

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
WESTERN DIVISION

| | | |
|--------------------------|---|-------------------------------|
| UNITED STATES OF AMERICA |) | |
| |) | No. _____ |
| vs. |) | Violations: Title 21, United |
| |) | States Code, Sections |
| RICHARD H. NG and |) | 846 and 841(a)(1); and |
| LEE LEE FOONG, |) | Title 26, United States Code, |
| also known as "Audrey" |) | Section 7206 |

COUNT ONE

The DECEMBER 2011 GRAND JURY charges:

1. At all times material to this indictment:
 - a. Sauk Medical Clinic S.C. was an Illinois corporation with locations in Sterling, Illinois and DeKalb, Illinois.
 - b. Defendant RICHARD H. NG was a doctor of osteopathic medicine, licensed in Illinois, and President and sole shareholder of Sauk Medical Clinic S.C.
 - c. Defendant NG held Illinois medical license # 036-062299 and Drug Enforcement Administration Registration #AN1255733, which authorized him to prescribe and/or dispense Schedule II-V controlled substances to his patients.
 - d. Defendant LEE LEE FOONG was the Office Manager for Sauk Medical Clinic. NG and FOONG married in 2011.
 - e. Individual A was a physician who worked at both Sauk Medical Clinic locations dispensing controlled substances when NG was absent.
2. The Controlled Substances Act ("CSA") governs the manufacture, distribution, and dispensation of controlled substances in the United States. The CSA and the Code of Federal Regulations ("CFR") contain definitions relevant to this indictment, some of which are set forth

below.

3. The term “controlled substance” means a drug or other substance, or immediate precursor, included in Schedule I, II, III, IV, and V, as designated by Title 21, United States Code, Section 802(6), and the CFR.

4. The term “Schedule II” means the drug or other substance has a high potential for abuse; the drug has a currently accepted medical use in treatment in the United States or a currently accepted medical use with severe restrictions; and abuse of the drug or other substance may lead to severe psychological or physical dependence. Schedule II controlled substances include Oxycodone (also sold as OxyContin and sold in combination with acetaminophen as Percocet), Methadone, Hydromorphone (sometimes sold as Dilaudid), Fentanyl, and Morphine.

5. The term “Schedule III” means the drug or other substance has a potential for abuse less than the drugs or other substances in schedules I and II; the drug has a currently accepted medical use in treatment in the United States; and abuse of the drug or other substance may lead to moderate or low physical dependence or high psychological dependence. Schedule III controlled substances include Hydrocodone (often sold in combination with different amounts of acetaminophen as Vicodin and Norco).

6. The term “Schedule IV” means a drug or other substance has a low potential for abuse relative to the drugs or other substances in schedule III; the drug or other substance has a currently accepted medical use in treatment in the United States; and abuse of the drug or other substances may lead to limited physical dependence or psychological dependence. Schedule IV controlled substances include Alprazolam (sometimes sold as Xanax) and Diazepam (sometimes sold as Valium).

7. The term “dispense” means to deliver a controlled substance to an ultimate user or research subject by, or pursuant to the lawful order of, a practitioner, including the prescribing and administering of a controlled substance.

8. Practitioners may prescribe, dispense and administer controlled substances if they are approved by the Drug Enforcement Administration to do so, are given a DEA registration number, and comply with all DEA regulations, other applicable federal regulations, and state laws.

9. A practitioner may not prescribe controlled substances outside the course of professional practice and without a legitimate medical purpose.

10. Beginning at least as early as January 2007, and continuing to October 25, 2011, in Sterling and DeKalb, in the Northern District of Illinois, defendants,

RICHARD H. NG and
LEE LEE FOONG,
also known as “Audrey,”

did conspire with each other, with Individual A, and with others known and unknown to the grand jury, to knowingly and intentionally dispense a controlled substance, namely, a quantity of mixtures and substances containing Oxycodone, a Schedule II controlled substance, a quantity of mixtures of substances containing Methadone, a Schedule II controlled substance, a quantity of mixtures and substances containing Hydromorphone, a Schedule II controlled substance, a quantity of mixtures and substances containing Amphetamine, a Schedule II controlled substance, a quantity of mixtures and substances containing Morphine, a Schedule II controlled substance, a quantity of mixtures and substances containing Fentanyl, a Schedule II controlled substance, a quantity of mixtures and substances containing Hydrocodone, a Schedule III controlled substance, a quantity of mixtures and substances containing Alprazolam, a Schedule IV controlled substance, and a quantity of mixtures

and substances containing Diazepam, a Schedule IV controlled substance, outside the course of professional practice and without a legitimate medical purpose, in violation of Title 21, United States Code, Section 841(a)(1).

11. Death and serious bodily injury resulted from the use of the substances so dispensed.

Manner and Means

12. During the course and in furtherance of the conspiracy, NG saw patients at Sauk Medical Clinic's Sterling and DeKalb offices on at least a monthly or bi-weekly basis for the purpose of dispensing large quantities of prescription controlled substances.

13. During the course and in furtherance of the conspiracy, NG and FOONG operated Sauk Medical Clinic to maximize billing opportunities. Multiple patients were scheduled per each fifteen minute time slot; initial patient visits lasted between 10-15 minutes or less and subsequent visits lasted 5 minutes or less; and FOONG determined the amount each patient paid and charged some patients extra if their visit with NG lasted more than 10 minutes.

14. During the course and in furtherance of the conspiracy, NG failed to conduct adequate medical evaluations, including failing to perform a thorough physical examination; obtaining a thorough medical history; obtaining prior medical records; and performing objective medical tests.

15. During the course and in furtherance of the conspiracy, NG increased the dosage units of controlled substances prescribed, thereby requiring the patients to return frequently to NG to obtain excessive amounts of these controlled substances and insuring their payment of NG's office fees.

16. During the course and in furtherance of the conspiracy, NG failed to adequately

document the medical justification for increasing dosages of, or changing, controlled substances.

17. During the course and in furtherance of the conspiracy, NG rarely, if ever, counseled his patients regarding alternative treatments, such as physical therapy.

18. During the course and in furtherance of the conspiracy, NG issued prescriptions for controlled substances despite obvious physical signs of drug abuse by many of his patients, such as failed urine drug screen tests that showed positive tests for controlled substances not prescribed by NG (indicating likely narcotics abuse) and, in other cases, negative results for the controlled substances prescribed (indicating likely distribution of the medications prescribed).

19. During the course and in furtherance of the conspiracy, NG issued prescriptions for controlled substances to patients despite obvious “red flags” that such patients were abusing and misusing the controlled substances prescribed, including, but not limited to, the following: frequent excuses by patients describing lost or stolen prescriptions; urine tests that showed the patient tested positive for illicit narcotics (sign of abuse); urine tests that showed the patient tested negative for medications prescribed (sign of diversion); frequent excuses by patients as to why they could not provide a urine sample; patient self-reports of sharing controlled substances with, or obtaining controlled substances from, family members and friends; patient self-reports of prior history of addiction; and concerns to NG and FOONG and others about patient abuse or misuse of controlled substances from patient family members and friends.

20. During the course and in furtherance of the conspiracy, NG and FOONG hired Individual A, a physician, to dispense controlled substances to patients in NG’s absence without giving the patients a physical examination or performing any medical tests.

21. During the course and in furtherance of the conspiracy, NG continued to prescribe

excessive amounts of controlled substances knowing that these dispensations resulted in the death of some of his patients.

All in violation of Title 21, United States Code, Section 846.

COUNT TWO

The DECEMBER 2011 GRAND JURY further charges:

1. On or about July 17, 2008, at Sterling, in the Northern District of Illinois, Western Division,

RICHARD H. NG,

defendant herein, did knowingly and intentionally dispense to "Patient A" a controlled substance, namely, a quantity of mixtures and substances containing Hydrocodone, a Schedule III controlled substance, and a quantity of mixtures and substances containing Alprazolam, a Schedule IV controlled substance, outside the course of professional practice and without a legitimate medical purpose.

2. Death resulted from the use of the substances so dispensed.

In violation of Title 21, United States Code, Section 841(a)(1).

COUNT THREE

The DECEMBER 2011 GRAND JURY further charges:

1. On or about August 27, 2008, at Sterling, in the Northern District of Illinois, Western Division,

RICHARD H. NG,

defendant herein, did knowingly and intentionally dispense to “Patient B” a controlled substance, namely, a quantity of mixtures and substances containing Methadone, a Schedule II controlled substance, and a quantity of mixtures and substances containing Hydrocodone, a Schedule III controlled substance, and a quantity of mixtures and substances containing Alprazolam, a Schedule IV controlled substance, outside the course of professional practice and without a legitimate medical purpose.

2. Death resulted from the use of the substances so dispensed.

In violation of Title 21, United States Code, Sections 841(a)(1) and (b)(1)(C).

COUNT FOUR

The DECEMBER 2011 GRAND JURY further charges:

1. On or about October 3, 2008, at Sterling, in the Northern District of Illinois, Western Division,

RICHARD H. NG,

defendant herein, did knowingly and intentionally dispense to “Patient C” a controlled substance, namely, a quantity of mixtures and substances containing Hydrocodone, a Schedule III controlled substance, and a quantity of mixtures and substances containing Alprazolam, a Schedule IV controlled substance, outside the course of professional practice and without a legitimate medical purpose.

2. Death resulted from the use of the substances so dispensed.

In violation of Title 21, United States Code, Section 841(a)(1).

COUNT FIVE

The DECEMBER 2011 GRAND JURY further charges:

On or about December 10, 2010, at Sterling, in the Northern District of Illinois, Western Division,

RICHARD H. NG,

defendant herein, did knowingly and intentionally dispense to "Patient R.S." a controlled substance, namely, a quantity of mixtures and substances containing Hydrocodone contained in Vicodin ES, a Schedule III controlled substance, outside the course of professional practice and without a legitimate medical purpose;

In violation of Title 21, United States Code, Section 841(a)(1).

COUNT SIX

The DECEMBER 2011 GRAND JURY further charges:

On or about January 7, 2011, at Sterling, in the Northern District of Illinois, Western Division,

RICHARD H. NG and
LEE LEE FOONG,
also known as “Audrey,”

defendants herein, did knowingly and intentionally dispense to Patient R.S. a controlled substance, namely, a quantity of mixtures and substances containing Hydrocodone contained in Vicodin ES, a Schedule III controlled substance, outside the course of professional practice and without a legitimate medical purpose;

In violation of Title 21, United States Code, Section 841(a)(1).

COUNT SEVEN

The DECEMBER 2011 GRAND JURY further charges:

On or about February 7, 2011, at Sterling, in the Northern District of Illinois, Western Division,

RICHARD H. NG and
LEE LEE FOONG,
also known as “Audrey,”

defendants herein, did knowingly and intentionally dispense to Patient R. S. a controlled substance, namely, a quantity of mixtures and substances containing Hydrocodone contained in Vicodin ES, a Schedule III controlled substance, outside the course of professional practice and without a legitimate medical purpose;

In violation of Title 21, United States Code, Section 841(a)(1).

COUNT EIGHT

The DECEMBER 2011 GRAND JURY further charges:

On or about January 21, 2011, at Sterling, in the Northern District of Illinois, Western Division,

RICHARD H. NG,

defendant herein, did knowingly and intentionally dispense to "Patient T.H." a controlled substance, namely, a quantity of mixtures and substances containing Hydrocodone contained in Norco, a Schedule III controlled substance, outside the course of professional practice and without a legitimate medical purpose;

In violation of Title 21, United States Code, Section 841(a)(1).

COUNT NINE

The DECEMBER 2011 GRAND JURY further charges:

On or about February 7, 2011, at Sterling, in the Northern District of Illinois, Western Division,

RICHARD H. NG,

defendant herein, did knowingly and intentionally dispense to Patient T. H. a controlled substance, namely, a quantity of mixtures and substances containing Hydrocodone contained in Norco, a Schedule III controlled substance, outside the course of professional practice and without a legitimate medical purpose;

In violation of Title 21, United States Code, Section 841(a)(1).

COUNT TEN

The DECEMBER 2011 GRAND JURY further charges:

On or about February 28, 2011, at Sterling, in the Northern District of Illinois, Western Division,

RICHARD H. NG,

defendant herein, did knowingly and intentionally dispense to Patient T. H. a controlled substance, namely, a quantity of mixtures and substances containing Hydrocodone contained in Norco, a Schedule III controlled substance, outside the course of professional practice and without a legitimate medical purpose;

In violation of Title 21, United States Code, Section 841(a)(1).

COUNT ELEVEN

The DECEMBER 2011 GRAND JURY further charges:

On or about March 15, 2011, at DeKalb, in the Northern District of Illinois, Western Division,

RICHARD H. NG and
LEE LEE FOONG,
also known as “Audrey,”

defendants herein, did knowingly and intentionally dispense to “Patient M. F.” a controlled substance, namely, a quantity of mixtures and substances containing Hydrocodone contained in Vicodin ES, a Schedule III controlled substance, outside the course of professional practice and without a legitimate medical purpose;

In violation of Title 21, United States Code, Section 841(a)(1).

COUNT TWELVE

The DECEMBER 2011 GRAND JURY further charges:

On or about April 12, 2011, at DeKalb, in the Northern District of Illinois, Western Division,

RICHARD H. NG and
LEE LEE FOONG,
also known as "Audrey,"

defendants herein, did knowingly and intentionally dispense to Patient M.F. a controlled substance, namely, a quantity of mixtures and substances containing Hydrocodone contained in Vicodin ES, a Schedule III controlled substance, outside the course of professional practice and without a legitimate medical purpose;

In violation of Title 21, United States Code, Section 841(a)(1).

COUNT THIRTEEN

The DECEMBER 2011 GRAND JURY further charges:

On or about May 3, 2011, at DeKalb, in the Northern District of Illinois, Western Division,

RICHARD H. NG and
LEE LEE FOONG,
also known as “Audrey,”

defendants herein, did knowingly and intentionally dispense to Patient M.F. a controlled substance, namely, a quantity of mixtures and substances containing Hydrocodone contained in Vicodin ES, a Schedule III controlled substance, outside the course of professional practice and without a legitimate medical purpose;

In violation of Title 21, United States Code, Section 841(a)(1).

COUNTS FOURTEEN – FORTY-SEVEN

The DECEMBER 2011 GRAND JURY further charges:

On or about the dates listed below, at Sterling, in the Northern District of Illinois, Western Division,

RICHARD H. NG,

defendant herein, did knowingly and intentionally dispense to "Patient S.L." the following controlled substances, outside the course of professional practice and without a legitimate medical purpose, in violation of Title 21, United States Code, Section 841(a)(1):

| Count | Approximate Date | Controlled Substance | Strength and Quantity | Schedule |
|--------------|-------------------------|-----------------------------|------------------------------|-----------------|
| 14 | July 28, 2009 | Morphine Sulfate | 60mg 30 pills/tablets | II |
| 15 | July 28, 2009 | Hydrocodone | 10mg 60pills/tablets | III |
| 16 | November 5, 2009 | Oxycodone | 7.5mg 90 pills/tablets | II |
| 17 | November 5, 2009 | Morphine Sulfate | 60 mg 60 pills/tablets | II |
| 18 | December 3, 2009 | Oxycodone | 10mg 90 pills/tablets | II |
| 19 | December 3, 2009 | Morphine Sulfate | 60 mg 60 pills/tablets | II |
| 20 | February 22, 2010 | Oxycodone | 10mg 90 pills/tablets | II |
| 21 | February 26, 2010 | Morphine Sulfate | 60 mg 60 pills/tablets | II |
| 22 | March 17, 2010 | Oxycodone | 10mg 90 pills/tablets | II |
| Count | Approximate Date | Controlled Substance | Strength and Quantity | Schedule |

| | | | | |
|--------------|-------------------------|--|------------------------------|-----------------|
| 23 | March 17, 2010 | Morphine Sulfate | 60 mg 60 pills/tablets | II |
| 24 | April 6, 2010 | Oxycodone | 10mg 90 pills/tablets | II |
| 25 | April 6, 2010 | Morphine Sulfate | 60 mg 60 pills/tablets | II |
| 26 | April 27, 2010 | Oxycodone | 10mg 90 pills/tablets | II |
| 27 | April 27, 2010 | Morphine | 20-0.8mg 90 pills/tablets | II |
| 28 | May 18, 2010 | Oxycodone | 10mg 90 pills/tablets | II |
| 29 | May 18, 2010 | Morphine | 30-1.2mg 60 pills/tablets | II |
| 30 | June 8, 2010 | Oxycodone | 10 mg 90 pills/tablets | II |
| 31 | June 8, 2010 | Oxycodone contained in Oxycontin | 40 mg 42 pills/tablets | II |
| 32 | June 29, 2010 | Oxycodone | 10 mg 90 pills/tablets | II |
| 33 | June 29, 2010 | Oxycodone contained in Oxycontin | 40 mg 42 pills/tablets | II |
| 34 | July 20, 2010 | Oxycodone | 15 mg 90 pills/tablets | II |
| 35 | July 20, 2010 | Oxycodone contained in Oxycontin | 40 mg 42 pills/tablets | II |
| 36 | August 10, 2010 | Oxycodone | 15 mg 90 pills/tablets | II |
| Count | Approximate Date | Controlled Substance | Strength and Quantity | Schedule |

| | | | | |
|-----------|--------------------|--|---------------------------|----|
| 37 | August 10, 2010 | Oxycodone contained in Oxycontin | 40 mg 42 pills/tablets | II |
| 38 | August 31, 2010 | Oxycodone | 15 mg 90 pills/tablets | II |
| 38 | August 31, 2010 | Oxycodone contained in Oxycontin | 60 mg 42 pills/tablets | II |
| 39 | September 21, 2010 | Oxycodone | 15 mg 90 pills/tablets | II |
| 40 | September 21, 2010 | Oxycodone contained in Oxycontin | 60 mg 42 pills/tablets | II |
| 41 | October 12, 2010 | Oxycodone | 30 mg 84 pills/tablets | II |
| 42 | October 12, 2010 | Oxycodone contained in Oxycontin | 60 mg 42 mg | II |
| 43 | November 2, 2010 | Oxycodone | 30 mg 84 pills/tablets | II |
| 44 | November 2, 2010 | Oxycodone contained in Oxycontin | 60 mg 42 pills/tablets | II |
| 45 | November 2, 2010 | Alprazolam | 1 mg 21 pills/tablets | IV |
| 46 | November 23, 2010 | Oxycodone | 30 mg 60 pills/tablets | II |
| 47 | November 23, 2010 | Oxycodone contained in Oxycontin | 60 mg 28 pills/tablets | II |

COUNTS FORTY-EIGHT – FIFTY-FIVE

The DECEMBER 2011 GRAND JURY further charges:

On or about the dates listed below, at Sterling, in the Northern District of Illinois, Western Division,

RICHARD H. NG,

defendant herein, did knowingly and intentionally dispense to "Patient D.P." the following controlled substances, outside the course of professional practice and without a legitimate medical purpose, in violation of Title 21, United States Code, Section 841(a)(1):

| Count | Approximate Date | Controlled Substance | Strength and Quantity | Schedule |
|--------------|-------------------------|--|------------------------------|-----------------|
| 48 | September 9, 2008 | Oxycodone contained in Oxycontin | 80 mg 30 pills/tablets | II |
| 49 | September 9, 2008 | Hydrocodone | 30 mg 30 pills/tablets | III |
| 50 | January 13, 2009 | Methadone | 30 mg 60 pills/tablets | II |
| 51 | January 13, 2009 | Hydromorphone | 4 mg 45 pills/tablets | II |
| 52 | January 13, 2009 | Amphetamine mixtures contained in Adderall | 30 mg 15 pills/tablets | II |
| 53 | March 27, 2009 | Oxycodone | 80 mg 36 pills/tablets | II |
| 54 | March 27, 2009 | Hydromorphone | 4 mg 54 pills/tablets | II |
| Count | Approximate Date | Controlled Substance | Strength and Quantity | Schedule |

| | | | | |
|----|----------------|--|---------------------------|----|
| 55 | March 27, 2009 | Amphetamine mixtures contained in Adderall | 30 mg 18 pills/tablets | II |
|----|----------------|--|---------------------------|----|

COUNTS FIFTY-SIX – SIXTY-ONE

The DECEMBER 2011 GRAND JURY further charges:

On or about the dates listed below, at DeKalb, in the Northern District of Illinois, Western Division,

RICHARD H. NG,

defendant herein, did knowingly and intentionally dispense to “Patient K.M.” the following controlled substances, outside the course of professional practice and without a legitimate medical purpose, in violation of Title 21, United States Code, Section 841(a)(1):

| Count | Approximate Date | Controlled Substance | Strength and Quantity | Schedule |
|--------------|-------------------------|-----------------------------|----------------------------------|-----------------|
| 56 | November 11, 2010 | Morphine | 30 mg 42 pills/tablets | II |
| 57 | November 11, 2010 | Hydrocodone | 10 mg/325 mg 60 pills/tablets | III |
| 58 | November 19, 2010 | Methadone | 10 mg 68 pills/tablets | II |
| 59 | November 19, 2010 | Oxycodone | 15 mg 60 pills/tablets | II |
| 60 | May 2, 2011 | Methadone | 10 mg 63 pills/tablets | II |
| 61 | May 2, 2011 | Oxycodone | 30 mg 60 pills/tablets | II |

COUNTS SIXTY-TWO – SIXTY-NINE

The DECEMBER 2011 GRAND JURY further charges:

On or about the dates listed below, at DeKalb, in the Northern District of Illinois, Western Division,

RICHARD H. NG,

defendant herein, did knowingly and intentionally dispense to "Patient M.G." the following controlled substances, outside the course of professional practice and without a legitimate medical purpose, in violation of Title 21, United States Code, Section 841(a)(1):

| Count | Approximate Date | Controlled Substance | Strength and Quantity | Schedule |
|--------------|-------------------------|-------------------------------------|----------------------------------|-----------------|
| 62 | June 30, 2009 | Hydromorphone contained in Dilaudid | 4 mg 100 pills/tablets | II |
| 63 | June 30, 2009 | Alprazolam | 1 mg 60 pills/tablets | IV |
| 64 | March 12, 2010 | Hydromorphone | 4 mg 84 pills/tablets | II |
| 65 | March 12, 2010 | Hydrocodone | 10 mg/325 mg 90 pills/tablets | III |
| 66 | March 16, 2010 | Morphine | 30 mg 35 pills/tablets | II |
| 67 | February 8, 2011 | Hydromorphone contained in Dilaudid | 4 mg 140 pills | II |
| 68 | February 8, 2011 | Morphine | 30 mg 70 pills/tablets | II |
| 69 | February 8, 2011 | Diazepam contained in Valium | 5 mg 42 pills/tablets | IV |

COUNTS SEVENTY – SEVENTY-SIX

The DECEMBER 2011 GRAND JURY further charges:

On or about the dates listed below, at Sterling, in the Northern District of Illinois, Western Division,

RICHARD H. NG,

defendant herein, did knowingly and intentionally dispense to "Patient L.A." the following controlled substances, outside the course of professional practice and without a legitimate medical purpose, in violation of Title 21, United States Code, Section 841(a)(1):

| Count | Approximate Date | Controlled Substance | Strength and Quantity | Schedule |
|--------------|-------------------------|-----------------------------|------------------------------------|-----------------|
| 70 | May 4, 2010 | Oxycodone | 40 mg 120 pills/tablets | II |
| 71 | May 4, 2010 | Hydrocodone | 10 mg/325 mg 150 pills/tablets | III |
| 72 | August 24, 2010 | Oxycodone | 40 mg 120 pills/tablets | II |
| 73 | August 24, 2010 | Hydrocodone | 7.5 mg/750 mg 150 pills/tablets | III |
| 74 | August 24, 2010 | Alprazolam | 2 mg 90 pills/tablets | IV |
| 75 | April 7, 2011 | Hydromorphone | 4 mg 120 pills/tablets | II |
| 76 | April 7, 2011 | Alprazolam | 2 mg 90 pills/tablets | IV |

COUNTS SEVENTY-SEVEN – EIGHTY-TWO

The DECEMBER 2011 GRAND JURY further charges:

On or about the dates listed below, at Sterling, in the Northern District of Illinois, Western Division,

RICHARD H. NG,

defendant herein, did knowingly and intentionally dispense to "Patient C.F." the following controlled substances, outside the course of professional practice and without a legitimate medical purpose, in violation of Title 21, United States Code, Section 841(a)(1):

| Count | Approximate Date | Controlled Substance | Strength and Quantity | Schedule |
|--------------|-------------------------|-------------------------------------|------------------------------|-----------------|
| 77 | March 30, 2009 | Hydromorphone contained in Dilaudid | 8 mg 45 pills/tablets | II |
| 78 | March 30, 2009 | Alprazolam contained in Xanax | 1 mg 30 pills/tablets | IV |
| 79 | June 22, 2010 | Hydromorphone contained in Dilaudid | 8 mg 70 pills/tablets | II |
| 80 | June 22, 2010 | Alprazolam contained in Xanax | 2 mg 42 pills/tablets | IV |
| 81 | September 21, 2010 | Hydromorphone contained in Dilaudid | 8 mg 75 pills/tablets | II |
| 82 | September 21, 2010 | Methadone | 10 mg 84 pills/tablets | II |

COUNT EIGHTY-THREE

The DECEMBER 2011 GRAND JURY further charges:

1. At all times material to this indictment:
 - a. Sauk Medical Clinic S.C. was an Illinois corporation with locations in Sterling, Illinois and DeKalb, Illinois.
 - b. Defendant RICHARD H. NG was a doctor of osteopathic medicine, licensed in Illinois, and President and sole shareholder of Sauk Medical Clinic S.C.
 - c. NG held Illinois medical license # 036-062299 and Drug Enforcement Administration Registration #AN1255733, which authorized him to prescribe and/or dispense Schedule II-V controlled substances to his patients.
 - d. Defendant LEE LEE FOONG was the Office Manager for Sauk Medical Clinic. NG and FOONG married in 2011.
 - e. NG owned numerous residential and commercial rental properties.
 - f. Sauk Medical Clinic was required to file an annual United States Corporation Income Tax Return (Form 1120 with schedules and attachments) with the Internal Revenue Service, due by a certain date in the following year, accurately reporting its gross receipts, expenses, taxable income and tax due and owing.
 - g. NG controlled a business bank account at Fifth Third Bank held in the name of Sauk Medical Clinic. NG also controlled a personal bank account at Fifth Third Bank held in his name. FOONG controlled a personal bank account at National Bank and Trust.
2. Beginning no later than approximately January 1, 2008, and continuing through at least December 31, 2009, defendant NG, and beginning no later than January 1, 2010 and continuing through at least December 31, 2010, defendants NG and FOONG:
 - a. took for their personal use the vast majority of the cash that patients paid to

Sauk Medical Clinic for medical services;

b. did not deposit the diverted cash into Sauk Medical Clinic's business bank account at Fifth Third Bank;

c. did not deposit all the rental receipts for the rental properties into their personal bank account;

d. concealed the diverted cash and rental receipts from their tax-return preparer by giving the tax-return preparer Sauk Medical Clinic's business bank statements and records of deposits, which NG and FOONG knew did not reflect the diverted cash; and

e. caused the filing of false United States Corporation Income Tax Returns for Sauk Medical Clinic for 2008, 2009, and 2010, which failed to include cash NG and FOONG took from Sauk Medical Clinic.

3. On the United States Corporation Income Tax Returns, Form 1120 with schedules and attachments, filed for Sauk Medical Clinic for calendar years 2008, 2009, and 2010, NG willfully and knowingly failed to report additional gross receipts and under-reported tax due and owing, as follows:

| Year | Understatement of Gross Receipts | Additional Income Tax Due |
|-------------|---|----------------------------------|
| 2008 | \$181,360 | \$63,476 |
| 2009 | \$297,120 | \$101,538 |
| 2010 | <u>\$444,370</u> | <u>\$155,724</u> |
| Total: | \$922,850 | \$320,738 |

4. On the United States Individual Income Tax Returns, Forms 1040 with schedules and attachments, filed for NG for tax years 2008, 2009, and 2010, and for NG and FOONG for tax year

2011, NG, for tax years 2008, 2009, and 2010, and NG and FOONG for tax year 2011, willfully and knowingly failed to report as income the diverted cash they received from Sauk Medical Clinic and rental receipts and under-reported tax due and owing, as follows:

| Year | Understatement of Gross Receipts | Additional Income Tax Due |
|-------------|---|----------------------------------|
| 2008 | \$191,190 | \$31,807 |
| 2009 | \$314,755 | \$49,742 |
| 2010 | \$465,651 | \$96,678 |
| 2011 | <u>\$284,890</u> | <u>\$92,646</u> |
| Total: | \$1,256,486 | \$270,873 |

5. On or about August 4, 2009, at Sterling, in the Northern District of Illinois, Western Division,

RICHARD H. NG,

defendant herein, a resident of Sterling, Illinois, willfully made and subscribed, and caused to made and subscribed, a United States Corporation Income Tax Return (Form 1120 with schedules and attachments), for Sauk Medical Clinic for the calendar year 2008, which return was verified by written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which income tax return NG did not believe to be true and correct as to every material matter, in that:

(a) It was stated on Form 1120, line 1, that gross receipts and sales were \$369,565, when in fact defendant then and there well knew and believed that Sauk Medical Clinic had gross receipts and sales in excess of that amount in that defendant had failed to include additional gross receipts of approximately \$181,360; and

(b) It was stated on Form 1120, line 31 that total tax was \$176, when in fact defendant then and there knew and believed that Sauk Medical Clinic owed taxes substantially in excess of that amount;

In violation of Title 26, United States Code, Section 7206(1).

COUNT EIGHTY-FOUR

The DECEMBER 2011 GRAND JURY further charges:

1. The allegations contained in paragraph 1 of Count Eighty-Three of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about April 15, 2009, at Sterling, in the Northern District of Illinois, Western Division,

RICHARD H. NG,

defendant herein, a resident of Sterling, Illinois, willfully made and subscribed, and caused to be made and subscribed, a United States Individual Income Tax Return (Form 1040 with schedules and attachments), on behalf of himself for the calendar year 2008, which return was verified by written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which income tax return NG did not believe to be true and correct as to every material matter, in that:

(a) It was stated on Form 1040, line 22, that total income was \$6,960, when in fact defendant then and there well knew and believed that he had total income in excess of that amount in that defendant had failed to include diverted cash receipts from Sauk Medical Clinic of approximately \$181,360 and rental property receipts of approximately \$9,830; and

(b) It was stated on Form 1040, line 61 that total tax was \$0, when in fact defendant then and there knew and believed that he owed taxes substantially in excess of that amount;

In violation of Title 26, United States Code, Section 7206(1).

COUNT EIGHTY-FIVE

The DECEMBER 2011 GRAND JURY further charges:

1. The allegations contained in paragraph 1 of Count Eighty-Three of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about March 22, 2010, at Sterling, in the Northern District of Illinois, Western Division,

RICHARD H. NG,

defendant herein, a resident of Sterling, Illinois, willfully made and subscribed, and caused to be made and subscribed, a United States Corporation Income Tax Return (Form 1120 with schedules and attachments), for Sauk Medical Clinic for the calendar year 2009, which return was verified by written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which income tax return NG did not believe to be true and correct as to every material matter, in that:

(a) It was stated on Form 1120, line 1, that gross receipts and sales were \$309,759, when in fact defendant then and there well knew and believed that Sauk Medical Clinic had gross receipts and sales in excess of that amount in that defendant had failed to include additional gross receipts of approximately \$297,120; and

(b) It was stated on Form 1120, line 31 that total tax was \$0, when in fact defendant then and there knew and believed that Sauk Medical Clinic owed taxes substantially in excess of that amount;

In violation of Title 26, United States Code, Section 7206(1).

COUNT EIGHTY-SIX

The DECEMBER 2011 GRAND JURY further charges:

1. The allegations contained in paragraph 1 of Count Eighty-Three of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about April 15, 2010, at Sterling, in the Northern District of Illinois, Western Division,

RICHARD H. NG,

defendant herein, a resident of Sterling, Illinois, willfully made and subscribed, and caused to be made and subscribed, a United States Individual Income Tax Return (Form 1040 with schedules and attachments), on behalf of himself for the calendar year 2009, which return was verified by written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which income tax return NG did not believe to be true and correct as to every material matter, in that:

(a) It was stated on Form 1040, line 22, that total income was -\$35,850, when in fact defendant then and there well knew and believed that he had total income in excess of that amount in that defendant had failed to include diverted cash receipts from Sauk Medical Clinic of approximately \$297,120 and rental property receipts of approximately \$17,635; and

(b) It was stated on Form 1040, line 60 that total tax was \$0, when in fact defendant then and there knew and believed that he owed taxes substantially in excess of that amount;

In violation of Title 26, United States Code, Section 7206(1).

COUNT EIGHTY-SEVEN

The DECEMBER 2011 GRAND JURY further charges:

1. The allegations contained in paragraph 1 of Count Eighty-Three of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about February 28, 2011, at Sterling, in the Northern District of Illinois, Western Division,

RICHARD H. NG,

defendant herein, a resident of Sterling, Illinois, willfully made and subscribed, and caused to be made and subscribed, a United States Corporation Income Tax Return (Form 1120 with schedules and attachments), for Sauk Medical Clinic for the calendar year 2010, which return was verified by written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which income tax return NG did not believe to be true and correct as to every material matter, in that:

(a) It was stated on Form 1120, line 1, that gross receipts and sales were \$252,705, when in fact defendant then and there well knew and believed that Sauk Medical Clinic had gross receipts and sales in excess of that amount in that defendant had failed to include additional gross receipts of approximately \$444,370; and

(b) It was stated on Form 1120, line 31 that total tax was \$0, when in fact defendant then and there knew and believed that Sauk Medical Clinic owed taxes substantially in excess of that amount;

In violation of Title 26, United States Code, Section 7206(1).

COUNT EIGHTY-EIGHT

The DECEMBER 2011 GRAND JURY further charges:

1. The allegations contained in paragraph 1 of Count Eighty-Three of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about April 15, 2011, at Sterling, in the Northern District of Illinois, Western Division,

RICHARD H. NG,

defendant herein, a resident of Sterling, Illinois, willfully made and subscribed, and caused to be made and subscribed, a United States Individual Income Tax Return (Form 1040 with schedules and attachments), on behalf of himself for the calendar year 2010, which return was verified by written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which income tax return NG did not believe to be true and correct as to every material matter, in that:

(a) It was stated on Form 1040, line 22, that total income was -\$96,349, when in fact defendant then and there well knew and believed that he had total income in excess of that amount in that defendant had failed to include diverted cash receipts from Sauk Medical Clinic of approximately \$444,370 and rental property receipts of approximately \$21,281; and

(b) It was stated on Form 1040, line 60 that total tax was \$2,000, when in fact defendant then and there knew and believed that he owed taxes substantially in excess of that amount;

In violation of Title 26, United States Code, Section 7206(1).

COUNT EIGHTY-NINE

The DECEMBER 2011 GRAND JURY further charges:

1. The allegations contained in paragraph 1 of Count Eighty-Three of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about April 15, 2012, at Sterling, in the Northern District of Illinois, Western Division,

RICHARD H. NG and
LEE LEE FOONG
also known as "Audrey,"

defendants herein, residents of Sterling, Illinois, willfully made and subscribed, and caused to made and subscribed, a United States Individual Income Tax Return (Form 1040 with schedules and attachments), on behalf of themselves for the calendar year 2011, which return was verified by written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which income tax return NG and FOONG did not believe to be true and correct as to every material matter, in that:

(a) It was stated on Form 1040, line 22, that total income was \$150,224, when in fact defendants then and there well knew and believed that they had total income in excess of that amount in that defendants had failed to include diverted cash receipts from Sauk Medical Clinic of approximately \$284,090 and rental property receipts of approximately \$800; and

(b) It was stated on Form 1040, line 61 that total tax was \$5,619, when in fact defendants then and there knew and believed that they owed taxes substantially in excess of that amount;

In violation of Title 26, United States Code, Section 7206(1).

FORFEITURE ALLEGATION

The DECEMBER 2011 GRAND JURY further charges:

1. The allegations of Counts One through Eighty-Two of this indictment are realleged and fully incorporated herein for the purpose of alleging forfeiture to the United States, pursuant to the provisions of Title 21, United States Code, Section 853.

2. As a result of their violation of the offenses as alleged in Counts One through Eighty-Two of this indictment,

RICHARD H. NG, and
LEE LEE FOONG,
also known as “Audrey,”

defendants herein, has subjected to forfeiture to the United States, pursuant to Title 18, United States Code, Sections 982(a)(1) and (2) and Title 21, United States Code, Sections 853(a)(1) and (2), the following property and interests:

a. All property constituting or derived from the proceeds the defendants obtained, directly or indirectly, as a result of their violations of Title 21, United States Code, Sections 846 and 841(a)(1) as charged in this indictment.

b. All property used or intended to be used in any manner or part to commit or facilitate the commission of defendants’ violations of Title 21, United States Code, Sections 846 and 841(a)(1), as charged in this indictment.

3. The interests of defendants RICHARD H. NG and LEE LEE FOONG, also known as “Audrey,” that are subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 982 and Title 21, United States Code, Section 853, include, but are not limited to, the following:

a. At least \$1,856,000 in United States currency, which represents proceeds defendants obtained, directly or indirectly, as a result of the conspiracy of which they have been charged; and

b. Defendant NG's medical license from the State of Illinois.

4. If any of the property described as being subject to forfeiture pursuant to Title 18, United States Code, Section 982 and Title 21, United States Code, Section 853(a), as a result of any act or omission of the defendants:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third person;

c. has been placed beyond the jurisdiction of the Court;

d. had been substantially diminished in value; or

e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States to seek forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1).

All pursuant to Title 18, United States Code, Section 982 and Title 21, United States Code, Section 853.

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY