

1 ANDRÉ BIROTTE JR.
United States Attorney
2 ROBERT E. DUGDALE
Assistant United States Attorney
3 Chief, Criminal Division
JONATHAN BAUM
4 Trial Attorney, Fraud Section
United States Department of Justice
5 1100 United States Courthouse
312 North Spring Street
6 Los Angeles, California 90012
Telephone: (202) 230-8655
7 Facsimile: (213) 894-2387
Email: jonathan.baum@usdoj.gov
8

9 UNITED STATES DISTRICT COURT
10 FOR THE CENTRAL DISTRICT OF CALIFORNIA

11 UNITED STATES OF AMERICA,) CR No. 11-134 (A) -GW
12)
Plaintiff,) PLEA AGREEMENT FOR DEFENDANT
13) CHARLES AGBU
v.)
14)
CHARLES AGBU et al,)
15)
Defendants.)
16)
17)

18 1. This constitutes the plea agreement between defendant
19 Charles AGBU ("defendant") and the Fraud Section of the United
20 States Department of Justice and the United States Attorney's
21 Office for the Central District of California (collectively "the
22 USAO") in the above-captioned case. This agreement is limited to
23 the USAO and cannot bind any other federal, state, local, or
24 foreign prosecuting, enforcement, administrative, or regulatory
25 authorities.

26 //

27 //

DEFENDANT'S OBLIGATIONS

2. Defendant agrees to:

a) At the earliest opportunity requested by the USAO and provided by the Court, appear and plead guilty to counts one and twenty-five of the first superseding indictment in United States v. Agbu et al., CR No. 11-134(A)-GW, which charges defendant with conspiracy to commit health care fraud and money laundering, in violation of Title 18, United States Code, Sections 1349 and 1957.

b) Not contest facts agreed to in this agreement.

c) Abide by all agreements regarding sentencing contained in this agreement.

d) Appear for all court appearances, surrender as ordered for service of sentence, obey all conditions of any bond, and obey any other ongoing court order in this matter.

e) Not commit any crime; however, offenses that would be excluded for sentencing purposes under United States Sentencing Guidelines ("U.S.S.G." or "Sentencing Guidelines") § 4A1.2(c) are not within the scope of this agreement.

f) Be truthful at all times with Pretrial Services, the United States Probation Office, and the Court.

g) Pay the applicable special assessments at or before the time of sentencing unless defendant lacks the ability to pay and prior to sentencing submits a completed financial statement on a form to be provided by the USAO.

//

1 3. Defendant further agrees:

2 a) Truthfully to disclose to law enforcement officials,
3 at a date and time to be set by the USAO, the location of,
4 defendant's ownership interest in, and all other information
5 known to defendant about, all monies, properties, and/or assets
6 of any kind, derived from or acquired as a result of, or used to
7 facilitate the commission of, defendant's illegal activities, and
8 to forfeit all right, title, and interest in and to such items,
9 specifically including all right, title, and interest in and to
10 all United States currency, property and assets which defendant
11 admits constitute the proceeds of defendant's illegal activity in
12 violation of Title 18, United States Code, Sections 1349 and
13 1957.

14 b) Pursuant to Title 21, United States Code, Section
15 853(p), as incorporated by Title 18, United States Code, Section
16 982(b)(1) and Title 28, United States Code, Section 2461(c),
17 forfeit substitute property, up to the value of any property,
18 real or personal, that constitutes or is derived, directly or
19 indirectly, from gross proceeds traceable to the commission of
20 such offense, and/or a sum of money equal to the total amount of
21 gross proceeds derived from such offense, if, by any act or
22 omission of defendant, the substitute property, or any portion
23 thereof, cannot be located upon the exercise of due diligence;
24 has been transferred, sold to or deposited with a third party;
25 has been placed beyond the jurisdiction of this court; has been
26 substantially diminished in value; or has been commingled with
27

1 other property that cannot be divided without difficulty.

2 c) To take whatever steps are necessary to pass to the
3 United States clear title to the assets described above,
4 including, without limitation, the execution of a consent decree
5 of forfeiture and the completing of any other legal documents
6 required for the transfer of title to the United States.

7 d) Not to contest any administrative forfeiture
8 proceedings or civil judicial proceedings commenced against these
9 properties. With respect to any criminal forfeiture ordered as a
10 result of this plea agreement, defendant waives the requirements
11 of Federal Rules of Criminal Procedure 32.2 and 43(a) regarding
12 notice of the forfeiture in the charging instrument,
13 announcements of the forfeiture sentencing, and incorporation of
14 the forfeiture in the judgment. Defendant acknowledges that
15 forfeiture of the assets is part of the sentence that may be
16 imposed in this case and waives any failure by the Court to
17 advise defendant of this, pursuant to Federal Rule of Criminal
18 Procedure 11(b)(1)(J), at the time the Court accepts defendant's
19 guilty pleas.

20 e) Not to assist any other individual in any effort
21 falsely to contest the forfeiture of the assets described above.

22 f) Not to claim that reasonable cause to seize the
23 assets was lacking.

24 g) To prevent the transfer, sale, destruction, or loss
25 of any and all assets described above to the extent defendant has
26 the ability to do so.

27

1 h) To fill out and deliver to the USAO a completed
2 financial statement listing defendant's assets on a form provided
3 by the USAO.

4 i) That forfeiture of assets described above shall not
5 be counted toward satisfaction of any special assessment, fine,
6 restitution, costs, or other penalty the Court may impose.

7 THE USAO'S OBLIGATIONS

8 4. The USAO agrees to:

9 a) Not contest facts agreed to in this agreement.

10 b) Abide by all agreements regarding sentencing
11 contained in this agreement.

12 c) At the time of sentencing, move to dismiss the
13 remaining counts of the first superseding indictment and the
14 original indictment as against defendant. Defendant agrees,
15 however, that at the time of sentencing the Court may consider
16 any dismissed charges in determining the applicable Sentencing
17 Guidelines range, the propriety and extent of any departure from
18 that range, and the sentence to be imposed.

19 d) At the time of sentencing, provided that defendant
20 demonstrates an acceptance of responsibility for the offenses up
21 to and including the time of sentencing, recommend a two-level
22 reduction in the applicable Sentencing Guidelines offense level,
23 pursuant to U.S.S.G. § 3E1.1, and recommend and, if necessary,
24 move for an additional one-level reduction if available under
25 that section.

26 e) Not seek a sentence of imprisonment above the low
27

1 end of the applicable Sentencing Guidelines range, provided that
2 the offense level used by the Court to determine that range is 30
3 or higher. For purposes of this agreement, the low end of the
4 Sentencing Guidelines range is that defined by the Sentencing
5 Table in U.S.S.G. Chapter 5, Part A.

6 NATURE OF THE OFFENSES

7 5. Defendant understands that for defendant to be guilty of
8 the crime charged in count one of the first superseding
9 indictment, that is, conspiracy to commit health care, in
10 violation of Title 18, United States Code, Section 1349, the
11 following must be true:

12 a) From in or about July 2005, to in or about
13 February 2011, there was an agreement between defendant and one
14 or more people to commit health care fraud, in violation of Title
15 18, United States Code, Section 1347; and,

16 b) Defendant became a member of the conspiracy
17 knowing of its object, and intending to help accomplish it.

18 Defendant admits that defendant is, in fact, guilty of this
19 offense as described in count one of the first superseding
20 indictment.

21 6. Defendant understands that for defendant to be guilty
22 of the crime charged in count twenty-five of the first
23 superseding indictment, that is, money laundering, in violation
24 of Title 18, United States Code, Section 1957, the following must
25 be true:

26 a) Defendant knowingly engaged or attempted to engage
27

1 in a monetary transaction;

2 b) Defendant knew the transaction involved criminally
3 derived property;

4 c) The property had a value greater than \$10,000;

5 d) The property was, in fact, derived from health
6 care fraud; and

7 e) The transaction occurred in the United States.

8 PENALTIES AND RESTITUTION

9 7. Defendant understands that the statutory maximum
10 sentence that the Court can impose for a violation of Title 18,
11 United States Code, Section 1349, is ten years imprisonment; a
12 three-year period of supervised release; a fine of \$250,000 or
13 twice the gross gain or gross loss resulting from the offense,
14 whichever is greatest; and a mandatory special assessment of
15 \$100.

16 8. Defendant understands that the statutory maximum
17 sentence that the Court can impose for a violation of Title 18,
18 United States Code, Section 1957, is ten years imprisonment; a
19 three-year period of supervised release; a fine of \$250,000 or
20 twice the gross gain or gross loss resulting from the offense,
21 whichever is greatest; and a mandatory special assessment of
22 \$100.

23 9. Defendant understands, therefore, that the total maximum
24 sentence for all offenses to which defendant is pleading guilty
25 is: twenty years imprisonment; a three-year period of supervised
26 release; a fine of \$500,000 or twice the gross gain or gross loss
27

1 resulting from the offenses, whichever is greatest; and a
2 mandatory special assessment of \$200.

3 10. Defendant understands that defendant will be required
4 to pay full restitution to Medicare, the victim of the offense to
5 which defendant is pleading guilty. Defendant agrees that, in
6 return for the USAO's compliance with its obligations under this
7 agreement, the Court may order restitution to persons other than
8 the victim of the offense to which defendant is pleading guilty
9 and in amounts greater than those alleged in the count to which
10 defendant is pleading guilty. In particular, defendant agrees
11 that the Court may order restitution to any victim of any of the
12 following for any losses suffered by that victim as a result: (a)
13 any relevant conduct, as defined in U.S.S.G. § 1B1.3, in
14 connection with the offense to which defendant is pleading
15 guilty; and (b) any counts dismissed and charges not prosecuted
16 pursuant to this agreement as well as all relevant conduct, as
17 defined in U.S.S.G. § 1B1.3, in connection with those counts and
18 charges. The parties currently believe that the applicable
19 amount of restitution is approximately \$5,788,725, but recognize
20 and agree that this amount could change based on facts that come
21 to the attention of the parties prior to sentencing.

22 11. Defendant understands that supervised release is a
23 period of time following imprisonment during which defendant will
24 be subject to various restrictions and requirements. Defendant
25 understands that if defendant violates one or more of the
26 conditions of any supervised release imposed, defendant may be
27

1 returned to prison for all or part of the term of supervised
2 release authorized by statute for the offense that resulted in
3 the term of supervised release, which could result in defendant
4 serving a total term of imprisonment greater than the statutory
5 maximum stated above.

6 12. Defendant understands that, by pleading guilty,
7 defendant may be giving up valuable government benefits and
8 valuable civic rights, such as the right to vote, the right to
9 possess a firearm, the right to hold office, and the right to
10 serve on a jury. Defendant understands that once the court
11 accepts defendant's guilty plea, it will be a federal felony for
12 defendant to possess a firearm or ammunition. Defendant
13 understands that the conviction in this case may also subject
14 defendant to various other collateral consequences, including but
15 not limited to revocation of probation, parole, or supervised
16 release in another case, mandatory exclusion from participation
17 as a provider in federal health care benefit programs for at
18 least five years, and suspension or revocation of a professional
19 license. Defendant understands that unanticipated collateral
20 consequences will not serve as grounds to withdraw defendant's
21 guilty plea.

22 13. Defendant understands that, if defendant is not a
23 United States citizen, the felony conviction in this case may
24 subject defendant to: removal, also known as deportation, which
25 may, under some circumstances, be mandatory; denial of
26 citizenship; and denial of admission to the United States in the
27

1 future. The court cannot, and defendant's attorney also may not
2 be able to, advise defendant fully regarding the immigration
3 consequences of the felony conviction in this case. Defendant
4 understands that unexpected immigration consequences will not
5 serve as grounds to withdraw defendant's guilty plea.

6 FACTUAL BASIS

7 14. Defendant admits that defendant is, in fact, guilty of
8 the offense to which defendant is agreeing to plead guilty.
9 Defendant and the USAO agree to the statement of facts contained
10 in Exhibit A, which is incorporated by reference and made part of
11 this plea agreement as though fully set forth herein, and agree
12 that this statement of facts is sufficient to support a plea of
13 guilty to the charge described in this agreement and to establish
14 the Sentencing Guidelines factors set forth in paragraph 16 below
15 but is not meant to be a complete recitation of all facts
16 relevant to the underlying criminal conduct or all facts known to
17 either party that relate to that conduct.

18 SENTENCING FACTORS

19 15. Defendant understands that in determining defendant's
20 sentence the Court is required to calculate the applicable
21 Sentencing Guidelines range and to consider that range, possible
22 departures under the Sentencing Guidelines, and the other
23 sentencing factors set forth in Title 18, United States Code,
24 Section 3553(a). Defendant understands that the Sentencing
25 Guidelines are advisory only, that defendant cannot have any
26 expectation of receiving a sentence within the calculated
27

1 Sentencing Guidelines range, and that after considering the
 2 Sentencing Guidelines and the other section 3553(a) factors, the
 3 Court will be free to exercise its discretion to impose any
 4 sentence it finds appropriate up to the maximum set by statute
 5 for the crimes of conviction.

6 16. Defendant and the USAO agree to the following
 7 applicable Sentencing Guidelines factors:

8	Base Offense Level	:	6	[U.S.S.G. § 2B1.1(a)(2)]
9	Money Laundering	:	1	[U.S.S.G. §§ 2S1.1(a)(1) & (b)(2)(A)]
10	Specific Offense Characteristics			
11	(Loss More Than (\$7 million))	:	+20	[U.S.S.G. § 2B1.1(b)(1)(K)]
12	Abuse of a Position of Trust	:	+2	[U.S.S.G. § 3B1.3]
13				
14	Acceptance of Responsibility	:	-3	[U.S.S.G. §§ 3E1.1(a) and (b)]
15				

16 Total Offense Level : 26

17 The USAO will agree to a two-level downward adjustment for
 18 acceptance of responsibility (and, if applicable, move for an
 19 additional one-level downward adjustment under U.S.S.G. §
 20 3E1.1(b)) only if the conditions set forth in paragraph 4 are
 21 met. Subject to paragraph 28 below and with the exception of the
 22 role adjustment set forth in U.S.S.G. § 3B1.1(a), defendant and
 23 the USAO agree not to seek, argue, or suggest in any way, either
 24 orally or in writing, that any other specific offense
 25 characteristics, adjustments, or departures relating to the
 26 offense level be imposed. The only exception to this agreement
 27 is that defendant and the USAO are free to argue for or against

1 the applicability of the role adjustment set forth in U.S.S.G. §
2 3B1.1(a). Defendant also agrees that if after signing this
3 agreement but prior to sentencing, defendant were to commit an
4 act, or the USAO were to discover a previously undiscovered act
5 committed by defendant prior to signing this agreement, which
6 act, in the judgment of the USAO, constituted obstruction of
7 justice within the meaning of U.S.S.G. § 3C1.1, the USAO would be
8 free to seek the enhancement set forth in that section.

9 17. Defendant understands that there is no agreement as to
10 defendant's criminal history or criminal history category.

11 18. Defendant and the USAO reserve the right to argue for a
12 sentence outside the sentencing range established by the
13 Sentencing Guidelines based on the factors set forth in 18 U.S.C.
14 § 3553(a)(1), (a)(2), (a)(3), (a)(6), and (a)(7).

15 WAIVER OF CONSTITUTIONAL RIGHTS

16 19. Defendant understands that by pleading guilty,
17 defendant gives up the following rights:

- 18 a) The right to persist in a plea of not guilty.
19 b) The right to a speedy and public trial by jury.
20 c) The right to be represented by counsel - and if
21 necessary have the court appoint counsel - at trial. Defendant
22 understands, however, that, defendant retains the right to be
23 represented by counsel - and if necessary have the court appoint
24 counsel - at every other stage of the proceeding.

1 d) The right to be presumed innocent and to have the
2 burden of proof placed on the government to prove defendant
3 guilty beyond a reasonable doubt.

4 e) The right to confront and cross-examine witnesses
5 against defendant.

6 f) The right to testify and to present evidence in
7 opposition to the charges, including the right to compel the
8 attendance of witnesses to testify.

9 g) The right not to be compelled to testify, and, if
10 defendant chose not to testify or present evidence, to have that
11 choice not be used against defendant.

12 h) Any and all rights to pursue any affirmative
13 defenses, Fourth Amendment or Fifth Amendment claims, and other
14 pretrial motions that have been filed or could be filed.

15 WAIVER OF APPEAL OF CONVICTION

16 20. Defendant understands that, with the exception of an
17 appeal based on a claim that defendant's guilty pleas were
18 involuntary, by pleading guilty defendant is waiving and giving
19 up any right to appeal defendant's convictions on the offenses to
20 which defendant is pleading guilty.

21 LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE

22 21. Defendant agrees that, provided the Court imposes a
23 term of imprisonment within or below the range corresponding to
24 an offense level of 30 and the criminal history category
25 calculated by the Court, defendant gives up the right to appeal
26 all of the following: (a) the procedures and calculations used to
27

1 determine and impose any portion of the sentence; (b) the term of
2 imprisonment imposed by the Court; (c) the fine imposed by the
3 court, provided it is within the statutory maximum; (d) the
4 amount and terms of any restitution order, provided it requires
5 payment of no more than \$5,788,725; (e) the term of probation or
6 supervised release imposed by the Court, provided it is within
7 the statutory maximum; and (f) any of the following conditions of
8 probation or supervised release imposed by the Court: the
9 conditions set forth in General Orders 318, 01-05, and/or 05-02
10 of this Court; the drug testing conditions mandated by Title 18,
11 United States Code, Sections 3563(a)(5) and 3583(d); and the
12 alcohol and drug use conditions authorized by Title 18, United
13 States Code, Section 3563(b)(7).

14 22. The USAO agrees that, provided (a) all portions of the
15 sentence are at or below the statutory maximum specified above,
16 (b) the Court calculates the offense level to be used for
17 selecting a sentencing range under the Sentencing Guidelines to
18 be 30 or above, the USAO gives up its right to appeal any portion
19 of the sentence, with the exception that the USAO reserves the
20 right to appeal the following: the amount of restitution ordered
21 if that amount is less than \$5,788,725.

22 RESULT OF WITHDRAWAL OF GUILTY PLEA

23 23. Defendant agrees that if, after entering guilty pleas
24 pursuant to this agreement, defendant seeks to withdraw and
25 succeeds in withdrawing defendant's guilty pleas on any basis
26 other than a claim and finding that entry into this plea
27

1 agreement was involuntary, then (a) the USAO will be relieved of
2 all of its obligations under this agreement; and (b) should the
3 USAO choose to pursue any charge that was either dismissed or not
4 filed as a result of this agreement, then (i) any applicable
5 statute of limitations will be tolled between the date of
6 defendant's signing of this agreement and the filing commencing
7 any such action; and (ii) defendant waives and gives up all
8 defenses based on the statute of limitations, any claim of pre-
9 indictment delay, or any speedy trial claim with respect to any
10 such action, except to the extent that such defenses existed as
11 of the date of defendant's signing this agreement.

12 EFFECTIVE DATE OF AGREEMENT

13 24. This agreement is effective upon signature and
14 execution of all required certifications by defendant,
15 defendant's counsel, and a Department of Justice Trial Attorney.

16 BREACH OF AGREEMENT

17 25. Defendant agrees that if defendant, at any time after
18 the signature of this agreement and execution of all required
19 certifications by defendant, defendant's counsel, and a
20 Department of Justice Trial Attorney, knowingly violates or fails
21 to perform any of defendant's obligations under this agreement
22 ("a breach"), the USAO may declare this agreement breached. All
23 of defendant's obligations are material, a single breach of this
24 agreement is sufficient for the USAO to declare a breach, and
25 defendant shall not be deemed to have cured a breach without the
26 express agreement of the USAO in writing. If the USAO declares
27

1 this agreement breached, and the Court finds such a breach to
2 have occurred, then: (a) if defendant has previously entered
3 guilty pleas pursuant to this agreement, defendant will not be
4 able to withdraw the guilty pleas, and (b) the USAO will be
5 relieved of all its obligations under this agreement.

6 26. Following the Court's finding of a knowing breach of
7 this agreement by defendant, should the USAO choose to pursue any
8 charge that was either dismissed or not filed as a result of this
9 agreement, then:

10 a) Defendant agrees that any applicable statute of
11 limitations is tolled between the date of defendant's signing of
12 this agreement and the filing commencing any such action.

13 b) Defendant waives and gives up all defenses based on
14 the statute of limitations, any claim of pre-indictment delay, or
15 any speedy trial claim with respect to any such action, except to
16 the extent that such defenses existed as of the date of
17 defendant's signing this agreement.

18 c) Defendant agrees that: (i) any statements made by
19 defendant, under oath, at the guilty plea hearing (if such a
20 hearing occurred prior to the breach); (ii) the agreed to factual
21 basis statement in this agreement; and (iii) any evidence derived
22 from such statements, shall be admissible against defendant in
23 any such action against defendant, and defendant waives and gives
24 up any claim under the United States Constitution, any statute,
25 Rule 410 of the Federal Rules of Evidence, Rule 11(f) of the
26 Federal Rules of Criminal Procedure, or any other federal rule,
27

1 that the statements or any evidence derived from the statements
2 should be suppressed or are inadmissible.

3 COURT AND PROBATION OFFICE NOT PARTIES

4 27. Defendant understands that the Court and the United
5 States Probation Office are not parties to this agreement and
6 need not accept any of the USAO's sentencing recommendations or
7 the parties' agreements to facts or sentencing factors.

8 28. Defendant understands that both defendant and the USAO
9 are free to: (a) supplement the facts by supplying relevant
10 information to the United States Probation Office and the Court,
11 (b) correct any and all factual misstatements relating to the
12 Court's Sentencing Guidelines calculations and determination of
13 sentence, and (c) argue on appeal and collateral review that the
14 Court's Sentencing Guidelines calculations and the sentence it
15 chooses to impose are not error, although each party agrees to
16 maintain its view that the calculations in paragraph 16 are
17 consistent with the facts of this case. While this paragraph
18 permits both the USAO and defendant to submit full and complete
19 factual information to the United States Probation Office and the
20 Court, even if that factual information may be viewed as
21 inconsistent with the facts agreed to in this agreement, this
22 paragraph does not affect defendant's and the USAO's obligations
23 not to contest the facts agreed to in this agreement.

24 29. Defendant understands that even if the Court ignores
25 any sentencing recommendation, finds facts or reaches conclusions
26 different from those agreed to, and/or imposes any sentence up to
27

1 the maximum established by statute, defendant cannot, for that
2 reason, withdraw defendant's guilty pleas, and defendant will
3 remain bound to fulfill all defendant's obligations under this
4 agreement. Defendant understands that no one -- not the
5 prosecutor, defendant's attorney, or the Court -- can make a
6 binding prediction or promise regarding the sentence defendant
7 will receive, except that it will be within the statutory
8 maximum.

9 NO ADDITIONAL AGREEMENTS

10 30. Defendant understands that, except as set forth herein,
11 there are no promises, understandings, or agreements between the
12 USAO and defendant or defendant's attorney, and that no
13 additional promise, understanding, or agreement may be entered
14 into unless in a writing signed by all parties or on the record
15 in court.

16 //

17 //

18 //

19

20

21

22

23

24

25

26

27


PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

31. The parties agree that this agreement will be considered part of the record of defendant's guilty plea hearing as if the entire agreement had been read into the record of the proceeding.

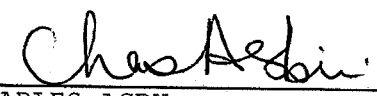
AGREED AND ACCEPTED

UNITED STATES ATTORNEY'S OFFICE
FOR THE CENTRAL DISTRICT OF CALIFORNIA

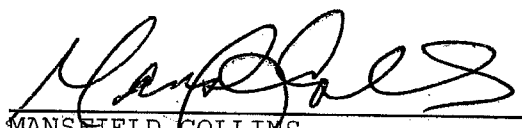
ANDRÉ BIROTTE JR.
United States Attorney


JONATHAN BAUM
Trial Attorney, Fraud Section
United States Department of Justice

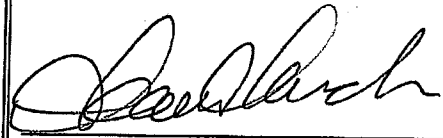
12/3/12
Date


CHARLES AGBU
Defendant

12-03-2012
Date


MANSFIELD COLLINS
Attorney for Defendant
Charles Agbu

12-3-2012
Date


SEAN CHANDRA
Attorney for Defendant
Charles Agbu

12/3/2012
Date

CERTIFICATION OF DEFENDANT

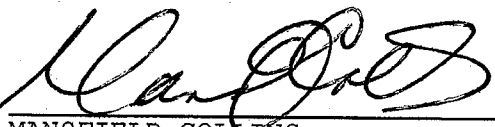
I have read this agreement in its entirety. I have had enough time to review and consider this agreement, and I have carefully and thoroughly discussed every part of it with my attorney. I understand the terms of this agreement, and I voluntarily agree to those terms. I have discussed the evidence with my attorney, and my attorney has advised me of my rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in Title 18, United States Code, Section 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. No promises, inducements, or representations of any kind have been made to me other than those contained in this agreement. No one has threatened or forced me in any way to enter into this agreement. I am satisfied with the representation of my attorney in this matter, and I am pleading guilty because I am guilty of the charges and wish to take advantage of the promises set forth in this agreement, and not for any other reason.

Charles Agbu
CHARLES AGBU
Defendant

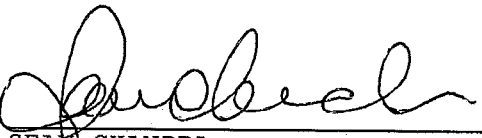
12-03-2012
Date

CERTIFICATION OF DEFENDANT'S ATTORNEYS

We are Charles Agbu's attorneys. We have carefully and thoroughly discussed every part of this agreement with our client. Further, we have fully advised our client of his rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in Title 18, United States Code, Section 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. To our knowledge: no promises, inducements, or representations of any kind have been made to our client other than those contained in this agreement; no one has threatened or forced our client in any way to enter into this agreement; our client's decision to enter into this agreement is an informed and voluntary one; and the factual basis set forth in this agreement is sufficient to support our client's entry of guilty pleas pursuant to this agreement.


MANSFIELD COLLINS
Attorney for Defendant
Charles Agbu

12-3-12
Date


SEAN CHANDRA
Attorney for Defendant
Charles Agbu

12-3-2012
Date

EXHIBIT A
DRAFT STATEMENT OF FACTS TO THE PLEA AGREEMENT
OF DEFENDANT CHARLES AGBU

Defendant Charles AGBU ("defendant") and the USAO agree and stipulate to the following facts:

1. At all times relevant to this plea agreement, the Medicare Program ("Medicare") was a federal health care benefit program, as defined by Title 18, United States Code, Section 24(b).

2. Defendant Charles AGBU ("defendant") owned Bonfee Inc. ("Bonfee"), a fraudulent durable medical equipment ("DME") supply company located at 550 East Carson Plaza Drive in Carson, California, within the Central District of California. Defendant enrolled in Medicare to become a Medicare provider, and later received a Medicare provider number from Medicare that allowed defendant to submit claims for reimbursement to Medicare. Defendant was responsible for all the claims submitted to Medicare on behalf of Bonfee.

3. As a Medicare provider, defendant held a position of trust vis-a-vis Medicare. Medicare, which was a trust-based health care benefit program that operated on the honor system, trusted that defendant would not abuse the trust that Medicare placed in him as a Medicare provider by submitting false claims to Medicare or otherwise violating Medicare laws, rules, and regulations.

4. Defendant did, however, abuse his position of trust as a Medicare provider by combining, agreeing, and conspiring with others to defraud Medicare. The conspiracy in which defendant

Defendant's Initials

CA

1 participated existed between approximately July 2005 and February
2 2011, and operated as follows:

3 a. Defendant paid individuals known as "marketers" or
4 "cappers" to approach people with Medicare benefits on the
5 street, and convince them to provide the marketers with their
6 Medicare information in exchange for free DME that the people did
7 not need. Often, the marketers told the people, who were known
8 as "Medicare beneficiaries," that they would receive highly-
9 specialized power wheelchairs ("PWCs") because PWCs were among
10 the most expensive items that he and his co-conspirators could
11 bill to Medicare and generated the most profit for them. At the
12 time that defendant paid the marketers, he knew that it was
13 illegal for him to pay marketers to solicit Medicare
14 beneficiaries in order for him to obtain their Medicare
15 information.

16 b. Defendant knew that under Medicare laws, rules,
17 and regulations, he and his co-conspirators could not submit a
18 claim to Medicare for a PWC or other DME unless a doctor
19 prescribed the PWC or medical equipment to a Medicare
20 beneficiary. Defendant also knew that Medicare required him and
21 his co-conspirators to maintain a prescription and supporting
22 medical documentation in their files for every PWC and item of
23 DME that they billed Medicare. To meet these Medicare
24 requirements, defendant paid the owners and operators of
25 fraudulent medical clinics to provide him with prescriptions and
26 supporting medical documentation for the PWCs and DME that he and
27 his co-conspirators billed to Medicare. Defendant knew that
28 these clinics used marketers to solicit Medicare beneficiaries,

ii Defendant's Initials

CA

1 and that the prescriptions and medical documents that the clinics
2 produced were fraudulent. Defendant also knew that it was
3 illegal for him to pay for prescriptions, but he did so anyway.
4 On average, defendant paid between \$400 and \$700 for each
5 prescription that he bought from these clinics.

6 c. Defendant also paid doctors to write and provide
7 him and his co-conspirators with prescriptions and medical
8 documents that they needed to submit PWC and DME claims to
9 Medicare. Defendant directed marketers to bring Medicare
10 beneficiaries to the doctors or knew the doctors used marketers
11 to solicit Medicare beneficiaries. Defendant paid the doctors or
12 members of their staff approximately \$100 to \$400 for every
13 prescription that the doctors wrote for and provided to him.
14 Defendant knew at the time that he paid the doctors to write and
15 provide him with these prescriptions that it was illegal for him
16 to do so, and that the prescriptions the doctors wrote were
17 fraudulent.

18 d. Defendant and his co-conspirators used the
19 Medicare information from the marketers, and the prescriptions
20 and medical documentation that defendant purchased from the
21 owners and operators of the fraudulent medical clinics and the
22 doctors to submit false claims to Medicare for PWCs and other
23 DME. Defendant and his co-conspirators submitted these claims
24 through Bonfee and Ibon, Inc. ("Ibon"), a fraudulent DME supply
25 company that was located in the same building as Bonfee and owned
26 by defendant's co-conspirator and daughter, Obiageli Agbu. With
27 one exception, defendant and his co-conspirators supported every
28 PWC claim that they submitted to Medicare on behalf of Bonfee and

iii Defendant's Initials

CA

1 Ibon with fraudulent prescriptions and medical documents that
2 defendant purchased from either the owners and operators of the
3 fraudulent medical clinics or the doctors. At the time defendant
4 and his co-conspirators submitted these claims, defendant knew
5 that it was illegal for him to submit claims to Medicare that
6 were supported by purchased and fraudulent prescriptions.

7 e. Defendant knew that in most cases, the Medicare
8 beneficiaries whom he and his co-conspirators claimed that they
9 supplied with PWCs did not have a legitimate medical need for the
10 wheelchairs. Defendant knew at the time that he and his co-
11 conspirators submitted these claims that it was illegal to submit
12 a claim to Medicare for a PWC that a beneficiary did not need.

13 f. Additionally, defendant learned that in some
14 cases, a few of his co-conspirators did not provide the
15 beneficiaries with PWCs even though defendant and his co-
16 conspirators represented to Medicare that they had supplied the
17 beneficiaries with the wheelchairs. Defendant knew it was
18 illegal for a Medicare provider to submit a claim to Medicare for
19 a PWC that a beneficiary did not receive and later terminated the
20 co-conspirators who did not deliver the PWCs, but defendant did
21 not return the money that Medicare paid him and his co-
22 conspirators for the non-delivered PWCs.

23 g. As a result of this conspiracy, defendant and his
24 co-conspirators submitted and caused the submission of
25 approximately \$11,094,918 in fraudulent claims to, and received
26 approximately \$5,788,725 in ill-gotten reimbursement payments
27 from, Medicare.

28

iv Defendant's Initials

CA

1 5. On or about August 17, 2009, defendant transferred
2 approximately \$15,000 in criminally-derived Medicare proceeds
3 from Wells Fargo bank account number XXXXXX8271, which belonged
4 to Bonfee, to Wells Fargo bank account number XXXXXX1448, which
5 belonged to defendant. At the time defendant transferred this
6 \$15,000, defendant knew that the money was the product of health
7 care fraud. This transfer occurred in the United States.

8 6. Defendant committed all of the above acts knowingly and
9 with the intent to defraud.

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

v Defendant's Initials

CA