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United States Courts  
Southern District of Texas  
FILED

*June 12, 2024*

Nathan Ochsner, Clerk of Court

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

**UNITED STATES OF AMERICA**

v.

**MICHAEL OGBEBOR  
Defendants.**

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**Criminal No.**

**UNDER SEAL**

**4:24-cr-323**

**INDICTMENT**

At all times relevant to this Indictment, unless otherwise indicated:

A. **BACKGROUND**

***Defendant and Relevant Entities***

1. Stafford Dialysis was a facility located at 12220 Murphy Road, Suite R, Stafford, Texas 77477, that offered dialysis to patients from in or about 2008 through in or about 2016. In or about July 2016, Stafford Dialysis ceased to operate.

2. **MICHAEL OGBEBOR (“OGBEBOR”)**, was the Chief Finance Officer (“CFO”) of Stafford Dialysis until in or about 2016.

3. Stafford Renal LLC, was a shell business created by **OGBEBOR** in or about March, 2015 and was later renamed “Stafford Dialysis Renal” by way of a DBA filed by **OGBEBOR** in March 2016 (hereafter referred to as “Stafford Renal”). Stafford Renal purported to provide dialysis services and billed for those “services.” In reality, Stafford Renal only ever existed on paper and **OGBEBOR** billed or caused the billing of insurance for services not rendered using patient information obtained from the former Stafford Dialysis. Stafford Renal further acquired from the Internal Revenue Service (“IRS”) a Tax Identification Number (“TIN”) ending in x6988 and used this “phantom TIN” in the course of the fraudulent scheme.

B. THE FRAUDULENT SCHEMES

i. *HEALTH CARE FRAUD*

**The Insurance Companies**

4. Title 18, United States Code, Section 24(b) defines a health care benefit program as any public or private plan or contract, affecting commerce, under which any medical benefit, item, or service is provided to any individual and included any individual or entity who provided a medical benefit, item or service for which payment may be made under the plan or contract.

5. Between February 2016 through August 2020, Cigna Healthcare and Allegiance Health Management (each individually, an “Insurance Company,” and collectively, the “Insurance Companies”) were nationwide private health insurance programs under which medical benefits, items, and services were provided to individual beneficiaries. As such, the Insurance Companies constituted “health care benefit programs,” as defined by Title 18, United States Code, Section 24(b).

6. In order to receive payment for a service covered by an Insurance Company, healthcare providers were required to submit claims for payment electronically or in writing. The claim process varied by Insurance Company, but generally required the healthcare provider to identify, among other information, the medical provider, the patients, and the services rendered. In submitting a claim to an Insurance Company for these and other procedures, a healthcare provider certified, among other things, that the services were actually provided to the beneficiary by the healthcare provider and that the services were medically necessary.

7. Each claim identified the service or services rendered using billing codes, also known as current procedural terminology codes (“CPT Codes”), which specifically identified the medical service or services provided to the beneficiary. The amount an Insurance Company paid

a healthcare professional on a claim was normally determined by certain rates and benefits set forth in the relevant health plan.

### **The Scheme**

8. In or about March 2015, **OGBEBOR** filed or caused to be filed paperwork with the Texas Secretary of State to establish the business of Stafford Renal. In or about March 2016, **OGBEBOR** filed or caused to be filed a “DBA” with the Texas Secretary of State indicating the corporation’s DBA as “Stafford Dialysis Renal,” and listing himself as the owner.

9. From in or about March 2015 through in or about October 2019, **OGBEBOR** opened multiple bank accounts in the name of “Stafford Renal LLC” with the associated phantom TIN x6988.

10. **OGBEBOR** enrolled Stafford Renal with multiple insurance companies, including Cigna and Allegiance, **OGBEBOR** represented to each entity that he would comply by the rules and laws associated with billing these Insurance Companies.

11. **OGBEBOR** used patient information obtained from his previous workplace, Stafford Dialysis, to bill Insurance Companies for services that were not rendered to those patients.

12. From in or about February 2016 through in or about August 2020, **OGBEBOR** caused Stafford Renal to bill Cigna in the amount of \$19,720,900 for dialysis services that were not rendered. Cigna paid \$4,909,487 on those claims.

13. From in or about February 2016 through in or about August 2020, **OGBEBOR** caused Stafford Renal to bill Allegiance in the amount of \$6,578,215 for dialysis services that were not rendered. Allegiance paid \$272,346 on those claims.

ii. *COVID-19 RELIEF LOAN FRAUD*

### **The EIDL program**

14. The Economic Injury Disaster Loan (“EIDL”) Program was a Small Business Administration (“SBA”) program that provided low interest financing to small businesses, renters, and homeowners in regions affected by declared disasters. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was a federal law enacted in or about March 2020 that was designed to provide emergency financial assistance to Americans suffering economic harm as a result of the COVID-19 pandemic. The CARES Act authorized the SBA to provide EIDLs up to \$2 million to eligible small businesses experiencing substantial financial disruption due to the COVID-19 pandemic. In addition, the CARES Act authorized the SBA to issue advances of up to \$10,000 to small businesses applying for an EIDL.

15. To obtain an EIDL and an advance, a qualifying business was required to submit an application to the SBA and provide information about its operations, such as the number of employees, gross revenues for the 12-month period preceding the disaster, and cost of goods sold in the 12-month period preceding the disaster. In the case of EIDLs for COVID-19 relief, the 12-month period extended from January 1, 2019, to January 31, 2020. Applicants certified that all the information in the application was true and correct to the best of their knowledge.

16. EIDL applications were submitted directly to the SBA and processed by the agency with support from a government contractor. The amount of the loan was determined based, in part, on the information provided by the applicant about employment, revenue, and cost of goods, as described above.

17. EIDL funds and advances were issued directly by the SBA. EIDL funds could be used for payroll expenses, sick leave, production costs, and business obligations, such as debts, rent, and mortgage payments.

### **The Scheme**

18. In or about April 2020, **OGBEBOR** further utilized the shell company of Stafford Renal and accompanying phantom TIN to apply for and receive an EIDL loan from the SBA in the amount of \$150,000.

### C. COUNTS AGAINST THE DEFENDANT

#### **COUNTS 1-3** **Healthcare Fraud** **(18 U.S.C. §§ 1347, 2)**

19. Paragraphs 1 through 16 are re-alleged and incorporated by reference as if fully set forth herein.

20. Beginning in or around February 2016 and continuing until at least in or around August 2020, in Fort Bend County, within the Southern District of Texas, Houston Division, and elsewhere, defendant **OGBEBOR**, together with others known and unknown to the Grand Jury, each aiding and abetting one another, knowingly and with intent to defraud, devised, intended to devise, and participated in a scheme to defraud private Insurance Companies, and to obtain money and property from those programs by means of material false pretenses, representations, and promises, and the concealment of material fact.

21. On or about the date specified below, in the Houston Division of the Southern District of Texas, and elsewhere, defendants, in connection with the delivery of and payment for healthcare benefits, items, and services, did knowingly and willfully execute and attempt to execute, a scheme and artifice to defraud a healthcare benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, Cigna and Allegiance, and to obtain

by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by and under the custody and control of Cigna and Allegiance, as set forth below:

<b>Count and Defendant(s)</b>	<b>Beneficiary name</b>	<b>Insurance Company and Date Claim Paid</b>	<b>Billed Amount Included</b>	<b>Paid Amount Included</b>	<b>Falsity and Fraud Included but Not limited To</b>
<b>1</b>	A.C.	Cigna, 06/09/2020	\$3,000	\$919.98	Service not rendered
<b>2</b>	G. S.	Cigna, 11/16/2019	\$18,740	\$356.45	Service not rendered
<b>3</b>	A. T.	Allegiance, 2/28/2020	\$18,740	\$550.00	Service not rendered

All in violation of Title 18, United States Code, Sections 1347 & 2.

**COUNT 4**  
**Fraud in Connection with Major Disaster**  
**(18 U.S.C. § 1040(a)(2), (b)(3))**

The Grand Jury further charges:

22. The allegations in Counts 1-3, paragraphs 1-22, are incorporated and re-alleged as though set forth in full herein as to the scheme to defraud.

23. On or about April 3, 2020, in the Southern District of Texas, the Defendant, **MICHAEL OGBEBOR**, knowingly made a materially false, fictitious, or fraudulent statement or representation, or made use of a false writing or document knowing the same to contain any materially false, factious, or fraudulent statement or representation, in any matter involving any benefit authorized, transported, transmitted, transferred, disbursed, or paid in connection with a major disaster declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (“Stafford Act”), and the benefit is a record, voucher, payment, money, or thing

of value of the United States or of any department or agency thereof, in violation of Title 18, United States Code, Section 1040(a)(2), (b)(3).

**NOTICE OF CRIMINAL FORFEITURE**  
**(18 U.S.C. § 982(a)(7))**

24. Pursuant to Title 18, United States Code, Section 982(a)(7), the United States of America gives notice to Defendant, **MICHAEL OGBEBOR**, that upon conviction of any Counts in this Indictment, all property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of such offenses—at least \$5,331,833—is subject to forfeiture.

**MONEY JUDGMENT AND SUBSTITUTE ASSETS**

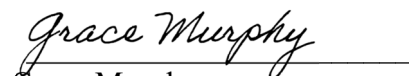
25. The United States gives notice that it will seek a money judgment against the Defendants. In the event that one or more conditions listed in Title 21, United States Code, Section 853(p) exist, the United States will seek to forfeit any other property of the Defendant up to the amount of the money judgment.

A TRUE BILL

**Original Signature on File**

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FOREPERSON

ALAMDAR S. HAMDANI  
UNITED STATES ATTORNEY



Grace Murphy  
Assistant U. S. Attorney  
U.S. Attorneys Office  
Southern District of Texas, Houston Division