

FILED

2012 SEP 21 PM 3:55

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

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

June 2012 Grand Jury

CR. 12 00903

12 UNITED STATES OF AMERICA,

13 Plaintiff,

14 v.

15 ALEX KAPRI,

aka "Alex Kapriyelov,"

16 aka "Alexander Kapriyelov,"

17 ALEKSEY MURATOV,

aka "Russ Muratov,"

18 WESLEY HARLAN KINGSBURY, and

19 DANIELLE HARTSELL MEDINA,

20 Defendants.

) CH. NO.

) 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. § 2(b):
) Causing an Act to be Done; 18
) U.S.C. § 371: Conspiracy to
) Defraud the United States and
) Obstruct a Federal Audit; 18
) U.S.C. § 1001(a)(2): Making a
) Materially False, Fictitious,
) or Fraudulent Statement; 18
) U.S.C. § 982(a)(7), 21 U.S.C.
) § 853, and 28 U.S.C.
) § 2461(c): Forfeiture]

22 The Grand Jury charges:

23 COUNT ONE

24 [18 U.S.C. § 1349]

25 A. INTRODUCTORY ALLEGATIONS

26 At all times relevant to this Indictment:
27
28

1 The Conspirators

2 1. Defendant ALEX KAPRI ("KAPRI"), also known as ("aka")
3 "Alex Kapriyelov," aka "Alexander Kapriyelov," was the President,
4 Chief Executive Officer, and Registered Agent of Alpha Ambulance,
5 Inc. ("Alpha"), a purported ambulance transportation company
6 located in Los Angeles, California.

7 2. Defendant ALEKSEY MURATOV ("MURATOV"), aka "Russ
8 Muratov," was the Vice-President, Chief Financial Officer, and
9 Secretary of Alpha.

10 3. Defendant WESLEY HARLAN KINGSBURY ("KINGSBURY") was the
11 General Manager of Alpha.

12 4. Defendant DANIELLE HARTSELL MEDINA ("MEDINA") was the
13 Training and Education Supervisor of Alpha.

14 5. Between on or about June 13, 2008, and on or about July
15 31, 2012, Alpha submitted to Medicare claims totaling
16 approximately \$49,266,303 for purported ambulance transportation
17 and related services, and Medicare paid Alpha approximately
18 \$13,303,154.14 on those claims.

19 The Medicare Program

20 6. The Medicare Program ("Medicare") was a federal health
21 care benefit program, affecting interstate commerce, that
22 provided benefits to individuals who were over the age of 65 or
23 disabled. Medicare was administered by the Centers for Medicare
24 and Medicaid Services ("CMS"), a federal agency under the United
25 States Department of Health and Human Services. Medicare was a
26 "health care benefit program" as defined by Title 18, United
27 States Code, Section 24(b).

1 7. Medicare was subdivided into multiple parts. Medicare
2 Part B covered, among other things, ambulance services.

3 8. Individuals who qualified for Medicare benefits were
4 commonly referred to as "Medicare beneficiaries." Each Medicare
5 beneficiary was given a Medicare identification number.

6 9. Medicare covered ambulance services only if furnished
7 to a beneficiary whose medical condition at the time of transport
8 was such that transportation by other means would endanger the
9 patient's health. A patient whose condition permitted transport
10 in any type of vehicle other than an ambulance did not qualify
11 for Medicare payment. Medicare payment for ambulance
12 transportation depended on the patient's condition at the actual
13 time of the transport regardless of the patient's diagnosis. To
14 be deemed medically necessary for payment, the patient must have
15 required both the transportation and the level of service
16 provided.

17 10. Ambulance transportation was only covered when the
18 patient's condition required the vehicle itself and/or the
19 specialized services of the trained ambulance personnel. A
20 requirement of coverage was that the needed services of the
21 ambulance personnel were provided and clear clinical
22 documentation validated their medical need and their provision in
23 the record of the service. This requisite information usually
24 was documented in a "run sheet," which set forth all the details
25 related to any one specific transportation of a beneficiary.

26 11. In the absence of an emergency condition, ambulance
27 services were covered only under the following circumstances:
28 (1) the patient being transported could not be transported by any

1 other means without endangering the individual's health or (2)
2 the patient was before, during, and after transportation, bed
3 confined. For purposes of Medicare coverage, "bed confined"
4 meant the patient met all of the following three criteria: (1)
5 unable to get up from bed without assistance; (2) unable to
6 ambulate; and (3) unable to sit in a chair (including a
7 wheelchair).

8 12. A thorough assessment and documented description of the
9 patient's current state was essential for coverage. All
10 statements about the patient's medical condition or bed confined
11 status must have been validated in the documentation using
12 contemporaneous objective observations and findings.

13 13. For ambulance services to have been covered by
14 Medicare, the transport must have been to the nearest institution
15 with appropriate facilities for the treatment of the illness or
16 injury involved. The term "appropriate facilities" meant that
17 the institution was generally equipped to provide care necessary
18 to manage the illness or injury involved. Covered destinations
19 for non-emergency transports included: (1) hospitals; (2)
20 skilled nursing facilities; (3) dialysis facilities; (4) from a
21 skilled nursing facility to the nearest supplier of medically
22 necessary services not available at the skilled nursing facility
23 where the beneficiary was a resident, including the return trip,
24 when the patient's condition at the time of transport required
25 ambulance services; and (5) the patient's residence only if the
26 transport was to return from a hospital and the patient's
27 condition at the time of transport required ambulance services.

28

1 14. Ambulance transportation was only covered where the
2 transportation was in fact provided.

3 15. Medicare did not cover transportation in vans,
4 privately-owned vehicles, taxicabs, Ambi-buses, ambulettes, or
5 Medi-cabs.

6 16. CMS contracted with Medicare Administrative Contractors
7 ("MACs") to process claims for payment. The MAC that processed
8 and paid Medicare Part B claims in Southern California, starting
9 in October 2007, was Palmetto GBA.

10 17. To bill Medicare for services rendered, a provider
11 submitted a claim form (Form 1500) to Palmetto GBA. When a Form
12 1500 was submitted, usually in electronic form, the provider
13 certified:

- 14 a. the contents of the form were true, correct, and
15 complete;
- 16 b. the form was prepared in compliance with the laws
17 and regulations governing Medicare; and
- 18 c. the services being billed were medically
19 necessary.

20 18. A Medicare claim for payment was required to set forth,
21 among other things, the following: (1) the beneficiary's name and
22 unique Medicare identification number; (2) the item or service
23 provided; (3) the cost of the item or service; and (4) the name
24 and Unique Physician Identification Number ("UPIN") and/or the
25 National Provider Identifier ("NPI") of the physician who
26 prescribed or ordered the item or service.

27 19. Ambulance companies seeking to participate in, and
28 obtain reimbursement from, Medicare were required to submit to

1 Palmetto GBA a Medicare Enrollment Application (Form CMS 855B).
2 The Medicare Enrollment Application required applicants in
3 California to provide a copy of an Emergency Ambulance Non-
4 Transferable License (form CHP 360A) issued by the State of
5 California as well as a Special Vehicle Identification
6 Certificate/Permit (form CHP 301) for each ambulance to be used
7 to provide services to Medicare beneficiaries.

8 B. THE OBJECT OF THE CONSPIRACY

9 20. Beginning at least as early as on or about September 6,
10 2007, and continuing at least through on or about July 31, 2012,
11 in Los Angeles County, within the Central District of California,
12 and elsewhere, defendants KAPRI, MURATOV, KINGSBURY, and MEDINA,
13 together with others known and unknown to the Grand Jury,
14 knowingly combined, conspired, and agreed to commit health care
15 fraud, in violation of Title 18, United States Code, Section
16 1347.

17 C. THE MANNER AND MEANS OF THE CONSPIRACY

18 21. The object of the conspiracy was carried out, and to be
19 carried out, in substance, as follows:

20 a. On or about September 6, 2007, defendant KAPRI
21 registered as the sole Incorporator and Registered Agent of Alpha
22 in State of California corporate records.

23 b. On or about November 6, 2007, defendants KAPRI and
24 MURATOV opened a corporate bank account for Alpha at Citibank,
25 account number xxxxx5150.

26 c. On or about February 1, 2008, defendants KAPRI and
27 MURATOV executed and submitted an application to Medicare to
28 obtain and maintain a Medicare provider number for Alpha.

1 d. On or about October 20, 2009, defendants KAPRI and
2 MURATOV opened a second corporate bank account for Alpha at
3 Citibank, account number xxxxx5245.

4 e. Defendants KAPRI, MURATOV, KINGSBURY, and MEDINA,
5 as well as co-conspirators known and unknown to the Grand Jury,
6 thereafter provided ambulance transportation services, through
7 Alpha, to Medicare beneficiaries knowing that the beneficiaries'
8 medical condition did not necessitate the transportation
9 services.

10 f. Defendants KINGSBURY and MEDINA instructed Alpha
11 employees to document a reason justifying ambulance
12 transportation services on run sheets even if one did not exist.

13 g. Defendant MEDINA instructed Alpha employees not to
14 write certain words, such as "chair," "walk," or "sit," on run
15 sheets because Medicare would not pay for the ambulance
16 transportation services if these words were present.

17 h. Based upon these medically unnecessary ambulance
18 transportation services, defendants KAPRI, MURATOV, KINGSBURY,
19 and MEDINA, as well as co-conspirators known and unknown to the
20 Grand Jury, knowingly submitted, and caused the submission of,
21 false and fraudulent claims to Medicare on behalf of Alpha.

22 i. As a result of the submission of these false and
23 fraudulent claims, Medicare made payments to Alpha's corporate
24 bank account at Citibank, account number xxxxx5150.

25 j. Defendants KAPRI and MURATOV then transferred and
26 disbursed, and caused the transfer and disbursement of, monies
27 from Alpha's Citibank account number XXXXX5150 to themselves and
28 others, including defendants KINGSBURY and MEDINA.

1 k. Defendants KAPRI, MURATOV, KINGSBURY, and MEDINA,
2 as well as co-conspirators known and unknown to the Grand Jury,
3 concealed, and attempted to conceal, their submission of false
4 and fraudulent claims to Medicare by altering run sheets and
5 other documentation related to the ambulance transportation
6 services provided by Alpha.

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

1 COUNTS TWO THROUGH SIX

2 [18 U.S.C. §§ 1347, 2(b)]

3 A. INTRODUCTORY ALLEGATIONS

4 22. The Grand Jury incorporates by reference and re-alleges
5 paragraphs 1 through 19 of this Indictment as though set forth in
6 their entirety here.

7 B. THE SCHEME TO DEFRAUD

8 23. Beginning at least as early as on or about September 6,
9 2007, and continuing at least through on or about July 31, 2012,
10 in Los Angeles County, within the Central District of California,
11 and elsewhere, defendants KAPRI, MURATOV, KINGSBURY, and MEDINA,
12 together with others known and unknown to the Grand Jury,
13 knowingly, willfully, and with intent to defraud, executed, and
14 attempted to execute, a scheme and artifice: (a) to defraud a
15 health care benefit program, namely Medicare, as to material
16 matters in connection with the delivery of, and payment for,
17 health care benefits, items, and services; and (b) to obtain
18 money from Medicare by means of materially false and fraudulent
19 pretenses and representations and the concealment of material
20 facts in connection with the delivery of, and payment for, health
21 care benefits, items, and services.

22 C. MEANS TO ACCOMPLISH THE SCHEME TO DEFRAUD

23 24. The fraudulent scheme operated, in substance, as
24 described in paragraph 21 of this Indictment, which is hereby
25 incorporated by reference as though set forth in its entirety
26 here.

1 D. THE EXECUTION OF THE FRAUDULENT SCHEME

2 25. On or about the dates set forth below, within the
3 Central District of California and elsewhere, defendants KAPRI,
4 MURATOV, KINGSBURY, and MEDINA, together with others known and
5 unknown to the Grand Jury, for the purpose of executing and
6 attempting to execute the fraudulent scheme described above,
7 knowingly and willfully submitted and caused to be submitted to
8 Medicare the following false and fraudulent claims for payment
9 purportedly for Basic Life Support, non-emergency ambulance
10 transportation (Code A0428):

11

<u>COUNT</u>	<u>BENE- FICIARY</u>	<u>CLAIM NUMBER</u>	<u>APPROXIMATE DATE SUBMITTED</u>	<u>APPROXIMATE AMOUNT OF CLAIM</u>
TWO	J.R.	11809020415500	01/20/09	\$662
THREE	M.M.	11110232715910	08/20/10	\$566
FOUR	S.S.	11110327239060	11/23/10	\$566
FIVE	L.A.	1111047067760	02/16/11	\$863
SIX	L.A.	11111327507660	11/23/11	\$937

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

1 person, entity, or program receiving in excess of \$100,000,
2 directly or indirectly, from the United States in any 1-year
3 period, that is, the Medicare program, in violation of Title 18,
4 United States Code, Section 1516.

5 B. THE MANNER AND MEANS OF THE CONSPIRACY

6 30. The object of the conspiracy was carried out, and to be
7 carried out, in substance, as follows: defendants KAPRI, MURATOV,
8 KINGSBURY, and MEDINA, and others known and unknown to the Grand
9 Jury, obstructed a CMS audit of Alpha's false and fraudulent
10 claims by, among other things, altering records and patient files
11 that otherwise showed ambulance transportation services provided
12 by Alpha were not medically necessary, and thus not reimbursable
13 by Medicare.

14 C. OVERT ACTS

15 31. In furtherance of the conspiracy, and to accomplish its
16 object, defendants KAPRI, MURATOV, KINGSBURY, and MEDINA,
17 together with others known and unknown to the Grand Jury,
18 committed and willfully caused others to commit the following
19 overt acts, among others, in the Central District of California
20 and elsewhere:

21 Overt Act No. 1: On or about April 1, 2012, defendants KAPRI
22 and MURATOV conducted a meeting with defendants MEDINA and
23 KINGSBURY and others to discuss the Medicare audit and the
24 records and patient files that had been requested as a part of
25 that audit.

26 Overt Act No. 2: On or about April 5, 2012, defendants
27 MEDINA and KINGSBURY, at the direction of defendant MURATOV,
28

1 began to review records and patient files that were the subject
2 of the Medicare audit.

3 Overt Act No. 3: On or about April 15, 2012, defendants
4 MEDINA and KINGSBURY, and others, acting at their direction,
5 began altering records and patient files that were the subject of
6 the Medicare audit.

7 Overt Act No. 4: On or about April 16, 2012, defendant KAPRI
8 contacted CMS, via telephone, and asked for an extension of time
9 to produce the records and patient files that were the subject of
10 the Medicare audit.

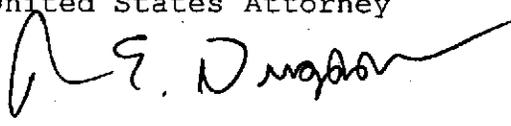
11 Overt Act No. 5: On or about April 30, 2012, defendants
12 KAPRI and MURATOV met with defendant KINGSBURY and, among other
13 things, asked defendant KINGSBURY if federal agents' interest in
14 Alpha related to CMS' then audit of Alpha.

15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 exercise of due diligence; has been transferred, sold to, or
2 deposited with a third party; has been placed beyond the
3 jurisdiction of this court; has been substantially diminished in
4 value; or has been commingled with other property that cannot be
5 divided without difficulty.

6
7 A TRUE BILL
8
9
10
11

12 ANDRÉ BIROTTE JR.
13 United States Attorney

14 
15 ROBERT E. DUGDALE
16 Assistant United States Attorney
17 Chief, Criminal Division

18 RICHARD E. ROBINSON
19 Assistant United States Attorney
20 Chief, Major Frauds Section

21 SAM SHELDON
22 Deputy Chief, Fraud Section
23 United States Department of Justice

24 BENTON CURTIS
25 Assistant Chief, Fraud Section
26 United States Department of Justice
27
28