

United States Department of Justice

For Immediate Release

May 24, 2010 **United States Attorney's Office**
Eastern District of California

Five Doctors, Six Others Indicted for Participating in Million Dollar Medicare Fraud Ring

SACRAMENTO, CA—United States Attorney Benjamin B. Wagner announced today that on May 20, 2010, a federal grand jury returned a 20-count superseding indictment charging five doctors and six others with conspiracy to commit health care fraud. The defendants are as follows:

Dr. Alexander Popov, 44, of Los Angeles;
Dr. Ramanathan Prakash, 63, of Northridge;
Dr. Emilio Cruz III, 57, of Los Angeles;
Dr. Lana Le Chabrier, 62, of Santa Barbara;
Dr. Sol Teitelbaum, 82, of Los Angeles;
Migran Petrosyan, 39, of Burbank;
Khachatur Arutunyan, 51, Tujunga;
Shushanik Martirosyan, 43, of Glendale;
Zoya Belov, 35, of Carmichael;
Nazaret Salmanyanyan, 27, of Citrus Heights; and
Liw Jiaw Saechao, 44, of Sacramento.

This case is the product of an extensive investigation by the Office of the Inspector General, Department of Health and Human Services, and the Federal Bureau of Investigation. Assistant United States Attorney Philip Ferrari is prosecuting the case.

The superseding indictment alleges that from February of 2006 through August of 2008, the defendants operated three health care clinics in Sacramento, Richmond, and Carmichael that submitted more than \$5 million in fraudulent claims to Medicare.

The leader of the conspiracy, Vardges Egiazarian, 60, of Panorama City, was named in an original indictment that focused on the activities of the Richmond Clinic. The original indictment also charged Le Chabrier, Petrosyan, and Arutunyan, as well as Dr. Derrick Johnson with health care fraud.

According to Egiazarian's guilty plea entered on August 12, 2009, he admitted that claims were submitted to Medicare for patients at each of the three clinics that the physicians did not treat and seeking reimbursement for procedures that were either unnecessary or never performed. Egiazarian admitted the clinic's patients were recruited and transported to the clinic by individuals who were paid according to the number of patients they brought to the facility. Rather

than being charged a co-payment, the patients were paid for their time and the use of their Medicare eligibility, generally \$100 per visit. Some of the patients for whom billings were submitted at the Richmond Clinic were actually deceased on the date that they allegedly received services.

On November 6, 2009, Egiazarian was sentenced to six and a half years in prison and ordered to pay over \$1.5 million to Medicare in restitution.

On September 9, 2009, Derrick Johnson entered a guilty plea to the original indictment. He admitted that hundreds of Medicare claims for services he allegedly performed at the Richmond clinic were submitted on his behalf, yet he had never set foot in the facility nor had he had any contact with its purported patients. He has yet to be sentenced.

The superseding indictment returned last Thursday adds both a conspiracy charge and allegations relating to the Richmond Clinic and adds the Sacramento and Carmichael Clinics. In sum, the superseding indictment charges that Doctors Popov, Prakash, Le Chabrier and Cruz each submitted applications to Medicare seeking approval to submit claims for medical services allegedly rendered at the clinics. Despite the approval of these applications, and the submission of over \$5 million dollars worth of claims to Medicare, none of the doctors ever provided services or treatment at the clinics. As alleged in the indictment, clinic patients seldom received the services purportedly rendered in claims submitted to Medicare. Instead, Medicare-eligible patients were typically given cursory examinations and then paid \$100 each for their trouble. The claims submitted to Medicare on behalf of these patients alleged that they received a variety of tests and treatments, including physical therapy sessions and sleep studies that were never performed at the clinics. The clinics maintained falsified medical files that held test results purportedly relating to the patients. In some instances, clinic employees performed procedures such as ultrasounds or blood draws on themselves or each other, and then placed the results in files relating to Medicare-eligible beneficiaries. The money paid by Medicare on these claims was distributed among the members of the conspiracy.

The maximum statutory penalty for a violation of both Health Care Fraud and Conspiracy to Commit Health Care Fraud is 10 years in prison. The actual sentence, however, will be determined at the discretion of the court after consideration of any applicable statutory factors and the Federal Sentencing Guidelines, which take into account a number of variables.