



1 Secretary, and Registered Agent of ProMed Medical Transportation,  
2 Inc. ("ProMed"), an ambulance transportation company located in  
3 Gardena, California.

4 2. Defendant SERGEY ALEKSEYEVICH MUMJIAN ("MUMJIAN"), aka  
5 "Serge Mumjian," aka "Sergey A. Mumdzhyan," was the Office Manager  
6 and Biller for ProMed.

7 3. Defendant SHARETTA MICHELE WALLACE ("WALLACE"), aka  
8 "Michele Wallace," was the General Manager of ProMed.

9 4. Between on or about May 8, 2008, and on or about January  
10 6, 2011, ProMed submitted to Medicare claims totaling approximately  
11 \$5,992,414.50 for ambulance transportation and related services,  
12 and Medicare paid ProMed approximately \$3,178,116.41 on those  
13 claims.

14 The Medicare Program

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

22 6. Medicare was subdivided into multiple parts. Medicare  
23 Part B covered, among other things, ambulance services.

24 7. Individuals who qualified for Medicare benefits were  
25 commonly referred to as "Medicare beneficiaries." Each Medicare  
26 beneficiary was given a Medicare identification number.

27 8. Medicare covered ambulance services only if furnished to  
28 a beneficiary whose medical condition at the time of transport was

1 such that ambulance transportation was medically necessary. A  
2 patient whose condition permitted transport in any type of vehicle  
3 other than an ambulance did not qualify for Medicare payment.  
4 Medicare payment for ambulance transportation depended on the  
5 patient's condition at the actual time of the transport regardless  
6 of the patient's diagnosis. To be deemed medically necessary for  
7 payment, the patient must have required both the transportation and  
8 the level of service provided.

9       9. Ambulance transportation was only covered when the  
10 patient's condition required the vehicle itself or the specialized  
11 services of the trained ambulance personnel. A requirement of  
12 coverage was that the needed services of the ambulance personnel  
13 were provided and clear clinical documentation validated their  
14 medical need and their provision in the record of the service,  
15 which was usually the run sheet.

16       10. In the absence of an emergency condition, ambulance  
17 services were covered only under the following circumstances: (1)  
18 the patient being transported could not be transported by any other  
19 means without endangering the individual's health; or (2) the  
20 patient was before, during, and after transportation, bed confined.  
21 For purposes of Medicare coverage, "bed confined" meant the patient  
22 met all of the following three criteria: (1) unable to get up from  
23 bed without assistance; (2) unable to ambulate; and (3) unable to  
24 sit in a chair (including a wheelchair).

25       11. A thorough assessment and documented description of the  
26 patient's current state was essential for coverage. All statements  
27 about the patient's medical condition or bed confined status must  
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1 have been validated in the documentation using contemporaneous,  
2 objective observations and findings.

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

18       13. CMS contracted with Medicare Administrative Contractors  
19 ("MACs") to process claims for payment. The MAC that processed and  
20 paid Medicare Part B claims in Southern California, starting in  
21 October 2007, was Palmetto GBA.

22       14. To bill Medicare for services rendered, a provider  
23 submitted a claim form (Form 1500) to Palmetto GBA. When a Form  
24 1500 was submitted, usually in electronic form, the provider  
25 certified:

- 26       a. the contents of the form were true, correct and complete;
- 27       b. the form was prepared in compliance with the laws and
- 28       regulations governing Medicare; and

1 c. the services being billed were medically necessary.

2 15. A Medicare claim for payment was required to set forth,  
3 among other things, the following: the beneficiary's name and  
4 unique Medicare identification number; the item or service  
5 provided; the cost of the item or service; and the name and Unique  
6 Physician Identification Number ("UPIN") and/or the National  
7 Provider Identifier ("NPI") of the physician who prescribed or  
8 ordered the item or service.

9 B. THE OBJECT OF THE CONSPIRACY

10 16. Beginning on or about May 8, 2008, and continuing through  
11 on or about January 6, 2011, in Los Angeles County, within the  
12 Central District of California, and elsewhere, defendants PROSHAK,  
13 MUMJIAN, and WALLACE, together with others known and unknown to the  
14 Grand Jury, knowingly combined, conspired, and agreed to commit  
15 health care fraud, in violation of Title 18, United States Code,  
16 Section 1347.

17 C. THE MANNER AND MEANS OF THE CONSPIRACY

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

20 a. On or about April 10, 2008, defendant PROSHAK opened two  
21 corporate bank accounts for ProMed at Bank of America, account  
22 numbers xxxxx-042867 and xxxxx-45440.

23 b. On or after April 10, 2008, defendant PROSHAK became a  
24 signatory on an existing corporate bank account for ProMed at Bank  
25 of America, account number xxxxx-06672.

26 c. On or about May 1, 2008, defendant PROSHAK purchased  
27 ProMed.

1 d. On or about May 6, 2008, defendant PROSHAK filed a  
2 Statement of Information with the State of California as the Chief  
3 Executive Officer, Secretary, and Registered Agent of ProMed.

4 e. On or about July 4, 2008, defendant PROSHAK executed and  
5 submitted an electronic funds transfer agreement to Medicare,  
6 requesting that all future reimbursements from Medicare be directly  
7 deposited into ProMed's Bank of America account, account number  
8 xxxxx-06672.

9 f. Defendants PROSHAK, MUMJIAN, and WALLACE, together with  
10 others known and unknown to the Grand Jury, thereafter provided  
11 ambulance transportation services, through ProMed, to Medicare  
12 beneficiaries knowing that the beneficiaries' medical condition did  
13 not necessitate the ambulance transportation services.

14 g. Defendants PROSHAK, MUMJIAN, and WALLACE instructed  
15 ProMed employees to document a reason justifying ambulance  
16 transportation services on run sheets even if one did not exist.

17 h. Defendant MUMJIAN and WALLACE instructed ProMed employees  
18 not to write certain words, such as "walk" or "assisted to gurney,"  
19 on run sheets because Medicare would not pay for the ambulance  
20 transportation services if these words were present.

21 i. Defendants PROSHAK, MUMJIAN, and WALLACE, together with  
22 others known and unknown to the Grand Jury, knowingly submitted,  
23 and caused the submission of, false and fraudulent claims to  
24 Medicare on behalf of ProMed for these medically unnecessary  
25 ambulance transportation services,

26 j. As a result of the submission of false and fraudulent  
27 claims, Medicare made payments to ProMed's corporate bank account  
28 at Bank of America, account number xxxxx-06672.

1 k. Defendant PROSHAK then transferred and disbursed, and  
2 caused the transfer and disbursement of, monies from ProMed's  
3 corporate bank account to himself and others, including defendants  
4 MUMJIAN and WALLACE.

5 1. Defendants PROSHAK, MUMJIAN, and WALLACE, together with  
6 others known and unknown to the Grand Jury, concealed, and  
7 attempted to conceal, their submission of false and fraudulent  
8 claims to Medicare by altering and causing the alteration of run  
9 sheets and other documentation related to the ambulance  
10 transportation services provided by ProMed.

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1 Jury, for the purpose of executing and attempting to execute the  
2 fraudulent scheme described above, knowingly and willfully  
3 submitted and caused to be submitted to Medicare the following  
4 false and fraudulent claims for payment for Basic Life Support,  
5 non-emergency ambulance transportation (Code A0428):

<u>COUNT</u>	<u>BENEFICIARY</u>	<u>CLAIM NUMBER</u>	<u>APPROX. DATE SUBMITTED</u>	<u>APPROX. AMOUNT OF CLAIM</u>
TWO	M.N.	551109245852050	09/02/2009	\$891
THREE	R.P.	551109334911780	11/30/2009	\$918
FOUR	A.L.	551110078829510	03/19/2010	\$864
FIVE	G.G.	551110265739110	09/22/2010	\$418.50
SIX	R.T.	551110270510810	09/27/2010	\$810



