

ORDERED UNSEALED on 06/25/2025 s/ MariaFujit

~~SEALED~~  
s/ MariaFujit

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

May 2025 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

DANIEL SIMONS,

Defendant.

Case No. '25 CR2444 JAH

I N D I C T M E N T

Title 18, U.S.C., Sec. 371 -  
Conspiracy; Title 18, U.S.C.,  
Sec. 220(a)(2)(A) - Payment of  
Illegal Remunerations for  
Referrals to Recovery Homes,  
Clinical Treatment Facilities,  
and Laboratories; Title 18,  
U.S.C., Sec. 2 - Aiding and  
Abetting

The grand jury charges:

INTRODUCTION

At all times relevant to this Indictment:

1. Defendant DANIEL SIMONS was a resident of San Diego County,  
within the Southern District of California.

2. Defendant DANIEL SIMONS was the Chief Executive Officer of  
La Jolla Recovery, Inc., which owned substance use disorder treatment  
facilities and sober homes throughout San Diego County, including at  
5978 La Jolla Corona Drive, La Jolla, California 92037; 7632 Herschel  
Avenue, La Jolla, California, 92037; 1446, 1448, 1450 Diamond Street,  
San Diego, California 92109; 1804 Garnet Avenue, Suite 233, San Diego,  
California 92109; and 2140 Hartford Street, San Diego, California 92110  
(collectively "La Jolla Recovery Facilities").

1           3.    "Substance use disorder" was a category of medical diagnoses  
2 denoting a cluster of cognitive, behavioral, and physiological symptoms  
3 indicating that an individual continued using the substance despite  
4 significant substance-related problems. Substances that caused substance  
5 use disorders included alcohol, cannabis (e.g., marijuana),  
6 hallucinogens (e.g., LSD and ecstasy), opioids (e.g., heroin, fentanyl,  
7 and oxycontin); sedatives (e.g., Valium and Xanax), and stimulants (e.g.  
8 cocaine and methamphetamine).

9           4.    The La Jolla Recovery Facilities were each a "clinical  
10 treatment facility" and/or a "recovery home" as defined in Title 18,  
11 United States Code, Sections 220(e)(2) and 220(e)(5).

12           5.    La Jolla Recovery, Inc. offered various levels of treatment  
13 for substance use disorder, including detoxification programs,  
14 residential rehabilitation programs, partial hospitalization programs,  
15 intensive outpatient programs, and outpatient programs.

16           6.    Patients treated by La Jolla Recovery, Inc. for substance use  
17 disorder typically had their care paid for by private commercial health  
18 insurance plans ("Private Health Insurers").

19           7.    "Body brokers" were individuals who illegally referred  
20 individuals to clinical treatment facilities and recovery homes in  
21 exchange for payments, including direct and indirect, overt and covert,  
22 and cash and in-kind payments.

23           8.    Co-conspirator Company 1 was a California limited liability  
24 company that solicited and received payments from SIMONS to refer  
25 patients to the La Jolla Recovery Facilities for substance use disorder  
26 treatment.

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1           9. Co-conspirator Body Broker 1 was an individual who operated  
2 Co-conspirator Company 1 and solicited payments from SIMONS to refer  
3 patients to the La Jolla Recovery Facilities for substance use disorder  
4 treatment.

5           10. Co-conspirator Company 2 was a California corporation that  
6 solicited and received payments from SIMONS to refer patients to the La  
7 Jolla Recovery Facilities for substance use disorder treatment.

8           11. Co-conspirator Body Broker 2 was an individual who operated  
9 Co-conspirator Company 2 and solicited payments from SIMONS to refer  
10 patients to the La Jolla Recovery Facilities for substance use disorder  
11 treatment.

12                                   Private Health Insurers

13           12. The Private Health Insurers provided individual and group  
14 health benefit plans under which individuals could obtain coverage for  
15 health care items and services. Individuals who received benefits from  
16 Private Health Insurers were referred to as "members."

17           13. The Private Health Insurers that insured members treated by  
18 La Jolla Recovery, Inc., were "health care benefit programs" as defined  
19 in Title 18, United States Code, Section 24(b) and Title 18, United  
20 States Code, Section 220(e)(3).

21                                   Count 1

22                                   **(Conspiracy)**

23                                   **[18 U.S.C. 371]**

24           14. Paragraphs 1 through 13 are re-alleged and incorporated  
25 herein.

26           15. Beginning on a date unknown to the grand jury, but no later  
27 than August 2019, and continuing up to and including September 2023,  
28 within the Southern District of California and elsewhere, defendant

1 DANIEL SIMONS, knowingly and intentionally conspired and agreed with  
2 others known and unknown to the grand jury, to commit an offense against  
3 the United States, that is, to pay and offer any remuneration, including  
4 kickbacks, bribes, and rebates, directly and indirectly, overtly and  
5 covertly, in cash and in kind, to induce a referral of an individual(s)  
6 to a recovery home and clinical treatment facility, with respect to  
7 services covered by a health care benefit program in and affecting  
8 interstate commerce, in violation of Title 18, United States Code,  
9 Section 220(a)(2)(A).

10 **PURPOSE OF THE CONSPIRACY**

11 16. The object of the conspiracy was for defendant DANIEL SIMONS  
12 and his co-conspirators to unlawfully enrich themselves by defendant  
13 DANIEL SIMONS paying his co-conspirators to find and refer patients to  
14 the La Jolla Recovery Facilities so that those patients' Private Health  
15 Insurers could be billed for substance use disorder treatment.

16 **MANNER AND MEANS OF THE SCHEME**

17 17. The objects of the conspiracy were carried out, and were to  
18 be carried out, in substance in the following manner:

19 a. Defendant DANIEL SIMONS paid and offered payment to body  
20 brokers and their associate entities to induce them to refer individuals  
21 in need of substance use disorder treatment to the La Jolla Recovery  
22 Facilities.

23 b. The La Jolla Recovery Facilities billed Private Health  
24 Insurers for the substance use disorder care provided to such referred  
25 individuals.

26 c. Defendant DANIEL SIMONS contracted with entities  
27 associated with body brokers to purportedly provide marketing services  
28 for La Jolla Recovery, Inc.

1           d.    Such purported agreements were used to conceal the  
2 illegal payments made to the body brokers. Defendant DANIEL SIMONS and  
3 the body brokers he contracted with had verbal agreements that payment  
4 was contingent on a minimum number of patients whose Private Health  
5 Insurers could be billed for a minimum value of care be referred to La  
6 Jolla Recovery, Inc. per month.

7           e.    If a patient was referred to La Jolla Recovery, Inc. that  
8 did not meet the minimum value that could be obtained from the Private  
9 Health Insurer that was verbally agreed to, defendant DANIEL SIMONS  
10 would at times agree to count such patient as a half of a patient  
11 referral towards the monthly minimum number of patient referrals.

12           f.    If the minimum number of patients per month was not met,  
13 defendant DANIEL SIMONS at times agreed to make the next month's payment  
14 but insisted that an additional patient referral would be "owed" to the  
15 expected minimum number of patient referrals for that next month.

16           g.    If the minimum number of patients per month was not met,  
17 defendant DANIEL SIMONS at times withheld part or all further payments.

18           h.    To conceal illegal payments, defendant DANIEL SIMONS at  
19 times had payments for patient referrals to La Jolla Recovery, Inc. come  
20 from another entity he controlled, including Equaltox, LLC, rather than  
21 La Jolla Recovery, Inc.

22           i.    Between August 2019 and July 2020, defendant DANIEL  
23 SIMONS paid Co-conspirator Company 1 approximately \$115,200 for the  
24 referral of substance use disorder patients.

25           j.    Between February 2020 and September 2023, defendant  
26 DANIEL SIMONS paid Co-conspirator Company 2 approximately \$133,000 for  
27 the referral of substance use disorder patients.

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OVERT ACTS

18. In furtherance of the conspiracy and to accomplish the objects of the conspiracy, on or around the following dates, defendant DANIEL SIMONS and others committed and willfully caused others to commit various overt acts within the Southern District of California and elsewhere, including but not limited to the following:

a. On or about February 4, 2020, defendant DANIEL SIMONS paid \$14,000 to Co-conspirator Company 2 by having a check drawn from an account associated with Pacific Beach Recovery, a company defendant DANIEL SIMONS controlled.

b. On or about February 26, 2020, defendant DANIEL SIMONS sent a text message to Body Broker 1 that a female patient would only count as a "2 for 1."

c. On or about March 7, 2020, defendant DANIEL SIMONS sent a text message to Body Broker 2 that payments would be made to Co-conspirator Company 2 from a Bank of America account.

d. On or about March 9, 2020, defendant DANIEL SIMONS paid \$14,000 to Co-conspirator Company 2 from a bank account associated with Pacific Beach Recovery.

e. On or about March 11, 2020, defendant DANIEL SIMONS paid \$6,500 to Co-conspirator Company 1 from a bank account associated with Equaltox, LLC.

f. On or about April 2, 2020, defendant DANIEL SIMONS paid \$14,000 to Co-conspirator Company 2 from a bank account associated with Pacific Beach Recovery.

g. On or about April 15, 2020, defendant DANIEL SIMONS paid \$12,000 to Co-conspirator Company 2 from a bank account associated with Pacific Beach Recovery.

1 h. On or about June 19, 2020, defendant DANIEL SIMONS paid  
2 \$12,000 to Co-conspirator Company 2 from a bank account associated with  
3 Pacific Beach Recovery.

4 i. On or about July 3, 2020, defendant DANIEL SIMONS told  
5 an employee of Co-conspirator Company 1 that the only way that he would  
6 take a 2 for 1 is if the girlfriend that did not have a health insurance  
7 policy was able to purchase an individual policy on her own or through  
8 her family.

9 j. On or about July 7, 2020, defendant DANIEL SIMONS paid  
10 \$6,500 to Co-conspirator 1 from a bank account associated with Equaltox,  
11 LLC.

12 k. On or about July 8, 2020, defendant DANIEL SIMONS paid  
13 \$13,000 to Co-conspirator Company 2 from a bank account associated with  
14 Pacific Beach Recovery.

15 l. On or about April 7, 2023, defendant DANIEL SIMONS sent  
16 a text message to Body Broker 2 stating that a male patient that Body  
17 Broker 2 had referred to La Jolla Recovery, Inc. had "made it."

18 m. On or about May 4, 2023, defendant DANIEL SIMONS paid  
19 \$10,000 to Co-conspirator Company 2 by direct deposit into Co-  
20 conspirator Company 2's bank account.

21 n. On or about June 15, 2023, defendant DANIEL SIMONS paid  
22 \$10,000 to Co-conspirator Company 2 by direct deposit into Co-  
23 conspirator Company 2's bank account.

24 o. On or about July 27, 2023, defendant DANIEL SIMONS paid  
25 \$10,000 to Co-conspirator Company 2 by direct deposit into Co-  
26 conspirator Company 2's bank account.

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1 p. On or about September 7, 2023, defendant DANIEL SIMONS  
2 paid \$10,000 to Co-conspirator Company 2 by direct deposit into Co-  
3 conspirator Company 2's bank account.

4 q. On or about October 9, 2023, defendant DANIEL SIMONS sent  
5 a text message to Body Broker 2 stating "we could take" a male patient  
6 that Body Broker 2 had offered to refer to La Jolla Recovery, Inc.

7 r. On or about May 17, 2024, defendant DANIEL SIMONS told  
8 Body Broker 2 that he would again pay \$10,000 to Co-conspirator Company 2  
9 per month once Body Broker 2 referred one more good patient to La Jolla  
10 Recovery, Inc.

11 All in violation of Title 18, United States Code, Section 371.

12 **Counts 2-8**

13 **(Payment of Illegal Remunerations for Referrals to Recovery Homes,**  
14 **Clinical Treatment Facilities, and Laboratories)**

15 **[18 U.S.C. §§ 220(a)(2)(A) and 2]**

16 19. Paragraphs 1 through 13, and 18 are re-alleged and  
17 incorporated herein.

18 20. On the dates indicated below, within the Southern District of  
19 California and elsewhere, defendant DANIEL SIMONS did knowingly and  
20 willfully offer to pay and did pay, and cause to be offered and paid,  
21 any remuneration, including any kickback, bribe, and rebate, directly  
22 and indirectly, overtly and covertly, in cash and in kind, to induce a  
23 referral of an individual(s) to a recovery home and clinical treatment  
24 facility, that is, La Jolla Recovery, Inc., with respect to services  
25 covered by a health care benefit program, in and affecting interstate  
26 and foreign commerce, each payment forming a separate count:

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Count	Approximate Date	Amount Paid	Payee
2	June 19, 2020	\$12,000	Company 2
3	July 7, 2020	\$6,500	Company 1
4	July 8, 2020	\$13,000	Company 2
5	May 4, 2023	\$10,000	Company 2
6	June 15, 2023	\$10,000	Company 2
7	July 27, 2023	\$10,000	Company 2
8	September 7, 2023	\$10,000	Company 2

All in violation of Title 18, United States Code, Sections 220(a)(2)(A) and 2.

DATED: June 18, 2025.

ADAM GORDON  
United States Attorney

By:

  
GEORGE MANAHAN  
Assistant U.S. Attorney