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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
June 2011 Grand Jury

CR 11 00847

UNITED STATES OF AMERICA,)	CR No.
)	
Plaintiff,)	<u>I N D I C T M E N T</u>
)	
v.)	[18 U.S.C. § 1347: Health Care
)	Fraud; 18 U.S.C. § 2(b):
OWUSU ANANEH FIREMPONG,)	Causing an Act to Be Done]
)	
Defendant.)	

The Grand Jury charges:

COUNTS ONE THROUGH TEN

[18 U.S.C. §§ 1347, 2(b)]

A. INTRODUCTORY ALLEGATIONS

At all times relevant to this Indictment:

The Defendant

1. Defendant OWUSU ANANEH FIREMPONG ("defendant FIREMPONG") was a medical doctor licensed to practice in California.

2. Beginning in or about March 2000, defendant FIREMPONG owned and operated Major Medical Center, Inc. (the "Major

1 Clinic"), a medical clinic he incorporated, which was initially
2 located at 1411 West 54th Street in Los Angeles, California (the
3 "West 54th Street location"), within the Central District of
4 California.

5 3. Beginning in or about January 2004, defendant FIREMPONG
6 owned and operated Marine Family Medical Clinic (the "Marine
7 Clinic"), a medical clinic he incorporated, which was initially
8 located at 11180 Warner Avenue in Fountain Valley, California
9 (the "Warner Avenue location"), within the Central District of
10 California.

11 4. Defendant FIREMPONG submitted applications to Medicare
12 to obtain and maintain Medicare provider numbers for both the
13 Major Clinic and the Marine Clinic.

14 5. On or about March 19, 2007, the Major Clinic was
15 evicted from the West 54th Street location. In or about
16 September 2007, the Marine Clinic was evicted from the Warner
17 Avenue location. After those evictions, the Major Clinic and the
18 Marine Clinic did not operate at either of those locations.

19 6. Between on or about November 29, 2007, and on or about
20 June 9, 2008, the Major Clinic and the Marine Clinic together
21 submitted to Medicare claims totaling approximately \$1,289,907,
22 for which Medicare paid the Major and Marine Clinics
23 approximately \$782,710.36.

24 7. Medicare electronically deposited payments to the Major
25 and Marine Clinics into the clinics' corporate bank accounts, on
26 which defendant FIREMPONG was the sole signatory.

1 The Medicare Program

2 8. Medicare was a federal health care benefit program,
3 affecting commerce, that provided benefits to individuals who
4 were over the age of 65 or disabled. Medicare was administered
5 by the Centers for Medicare and Medicaid Services ("CMS"), a
6 federal agency under the United States Department of Health and
7 Human Services ("HHS").

8 9. Individuals who qualified for Medicare benefits were
9 referred to as Medicare "beneficiaries." Each Medicare
10 beneficiary was given a Health Identification Card containing a
11 unique Identification number ("HICN").

12 10. Physicians and other health care providers who provided
13 medical services that were reimbursed by Medicare were referred
14 to as Medicare "providers."

15 11. To obtain reimbursement from Medicare, a physician
16 first had to apply for and obtain a provider number. By signing
17 the provider application, the physician agreed to (a) abide by
18 Medicare rules and regulations and (b) not submit claims to
19 Medicare knowing they were false or fraudulent or with deliberate
20 ignorance or reckless disregard of their truth or falsity.

21 12. If Medicare approved a provider's application, Medicare
22 assigned the provider a Medicare provider number, which enabled
23 the physician to submit claims to Medicare for services rendered
24 to Medicare beneficiaries.

25 13. If a physician provided services at different clinics
26 or practice locations, the physician could obtain a provider
27 number for each clinic or practice location.

1 14. The National Health Insurance Company ("NHIC")
2 processed and paid Medicare claims by physicians in Southern
3 California.

4 15. Medicare reimbursed providers only for services that
5 were medically necessary to the treatment of a beneficiary's
6 illness or injury, were prescribed by a beneficiary's physician,
7 and were provided in accordance with Medicare regulations and
8 guidelines that governed whether a particular service would be
9 reimbursed by Medicare.

10 16. Medicare required a claim for Medicare reimbursement of
11 services to set forth, among other things, the beneficiary's
12 name, HICN, and diagnosis; the Current Procedural Terminology
13 ("CPT") code for the service provided to the beneficiary; any
14 relevant billing modifiers; the date when and location where the
15 service was provided; the name and physician identification
16 number ("NPI") of the physician who ordered the service; the
17 identification number of the provider who actually rendered the
18 service; the use of any outside lab for the service; and any
19 charges incurred from the use of an outside lab.

20 17. Medicare claims for diagnostic testing had both a
21 technical and professional component, representing the
22 performance and interpretation of the test, respectively. A
23 physician could indicate that he provided only the technical
24 component of the test by using the billing modifier TC. A
25 physician could indicate that he provided only the professional
26 component of the test by using the billing modifier 26. The
27 absence of either the TC or 26 modifier on a claim indicated that
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1 the physician had performed both the technical and professional
2 components of the test.

3 18. A physician could indicate that the service billed was
4 distinct and independent from other services performed on the
5 same day by using the billing modifier 59.

6 19. By submitting a Medicare claim, the physician certified
7 that the information provided in the claim was accurate and that
8 the service billed was medically necessary.

9 B. THE SCHEME TO DEFRAUD

10 20. Beginning on or about November 29, 2007, and continuing
11 through on or about July 30, 2008, in Los Angeles and Orange
12 Counties, within the Central District of California, and
13 elsewhere, defendant FIREMPONG, together with others known and
14 unknown to the Grand Jury, knowingly, willfully, and with intent
15 to defraud, executed, and attempted to execute, a scheme and
16 artifice: (a) to defraud a health care benefit program, namely,
17 Medicare, as to material matters in connection with the delivery
18 of and payment for health care benefits, items, and services; and
19 (b) to obtain money from Medicare by means of material false and
20 fraudulent pretenses and representations and the concealment of
21 material facts in connection with the delivery of and payment for
22 health care benefits, items, and services.

23 C. MEANS TO ACCOMPLISH THE SCHEME TO DEFRAUD

24 21. The fraudulent scheme operated, in substance, as
25 follows:

26 a. Medicare beneficiaries were approached by unknown
27 individuals who promised them money or free durable medical
28 equipment such as power wheelchairs from Medicare.

1 b. In response, the Medicare beneficiaries supplied
2 their Medicare cards, HICNs, and patient information; they were
3 often taken to clinics that were not affiliated with their
4 regular primary care physicians; and they often subsequently
5 received power wheelchairs.

6 c. These clinics purported to refer the Medicare
7 beneficiaries to defendant FIREMPONG, a general practitioner, for
8 nerve conduction velocity studies ("NCVs"), peripheral vascular
9 tests ("PVLs"), and sleep studies, even though the beneficiaries
10 themselves were not aware of these referrals and often had not
11 seen the referring doctor, and even though the tests were not
12 medically necessary.

13 d. Defendant FIREMPONG used the names, HICNs, and
14 other patient information of those Medicare beneficiaries to
15 submit false and fraudulent claims to Medicare under the Marine
16 Clinic and Major Clinic provider numbers. Defendant FIREMPONG
17 represented in his claims to Medicare that he had performed both
18 the technical and professional components of NCVs, PVLs, and
19 sleep studies. In fact, the services were not medically
20 necessary and were either (i) performed by providers other than
21 defendant FIREMPONG, including T.H., a physician who was excluded
22 from the Medicare program; or (ii) never performed at all.

23 e. Defendant FIREMPONG billed Medicare for providing
24 multiple services to beneficiaries in the same day using modifier
25 59, when in fact beneficiaries did not receive multiple, distinct
26 tests in one day, and sometimes received no tests at all.

27 f. Defendant FIREMPONG directed that Medicare
28 payments be deposited into the Major Clinic and the Marine Clinic

1 bank accounts that he alone controlled, and received
2 approximately \$782,710.36 as a result of fraudulent claims he
3 billed to Medicare.

4 g. From the Major Clinic and the Marine Clinic bank
5 accounts, defendant FIREMPONG withdrew more than \$175,000 in
6 cash, and wrote checks to pay for a variety of personal expenses
7 and pay approximately \$2,325 to T.H.

8 D. THE EXECUTION OF THE FRAUDULENT SCHEME

9 22. On or about the dates set forth below, within the
10 Central District of California and elsewhere, defendant
11 FIREMPONG, together with others known and unknown to the Grand
12 Jury, for the purpose of executing and attempting to execute the
13 fraudulent scheme described above, knowingly and willfully caused
14 to be submitted to Medicare the following false and fraudulent
15 claims for payment:

<u>COUNT</u>	<u>CLAIM NUMBER</u>	<u>APPROX. DATE SUBMITTED</u>	<u>APPROX. AMOUNT SUBMITTED</u>	<u>NATURE OF CLAIM & BENEFICIARY</u>
ONE	551108043674040	2/12/2008	\$850.00	PVL - M.M.
TWO	551108127166690	5/6/2008	\$900.00	NCV and H-Reflex Amplitude and Latency Study - R.L.
THREE	551808129111100	5/8/2008	\$480.00	NCV - R.L.
FOUR	551108137446250	5/16/2008	\$900.00	NCV and H-Reflex Amplitude and Latency Study - M.I.
FIVE	551108140475010	5/19/2008	\$900.00	NCV and H-Reflex Amplitude and Latency Study - B.G.

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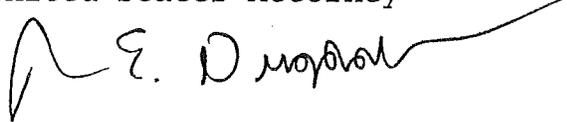
<u>COUNT</u>	<u>CLAIM NUMBER</u>	<u>APPROX. DATE SUBMITTED</u>	<u>APPROX. AMOUNT SUBMITTED</u>	<u>NATURE OF CLAIM & BENEFICIARY</u>
SIX	551108140474730	5/19/2008	\$900.00	NCV and H-Reflex Amplitude and Latency Study - A.G.
SEVEN	551108140474720	5/19/2008	\$900.00	NCV and H-Reflex Amplitude and Latency Study - A.V.
EIGHT	551108142396570	5/21/2008	\$900.00	NCV and H-Reflex Amplitude and Latency Study - E.V.
NINE	551108142396560	5/21/2008	\$900.00	NCV and H-Reflex Amplitude and Latency Study - H.V.

<u>COUNT</u>	<u>CLAIM NUMBER</u>	<u>APPROX. DATE SUBMITTED</u>	<u>APPROX. AMOUNT SUBMITTED</u>	<u>NATURE OF CLAIM & BENEFICIARY</u>
TEN	551108144327720	5/23/2008	\$980.00	Sleep Study - R.K.

A TRUE BILL

15/
Foreperson

ANDRÉ BIROTTE JR.
United States Attorney



ROBERT E. DUGDALE
Assistant United States Attorney
Chief, Criminal Division

BEONG-SOO KIM
Assistant United States Attorney
Chief, Major Frauds Section

CONSUELO S. WOODHEAD
Assistant United States Attorney
Deputy Chief, Major Frauds Section

KRISTEN A. WILLIAMS
Assistant United States Attorney
Major Frauds Section