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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
October 2012 Grand Jury

UNITED STATES OF AMERICA,
Plaintiff,
v.
OLUFUNKE IBIYEMI FADOJUTIMI,
aka "Olu,"
AYODEJI TEMITAYO FATUNMBI,
aka "Ayo,"
aka "Paul,"
aka "Paul Olawale,"
MARITZA ELIZABETH VELAZQUEZ,
aka "Maritza Rodriguez,"
Defendants.

CR No. **CR13-0324**

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. § 1956(h): Laundering
of Monetary Instruments]

The Grand Jury charges:

COUNT ONE

[DEFENDANTS FADOJUTIMI, FATUNMBI, AND VELAZQUEZ]

[18 U.S.C. § 1349]

A. INTRODUCTORY ALLEGATIONS

At all times relevant to this Indictment:

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1 The Conspirators

2 1. Defendant OLUFUNKE IBIYEMI FADOJUTIMI, also known as
3 ("aka") "Olu" ("defendant FADOJUTIMI"), was a registered nurse
4 who owned and operated a business known as Lutemi Medical
5 Supplies from in or about September 2003, which defendant
6 FADOJUTIMI subsequently incorporated, owned, and operated as
7 Lutemi Medical Supply, Inc. (collectively "Lutemi") starting in
8 or about November 2006. Lutemi operated as a durable medical
9 equipment ("DME") supply company located at 550 Carson Plaza
10 Drive, Suite 125, Carson, California, within the Central District
11 of California. Defendant FADOJUTIMI, completed, signed, and
12 submitted applications and other paperwork to the Medicare
13 Program ("Medicare") to obtain and maintain Medicare provider
14 numbers for Lutemi and, at times, completed paperwork used by
15 Lutemi's staff and medical billers to submit claims to Medicare.

16 2. Defendant AYODEJI TEMITAYO FATUNMBI, aka "Ayo," aka
17 "Paul," aka "Paul Olawale" ("defendant FATUNMBI"), worked at
18 Lutemi and helped defendant FADOJUTIMI manage Lutemi's daily
19 operations.

20 3. Defendant MARITZA ELIZABETH VELAZQUEZ, aka "Maritza
21 Rodriguez" ("defendant VELAZQUEZ"), was employed at Lutemi as its
22 officer manager starting in or about 2007. As part of her job
23 duties at Lutemi, defendant VELAZQUEZ billed Lutemi's claims to
24 Medicare. In addition, in or about December 2008, defendant
25 VELAZQUEZ started and ran "Betty's Billing Service" ("Betty's
26 Billing"), a medical billing business that defendant VELAZQUEZ
27 operated while she worked for Lutemi. Before defendant VELAZQUEZ
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1 joined Lutemi, she worked for a medical billing business that
2 submitted claims to Medicare on behalf of Lutemi.

3 4. A co-conspirator known to the Grand Jury ("CC1") was a
4 licensed doctor who operated a medical clinic. In exchange for
5 illegal kickbacks paid to CC1 by defendants FADOJUTIMI, FATUNMBI,
6 VELAZQUEZ, and others acting on their behalf, CC1 wrote false and
7 fraudulent prescriptions and documents for power wheelchairs
8 ("PWCs") and other DME which defendants FADOJUTIMI, FATUNMBI,
9 VELAZQUEZ, and others used as a basis to bill Medicare.

10 5. A co-conspirator known to the Grand Jury ("CC2") was
11 associated with individuals who owned fraudulent medical clinics
12 that generated false and fraudulent prescriptions and documents
13 for PWCs and other DME which defendants FADOJUTIMI, FATUNMBI,
14 VELAZQUEZ, and others known and unknown to the Grand Jury used as
15 a basis to bill Medicare. CC2 and CC2's associates operated
16 these clinics, and provided and sold the false and fraudulent
17 prescriptions and documents generated at the clinics to the
18 owners and operators of DME supply companies and others.

19 6. Between in or about April 2004 and in or about May
20 2011, Lutemi submitted to Medicare claims totaling approximately
21 \$8,358,501 for PWCs and other DME, and Medicare paid Lutemi
22 approximately \$4,372,466 on those claims.

23 The Medicare Program

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

3 8. CMS contracted with private insurance companies to (a)
4 certify DME providers for participation in Medicare and monitor
5 their compliance with Medicare standards; (b) process and pay
6 claims; and (c) perform program safeguard functions, such as
7 identifying and reviewing suspect claims.

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

12 10. DME companies, physicians, and other health care
13 providers that provided medical services that were reimbursed by
14 Medicare were referred to as Medicare "providers."

15 11. To obtain payment from Medicare, a DME company first
16 had to apply for and obtain a provider number. By signing the
17 provider application, the DME company agreed to abide by Medicare
18 rules and regulations, including the Anti-Kickback Statute (42
19 U.S.C. § 1320a-7b(b)), which, among other things, prohibited the
20 payment of kickbacks or bribes for the referral of Medicare
21 beneficiaries for any item or service for which payment may be
22 made by the Medicare program.

23 12. If Medicare approved a provider's application, Medicare
24 assigned the provider a Medicare provider number, enabling the
25 provider (such as a DME company or physician) to submit claims to
26 Medicare for services and supplies provided to Medicare
27 beneficiaries.

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1 13. To obtain and maintain their Medicare provider numbers
2 and billing privileges, DME providers had to meet Medicare
3 standards for participation. The Medicare contractor responsible
4 for evaluating and certifying DME providers' compliance with
5 these standards was Palmetto GBA ("Palmetto").

6 14. From in or about January 2003 through in or about
7 September 2006, CIGNA processed and paid Medicare DME claims in
8 Southern California. From in or about October 2006 onward,
9 Noridian Administrative Services ("Noridian") performed this
10 function.

11 15. Most Medicare providers, including Lutemi, submitted
12 their claims electronically pursuant to an agreement with
13 Medicare that they would submit claims that were accurate,
14 complete, and truthful, and would retain all original source
15 documents and medical records pertaining to any Medicare claim
16 for a period of six years and three months after the claim was
17 billed to and paid by Medicare. On more than occasion, defendant
18 FADOJUTIMI executed such electronic billing agreements on behalf
19 of Lutemi.

20 16. Medicare paid DME providers only for DME that was
21 medically necessary to the treatment of a beneficiary's illness
22 or injury, was prescribed by a beneficiary's physician, and was
23 provided in accordance with Medicare regulations and guidelines
24 that governed whether a particular item or service would be paid
25 by Medicare.

26 17. To bill Medicare for DME provided to a beneficiary, a
27 DME provider was required to submit a claim (Form 1500) to
28 Noridian or CIGNA. Medicare required claims to be truthful,

1 complete, and not misleading. In addition, when a claim was
2 submitted, the DME provider was required to certify that the DME
3 or services covered by the claim were medically necessary.

4 18. Medicare required a claim for payment to set forth,
5 among other things, the beneficiary's name and HICN, the type of
6 DME provided to the beneficiary, the date the DME was provided,
7 and the name and unique physician identification number ("UPIN")
8 of the physician who prescribed or ordered the DME.

9 19. Medicare had a co-payment requirement for DME.
10 Medicare reimbursed providers 80% of the allowed amount of a DME
11 claim and the beneficiary was ordinarily obligated to pay the
12 remaining 20%.

13 B. THE OBJECT OF THE CONSPIRACY

14 20. Beginning in or about September 2003, and continuing
15 through in or about January 2013, in Los Angeles County, within
16 the Central District of California, and elsewhere, defendants
17 FADOJUTIMI, FATUNMBI, and VELAZQUEZ, together with CC1, CC2, and
18 others known and unknown to the Grand Jury, knowingly combined,
19 conspired, and agreed to commit health care fraud, in violation
20 of Title 18, United States Code, Section 1347.

21 C. THE MANNER AND MEANS OF THE CONSPIRACY

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

24 a. Defendants FADOJUTIMI, FATUNMBI, VELAZQUEZ, and
25 others known and unknown to the Grand Jury, would use both cash
26 and checks to pay illegal kickbacks to marketers to recruit
27 Medicare beneficiaries for PWCs and other DME for which the
28 beneficiaries did not have a legitimate medical need. In some

1 cases, these beneficiaries lived in cities and towns that were
2 hundreds of miles and several hours away from Lutemi.

3 b. In order to communicate with Lutemi's marketers,
4 defendants FADOJUTIMI, FATUNMBI, and VELAZQUEZ gave one of
5 Lutemi's employees a cellular telephone for the employee to
6 communicate with the marketers.

7 c. The employee and defendant VELAZQUEZ would
8 maintain a special ledger in which they recorded, among other
9 things, the names and Medicare numbers of the beneficiaries, and
10 the names of the marketers who recruited them.

11 d. Defendants FADOJUTIMI, FATUNMBI, VELAZQUEZ, and
12 others acting on their behalf would pay illegal kickbacks to CC1
13 and other doctors and individuals to provide them with false and
14 fraudulent prescriptions and documents that defendants
15 FADOJUTIMI, FATUNMBI, VELAZQUEZ, and others acting on their
16 behalf would use to submit false and fraudulent claims to
17 Medicare for PWCs and other DME.

18 e. Defendants FADOJUTIMI, FATUNMBI, VELAZQUEZ, and
19 others acting on their behalf would also use false and fraudulent
20 prescriptions and documents generated by the fraudulent medical
21 clinics run by CC2 and CC2's associates to submit false and
22 fraudulent claims to Medicare for PWCs and other DME.

23 f. Defendants FADOJUTIMI, FATUNMBI, and VELAZQUEZ
24 would obtain cash to pay kickbacks to the marketers, doctors,
25 CC1, CC2, and CC2's associates by writing checks from Lutemi's
26 Wells Fargo Bank corporate accounts to Lutemi's employees; to
27 family members, friends, and co-workers of defendant FADOJUTIMI;
28 and to others known and unknown to the Grand Jury. Often at

1 defendant FATUNMBI's direction, these individuals would cash the
2 checks and return all or almost all of the money to defendants
3 FADOJUTIMI, FATUNMBI, and VELAZQUEZ, who would then use the money
4 to pay the illegal kickbacks.

5 g. After acquiring the false and fraudulent
6 prescriptions and documents, defendants FADOJUTIMI, FATUNMBI, and
7 VELAZQUEZ would submit, and cause the submission of, false and
8 fraudulent claims to Medicare for PWCs and other DME provided by
9 Lutemi to Medicare beneficiaries that was not medically
10 necessary.

11 h. In many cases, defendants FADOJUTIMI, FATUNMBI,
12 and VELAZQUEZ would submit claims to Medicare before Lutemi
13 actually provided or delivered PWCs and other DME to Lutemi's
14 beneficiaries.

15 i. As a result of defendants FADOJUTIMI, FATUNMBI,
16 and VELAZQUEZ's submission of false and fraudulent claims at
17 Lutemi, Medicare made payments to Lutemi's two corporate bank
18 accounts at Wells Fargo Bank. Defendant FADOJUTIMI would then
19 transfer and disburse, and cause the transfer and disbursement
20 of, monies from Lutemi's corporate bank accounts to herself,
21 defendants FATUNMBI and VELAZQUEZ, and others.

1 D. EXECUTIONS OF THE FRAUDULENT SCHEME

2 25. On or about the dates set forth below, within the
3 Central District of California and elsewhere, defendants
4 FADOJUTIMI, FATUNMBI, and VELAZQUEZ, together with others known
5 and unknown to the Grand Jury, for the purpose of executing and
6 attempting to execute the fraudulent scheme described above,
7 knowingly and willfully caused to be submitted to Medicare for
8 payment the following false and fraudulent claims purportedly for
9 PWCs and related accessories:

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<u>COUNT</u>	<u>BENE- FICIARY</u>	<u>CLAIM NUMBER</u>	<u>DATE BILLED TO MEDICARE</u>	<u>AMOUNT BILLED TO MEDICARE</u>
TWO	F.V.	8163820619000	06/11/08	\$5,500
THREE	H.C.	8163820615000	06/11/08	\$5,500
FOUR	R.F.	8288850788000	10/14/08	\$4,500
FIVE	J.J.	9128833685000	05/08/09	\$4,500
SIX	R.M.	9168845974000	06/17/09	\$4,500
SEVEN	S.G.	9253840816000	09/10/09	\$4,500
EIGHT	M.B.	10019842869000	01/19/10	\$4,500

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COUNT NINE

[DEFENDANTS FADOJUTIMI AND FATUNMBI]

[18 U.S.C. § 1956(h)]

A. INTRODUCTORY ALLEGATIONS

26. The Grand Jury incorporates by reference and re-alleges paragraphs 1 through 19 and paragraph 21(a) through (i) of this Indictment as though set forth in their entirety here.

27. In or around 2003, defendant FADOJUTIMI opened a corporate bank account for Lutemi at Wells Fargo Bank, account number xxxxxx1313. Until in or around January 2008, when she closed the account, defendant FADOJUTIMI maintained sole signature authority for this account.

28. On or about July 5, 2007, defendant FADOJUTIMI opened a second corporate bank account for Lutemi at Wells Fargo Bank, account number xxxxxx9490. Defendant FADOJUTIMI maintained sole signature authority for this account.

B. THE OBJECTS OF THE CONSPIRACY

29. Beginning in or about August 2006 and continuing to in or about March 2010, in the Central District of California and elsewhere, defendants FADOJUTIMI and FATUNMBI, along with others known and unknown to the Grand Jury, conspired and agreed with each other to knowingly and intentionally commit the following offenses against the United States:

(1) Knowing that property involved in a financial transaction represented the proceeds of some form of unlawful activity, and which property was, in fact, the proceeds of specified unlawful activity, that is, conspiracy to commit health care fraud and health care fraud, in violation of Title 18,

1 United States Code, Sections 1349 and 1347, conducted and
2 attempted to conduct financial transactions with the intent to
3 promote the carrying on of said specified unlawful activity, in
4 violation of Title 18, United States Code, Section
5 1956(a)(1)(A)(i); and

6 (2) Knowing that the property involved in a financial
7 transaction represented the proceeds of some form of unlawful
8 activity, and which property was, in fact, the proceeds of
9 specified unlawful activity, that is, conspiracy to commit health
10 care fraud and health care fraud, in violation of Title 18,
11 United States Code, Sections 1349 and 1347, conducted and
12 attempted to conduct financial transactions with the intent to
13 conceal or disguise the nature, location, source, ownership, and
14 control of the proceeds of said specified unlawful activity, in
15 violation of Title 18, United States Code, Section
16 1956(a)(1)(B)(i).

17 C. THE MANNER AND MEANS OF THE CONSPIRACY

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

20 a. Defendant FADOJUTIMI would execute and submit
21 electronic funds transfer agreements to Medicare, requesting that
22 all reimbursements from Medicare be directly deposited into
23 Lutemi's Wells Fargo Bank corporate accounts, account numbers
24 xxxxxx1313 and xxxxxx9490.

25 b. Defendant FADOJUTIMI would cause the proceeds of
26 the health care fraud conspiracy and scheme to be deposited into
27 Lutemi's corporate bank accounts.

28 c. Defendants FADOJUTIMI and FATUNMBI would write

1 checks, and cause checks to be written, to Lutemi employees; to
2 family, friends, and co-workers of defendant FADOJUTIMI; and to
3 others known and unknown to the Grand Jury.

4 d. These individuals would then cash the checks and
5 return all or almost all of the funds to defendants FADOJUTIMI
6 and FATUNMBI. At times, these individuals would retain a portion
7 of the funds for themselves.

8 e. Defendants FADOJUTIMI and FATUNMBI, and others
9 known and unknown to the Grand Jury, would then used the cash to
10 pay various individuals, including but not limited to marketers,
11 CCl, and other individuals who provided defendants FADOJUTIMI and
12 FATUNMBI with the false and fraudulent prescriptions and
13 documents that they used to submit their false and fraudulent
14 claims to Medicare.

15 f. In addition, defendant FADOJUTIMI,
16 together with others known and unknown to the Grand Jury, would
17 transmit, and cause to be transmitted, funds from the Lutemi bank
18 accounts, to the corporate bank account for Fatumbe Inc.
19 ("Fatumbe"), a corporation owned and operated by defendant
20 FADOJUTIMI, Wells Fargo Bank account number xxxxx8310, on which
21 defendant FADOJUTIMI was a signatory. Defendant FADOJUTIMI would
22 transmit and cause the transmission of funds from the Lutemi bank
23 accounts to the Fatumbe bank account to conceal and disguise the
24 true nature, ownership, and control of the proceeds of the health
25 care fraud, by, among other means, making it appear as if Lutemi
26 had incurred legitimate business expenses, when, in fact, the

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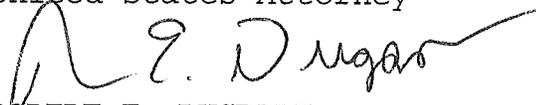
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1 money was being paid to defendant FADOJUTIMI and converted to
2 cash.

3 A TRUE BILL

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5 15/
Foreperson

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7 ANDRÉ BIROTTE JR.
United States Attorney

8 
9 ROBERT E. DUGDALE
Assistant United States Attorney
10 Chief, Criminal Division

11 RICHARD E. ROBINSON
Assistant United States Attorney
12 Chief, Major Frauds Section

13 CONSUELO WOODHEAD
Assistant United States Attorney
14 Assistant Chief, Major Frauds Section

15 CHARLES LABELLA
Deputy Chief, Fraud Section
16 United States Department of Justice

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

19 FRED MEDICK
Trial Attorney, Fraud Section
20 United States Department of Justice

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