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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

January 2014 Grand Jury

CR14-0259

UNITED STATES OF AMERICA,

Plaintiff,

v.

SYLVIA OGBENYEANU WALTER-EZE,
JUDITH BONGCAYAO ESTRELLA,
aka "Judith Bituin," and
WILMER DAVID GUZMAN,

Defendants.

) CR 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
) Pay and Receive Health Care
) Kickbacks]

The Grand Jury charges:

COUNT ONE

[18 U.S.C. § 1349]

A. INTRODUCTORY ALLEGATIONS

At all times relevant to this Indictment:

The Defendants

1. Defendant SYLVIA OGBENYEANU WALTER-EZE ("WALTER-EZE")
owned and operated EZCOR-9000, Inc. ("Ezcor"), a durable medical

1 equipment ("DME") supply company located in Valencia, California,
2 within the Central District of California.

3 2. Defendant JUDITH BONGCAYAO ESTRELLA, also known as
4 ("aka") "Judith Bituin" ("ESTRELLA"), worked as a "marketer" for
5 Ezcor.

6 3. Defendant WILMER DAVID GUZMAN ("GUZMAN") worked as a
7 "marketer" for Ezcor.

8 The Medicare and Medi-Cal Programs

9 4. Medicare was a federal health care benefit program,
10 affecting commerce, that provided benefits to individuals who
11 were over the age of 65 or disabled.

12 5. Medi-Cal was a health care benefit program, affecting
13 commerce, that provided reimbursement for health care services to
14 indigent persons in California. Funding for Medi-Cal was shared
15 between the federal government and the State of California.

16 6. Medicare was administered by the Centers for Medicare
17 and Medicaid Services ("CMS"), a federal agency under the United
18 States Department of Health and Human Services ("HHS"). CMS
19 contracted with private insurance companies to: (a) certify DME
20 providers for participation in Medicare and monitor their
21 compliance with Medicare standards; (b) process and pay claims;
22 and (c) perform program safeguard functions, such as identifying
23 and reviewing suspect claims.

24 7. The California Department of Health Care Services
25 ("CAL-DHCS") administered Medi-Cal. CAL-DHCS authorized provider
26 participation, determined beneficiary eligibility, issued Medi-
27 Cal cards to beneficiaries, and promulgated regulations for the
28 administration of the program.

1 8. Individuals who qualified for Medicare or Medi-Cal
2 benefits were referred to as "beneficiaries."

3 9. Medicare assigned each Medicare beneficiary a Health
4 Identification Card containing a unique identification number
5 ("HICN").

6 10. DME companies, physicians, and other health care
7 providers who provided medical services that were reimbursed by
8 Medicare and Medi-Cal were referred to as Medicare and Medi-Cal
9 "providers."

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

19 12. If Medicare or Medi-Cal approved a provider's
20 application, Medicare or Medi-Cal assigned the provider a
21 provider number, enabling the provider (such as a DME company) to
22 submit claims to Medicare and Medi-Cal for services and supplies
23 provided to Medicare or Medi-Cal beneficiaries.

24 13. Medicare and Medi-Cal reimbursed DME companies and
25 other health care providers for medically-necessary treatment and
26 services rendered to beneficiaries.

27 14. Most Medicare providers, including Ezcors, submitted
28 their claims to Medicare electronically pursuant to an agreement

1 with Medicare that they would submit claims that were accurate,
2 complete, and truthful.

3 15. To obtain payment for services from Medi-Cal, an
4 enrolled provider, such as Ezcors, using its provider number,
5 would submit claims to Medi-Cal certifying that the information
6 on the claim form was truthful and accurate and that the services
7 provided were reasonable and necessary to the health of the
8 Medi-Cal beneficiary.

9 16. To obtain and maintain their Medicare provider number
10 billing privileges, DME suppliers had to meet Medicare standards
11 for participation.

12 17. Medicare paid DME providers only for DME that was
13 medically necessary to the treatment of a beneficiary's illness
14 or injury, was prescribed by a beneficiary's physician, and was
15 provided in accordance with Medicare regulations and guidelines
16 that governed whether a particular item or service would be paid
17 by Medicare.

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

23 19. Medicare had a co-payment requirement for DME.
24 Medicare reimbursed providers 80% of the allowed amount of a DME
25 claim and the beneficiary was ordinarily obligated to pay the
26 remaining 20%.

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1 B. THE OBJECT OF THE CONSPIRACY

2 20. Beginning no later than in or around 2007, and
3 continuing through in or around May 2012, in Los Angeles County,
4 within the Central District of California, and elsewhere,
5 defendants WALTER-EZE, ESTRELLA, and GUZMAN, together with others
6 known and unknown to the Grand Jury, knowingly combined,
7 conspired, and agreed to commit health care fraud, in violation
8 of Title 18, United States Code, Section 1347.

9 C. THE MANNER AND MEANS OF THE CONSPIRACY

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

12 a. On or about February 1, 1999, a corporate bank
13 account was opened for Ezcors at Bank of America, account number
14 xxxxx-2800 ("Ezcors BA #1 Account"). Defendant WALTER-EZE was
15 an authorized signator on this account.

16 b. On or about April 1, 2000, defendant WALTER-EZE
17 opened a corporate bank account for Ezcors at Bank of America,
18 account number xxxxx-3951 ("Ezcors BA #2 Account"). Defendant
19 WALTER-EZE was an authorized signator on this account.

20 c. On or about August 29, 2003, WALTER-EZE executed
21 and submitted an application to Medicare to obtain and maintain a
22 Medicare provider number for Ezcors.

23 d. On or about August 23, 2006, defendant WALTER-EZE
24 executed and submitted an electronic funds transfer agreement
25 ("EFT") to Medicare, requesting that all future reimbursements
26 from Medicare be directly deposited into the Ezcors BA #1
27 Account.

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1 e. On or about February 12, 2010, defendant WALTER-
2 EZE opened a corporate bank account for Ezcors at Capital One
3 Bank, account number xxxxx-4585 ("Ezcors Capital One Account").
4 Defendant WALTER-EZE was the sole authorized signator on this
5 account.

6 f. On or about January 11, 2010, defendant WALTER-EZE
7 executed and submitted an updated EFT to Medicare, requesting
8 that all future reimbursements from Medicare be directly
9 deposited into the Ezcors Capital One Account.

10 g. On or about April 15, 2010, defendant WALTER-EZE
11 opened a corporate bank account for Ezcors at Wells Fargo Bank,
12 account number xxxxx-8707 ("Ezcors Wells Fargo Account").
13 Defendant WALTER-EZE was the sole authorized signator on this
14 account.

15 h. Individuals known as "marketers," including
16 defendants ESTRELLA and GUZMAN, obtained beneficiaries'
17 information by offering them medically unnecessary power
18 wheelchairs ("PWCs"), hospital beds, orthotics, and other DME.

19 i. Defendant WALTER-EZE would pay "marketers,"
20 including defendants ESTRELLA and GUZMAN, to solicit
21 beneficiaries for Ezcors, and to offer them medically unnecessary
22 PWCs, hospital beds, orthotics, and other DME.

23 j. At defendant WALTER-EZE's instruction, the
24 "marketers," including defendants ESTRELLA and GUZMAN, would take
25 or refer the beneficiaries to medical clinics, doctors' offices,
26 and other locations where fraudulent prescriptions and medical
27 documents were generated using the beneficiaries' personal
28 information and HICNs.

1 k. Defendant WALTER-EZE would then acquire these
2 false and fraudulent prescriptions and other documents from the
3 medical clinics, doctors' offices, and other sources for the
4 purpose of using these prescriptions and documents to submit and
5 cause the submission of false and fraudulent claims to Medicare
6 and Medi-Cal on behalf of Ezcors.

7 l. As a result of the submission of these false and
8 fraudulent claims, Medicare made payments to Ezcors's BA #1
9 Account and Ezcors's Capital One Account.

10 m. Defendant WALTER-EZE then disbursed, and caused
11 the disbursement of, monies from Ezcors's corporate bank accounts
12 to herself and others, including defendants ESTRELLA and GUZMAN.

13 22. Between on or about January 1, 2007, and in or around
14 May 2012, defendant WALTER-EZE and her co-conspirators submitted
15 and caused Ezcors to submit claims to Medicare and Medi-Cal
16 totaling approximately \$3,521,786.83 for PWCs, DME, and other
17 related services. Ezcors received approximately \$1,939,529.27 on
18 those claims.

1 EZE, ESTRELLA, and GUZMAN, together with others known and unknown
 2 to the Grand Jury, for the purpose of executing and attempting to
 3 execute the fraudulent scheme described above, knowingly and
 4 willfully caused to be submitted to Medicare for payment the
 5 following false and fraudulent claims for power wheelchairs and
 6 related accessories:

<u>COUNT</u>	<u>DEFENDANTS</u>	<u>BENEFICIARY</u>	<u>CLAIM NUMBER</u>	<u>APPROX. DATE SUBMITTED</u>	<u>APPROX. AMOUNT OF CLAIM</u>
TWO	WALTER-EZE ESTRELLA	M.M	100988321 17000	4/08/2010	\$5,810.09
THREE	WALTER-EZE ESTRELLA	V.C.M.	101758082 29000	6/24/2010	\$4,876.27
FOUR	WALTER-EZE GUZMAN	N.G.	102288192 53000	8/16/2010	\$5,810.09
FIVE	WALTER-EZE GUZMAN	M.W.	111088060 79000	4/18/2011	\$1,624.21
SIX	WALTER-EZE GUZMAN	M.G.	111368334 31000	5/16/2011	\$1,624.21

1 D. OVERT ACTS

2 30. In furtherance of the conspiracy and to accomplish its
3 object, defendants WALTER-EZE, ESTRELLA, and GUZMAN, together
4 with others known and unknown to the Grand Jury, committed and
5 willfully caused others to commit the following overt acts, among
6 others, within the Central District of California and elsewhere:

7 Overt Act No. 1: On or about March 5, 2007, defendant
8 WALTER-EZE paid and caused to be paid kickbacks for patient
9 referrals by defendant ESTRELLA in the amount of \$2,600 paid to
10 defendant ESTRELLA. The check was drawn upon Ezcors BA #2
11 Account (check number #2826).

12 Overt Act No. 2: On or about April 13, 2009, defendant
13 WALTER-EZE paid and caused to be paid kickbacks for patient
14 referrals by defendant ESTRELLA in the amount of \$1,500 paid to
15 defendant ESTRELLA. The check was drawn upon Ezcors BA #2
16 Account (check number #3269).

17 Overt Act No. 3: On or about May 11, 2010, defendant
18 WALTER-EZE paid and caused to be paid kickbacks for patient
19 referrals by defendant GUZMAN in the amount of \$500 paid to
20 defendant GUZMAN. The check was drawn upon Ezcors BA #2 Account
21 (check number #10439).

22 Overt Act No. 4: On or about June 14, 2010, defendant
23 WALTER-EZE paid and caused to be paid kickbacks for patient
24 referrals by defendant GUZMAN in the amount of \$1,200 paid to
25 defendant GUZMAN. The was drawn upon Ezcors BA #2 Account
26 (check number #10450).

27 Overt Act No. 5: On or about June 22, 2010, defendant
28 WALTER-EZE paid and caused to be paid kickbacks for patient

1 referrals by defendant ESTRELLA in the amount of \$1,000 paid to
2 defendant ESTRELLA. The check was drawn upon Ezcors BA #2
3 Account (check number #1375).

4 Overt Act No. 6: On or about February 15, 2011, defendant
5 WALTER-EZE paid and caused to be paid kickbacks for patient
6 referrals by defendant GUZMAN in the amount of \$1,650 paid to
7 defendant GUZMAN. The check was drawn upon Ezcors Wells Fargo
8 Account (check number #1056).

9 Overt Act No. 7: On or about June 4, 2011, defendant
10 WALTER-EZE paid and caused to be paid kickbacks for patient
11 referrals by defendant ESTRELLA in the amount of \$500 paid to
12 defendant ESTRELLA. The check was drawn upon Ezcors Wells Fargo
13 Account (check number #1109).

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1 Overt Act No. 8: On or about January 19, 2012, defendant
2 WALTER-EZE paid and caused to be paid kickbacks for patient
3 referrals by defendant GUZMAN in the amount of \$120 paid to
4 defendant GUZMAN. The check was drawn upon Ezcors Wells Fargo
5 Account (check number #1193).

7 A TRUE BILL

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Foreperson

11
12 ANDRÉ BIROTTE JR.
United States Attorney

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14 

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

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

20 CONSUELO WOODHEAD
Assistant United States Attorney
21 Deputy Chief, Major Frauds Section

22 BEN SINGER
Deputy Chief, Fraud Section
23 United States Department of Justice

24 BEN CURTIS
Assistant Chief, Fraud Section
25 United States Department of Justice

26 BLANCA QUINTERO
Trial Attorney, Fraud Section
27 United States Department of Justice

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