FILED
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10/20/2026
CENTRAL DISTRICT OF CALIFORNIA
BY: GSA DEPUTY

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

October 2026 Grand Jury

UNITED STATES OF AMERICA, Plaintiff, v. HAROLD TABAIE and HANY MALEK, Defendants.	CR 2:26-cr-00668-JFW I N D I C T M E N T [18 U.S.C. § 1347(a): Health Care Fraud; 18 U.S.C. § 1344(1): Bank Fraud; 18 U.S.C. § 982(a)(7), (2): Criminal Forfeiture]

The Grand Jury charges:

COUNTS ONE THROUGH FOUR

[18 U.S.C. §§ 1347, 2]

[ALL DEFENDANTS]

A. INTRODUCTORY ALLEGATIONS

At times relevant to this Indictment:

1. Angelus Medical Clinic Multi Specialty Group, Inc. ("Angelus") was a medical clinic located in Los Angeles, California.

2. West Regional Cardio Thoracic and Vascular Surgeons, West Regional Vein Center ("West Regional") was a medical clinic located

in Los Angeles, California.

3. Defendant HAROLD TABAIE, a resident of Anaheim, California, was the Chief Executive Officer and a co-owner and operator of Angelus and West Regional. Defendant TABAIE was also a cardiothoracic and vascular surgeon and performed procedures on Angelus and West Regional patients.

4. Defendant HANY MALEK, a resident of Tarzana, California, was a chiropractor and a co-owner, operator, Secretary, and Chief Financial Officer of Angelus and West Regional.

The Medicare Program

5. Medicare was a federal health care benefit program, affecting commerce, that provided benefits to individuals who were 65 years of age and older, as well as certain individuals who were disabled. Medicare was administered by the Centers for Medicare and Medicaid Services ("CMS"), a federal agency under the United States Department of Health and Human Services ("HHS").

6. Medicare was a "health care benefit program," as defined by Title 18, United States Code, Section 24(b), and a "Federal health care program," as defined by Title 42, United States Code, Section 1320a-7b(f).

7. Individuals who qualified for Medicare benefits were referred to as Medicare "beneficiaries."

8. Medical clinics, physicians, and other health care providers that provided services to beneficiaries that were reimbursed by Medicare were referred to as "providers."

9. Medicare was divided into different program "parts." Medicare Part B generally covered the cost of care and services delivered at clinics and other outpatient locations when certain

criteria were met.

10. Health care providers were reimbursed for services rendered to beneficiaries by submitting claims to Medicare. Most providers submitted claims electronically.

11. To receive Medicare reimbursement, a physician provider was required to submit an enrollment application called CMS Form 855I. Form 855I was required to be signed by the health care provider, who had to certify, among other things, that he/she would abide by all Medicare laws, regulations, and program instructions, and would not submit claims for payment to Medicare knowing they were false or fraudulent or submitted with deliberate ignorance or reckless disregard for their truth or falsity. If Medicare approved the application, Medicare assigned the provider an identifying number, which enabled the provider to submit claims for reimbursement for items and services provided to Medicare beneficiaries.

12. It was common for individual health care providers to bill Medicare through business entities such as a clinic or a practice group comprised of multiple health care providers and other staff.

13. When submitting claims to Medicare for reimbursement, health care providers certified that: (1) the contents of the forms were true, correct, and complete; (2) the forms were prepared in compliance with the laws and regulations governing Medicare; and (3) the services purportedly provided, as set forth in the claims, were medically reasonable and necessary.

14. Medicare reimbursed claims for services only if the services were medically reasonable and necessary, provided as represented in the claim, and not procured through illegal kickbacks and bribes.

Atherectomy Procedures

15. Atherectomies were medical procedures designed to treat peripheral artery disease ("PAD"), a condition that occurs when plaque or other deposits build up on the walls of a person's blood vessels. An atherectomy was an invasive endovascular procedure that involved removing plaque from blood vessels with a bladed catheter.

16. Generally, a patient's primary care physician or a medical doctor specializing in vascular disease would diagnose PAD and make a recommendation for an atherectomy, if it were medically necessary.

17. In cases where an atherectomy is appropriate, the procedure would be performed by a Medical Doctor (M.D.) or a Doctor of Osteopathic Medicine (D.O.) specializing in and trained in cardio-vascular procedures.

18. Generally, atherectomies are recommended only after other non-invasive treatments have been attempted and have not resolved a patient's underlying symptoms.

19. A chiropractor is not a Medical Doctor or a Doctor of Osteopathic Medicine. Chiropractors typically hold a Doctor of Chiropractic (D.C.) degree and focus primarily on the spine and musculoskeletal system. They are qualified to provide non-surgical, non-invasive treatments, including spinal adjustments, manipulation, and certain soft-tissue therapies, within the scope of their professional license.

B. THE SCHEME TO DEFRAUD

20. Beginning no later than in or around January 2016, and continuing through at least in or around August 2023, in Los Angeles County, within the Central District of California, and elsewhere, defendants TABAIE and MALEK, together with others known and unknown

to the Grand Jury, each aiding and abetting one another, knowingly, willfully, and with the intent to defraud, executed and willfully caused to be executed, a scheme and artifice (a) to defraud Medicare, a health care benefit program, as to material matters, and (b) 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 Medicare, a health care benefit program, in connection with the delivery of and payment for health care benefits, items and services.

C. MEANS TO ACCOMPLISH THE SCHEME TO DEFRAUD

21. The fraudulent scheme operated and was carried out, in substance, as follows:

a. On or about December 19, 2014, defendant TABAIE submitted a Medicare enrollment application in which he certified that he would comply with all Medicare laws, regulations, and program instructions, including not submitting claims knowing they were false or fraudulent or submitted with deliberate ignorance or reckless disregard for their truth or falsity.

b. At the direction of defendant MALEK, Angelus and West Regional attracted prospective patients and sought to build their trust and encourage them to undergo invasive procedures by offering and paying illegal kickbacks and bribes, including in the form of groceries, household goods, household utility bill payments, prescription drug costs, free transportation, and gift cards valued at approximately $50 to $100.

c. At the direction of defendant MALEK, employees at Angelus and West Regional convinced patients to disenroll from their existing health insurance plans and assisted them in enrolling in a

Medicare plan that would maximize reimbursement to Angelus and West Regional for atherectomies.

d. Defendant MALEK instructed employees at Angelus and West Regional to order the same battery of tests for patients regardless of their medical history and before they were examined by a medical doctor or nurse.

e. Defendant MALEK and others who were not medical doctors or licensed nurses met with new patients, reviewed their test results, and performed consultations in which they told patients that they needed multiple surgical procedures. Defendant MALEK subsequently referred patients to defendant TABAIE for surgical procedures.

f. Defendant TABAIE performed medically unnecessary atherectomies on patients, including on patients' blood vessels that did not have disease, on patients for whom prior atherectomies performed by defendant TABAIE did not succeed, and on patients whose PAD was not significantly impacting their lifestyle such that treatments that are much less invasive than atherectomies, such as a walking program and smoking cessation, were appropriate. In some instances, defendant TABAIE's medically unnecessary atherectomies caused patients pain and discomfort during and after the procedures.

g. At the direction of defendant MALEK, employees at Angelus and West Regional submitted claims to Medicare for atherectomies that defendant TABAIE performed falsely identifying other physicians as the rendering provider, at least in part to conceal from Medicare the high volume of atherectomies performed by defendant TABAIE and to reduce the likelihood that defendant TABAIE would be audited by Medicare for performing an unusually high volume

of atherectomies.

h. At the direction of defendant MALEK, an employee at Angelus and West Regional submitted claims to Medicare that fraudulently unbundled services to maximize reimbursement to Angelus and West Regional.

i. From at least in or around January 2016 through in or around August 2023, defendants TABAIE and MALEK, through Angelus and West Regional, submitted and caused to be submitted to Medicare claims in the approximate amount of $134,955,000, much of which was for atherectomies that were medically unnecessary, not performed as represented, procured through the payment of kickbacks and bribes, and ineligible for reimbursement. As a result of these claims, Medicare paid Angelus and West Regional at least approximately $54,817,000.

D. EXECUTIONS OF THE FRAUDULENT SCHEME

22. On or about the dates set forth below, in Los Angeles County, within the Central District of California, and elsewhere, defendants TABAIE and MALEK, together with others known and unknown to the Grand Jury, each aiding and abetting the others, knowingly and willfully executed and willfully caused to be executed the fraudulent scheme described above, by submitting and causing to be submitted to Medicare the following false and fraudulent claims for payment:

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COUNT	DATE CLAIM SUBMITTED	BENEFICIARY	APPROX. AMOUNT BILLED	CLAIM NO.
ONE	09/29/2021	O.M.	$14,000	551121272110270
TWO	08/03/2022	T.J.	$14,000	558422215351880
THREE	11/22/2022	M.G.R.	$14,000	551822326559190
FOUR	09/14/2023	A.H.	$14,000	554723257900093

COUNTS FIVE AND SIX

[18 U.S.C. § 1344(1)]

[DEFENDANT MALEK]

A. INTRODUCTORY ALLEGATIONS

23. The Grand Jury hereby realleges paragraphs 1, 2, and 4 of this Indictment as though fully set forth here.

24. Scandin Medical Management Enterprises, Inc. ("Scandin") was a company registered in California owned and operated by defendant MALEK, who was Scandin's President. Scandin purported to provide payroll services for West Regional and Angelus.

The Paycheck Protection Program

25. The United States Small Business Administration ("SBA") was an executive-branch agency of the United States government that provided support to entrepreneurs and small businesses. The mission of the SBA was to maintain and strengthen the nation's economy by enabling the establishment and viability of small businesses and by assisting in the economic recovery of communities after disasters.

26. As part of this effort, the SBA facilitated loans through banks, credit unions, and other lenders. The federal government backed these loans.

27. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in or around March 2020 that was designed to provide emergency financial assistance to Americans suffering economic harm as a result of the COVID-19 pandemic. One form of assistance provided by the CARES Act was the authorization of United States taxpayer-funded forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program ("PPP").

28. To obtain a PPP loan, a qualifying business was required to submit a PPP loan application signed by an authorized representative of the business. The PPP loan application required the small business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. One such certification required the applicant to affirm that "[t]he [PPP loan] funds w[ould] be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments." The applicant (through its authorized representative) was also required to acknowledge that "I understand that if the funds are used for unauthorized purposes, the federal government may pursue criminal fraud charges." In the PPP loan application, the applicant was required to state, among other things, its (a) average monthly payroll expenses and (b) number of employees. These figures were used to calculate the amount of money the small business was eligible to receive under the PPP. In addition, the applicant was required to provide documentation showing its payroll expenses.

29. A business's PPP loan application was received and processed, in the first instance, by a participating financial institution approved by the SBA. If a PPP loan application was approved, the participating financial institution would fund the PPP loan using its own monies. The SBA guaranteed the loans funded under the PPP.

30. PPP loan proceeds were required to be used by the business on certain permissible expenses, namely, payroll costs, interest on mortgages, rent, and utilities. The PPP allowed the interest and principal on the PPP loan to be entirely forgiven if the business

spent the loan proceeds on these expenses within a designated period of time and used at least a minimum amount of the PPP loan proceeds towards payroll expenses.

31. The PPP also allowed certain eligible borrowers that had previously received a PPP loan to apply for a second PPP loan, with the same general loan terms as their first PPP loan. These second-draw PPP loans could be used for the same purposes as were permitted for the first PPP loans, including payroll costs, interest on mortgages, rent, and utilities. In order to obtain a second-draw PPP loan, a borrower needed to show that they (a) previously received a first-draw PPP loan, (b) would use or had used the full amount only for authorized uses, (c) had no more than 300 employees, and (d) could demonstrate at least a 25% reduction in gross receipts between comparable quarters from 2019 and 2020.

32. Borrowers could apply for PPP loan forgiveness for both first-draw and second-draw loans. In order to be forgiven, PPP loan proceeds were required to be used by the borrower business on certain permissible expenses, including payroll costs, interest on eligible payroll costs and approved operating expenses like mortgage interest, rent, and utilities. The program allowed the interest and principal on the PPP loan to be entirely forgiven if the business spent the loan proceeds on those expense items within a designated period of time after receiving the proceeds. Businesses also had to maintain their full-time equivalent employee headcount and average salaries and use at least 60% of the loan proceeds on payroll expenses.

33. Bank A was a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation.

B. THE SCHEME TO DEFRAUD

34. Beginning no later than May 21, 2020, and continuing until on or about October 19, 2021, in Los Angeles County, within the Central District of California, and elsewhere, defendant MALEK, knowingly and with intent to defraud, executed a scheme to defraud Bank A, a financial institution insured by the Federal Deposit Insurance Corporation, of something of value.

C. MEANS TO ACCOMPLISH THE SCHEME TO DEFRAUD

35. The fraudulent scheme operated and was carried out, in substance, as follows:

a. Defendant MALEK caused a portion of the revenue of Angelus and West Regional to be transferred to Scandin, which did not independently generate that revenue. Defendant MALEK then caused the funds in Scandin's bank account to pay employees of Angelus and West Regional.

b. On or about March 12, 2021, defendant MALEK submitted and caused to be submitted an online application for a second-draw PPP loan on behalf of Scandin. That application included a certification affirming that the funds would be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the program rules.

c. Defendant MALEK falsely represented in the loan application that Scandin had more than a 25% reduction in gross receipts between relative time periods in 2019 and 2020. Defendant MALEK also provided false documentation to Bank A to substantiate the purported decline in Scandin's gross receipts.

d. Defendant MALEK's submission of the second-draw PPP loan application containing materially false representations caused Bank A to approve and fund the loan, totaling $371,035 paid to Scandin.

e. Defendant MALEK thereafter used the loan proceeds in numerous impermissible ways, including, but not limited to, the following: (i) making payments to business accounts defendant MALEK controlled in the name of other businesses that he would use to pay personal and other expenses wholly unrelated to Scandin; (ii) making payments to other businesses and entities for purposes wholly unrelated to Scandin; (iii) making credit card payments for accounts in his family members' names for purposes wholly unrelated to Scandin; and (iv) making payments to coin dealers.

f. On or about October 15, 2021, defendant MALEK submitted an application for loan forgiveness of the full amount of the second-draw PPP loan, in which he falsely represented that the amount for which forgiveness was being requested was used to pay business costs that are eligible for forgiveness, including payroll costs to retain employees that comprise at least 60% of the forgiveness amount, business mortgage interest payments, business rent or lease payments, and business utility payments.

D. EXECUTIONS OF THE SCHEME TO DEFRAUD

36. On or about the following dates, in Los Angeles County, within the Central District of California, and elsewhere, defendant MALEK, for the purpose of executing the above-described scheme to defraud, committed the following acts, each of which constituted an execution of the fraudulent scheme:

COUNT	DATE	TRANSACTION
FIVE	03/12/2021	Submission of a second-draw PPP loan application to Bank A for Scandin in the amount of $371,035.
SIX	10/15/2021	Submission of a loan forgiveness application to Bank A for the second-draw PPP loan to Scandin.

FORFEITURE ALLEGATION ONE

[18 U.S.C. § 982(a)(7)]

1. Pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure, notice is hereby given that the United States of America will seek forfeiture as part of any sentence, pursuant to Title 18, United States Code, Section 982(a)(7), in the event of any defendant's conviction of the offenses set forth in any of Counts One through Four of this Indictment.

2. Any defendant so convicted shall forfeit to the United States of America the following:

(a) All right, title, and interest in any and all property, real or personal, that constitutes or is derived, directly or indirectly, from the gross proceeds traceable to the commission of any offense of conviction; and

(b) To the extent such property is not available for forfeiture, a sum of money equal to the total value of the property described in subparagraph (a).

3. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b), any defendant so convicted shall forfeit substitute property, up to the total value of the property described in the preceding paragraph if, as a result of any act or omission of said defendant, the property described in the preceding paragraph, or any portion thereof (a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to or deposited with a third party; (c) has been placed beyond the jurisdiction of the Court; (d) has been substantially diminished in value; or (e) has been commingled with other property that cannot be divided without difficulty.

FORFEITURE ALLEGATION TWO

[18 U.S.C. § 982(a)(2)]

1. Pursuant to Rule 32.2(a) of the Federal Rules of Criminal Procedure, notice is hereby given that the United States of America will seek forfeiture as part of any sentence, pursuant to Title 18, United States Code, Section 982(a)(2), in the event of any defendant's conviction of the offenses set forth in any of Counts Five through Six of this Indictment.

2. Any defendant so convicted shall forfeit to the United States of America the following:

(a) All right, title and interest in any and all property, real or personal, constituting, or derived from, any proceeds obtained, directly or indirectly, as a result of the offense; and

(b) To the extent such property is not available for forfeiture, a sum of money equal to the total value of the property described in subparagraph (a).

3. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b), any defendant so convicted shall forfeit substitute property, up to the total value of the property described in the preceding paragraph if, as the result of any act or omission of said defendant, the property described in the preceding paragraph, or any portion thereof: (a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to or deposited with a third party; (c) has been placed beyond the jurisdiction of the court; (d) has been

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substantially diminished in value; or (e) has been commingled with other property that cannot be divided without difficulty.

A TRUE BILL

/S/
Foreperson

TODD BLANCHE
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