake, (5) possibility of disputes regarding material  
11 facts, (6) whether excusable neglect caused the  
12 default, and (7) the strong policy favoring decisions  
13 on the merits. NewGen, LLC v. Safe Cig, LLC, 840 F.3d  
14 606, 616 (9th Cir. 2016) (quoting Eitel v. McCool, 782  
15 F.2d 1470, 1471-72 (9th Cir. 1986)). Additionally, if  
16 the defaulting party failed to plead or otherwise  
17 defend, the court must determine that it has subject  
18 matter and personal jurisdiction. In re Tuli, 172 F.3d  
19 707, 712 (9th Cir. 1999). When default judgment is  
20 granted, the relief awarded "must not differ in kind  
21 from, or exceed in amount, what is demanded in the  
22 pleadings." Fed. R. Civ. P. 54(c).

## 23 **B. Discussion**

### 24 1. Jurisdiction and Service of Process

25 In considering whether to enter default judgment,  
26 the Court must first determine whether it has  
27 jurisdiction over the subject matter and the parties to  
28 the case. In re Tuli, 172 F.3d at 712.



1 The Court has subject matter jurisdiction over the  
2 matter as Relator's claims allege violations of the FCA  
3 arising under 31 U.S.C. § 3730. See AC. The Court  
4 further has supplemental jurisdiction over Relator's  
5 CFCA claim. 28 U.S.C. § 1367.

6 The Court also has personal jurisdiction over  
7 Corporate Defendants. If a defendant's contacts with  
8 the forum state are "substantial" or "continuous and  
9 systematic," general jurisdiction may be exercised over  
10 that defendant for any cause of action. Schwarzenegger  
11 v. Fred Martin Motor Co., 374 F.3d 797, 801-02 (9th  
12 Cir. 2004). PHC is a Georgia corporation with its  
13 principal place of business in Tustin, California. AC  
14 ¶9. PHC owned and operated numerous hospitals in Los  
15 Angeles and Orange County. Id. Doctors Hospital is a  
16 California corporation with its principal place of  
17 business in Los Angeles, California. Id. ¶ 10. Thus,  
18 the Court has general jurisdiction because Corporate  
19 Defendants' contacts with California were "substantial"  
20 in that both of their principal places of business were  
21 in California.

22 Finally, Relator has proffered the requisite Proof  
23 of Service showing that Corporate Defendants were  
24 properly served with the Summons and Amended Complaint  
25 on April 2, 2014. Unless federal law provides  
26 otherwise, service on a corporation within the United  
27 States is proper in any manner following state law in  
28 the state where the district court is located or where

1 service is made. Fed. R. Civ. P. 4(e)(1), 4(h)(1)(A).  
2 Here, Relator served both Corporate Defendants by mail,  
3 in compliance with Cal. Code Civ. Proc. § 415.30. See  
4 ECF Nos. 39, 44.

5 2. Procedural Requirements

6 Relator has satisfied the procedural requirements  
7 for default judgment pursuant to Rule 55 and Local Rule  
8 55-1. Under Rule 55(a), the Clerk of Court properly  
9 entered default against Defendants. ECF No. 215.  
10 Relator properly moved pursuant to Rule 55(b) for entry  
11 of default judgment. ECF No. 508.

12 Local Rule 55-1 requires that Relator provide the  
13 following in an application for default judgment: (1)  
14 when and against what party the default was entered;  
15 (2) the identification of the pleading to which default  
16 was entered; (3) whether the defaulting party is an  
17 infant or incompetent person; (4) that the  
18 Servicemembers Civil Relief Act does not apply; and (5)  
19 that notice has been served on the defaulting party.  
20 Relator has satisfied these requirements. The Clerk of  
21 Court entered default on May 9, 2016. Declaration of  
22 Eric A. Grover ("Grover Decl.") ¶ 3, ECF No. 508-2.  
23 Neither of the Defendants are infants, incompetent  
24 persons, or exempted under the Servicemembers Civil  
25 Relief Act. Id. ¶¶ 4-6.

26 Relator attempted to serve the present Motion on  
27 Corporate Defendants by hand delivered courier service  
28 on March 29, 2019, at the following addresses provided

1 by Corporate Defendants' former counsel, Nelson  
2 Hardiman: Pacific Health Corporation 3699 Wilshire  
3 Blvd., Suite 540 Los Angeles, CA 90010; and Los Angeles  
4 Doctors Hospital Corporation 3699 Wilshire Blvd., Suite  
5 540 Los Angeles, CA. Declaration of Eric A. Grover re  
6 Service ("Grover Service Decl.") ¶ 2, ECF No. 514. The  
7 California Secretary of State website shows both the  
8 above referenced addresses as the last known addresses  
9 of Corporate Defendants. Id. ¶¶ 3-4. However, Relator  
10 was unable to serve Corporate Defendants, and her  
11 process server confirmed that they are no longer  
12 located at the above addresses. Id. ¶ 6. Relator's  
13 counsel has been unable to find another address for  
14 Corporate Defendants, as they are not presently  
15 represented by counsel, have not reappeared in the  
16 case, and have not provided any way to be contacted.  
17 Id. ¶ 8. However, default judgment should not be  
18 precluded on this basis alone as Corporate Defendants  
19 were successfully served with the Amended Complaint  
20 [39, 44, 45] about five years ago, but have failed to  
21 appear in the action since their counsel withdrew and  
22 default was entered in 2016.

23 A party in default is not entitled to notice under  
24 Fed. R. Civ. P. 55 unless it has appeared, formally or  
25 informally, and demonstrated a clear intent to defend  
26 the suit. Fed. R. Civ. P. 55(b)(2) ("If the party  
27 against whom a default judgment is sought has appeared  
28 personally or by a representative, that party or its

1 representative must be served with written notice of  
2 the application at least 7 days before the hearing.");  
3 In re Roxford Foods, Inc., 12 F.3d 875, 879 (9th Cir.  
4 1993) ("While it is true that the failure to provide  
5 55(b)(2) notice, if the notice is required, is a  
6 serious procedural irregularity that usually justifies  
7 setting aside a default judgment or reversing for the  
8 failure to do so, notice is only required where the  
9 party has made an appearance.") (quotations and  
10 citations omitted). Corporate Defendants have not  
11 obtained new counsel in the last three years, despite  
12 the fact that they cannot appear *pro se*. See Rowland  
13 v. California Men's Colony, Unit II Men's Advisory  
14 Council, 506 U.S. 194, 202 (1993). Thus, the Court  
15 finds that Corporate Defendants have not demonstrated a  
16 clear intent to defend this suit, but rather the  
17 opposite—that they have no intent to defend and they  
18 have not since their counsel withdrew in 2016. See  
19 Brock v. Unique Racquetball & Health Clubs, Inc., 786  
20 F.2d 61 (2d Cir. 1986) (entering default despite prior  
21 appearance up until trial because a "judge, responsible  
22 for the orderly and expeditious conduct of litigation,  
23 must have broad latitude to impose the sanction of  
24 default for non-attendance occurring after a trial has  
25 begun").

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1           3.   Eitel Factors

2           i.   *Factor 1: Prejudice to Plaintiff*

3           A court must first consider whether a plaintiff  
4 will suffer prejudice if default judgment is not  
5 entered.   See Eitel, 782 F.2d at 1471 (citation  
6 omitted).   Here, while Relator has recovered on her  
7 retaliation claims,<sup>4</sup> and has come to settlement  
8 agreements with the individual defendants, without  
9 default judgment, Relator and the Government will  
10 likely have no recourse for recovery on the claims for  
11 violations of the FCA and CFCA as against Corporate  
12 Defendants.   See Landstar Ranger, Inc. v. Parth  
13 Enters., 725 F. Supp. 2d 916, 920 (C.D. Cal. 2010);  
14 PepsiCo, Inc. v. Cal. Sec. Cans, 238 F. Supp. 2d 1172,  
15 1177 (C.D. Cal. 2002).   Thus, this factor favors  
16 default judgment.

17           ii.   *Factors 2 & 3: Sufficiency of the*  
18                    *Complaint and Merits of the Claim*

19           The second and third Eitel factors call for  
20 analysis of the causes of action.   See Eitel, 782 F.2d  
21 at 1471 (citation omitted).   To warrant default  
22 judgment, the allegations in the Amended Complaint must  
23 be sufficient to state a claim upon which Relator can  
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25           <sup>4</sup> On October 7, 2016, the Court granted Relator's Motion for  
26 Partial Default Judgment against Corporate Defendants as to  
27 Relator's fifth, ninth, tenth, and eleventh claims for  
28 retaliation.   ECF No. 262.   The Court deferred entry of judgment  
until the case is resolved in its entirety as to all claims and  
parties.

1 recover. Danning v. Lavine, 572 F.2d 1386, 1388 (9th  
2 Cir. 1978). As discussed above, when a court reviews a  
3 motion for default judgment, it must accept the  
4 well-pleaded allegations of the complaint relating to  
5 liability as true. TeleVideo, 826 F.2d at 917-18. At  
6 issue here are Relator's claims for violation of the  
7 FCA and CFCA.<sup>5</sup>

8 Pursuant to the FCA, any person who "knowingly  
9 presents, or causes to be presented, a false or  
10 fraudulent claim for payment or approval" from the  
11 United States Government is liable for civil penalties.  
12 31 U.S.C. § 3729(a)(1)(A). To sufficiently plead a  
13 claim under the FCA, a plaintiff must establish the  
14 following: (1) a false statement or fraudulent course  
15 of conduct; (2) made with scienter; (3) that was  
16 material, causing; (4) the government to pay out money  
17 or forfeit moneys due. United States v. Baran, No. CV  
18 14-02639 RGK (AJWx), 2015 U.S. Dist. LEXIS 125190, at  
19 \*10 (C.D. Cal. Aug. 28, 2015) (citing United States v.  
20 Univ. of Phoenix, 461 F.3d 1166, 1174 (9th Cir. 2006)).

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21  
22 <sup>5</sup> The elements of the CFCA and FCA claims are materially  
23 identical, and as such, the state claim is not substantively  
24 addressed in this Order. See 31 U.S.C. § 3729(1)(A)-(C); Cal.  
25 Gov't Code § 12651(a)(1)-(3). See also United States v. Somnia,  
26 Inc., 339 F. Supp. 3d 947, 953 (E.D. Cal. 2018) (analyzing CFCA  
27 claim in tandem with an FCA claim); United States v. Safran Grp.,  
28 No. 15-cv-00746-LHK, 2017 WL 235197, at \*4 (N.D. Cal. Jan. 19,  
2017) (citing Fassberg Const. Co. v. Hous. Auth. of City of L.A.,  
60 Cal. Rptr. 3d 375 (2007) (as modified)) ("Where, as here, the  
statutory provisions of the federal FCA and California FCA are  
the same, courts apply the same analysis to federal and  
California FCA claims.").

1                   1. *False Statement or Fraudulent Course*  
2                                   *of Conduct*

3           The first element can be satisfied by pleading a  
4 theory of express or implied false certification. Id.  
5 (citing Ebeid ex rel. U.S. v. Lungwitz, 616 F.3d 993,  
6 995 (9th Cir. 2010)). Express certification occurs  
7 when "the entity seeking payment certifies compliance  
8 with a law, rule or regulation as part of the process  
9 through which the claim for payment is submitted."  
10 Ebeid, 616 F.3d at 998. Implied certification occurs  
11 when an "entity has previously undertaken to expressly  
12 comply with a law, rule, or regulation, and that  
13 obligation is implicated by submitting a claim for  
14 payment even though a certification of compliance is  
15 not required in the process of submitting the claim."  
16 Id.

17           First, Relator alleges that Corporate Defendants  
18 violated the federal Anti-Kickback Statute ("AKS"), 42  
19 U.S.C. § 1320a-7b(b), because from at least 2004 to  
20 2011, LAMMC paid SGG and Triggiani kickbacks for  
21 patient referrals. AC ¶¶ 30-35, 195-211, 215-16, 221-  
22 58, 326-27. The AKS prohibits any person from offering  
23 any kind of remuneration to induce the purchase, order,  
24 or recommendation "of any item or service for which  
25 payment may be made in whole or in part under a Federal  
26 health care program." 42 U.S.C. § 1320a-7b(b). While  
27 the AKS itself does not establish a civil cause of  
28 action, a violation of the AKS constitutes a "false or

1 fraudulent claim for purposes of the FCA." Id. §  
2 1320a-7b(g). See also United States v. Celgene Corp.,  
3 226 F. Supp. 3d 1032, 1053 (C.D. Cal. 2016). A payment  
4 violates the AKS "if even one purpose of remuneration  
5 was to obtain referrals or induce referrals of Medicare  
6 patients." United States v. Ctr. for Diagnostic  
7 Imaging, Inc., 787 F. Supp. 2d 1213, 1217-18 (W.D. Wash  
8 2011) (citing United States v. Kats, 871 F.2d 105, 108  
9 (9th Cir. 1989)).

10 The Court finds that Relator sufficiently alleges a  
11 violation of the AKS, and thus a false or fraudulent  
12 claim for purpose of the FCA. The following summarizes  
13 Relator's allegations which describe in detail the  
14 Corporate Defendants' kickback scheme: (1) SGG entered  
15 into a "Consultant Service Agreement" with LAMMC ("SGG  
16 Contract"), whereby LAMMC paid SGG \$40,000 per month  
17 for "consulting" and "marketing" services, id. ¶¶ 204-  
18 06; (2) the SGG Contract is a sham contract designed to  
19 conceal illegal kickback payments for patient  
20 referrals, id. ¶¶ 207-11; (3) LAMMC was aware that  
21 Triggiani and SGG recruited patients from outside  
22 facilities in exchange for kickbacks before entering  
23 into the SGG Contract, id. ¶ 208; (4) as part of the  
24 SGG Contract, Triggiani worked with outside facilities  
25 to obtain patients for LAMMC's locked psychiatric  
26 units, referred to as "Karen facilities," and Triggiani  
27 referred such patients to be admitted to LAMMC's  
28 psychiatric units, id. ¶¶ 223-62, 180(e), 191(a), 195-



1 99, 211, 215-16, 223, 226-27, 235, 241-46, 249-58; and  
2 (5) LAMMC tracked these referrals and often wrote  
3 Triggiani's name, "SGG", or a circled "T" on patient  
4 records to indicate the ones Triggiani referred. Id.  
5 ¶¶ 195-203, 215, 223-62; Ex. 21 at 151-57; Ex. 22 at  
6 77:4-19; Ex. 19.

7 Second, Relator alleges that Corporate Defendants  
8 submitted false claims in violation of excluded  
9 provider regulations. AC ¶ 330. In order to receive  
10 Medicare and Medi-Cal payments, a provider is required  
11 to certify, among other things, that it is not  
12 "employing or contracting with individuals or entities  
13 that [were] . . . [e]xcluded from participation in any  
14 Federal health care programs . . . .". 42 C.F.R. §  
15 424.516(a)(3). Relator alleges that LAMMC had an  
16 "affirmative duty to check the program exclusion status  
17 of individuals and entities prior to entering into  
18 employment or contractual relationships," however  
19 Triggiani was excluded from Medicare and Medi-Cal on  
20 June 19, 2008. Id. ¶¶ 133, 212, 217; see also Ex. 38,  
21 Triggiani Plea Agreement, ECF No. 508-9. Further, as  
22 an "excluded provider," Triggiani also was not  
23 authorized to provide case management or discharge  
24 planning services to program beneficiaries, and LAMMC  
25 was prohibited from seeking reimbursement for those  
26 services. Ex. 27, U.S. Department of Health & Human  
27 Services "Special Advisory Bulletin on the Effect of  
28 Exclusion from participation in Federal Health Care

1 Programs," 7, ECF No. 508-7; 42 C.F.R. § 482.43.  
2 Relator alleges that nonetheless, Triggiani continued  
3 to provide these services to LAMMC patients and that  
4 LAMMC continued to submit claims for those services,  
5 through at least 2010. AC ¶¶ 226, 228, 230, 233-35,  
6 241-50, 252, 254-58. As alleged, the Court finds that  
7 LAMMC's continued employment of Triggiani, an excluded  
8 provider, is sufficient to constitute a false  
9 certification for the purpose of the FCA.

10 Finally, Relator alleges that Corporate Defendants,  
11 through LAMMC, submitted false certifications of  
12 compliance in its costs reports. In order for  
13 providers of Medicare services to receive  
14 reimbursement, providers are required to submit a cost  
15 report at the end of the period. 42 C.F.R. § 413.20.  
16 Medicare and Medi-Cal use these reports to make  
17 adjustments to interim reimbursements and set  
18 prospective payment rates going forward, such as  
19 LAMMC's Disproportional Share Hospital ("DSH") rates.  
20 Relator contends that as a DSH hospital, LAMMC received  
21 an increase in its prospective payment rates based on  
22 the number of low-income program beneficiaries it  
23 served, and by including costs for illegally referred  
24 patients and prohibited services, LAAMC increased its  
25 DSH and prospective payment rates. Mot. at 18 n.77;  
26 Ex. 83, Expert Report of Michael F. Arrigo ("Arrigo  
27 Report") 16-17, ECF No. 508-9. In submitting its cost  
28 reports, LAMMC was required to certify its compliance

1 with the AKS and its eligibility to be a Medicare  
2 provider and receive payments. AC ¶ 97; see Ex. 47 at  
3 1 (electronically filed cost report with certification  
4 section confirming LAMMC is "familiar with the laws and  
5 regulations regarding the provision of health care  
6 services, and that the services identified in this cost  
7 report were provided in compliance with such laws and  
8 regulations"). Relator alleges that LAMMC's AKS and  
9 excluded provider violations rendered its  
10 certifications of "compliance with such laws and  
11 regulations" materially false. Further, Relator  
12 alleges that the cost reports include costs relating to  
13 patients referred by Triggiani and Triggiani's  
14 prohibited services. As such, taking Relator's  
15 allegations as true, the Court finds that LAMMC's  
16 submission of these cost reports also constitute a  
17 false claim under the FCA and CFCA. United States v.  
18 Bourseau, 531 F.3d 1159, 1164-65 (9th Cir. 2008)  
19 ("Courts have interpreted the FCA to cover . . .  
20 Medicare cost reports containing nonallowed or inflated  
21 costs.").

22 In sum, Relator points to several instances of  
23 false certification, and the Court finds that they  
24 establish that Corporate Defendants made false or  
25 fraudulent statements. Accordingly, Relator  
26 sufficiently pleads the first element.

27 ///

28 ///

1                   2.   *Scienter*

2           Relator must also establish that the false or  
3 fraudulent statements were made with scienter.

4   Scienter is satisfied under the FCA if a defendant "(i)  
5 has actual knowledge of the information; (ii) acts in  
6 deliberate ignorance of the truth or falsity of the  
7 information; or (iii) acts in reckless disregard of the  
8 truth or falsity of the information." 31 U.S.C. §  
9 3729(b). No proof of a specific intent to defraud is  
10 required. Id.

11           Here, Relator alleges not only that Corporate  
12 Defendants, through LAMMC, knowingly violated the AKS  
13 by paying SGG and Triggiani for patient referrals, but  
14 also that LAMMC actively tried to conceal Triggiani's  
15 involvement. AC ¶¶ 201-02, 204-25, 229-31, 233-58.  
16 For example, LAMMC instructed staff to use a circled  
17 "T" to identify patients Triggiani referred or used  
18 other names besides hers, while keeping her phone  
19 number on the intake forms. Id. ¶224; see Ex. 22,  
20 Deposition of Betty Gray ("Gray Dep.") 77:1-19, ECF No.  
21 508-7 (stating that every time Intake received a call  
22 from one of Triggiani's patients "they couldn't write  
23 her name as the referral" and wrote "T" instead); Ex.  
24 52, Deposition of Julie Macias ("Macias Dep.") 553:15-  
25 555:19, ECF No. 508-9 (testifying that she was told not  
26 to put Triggiani's name down); Ex. 53 at 2 (instructing  
27 Intake staff: "Do not write . . . SGG as the referral  
28 source"); Ex. 54 (Intake Department list with circled

1 "T" to indicate "Karen facilities"). Relator further  
2 argues that Corporate Defendants knowingly violated the  
3 excluded provider regulations by using Triggiani, an  
4 excluded provider, for prohibited services, as  
5 previously discussed. Relator alleges that LAMMC was  
6 aware of Triggiani's exclusion and had an affirmative  
7 duty to check her exclusion before contracting with her  
8 and SGG. AG ¶ 133. Relator supports this contention  
9 by providing a letter from LAMMC's CEO at the time,  
10 John Fenton ("Fenton"), to Triggiani's husband,  
11 Barrett, on August 5, 2009, asking that SGG stop "all  
12 consulting services on behalf of the Hospital" due to  
13 Triggiani's exclusion. See Ex. 57, ECF No. 508-9.  
14 Finally, Relator alleges that Corporate Defendants  
15 knowingly submitted claims to Medicare and Medi-Cal for  
16 Triggiani's referrals and prohibited services. AC ¶¶  
17 203, 223, 229-34, 240-44, 247-58. Thus, the Court  
18 finds that Relator's allegations, taken as true, and  
19 supporting evidence sufficiently establish scienter.

### 20 3. *Materiality*

21 The third element requires that "false statement or  
22 course of conduct must be material to the government's  
23 decision to pay out moneys to the claimant." Ebeid,  
24 616 F.3d at 997. The FCA defines "material" as "having  
25 a natural tendency to influence, or be capable of  
26 influencing, the payment or receipt of money or  
27 property." 31 U.S.C. § 3729(b)(4). The AKS expressly  
28 states that a violation constitutes a "false or

1 fraudulent claim for purposes of the FCA.” 42 U.S.C. §  
2 1320a-7b(g). Several courts have found that compliance  
3 with the AKS is material for the purpose of the FCA.  
4 See United States ex. rel. Wood v. Allergan, Inc., 246  
5 F. Supp. 3d 772, 817-18 (S.D.N.Y. 2017) (reversed on  
6 other grounds) (finding compliance with the AKS a  
7 “‘material’ condition of payment”); United States ex  
8 rel. Lutz. v. Berkeley Heartlab, Inc., No. 9:14-230-  
9 RMG, 2017 WL 6015574, at \*1-2 (D.S.C. Dec. 4, 2017)  
10 (same). Moreover, every healthcare provider must  
11 certify it “abides by the medicare laws, regulations,  
12 and program instructions . . . [and] understand[s] that  
13 a payment of a claim by medicare is conditioned upon  
14 the claim and the underlying complying with such laws  
15 . . . including . . . the Federal anti-kickback Statute  
16 . . . .”. AC ¶ 45; see 42 CFR § 424.516. Accordingly,  
17 the Court finds that compliance with the AKS is  
18 material to the Government providing Medicare payments  
19 and that, as a result, Relator has sufficiently  
20 established materiality.

#### 21 4. *Government Harm*

22 The last element requires that the Government  
23 actually paid out moneys or forfeited moneys due.  
24 United States v. Phoenix, 461 F.3d at 1173. Relator  
25 alleges that through the use of the unlawful kickbacks  
26 and through Triggiani as an excluded manager, Corporate  
27 Defendants obtained reimbursements from Medicare and  
28 Medi-Cal. AC ¶ 160. The AC details patients admitted

1 under the psych hold scheme, through Triggiani and  
2 SGG's referrals, and identifies each patient as a  
3 Medicare or Medi-Cal beneficiary whose cost of care was  
4 billed to the government health care programs. Id. ¶¶  
5 195, 203, 223, 229-34, 240-45, 247-64. Relator alleges  
6 that the Corporate Defendants billed for Adult  
7 Psychiatric Acute Inpatient Care as follows: (1) for  
8 the fiscal year ending August 2012, LAMMC billed Medi-  
9 Cal and Medicare, respectively, \$21,933,450 and  
10 \$33,331,569; (2) for the fiscal year ending August  
11 2011, \$19,470,578 and \$30,643,058, respectively; (3)  
12 for the fiscal year ending August 2010, \$16,029,669 and  
13 \$27,766,200, respectively; for the fiscal year ending  
14 August 2009, \$13,391,317 and \$29,242,457, respectively;  
15 (4) for the fiscal year ending 2008, \$21,837,491 and  
16 \$35,243,416, respectively; (5) for the fiscal year  
17 ending 2007, \$24,621,161 and \$18,316,338, respectively;  
18 and (6) for the fiscal year ending August 2006,  
19 \$19,935,345 and \$22,155,549, respectively. AC ¶¶ 314-  
20 21.

21 Based on the foregoing, the Court finds that  
22 Relator sufficiently alleges the fourth element of the  
23 FCA, and as such, adequately alleges a violation of the  
24 FCA and CFCA. Accordingly, the second and third Eitel  
25 factors weigh in favor of granting default judgment.

26 ///

27 ///

28 ///

1           iii.           *Factor 4: Money at Stake*

2           The fourth Eitel factor addresses the sum of money  
3 at stake in the action. Eitel, 782 F.2d at 1471  
4 (citation omitted). This requires that the Court  
5 assess whether the recovery sought is proportional to  
6 the harm caused by a defendant's conduct. See Walters  
7 v. Statewide Concrete Barrier, Inc., No. C 04-2559 JSW,  
8 2006 WL 2527776, at \*4 (N.D. Cal. Aug. 30, 2006) ("If  
9 the sum of money at issue is reasonably proportionate  
10 to the harm caused by the defendant's actions, then  
11 default judgment is warranted."). Here, Relator seeks  
12 \$111,315,425 in Medicare damages and \$75,960,032 in  
13 Medi-Cal damages, trebled to \$333,946,275 and  
14 \$227,880,096 respectively. 31 U.S.C. § 3729; Cal.  
15 Gov't. Code § 12651. Default judgment is disfavored  
16 when a large amount of money is involved or the  
17 requested amount is unreasonable in light of the loss  
18 caused by the defendant's actions. Vogel, 992 F. Supp.  
19 2d at 1012. However, the Court has significant  
20 discretion to determine the amount of damages to be  
21 awarded. See Rolex Watch, U.S.A., Inc. v. Michel Co.,  
22 179 F.3d 704, 712 (9th Cir. 1999); MoroccanOil, Inc. v.  
23 Allstate Beauty Prod., Inc., 847 F. Supp. 2d 1197, 1202  
24 (C.D. Cal. 2012). Because the Court has discretion in  
25 awarding any damages, the Court can ensure that any  
26 award will correspond to "the seriousness of the  
27 defendant's conduct." PepsiCo, 238 F. Supp. 2d at  
28 1176.



1           Although Plaintiff has requested a large sum of  
2 money, this factor does not necessarily weigh against  
3 granting default judgment. As discussed in further  
4 detail below as to the requested relief, Relator has  
5 submitted sufficient supporting documentation and  
6 evidence for the requested damages. Thus, this factor  
7 is neutral.

8           iv. *Factor 5: Dispute of Material Fact*

9           The fifth Eitel factor is the likelihood of a  
10 dispute as to material facts. Eitel, 782 F.2d at 1471-  
11 72 (citation omitted). The claims against all other  
12 Defendants have been resolved. Corporate Defendants'  
13 previous appearance in this Action suggests there was a  
14 dispute, however their failure to obtain new counsel  
15 and reappear favors granting default judgment.

16 LegalZoom.com v. Macey Bankruptcy Law, P.C., No.  
17 2:13-cv-8620-ODW(MRWx), 2014 WL 961832, at \*4 (C.D.  
18 Cal. Mar. 12, 2014) (finding failure to obtain new  
19 counsel "swings the pendulum back toward entry of  
20 default judgment"). Because Relator's factual  
21 allegations are presumed true in this context, Relator  
22 has supported her claims with ample evidence, and  
23 Corporate Defendants have failed to defend themselves,  
24 no factual dispute exists that would preclude the entry  
25 of default judgment. See Vogel, 992 F. Supp. 2d at  
26 1013. Thus, this factor weighs in favor of default  
27 judgment.

28 ///

1           v. *Factor 6: Excusable Neglect*

2           Next, courts consider whether the default was due  
3 to some excusable neglect. Eitel, 782 F.2d at 1472  
4 (citation omitted). Relator properly served Corporate  
5 Defendants with the AC, and Corporate Defendants  
6 previously appeared in this Action. After their motion  
7 to dismiss was denied nearly five years ago, Corporate  
8 Defendants ceased operations and have not reappeared in  
9 this Action despite the Court's orders that Corporate  
10 Defendants obtain and notify the Court of new counsel.  
11 ECF Nos. 187, 198. Corporations cannot appear *pro se*.  
12 See Rowland v. California Men's Colony, Unit II Men's  
13 Advisory Council, 506 U.S. 194, 202 (1993). Corporate  
14 Defendants' Answer to Plaintiff's AC was stricken, thus  
15 placing Defendants in default. ECF Nos. 214-15.  
16 Because Corporate Defendants had actual knowledge of  
17 this lawsuit by previously appearing, but refused to  
18 reappear despite ample opportunity to do so, the Court  
19 finds that default "did not result from excusable  
20 neglect, but rather from willful disobedience." Philip  
21 Morris U.S.A. Inc. v. Castworld Prods., 219 F.R.D. 494,  
22 501 (C.D. Cal. 2003). Accordingly, this factor weighs  
23 in favor of granting default judgment.

24           vi. *Factor 7: Public Policy*

25           The seventh Eitel factor considers the strong  
26 policy favoring rulings on the merits. Eitel, 782 F.2d  
27 at 1472 (citation omitted). Notwithstanding such  
28 policy, default judgment is appropriate "[w]here the

1 [d]efendant's failure to appear makes decision on the  
2 merits impossible." Warner Bros. Home Entm't, Inc. v.  
3 Slaughter, CV 13-0892-DOC (RNBx), 2013 U.S. Dist LEXIS  
4 156597, at \*9 (C.D. Cal. Oct. 30, 2013) (citing  
5 Craigslist, Inc. v. Naturemarket, Inc., 694 F. Supp. 2d  
6 1039, 1061 (N.D. Cal. 2010)). As a result—and because  
7 most other Eitel factors favor default judgment  
8 here—the Court **GRANTS** Relator's Motion for Default  
9 Judgment.

10 4. Relief

11 Since allegations as to the amount of damages  
12 within a well-pleaded complaint are not taken as true  
13 upon entry of default, a plaintiff is required to  
14 provide proof of all damages sought in the complaint.  
15 PepsiCo, 238 F. Supp. 2d at 1175. Federal Rule of  
16 Civil Procedure 54(c) provides that "a default judgment  
17 must not differ in kind from, or exceed in amount, what  
18 is demanded in the pleadings." Here, Relator seeks the  
19 following (1) an award of treble damages sustained by  
20 the United States and State of California pursuant to  
21 31 U.S.C. § 3729(a)(1); (2) post-judgment interest; and  
22 (3) an award to Relator of the *qui tam* plaintiff's  
23 share of proceeds pursuant to 31 U.S.C. § 3730(d). AC  
24 at 136-37.

25 i. *Treble Damages*

26 The FCA and CFCA both provide nearly identical  
27 provisions allowing for treble damages. 31 U.S.C. §  
28 3729(a)(1); Cal. Gov't Code § 12651(a). Any individual

1 who violates the FCA is liable to the United States  
2 Government for a civil penalty of not less than \$5,500  
3 and not more than \$11,000, plus three times the amount  
4 of damages which the Government sustains because of  
5 that person's actions. 31 U.S.C. § 3729(a); 28 C.F.R.  
6 § 85.3(a)(9). "Ordinarily the measure of the  
7 government's damages [under the FCA] would be the  
8 amount that it paid out by reason of the false  
9 statements over and above what it would have paid if  
10 the claims had been truthful." United States v.  
11 Mackby, 339 F.3d 1013, 1018 (9th Cir. 2003) (quoting  
12 United States v. Woodbury, 359 F.2d 370, 379 (9th Cir.  
13 1966)). The government has a strong interest in  
14 preventing fraud because of the harm that false claims  
15 cause both in the form of monetary damages and harm to  
16 the integrity of the government. See id. at 1018-19.

17 Relator argues that LAMMC's false certifications of  
18 compliance rendered its cost reports false in their  
19 entirety, as they were conditioned on LAMMC's  
20 submission of truthful cost reports to Medicare and  
21 Medi-Cal and included interim claims for services in  
22 violation of the AKS and excluded provider regulations.  
23 Grover Decl. ¶ 11. Relator seeks total reimbursements  
24 from Medicare and Medi-Cal to LAMMC for adult acute  
25 psychiatric services from 2007-2010 in the amounts:  
26 \$111,315,425 for Medicare and \$75,860,032 for Medi-Cal,  
27 trebled under the FCA and CFCA to \$333,946,275 and  
28 \$227,880,096 respectively. Mot. at 29:1-7. Because

1 the applicable statute of limitations for FCA and CFCA  
2 claims is six years after the date the violation is  
3 committed, LAMMC only seeks damages for false claims  
4 submitted from August 20, 2007, to 2010. Mot. at 27  
5 n.131; 31 U.S.C. § 3731(b); Cal. Gov't Code § 12654(a).  
6 To support her contention, Relator provides LAMMC's  
7 Hospital Disclosure Reports for each fiscal year  
8 period. Id., Exs. 1-4, ECF No. 508-3. The total is  
9 broken down as follows:

Year	Medicare Revenue Psychiatric Acute - Adult	Medi-Cal Revenue Psychiatric Acute - Adult	Citation
2007	\$18,612,004	\$24,623,858	Ex. 1 at 35-36.
2008	\$35,562,764	\$21,847,860	Ex. 2 at 35-36.
2009	\$29,372,807	\$13,391,317	Ex. 3 at 35-36.
2010	\$27,767,850	\$16,096,997	Ex. 4 at 35-36.
Total	\$111,315,425	\$75,960,032	
<b>Trebled Damages</b>	<b>\$333,946,275</b>	<b>\$227,880,096</b>	

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20 Grover Decl. ¶ 11.<sup>6</sup>

21  
22 <sup>6</sup> Relator provides further examples of false interim claims,  
23 although Relator argues there is no way to identify every single  
24 false interim claim as "only [LAMMC] w[as] in the position to  
25 observe and record that information." Mot. at 28 n.139. For  
26 this reason, Relator declined to include these in her request for  
27 damages demonstrating a conservative estimation of damages. For  
28 example, Relator provides SGG Case Management/Discharge Planning  
reports for January to August of 2009, which identify LAMMC  
patients by medical record number for which Triggiani performed  
case management and discharge planning services. See Exs. 28-35.  
While Triggiani provided these services until at least 2010,  
Relator was only able to obtain reports covering this eight-month

1 Based on Relator's allegations, her Motion for  
2 Default Judgment, supporting evidence, and the strong  
3 interest in preventing fraud, the Court **GRANTS** damages  
4 in the amount of \$111,315,425 in Medicare damages for  
5 Relator's FCA claims and \$75,960,032 in Medi-Cal  
6 damages for her CFCA claims, trebled to \$333,946,274  
7 and \$227,880,096, respectively.

8 *ii. Post-Judgment Interest*

9 Relator requests post-judgment interest on the  
10 default judgment from the date of judgment until the  
11 judgment is satisfied. Under 28 U.S.C. § 1961, post-  
12 judgment interest "shall be allowed on any money  
13 judgment in a civil case recovered in a district court  
14 . . . ." Section 1961 further provides that "[s]uch  
15 interest shall be calculated from the date of the entry  
16 of the judgment, at a rate equal to the weekly average  
17 1-year constant maturity Treasury yield, as published  
18 by the Board of Governors of the Federal Reserve  
19 System, for the calendar week preceding the date of the  
20 judgment." 28 U.S.C. § 1961. The Ninth Circuit has  
21 held that the award of post-judgment interest is  
22 mandatory. Barnard v. Theobald, 721 F.3d 1069, 1078  
23 (9th Cir. 2013). Thus, the Court **GRANTS** post-judgment  
24 interest, calculated in the manner set forth in 28

25 \_\_\_\_\_  
26 span because Defendants failed to produce the remaining reports.  
27 Grover Decl. ¶ 9. Based off of these numbers, Relator's expert,  
28 Mr. Arrigo, was able to identify reimbursements of \$3,816,362 for  
Medicare and \$380,867 for Medi-Cal associated with these  
services. Ex. 83 at 53-55.

1 U.S.C. § 1961(a).

2           iii.       *Relator's Share*

3           Pursuant to the FCA, where the government does not  
4 intervene in a *qui tam* action, as in here, the relator  
5 "shall receive an amount which the court decides is  
6 reasonable for collecting the civil penalty and damages  
7 . . . not less than 25 percent and not more than 30  
8 percent of the proceeds of the action or settlement and  
9 shall be paid out of such proceeds." 31 U.S.C. §  
10 3730(d)(2).

11           The district court plays an important role in  
12 determining the amount that a *qui tam* plaintiff will  
13 receive within the range of 25-30% allowed. United  
14 States ex rel. Killingsworth v. Northrop Corp., 25 F.3d  
15 715, 723 (9th Cir. 1994). Certain factors inform the  
16 court's determination of what constitutes a reasonable  
17 share, including the degree of the relator's  
18 involvement in the case. See United States ex rel.  
19 Pratt v. Alliant Techsystems, 50 F. Supp. 2d 942, 948  
20 (C.D. Cal. 1999) (finding relator's active involvement  
21 and assistance justified an award of 28 of FCA  
22 proceeds). Other district courts have also focused on  
23 certain factors when determining a reasonable amount to  
24 award a relator. United States ex rel. Pedicone v.  
25 Mazak Corp., 807 F. Supp. 1350, 1353 (S.D. Ohio 1992)  
26 overruled on other grounds by United States ex rel.  
27 Smith v. Lampers, 69 F. App'x 719 (6th Cir. 2003)  
28 (finding significant the relator's personal and

1 professional expense to himself and awarding 30%).

2 Here, Relator has been actively involved in this  
3 case for ten years, as she began reporting to the  
4 Government and cooperating with an ongoing FBI  
5 investigation for nearly three years before filing her  
6 complaint in 2012. Declaration of Julie Macias  
7 ("Macias Decl.") ¶ 5-35, ECF No. 73-4. Moreover,  
8 Relator provided numerous interviews, documents, and  
9 upon being asked to wear a wire, recordings evidencing  
10 the fraud. Id. ¶ 6-13, 15-24, 26-32, 34-35. Finally,  
11 Relator experienced retaliation and emotional distress  
12 as a result of her efforts in pursuing these claims,  
13 even after the Government declined to intervene.  
14 Macias Decl. ¶¶ 7-10, 18-27, ECF No. 248-2.

15 The Court finds that based on her involvement and  
16 exposure, Relator is entitled to a share of the  
17 proceeds. However, Relator requests 29% of Medicare  
18 damages and 40% of Medi-Cal damages. Relator argues  
19 that these are the same percentages she received in  
20 settlements with the other defendants, and that neither  
21 the United States nor the State of California objected  
22 to these percentages. Grover Decl. ¶ 10. However,  
23 Relator cites no authority supporting her argument to  
24 receive more than the statutorily allowed percentage.  
25 The Court thus exercises its discretion to award  
26 Relator 25% of the total proceeds from both the  
27 Medicare and the Medi-Cal reimbursements. Accordingly,  
28 the Court **GRANTS** an award to Relator of 25% of the



1 damages and civil penalties awarded to the Government  
2 and the State of California.

3 **III. CONCLUSION**

4 Based on the foregoing, the Court **GRANTS** Relator's  
5 Motion for Default Judgment against Defendants Pacific  
6 Health Corporation and Los Angeles Doctors Hospital.

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9 **IT IS SO ORDERED.**

10

11 DATED: June 5, 2019

/s/ RONALD S.W. LEW

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**HONORABLE RONALD S.W. LEW**  
Senior U.S. District Judge

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