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CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

BY _____

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
February 2018 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

ALEKSANDR SURIS and
MAXIM SVERDLOV,

Defendants.

No. CR 17-420 (A) -SJO

F I R S T
S U P E R S E D I N G
I N D I C T M E N T

[18 U.S.C. § 1349: Conspiracy
to Commit Health Care Fraud;
18 U.S.C. § 1347: Health Care
Fraud; 18 U.S.C. § 1956(h):
Conspiracy to Commit Money
Laundering; 18 U.S.C. § 2(b):
Causing an Act to be Done;
18 U.S.C. §§ 981(a)(1)(C),
982(a)(1), 982(a)(7), and
28 U.S.C. § 2461(c):
Criminal Forfeiture]

The Grand Jury charges:

COUNT ONE

[18 U.S.C. § 1349]

[Conspiracy to Commit Health Care Fraud]

A. INTRODUCTORY ALLEGATIONS

At all times relevant to this First Superseding Indictment:

1. Royal Care Pharmacy ("Royal Care") was a pharmacy
located at 7300 W. Sunset Blvd., Suite L, Los Angeles,
California, within the Central District of California.

1 2. Defendant ALEKSANDR SURIS ("SURIS") was a co-owner and
2 co-operator of Royal Care.

3 3. Defendant MAXIM SVERDLOV ("SVERDLOV") was a co-owner,
4 co-operator, and Chief Financial Officer of Royal Care.

5 4. Co-conspirator 3 ("CC-3") was a pharmacist licensed by
6 the State of California. CC-3 was employed by Royal Care as the
7 Pharmacist-in-Charge from at least in or around March 2013,
8 through at least in or around July 2016.

9 5. A bank account for Royal Care Pharmacy ending in
10 numbers 7230 was opened at JPMorgan Chase Bank, N.A., in or
11 around June 2006 ("RCP CHASE 7230"). Defendants SURIS and
12 SVERDLOV were signatories on this bank account.

13 6. Co-conspirator 4 ("CC-4") was an individual who owned
14 and controlled TriMed Medical Wholesalers, Inc. ("TriMed"), a
15 California corporation and drug wholesale business operating
16 within the Central District of California. CC-4 controlled and
17 was a signatory on multiple TriMed business bank accounts with
18 branch locations within the Central District of California
19 including, but not limited to, a City National Bank account
20 ending in numbers 1925 ("TRIMED CNB 1925").

21 B. THE MEDICARE HEALTH INSURANCE PROGRAM

22 7. Medicare was a federal health care benefit program,
23 affecting commerce, that provided benefits to individuals who
24 were 65 years and older or disabled. Medicare was administered
25 by the Centers for Medicare and Medicaid Services ("CMS"), a
26 federal agency under the United States Department of Health and
27 Human Services.

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1 8. Individuals who qualified for Medicare benefits were
2 referred to as Medicare "beneficiaries." Each beneficiary was
3 given a unique health insurance claim number ("HICN").

4 9. Medicare programs covering different types of benefits
5 were separated into different program "parts." Part D of
6 Medicare (the "Medicare Part D Program") subsidized the costs of
7 prescription drugs for Medicare beneficiaries in the United
8 States. The Medicare Part D Program was enacted as part of the
9 Medicare Prescription Drug, Improvement, and Modernization Act
10 of 2003 and went into effect on January 1, 2006. Under the
11 Medicare Part D program, providers such as Royal Care were paid
12 for prescription drugs they dispensed only if: (a) the drugs
13 were actually provided to the Medicare beneficiaries; (b) the
14 drugs were medically necessary; and (c) it was determined that
15 the provider was otherwise entitled to payment.

16 10. In order to receive Medicare Part D program benefits,
17 a beneficiary enrolled in a Medicare drug plan. Medicare drug
18 plans were operated by private companies approved by Medicare.
19 Those companies were often referred to as drug plan "sponsors."
20 A beneficiary in a Medicare drug plan could fill a prescription
21 at a pharmacy and use his or her plan to pay for some or all of
22 the prescription.

23 11. A pharmacy could participate in the Medicare Part D
24 program by entering into a retail network agreement directly
25 with a plan; with one or more Pharmacy Benefit Managers
26 ("PBMs"); or with a Pharmacy Services Administration
27 Organization ("PSAO"), which would, in turn, contract with PBMs
28 on behalf of the pharmacy. A PBM acted on behalf of one or more

1 drug plans. Through a plan's PBM, a pharmacy could join the
2 plan's network. When a Medicare Part D program beneficiary
3 presented a prescription to a pharmacy, the pharmacy submitted a
4 claim either directly to the plan or to a PBM that represented
5 the beneficiary's Medicare drug plan. The plan or PBM
6 determined whether the pharmacy was entitled to payment for each
7 claim and periodically paid the pharmacy for outstanding claims.
8 The drug plan's sponsor reimbursed the PBM for its payments to
9 the pharmacy.

10 12. A pharmacy could also submit claims to a Medicare drug
11 plan to whose network the pharmacy did not belong. Submission
12 of such out-of-network claims was not common and often resulted
13 in smaller payments to the pharmacy by the drug plan sponsor.

14 13. Medicare, through CMS, compensated Medicare drug plan
15 sponsors. Medicare paid the sponsors a monthly fee for each
16 Medicare beneficiary of the sponsors' plans. Such payments were
17 called capitation fees. The capitation fee was adjusted
18 periodically based on various factors, including the
19 beneficiary's medical conditions. In addition, in some cases
20 where a sponsor's expenses for a beneficiary's prescription
21 drugs exceeded that beneficiary's capitation fee, Medicare
22 reimbursed the sponsor for a portion of those additional
23 expenses.

24 14. Medicare and Medicare drug plans (collectively,
25 hereafter, "Medicare") were health care benefit programs, as
26 defined by Title 18, United States Code, Section 24(b).

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1 C. THE OBJECT OF THE CONSPIRACY

2 15. Beginning no later than in or around March 2012, and
3 continuing through at least in or around March 2015, in Los
4 Angeles County, within the Central District of California, and
5 elsewhere, defendants SURIS and SVERDLOV, together with co-
6 conspirator CC-3 and others known and unknown to the Grand Jury,
7 knowingly combined, conspired, and agreed to commit health care
8 fraud, in violation of Title 18, United States Code, Section
9 1347.

10 D. THE MANNER AND MEANS OF THE CONSPIRACY

11 16. The object of the conspiracy was carried out, and to
12 be carried out, in substance, as follows:

13 a. Defendants SURIS and SVERDLOV, as well as CC-3,
14 received information about Medicare Part D program
15 beneficiaries, and certain of their prescription drugs, from
16 various sources including, in some instances, from an operator
17 of another health care facility.

18 b. Defendants SURIS and SVERDLOV, together with
19 CC-3 and others known and unknown to the Grand Jury, knowingly
20 and willfully submitted, and caused the submission of, false and
21 fraudulent claims to Medicare on behalf of Royal Care based on
22 false and fraudulent representations, with respect to certain
23 prescriptions, that the prescriptions had been filled, the
24 prescribed medications had been provided to the Medicare
25 beneficiaries, and the prescribed medications were medically
26 necessary.

27 c. In truth and in fact, as defendants SURIS and
28 SVERDLOV and CC-3 then knew, these prescriptions had not been

1 filled and the prescribed medications had not been provided to
2 the Medicare Part D program beneficiaries, and, on certain
3 occasions, the prescribed medications were not medically
4 necessary.

5 d. To facilitate the scheme to fraudulently bill
6 Medicare for certain prescription drugs that were never actually
7 filled or provided to beneficiaries, and which were, on certain
8 occasions, not medically necessary, defendants SURIS and
9 SVERDLOV purchased sham/fictitious TriMed invoices (the
10 "fictitious invoices") from CC-4. The fictitious invoices
11 purported to list various prescription drugs that Royal Care had
12 purchased from drug wholesaler TriMed, and that TriMed had
13 provided to Royal Care. However, pursuant to an agreement
14 between SURIS, SVERDLOV, and CC-4, CC-4 never actually provided
15 SURIS, SVERDLOV, or Royal Care with the prescription drugs
16 listed on the fictitious invoices, and instead provided SURIS,
17 SVERDLOV, and Royal Care with only the fictitious invoice
18 documents.

19 e. The fictitious invoices that SURIS and SVERDLOV
20 purchased from CC-4 served multiple purposes, including the
21 following:

22 i. The fictitious invoices erroneously inflated
23 the volume of prescription drug inventory, at least on paper,
24 that Royal Care ostensibly had available to fill prescription
25 drug orders. In reality, because Royal Care never actually
26 received the drugs listed on the fictitious invoices, the
27 pharmacy did not have the quantities/types of prescription drugs
28 listed in the fictitious invoices available to fill patient

1 prescriptions.

2 ii. Defendants SURIS and SVERDLOV, together with
3 CC-4, further agreed to use, and did use, the fictitious
4 invoices as a vehicle to return cash to SURIS and SVERDLOV.
5 Specifically, SURIS and SVERDLOV paid CC-4's drug wholesale
6 company, TriMed, for fictitious invoices. CC-4 and others known
7 and unknown to the Grand Jury then engaged in a series of
8 financial transactions with these funds that culminated in CC-4
9 returning a portion of the fictitious invoice payments to SURIS
10 and SVERDLOV in cash.

11 f. As a result of the false and fraudulent claims
12 submitted and caused to be submitted to Medicare by defendants
13 SURIS and SVERDLOV, together with CC-3, Medicare fund payments
14 were deposited into bank account RCP CHASE 7230 belonging to
15 Royal Care.

16 g. Between in or around March 2012, through in or
17 around March 2015, Royal Care was paid approximately \$41,515,503
18 based on claims for dispensing drugs to Medicare Part D program
19 beneficiaries.

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COUNTS TWO THROUGH FIVE

[18 U.S.C. §§ 1347, 2(b)]

[Health Care Fraud]

17. The Grand Jury incorporates by reference and re-alleges paragraphs 1 through 14 above as though set forth in their entirety here.

A. THE FRAUDULENT SCHEME

18. Beginning in or around March 2012, and continuing through at least in or around March 2015, in Los Angeles County, within the Central District of California, and elsewhere, defendants SURIS and SVERDLOV, together with co-conspirator CC-3 and others known and unknown to the Grand Jury, knowingly, willfully, and with intent to defraud, executed, and attempted to execute, a scheme and artifice: (a) to defraud a health care benefit program, namely, Medicare, as to material matters in connection with the delivery of and payment for health care benefits, items, and services; and (b) to obtain money from Medicare by means of materially false and fraudulent pretenses and representations and the concealment of material facts in connection with the delivery of and payment for health care benefits, items, and services.

B. MEANS TO ACCOMPLISH THE FRAUDULENT SCHEME

19. The fraudulent scheme operated, in substance, as described in paragraph 16 of this First Superseding Indictment, which is hereby incorporated by reference as if stated in its entirety here.

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C. EXECUTIONS OF THE FRAUDULENT SCHEME

20. On or about the dates set forth below, in Los Angeles County, within the Central District of California, and elsewhere, defendants SURIS and SVERDLOV, together with co-conspirator CC-3 and others known and unknown to the Grand Jury, for the purpose of executing and attempting to execute the fraudulent scheme described above, knowingly and willfully submitted and caused to be submitted to Medicare for payment the following false and fraudulent claims seeking the following dollar amounts, which claims falsely represented that Royal Care provided the pharmaceutical items as listed to Medicare Part D program beneficiaries and that the items were medically necessary:

<u>COUNT</u>	<u>MEDICARE BENEFICIARY</u>	<u>CLAIM NUMBER</u>	<u>APPROX. DATE SUBMITTED</u>	<u>ITEM CLAIMED; APPROX. AMOUNT OF CLAIM</u>
TWO	A.L.	150643880160 014999	3/05/2015	Lidoderm; \$523.68
THREE	A.L.	150643853752 021999	3/05/2015	Abilify; \$897.71
FOUR	A.L.	150643851741 069999	3/05/2015	Seroquel; \$459.52
FIVE	G.N.	150844529127 059995	3/25/2015	Pennsaid; \$1,408.47

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COUNT SIX

[18 U.S.C. § 1349]

[Conspiracy to Commit Health Care Fraud]

21. The Grand Jury incorporates by reference and re-alleges paragraphs 1 through 6 above as though set forth in their entirety here.

A. THE CIGNA HEALTH INSURANCE PROGRAM

At all times relevant to this First Superseding Indictment:

22. CIGNA was a private health insurance provider that operated private plans, affecting commerce, under which medical benefits, items, and services, including prescription drugs, were provided to individuals in exchange for payment. CIGNA reimbursed medical providers ("providers") such as Royal Care that provided covered prescription drugs to patients covered by CIGNA's insurance plans ("subscribers").

23. Providers like Royal Care were required to submit claim forms to CIGNA and/or assigned representatives of CIGNA in order to receive reimbursement from CIGNA for items they provided to subscribers. Among other information, providers were required to state on the claim forms the patient's name and health insurance member number, the item or service that was rendered, the date that the item or service was rendered, the charge for the item or service, and the provider's name and/or the provider's identification number. Medical providers could submit claim forms electronically.

24. CIGNA was a health care benefit program as defined by Title 18, United States Code, Section 24(b).

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1 B. THE OBJECT OF THE CONSPIRACY

2 25. Beginning no later than in or around December 2012,
3 and continuing through at least in or around January 2015, in
4 Los Angeles County, within the Central District of California,
5 and elsewhere, defendant SURIS, together with co-conspirator
6 CC-3 and others known and unknown to the Grand Jury, knowingly
7 combined, conspired, and agreed to commit health care fraud, in
8 violation of Title 18, United States Code, Section 1347.

9 C. THE MANNER AND MEANS OF THE CONSPIRACY

10 26. The object of the conspiracy was carried out, and to
11 be carried out, in substance, as follows:

12 a. CC-3 was covered by a CIGNA health insurance
13 plan. CC-3 sought and obtained prescriptions for various drugs
14 from his/her primary care physician. On many occasions, CC-3
15 knew that he/she would not utilize all of the drugs that were
16 prescribed to him/her.

17 b. CC-3 sold certain of his/her prescriptions for
18 various drugs to defendant SURIS. Defendant SURIS paid cash to
19 CC-3 in exchange for these prescriptions.

20 c. Defendant SURIS, together with CC-3 and others
21 known and unknown to the Grand Jury, knowingly and willfully
22 submitted, and caused the submission of, false and fraudulent
23 claims to CIGNA and/or CIGNA's representatives on behalf of
24 Royal Care based on the false and fraudulent representation,
25 with respect to certain of these prescriptions, that the
26 prescriptions had been filled and the prescribed medications had
27 been provided to CC-3.

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1 d. In truth and in fact, as defendant SURIS and CC-3
2 then knew, certain of these prescriptions for CC-3 had not been
3 filled, and the prescribed medications were not provided to
4 CC-3.

5 e. To facilitate the scheme to fraudulently bill
6 CIGNA for certain prescription drugs that were never actually
7 filled or provided to CC-3, defendant SURIS and others known and
8 unknown to the Grand Jury purchased sham/fictitious TriMed
9 invoices from CC-4. The fictitious invoices purported to list
10 various prescription drugs that Royal Care had purchased from
11 drug wholesaler TriMed, and that TriMed had provided to Royal
12 Care. However, pursuant to an agreement between SURIS, CC-4,
13 and others known and unknown to the Grand Jury, CC-4 never
14 actually provided the prescription drugs listed on the
15 fictitious invoices, and instead provided SURIS, Royal Care, and
16 others known and unknown to the Grand Jury with only the
17 fictitious invoice documents.

18 f. The fictitious invoices that SURIS and others
19 known and unknown to the Grand Jury purchased from CC-4 served
20 multiple purposes, including the following:

21 i. The fictitious invoices erroneously inflated
22 the volume of prescription drug inventory, at least on paper,
23 that Royal Care ostensibly had available to fill prescription
24 drug orders. In reality, because Royal Care never actually
25 received the drugs listed on the fictitious invoices, the
26 pharmacy did not have the quantities/types of prescription drugs
27 listed in the fictitious invoices available to fill patient
28 prescriptions.

1 ii. Defendant SURIS, CC-4, and others known and
2 unknown to the Grand Jury further agreed to use, and did use,
3 the fictitious invoices as a vehicle to return cash to SURIS and
4 others known and unknown to the Grand Jury. Specifically, SURIS
5 and others known and unknown to the Grand Jury paid CC-4's drug
6 wholesale company, TriMed, for fictitious invoices. CC-4 and
7 others known and unknown to the Grand Jury then engaged in a
8 series of financial transactions with these funds that
9 culminated in CC-4 returning a portion of the fictitious invoice
10 payments to SURIS and others known and unknown to the Grand Jury
11 in cash.

12 g. As a result of the false and fraudulent claims
13 defendant SURIS and CC-3 submitted and caused to be submitted to
14 CIGNA, CIGNA and/or its assigned representatives deposited
15 payments into bank account RCP CHASE 7230 belonging to Royal
16 Care.

17 h. Between in or around December 2012, through in or
18 around January 2015, Royal Care was paid approximately \$17,212
19 based on claims for dispensing drugs to CIGNA subscribers.

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COUNTS SEVEN THROUGH TWELVE

[18 U.S.C. §§ 1347, 2(b)]

[Health Care Fraud]

27. The Grand Jury incorporates by reference and re-alleges paragraphs 1 through 6 and 22 through 24 above as though set forth in their entirety here.

A. THE FRAUDULENT SCHEME

28. Beginning in or around December 2012, and continuing through at least in or around January 2015, in Los Angeles County, within the Central District of California, and elsewhere, defendant SURIS and co-conspirator CC-3, together with others known and unknown to the Grand Jury, knowingly, willfully, and with intent to defraud, executed, and attempted to execute, a scheme and artifice: (a) to defraud a health care benefit program, namely, CIGNA, as to material matters in connection with the delivery of and payment for health care benefits, items, and services; and (b) to obtain money from CIGNA by means of materially false and fraudulent pretenses and representations and the concealment of material facts in connection with the delivery of and payment for health care benefits, items, and services.

B. MEANS TO ACCOMPLISH THE FRAUDULENT SCHEME

29. The fraudulent scheme operated, in substance, as described in paragraph 26 of this First Superseding Indictment, which is hereby incorporated by reference as if stated in its entirety here.

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C. EXECUTIONS OF THE FRAUDULENT SCHEME

30. On or about the dates set forth below, within the Central District of California, and elsewhere, defendant SURIS and co-conspirator CC-3, together with others known and unknown to the Grand Jury, for the purpose of executing and attempting to execute the fraudulent scheme described above, knowingly and willfully submitted and caused to be submitted to CIGNA for payment the following false and fraudulent claims seeking the following dollar amounts, which claims falsely represented that Royal Care provided the pharmaceutical items as listed to CIGNA subscribers:

<u>COUNT</u>	<u>CIGNA SUBSCRIBER</u>	<u>APPROXIMATE DATE SUBMITTED</u>	<u>ITEM CLAIMED; APPROX. AMOUNT OF CLAIM</u>
SEVEN	CC-3	11/06/2014	Solaraze; \$1,440.14
EIGHT	CC-3	12/01/2014	Solaraze; \$1,440.14
NINE	CC-3	11/06/2014	Vimovo; \$988.79
TEN	CC-3	12/01/2014	Vimovo; \$988.79
ELEVEN	CC-3	12/01/2014	Xolegel; \$413.08
TWELVE	CC-3	12/03/2014	Lidoderm; \$482.78

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COUNT THIRTEEN

[18 U.S.C. § 1956(h)]

[Conspiracy to Commit Money Laundering]

31. The Grand Jury incorporates by reference and re-alleges paragraphs 1 through 14, 16, 19-20, 22-24, 26, and 29-30 above as though set forth in their entirety here.

A. THE OBJECT OF THE CONSPIRACY

32. Beginning at least in or around March 2012, and continuing through at least in or around March 2015, in Los Angeles County, within the Central District of California, and elsewhere, defendants SURIS and SVERDLOV, together with each other, co-conspirator CC-4, and others known and unknown to the Grand Jury, conspired and agreed with one another to knowingly and intentionally commit the following offense against the United States: Knowing that property involved in financial transactions affecting interstate and foreign commerce represented the proceeds of some form of unlawful activity, and which property was, in fact, the proceeds of a specified unlawful activity, namely, conspiracy to commit health care fraud, in violation of Title 18, United States Code, Section 1349, and health care fraud, in violation of Title 18, United States Code, Section 1347, conducting, attempting to conduct, and willfully causing others to conduct and attempt to conduct financial transactions affecting interstate commerce, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of such specified unlawful activity, in violation of Title 18, United States Code, Section

1 1956(a)(1)(B)(i).

2 B. THE MANNER AND MEANS OF THE CONSPIRACY

3 33. The object of the conspiracy was carried out, and to
4 be carried out, in substance, as follows:

5 a. As described in paragraphs 16 and 26 of this
6 First Superseding Indictment, which are hereby incorporated by
7 reference as if stated in their entirety here.

8 b. Between at least in or around March 2012 through
9 at least in or around March 2015, SURIS and SVERDLOV would sign
10 and provide CC-4 and others known and unknown to the Grand Jury
11 with numerous Royal Care checks payable to TriMed in exchange
12 for fictitious invoices that TriMed had provided to Royal Care.
13 The Royal Care checks used to pay for these fictitious invoices
14 would be drawn on RCP CHASE 7230, made payable to TriMed, and
15 variously signed by SURIS and SVERDLOV.

16 c. The Royal Care check payments to TriMed during
17 this period would specifically pay for fictitious invoices
18 (dated between March 2012 and March 2015) which indicated that
19 Royal Care had purchased prescription drugs from TriMed, totaling
20 at least approximately \$17,548,765.57.

21 d. CC-4 would cause these RCP CHASE 7230 checks to
22 be deposited into bank accounts including, but not limited to,
23 TRIMED CNB 1925; CC-4 would, in furtherance of returning cash to
24 SURIS and SVERDLOV:

25 i. withdraw cash from TriMed bank accounts; and
26 ii. cause checks from TriMed bank accounts to be
27 issued to and deposited into multiple other bank accounts
28 controlled by others known and unknown to the Grand Jury and

1 held in the names of corporations that often did not in fact
2 conduct any legitimate business and did not conduct actual
3 business with CC-4 or TriMed ("the shell accounts"). A portion
4 of the funds associated with these TriMed checks would then be
5 withdrawn in cash (often in cash amounts under \$10,000), from
6 either these shell accounts or from subsequent downstream shell
7 accounts, by others known and unknown to the Grand Jury, and
8 returned to CC-4.

9 e. CC-4 would return this cash to SURIS and
10 SVERDLOV. The amount of cash returned to SURIS and SVERDLOV by
11 CC-4 would be negotiated between SURIS, SVERDLOV, and CC-4, and
12 was often between approximately 52% and 62% of the funds that
13 SURIS and SVERDLOV originally provided to CC-4 to pay for
14 fictitious invoices.

15 f. SURIS, SVERDLOV, CC-4, and others known and
16 unknown to the Grand Jury would effect these financial
17 transactions in order to conceal and disguise the fraud and
18 fraud proceeds associated with the pharmacy business at Royal
19 Care.

20 All in violation of Title 18, United States Code, Section
21 1956 (h) .

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FORFEITURE ALLEGATION ONE

[18 U.S.C. §§ 981(a)(1)(C) and 982(a)(7); 28 U.S.C. § 2461(c)]

34. Pursuant to Rule 32.2(a) Fed. R. Crim. P., notice is hereby given to defendants ALEKSANDR SURIS and MAXIM SVERDLOV (collectively, the "defendants") that the United States will seek forfeiture as part of any sentence in accordance with Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(7), and Title 28, United States Code, Section 2461(c), in the event of any defendant's conviction under any of the Counts One through Twelve of this First Superseding Indictment.

35. Defendants shall forfeit to the United States the following property:

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 set forth in any of Counts One through Twelve of this First Superseding Indictment; and/or

b. A sum of money equal to the total value of the property described in subparagraph a. For each of Counts One through Twelve for which more than one defendant is found guilty, each such defendant shall be jointly and severally liable for the entire amount forfeited pursuant to that Count.

36. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 982(b), each defendant 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 a 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.

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FORFEITURE ALLEGATION TWO

[18 U.S.C. §§ 982(a)(1); 28 U.S.C. § 2461(c)]

37. Pursuant to Rule 32.2(a) Fed. R. Crim. P., notice is hereby given to defendants ALEKSANDR SURIS and MAXIM SVERDLOV that the United States will seek forfeiture as part of any sentence in accordance with Title 18, United States Code, Sections 982(a)(1), in the event of any defendant's conviction under Count Thirteen of this First Superseding Indictment.

38. Defendants shall forfeit to the United States the following property:

a. All right, title, and interest in any and all property, real or personal, involved in such offense, or any property traceable to such property; and/or

b. A sum of money equal to the total value of the property described in subparagraph a. In the event that more than one defendant is found guilty of Count Thirteen, each such defendant shall be jointly and severally liable for the entire amount forfeited pursuant to that Count.

39. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 982(b), each defendant 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 a 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.

A TRUE BILL

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Foreperson

NICOLA T. HANNA
United States Attorney



LAWRENCE S. MIDDLETON
Assistant United States Attorney
Chief, Criminal Division

RANEE A. KATZENSTEIN
Assistant United States Attorney
Chief, Major Frauds Section

SANDRA MOSER
Acting Chief, Fraud Section
United States Department of Justice

JOSEPH S. BEEMSTERBOER
Deputy Chief, Fraud Section
United States Department of Justice

DIIDRI ROBINSON
Assistant Chief, Fraud Section
United States Department of Justice

ROBYN N. PULLIO
Trial Attorney, Fraud Section
United States Department of Justice