

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 13-  
 :  
 v. : 18 U.S.C. § 1349  
 :  
 DAVID NOGAKI :  
 : INFORMATION

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey charges:

**The Defendant and Co-conspirators**

1. At all times relevant to this Information:
  - a. Defendant DAVID NOGAKI resided in New Brunswick, New Jersey and was a partner in SOURCE Institute for Human Performance (“Source”).
  - b. A.L., who is named as a co-conspirator but not as a defendant herein, resided in New Jersey and was a partner in Source. A.L. owned Ivy League Health and Fitness, Inc., which did business as Source.
  - c. B.W., who is named as a co-conspirator but not as a defendant herein, resided in New Jersey and worked at Source.

**Source**

2. At all times relevant to this Information:
  - a. Source maintained an office address in Princeton, New Jersey.
  - b. Source purported to provide exercise, strength, conditioning, and performance coaching services to individual clients.

c. Source offered these services to students, faculty, and staff at certain independent high schools in New Jersey.

d. No one who worked at or for Source was a trained physical therapist or licensed to perform physical therapy.

### **Private Insurers**

3. At all times relevant to this Information:

a. AmeriHealth, Inc. and its subsidiaries and affiliates (“AmeriHealth”) offered health insurance coverage in New Jersey. AmeriHealth was a “health care benefit program” as defined by federal law.

b. Aetna Inc. and its subsidiaries and affiliates (“Aetna”) offered health insurance coverage in New Jersey. Aetna was a “health care benefit program” as defined by federal law.

c. Horizon Blue Cross Blue Shield of New Jersey (“Horizon”) offered health insurance coverage in New Jersey. Horizon was a “health care benefit program” as defined by federal law.

d. United Healthcare Group and its subsidiaries and affiliated companies (“United Healthcare”) offered health insurance coverage in New Jersey. United Healthcare was a “health care benefit program” as defined by federal law.

e. New Jersey Manufacturers Insurance Company (“NJM”) offered health insurance coverage in New Jersey. NJM was a “health care benefit program” as defined by federal law.

### **Physical Therapy**

4. At all times relevant to this Information:

a. AmeriHealth, Aetna, Horizon, UnitedHealthcare, and NJM provided health insurance coverage for physical therapy, but only if a physician or physical therapist had direct contact with the patient during the physical therapy.

b. Physical therapeutic procedures were billed insurers under Current Procedural Terminology (“CPT”) codes that require a physician or physical therapist to have direct (one-on-one) patient contact.

**The Conspiracy**

5. From at least in or about May 2008 through on or about August 3, 2011 at Princeton, in Mercer County, in the District of New Jersey, and elsewhere, defendant

DAVID NOGAKI

did knowingly and willfully conspire and agree with A.L., B.W., and with others to devise a scheme and artifice to defraud health care benefit programs, namely, AmeriHealth, Aetna, Horizon, UnitedHealthcare, and NJM, and others, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, those health care benefit programs, in connection with the delivery of and payment for health care benefits, items, and services, contrary to Title 18, United States Code, Section 1347.

**Object Of The Conspiracy**

6. The object of the conspiracy was for defendant NOGAKI, A.I., B.W., and others to enrich themselves by billing AmeriHealth, Aetna, Horizon, UnitedHealthcare, NJM, and others hundreds of thousands of dollars for physical therapy medical services rendered by individuals who were not doctors or physical therapists and were not acting under the direct personal supervision of doctors or physical therapists.

### **Manner And Means Of The Conspiracy**

7. It was part of the conspiracy that defendant NOGAKI, B.W., and others would obtain health insurance information from individuals.

8. It was further part of the conspiracy that defendant NOGAKI, B.W., and others would call an individual's health insurance company to find out if the company covered physical therapy and falsely state on that call that Source was a provider of physical therapy.

9. It was part of the conspiracy that defendant NOGAKI falsely represented to insurers in billings that he and others provided physical therapy to their insureds.

10. It was part of the conspiracy that defendant NOGAKI would submit billings to insurers using CPT codes claiming that he had provided physical therapy to their insureds when no physician or physical therapist had direct contact with the insured.

11. It was further part of the conspiracy that defendant NOGAKI falsely represented to insurers in billings that he himself treated insureds who were in fact treated by other persons.

12. It was further part of the conspiracy that defendant NOGAKI, B.W., A.L., and others would treat individuals with prescriptions from physicians stating that the patients required physical therapy, even though no one at Source was a physical therapist.

13. It was further part of the conspiracy that defendant NOGAKI and A.L. made their own diagnoses of individuals who were never diagnosed by a doctor, treated those individuals, and billed insurers for providing physical therapy to those individuals.

14. It was further part of the conspiracy that defendant NOGAKI and A.L. split Source's profits.

**Furthering The Conspiracy**

15. In furtherance of the conspiracy and to effect its objects, its members committed and caused to be committed the following acts:

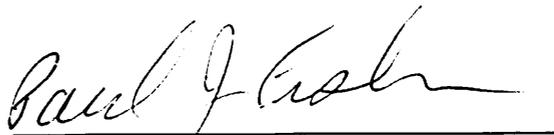
c. On or about May 5, 2008, defendant NOGAKI submitted a health insurance claim to NJM falsely claiming that Source had provided physical therapy to NJM's insured.

d. On or about September 3, 2010, defendant NOGAKI signed a health insurance claim form falsely claiming that he provided physical therapy services and then submitted the form to AmeriHealth.

e. On or about January 27, 2010, defendant NOGAKI signed a health insurance claim form falsely claiming that he provided physical therapy services and then submitted the form to NJM.

f. On or about March 22, 2011, defendant NOGAKI sent a memo to United Healthcare falsely representing that Source had provided physical therapy to United Healthcare's insured.

All in violation of Title 18, United States Code, Section 1349.



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PAUL J. FISHMAN  
United States Attorney

CASE NUMBER: 13-

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**PAUL J. FISHMAN**  
U.S. Attorney  
Newark, New Jersey

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**R. DAVID WALK, JR.**  
Assistant U.S. Attorney  
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