

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA,
HAYWARD HALL OF JUSTICE

459864-0 A ENDORSED
FILED
ALAMEDA COUNTY

OCT 22 2014

CLERK OF THE SUPERIOR COURT
By KRISTINA JACKSON
Deputy

PEOPLE OF THE STATE OF CALIFORNIA

COMPLAINT NO.

v.

DOUGLAS JOEL ABELES

PFN: DRV465

CEN: 4346164

GABRIELA CUEVAS

PFN: DRV470

CEN: 4346172

WALK WARRANT

Defendant(s).

The Undersigned, being sworn says, on information and belief, that DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: GRAND THEFT OF PERSONAL PROPERTY, a violation of section 487(a) of the PENAL CODE of California, in that said defendant(s) did unlawfully take money and personal property of a value exceeding Nine Hundred Fifty Dollars (\$950), to wit Lawful Money the property of STATE COMPENSATION INSURANCE FUND.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

SECOND COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: GRAND THEFT OF PERSONAL PROPERTY, a violation of section 487(a) of the PENAL CODE of California, in that said defendant(s) did unlawfully take money and personal property of a value exceeding Nine Hundred Fifty Dollars (\$950), to wit Lawful Money the property of LIBERTY MUTUAL INSURANCE.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

THIRD COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: GRAND THEFT OF PERSONAL PROPERTY, a violation of section 487(a) of the PENAL CODE of California, in that said defendant(s) did unlawfully take money and personal property of a value exceeding Nine Hundred Fifty Dollars (\$950), to wit Lawful Money the property of THE TRAVELERS INSURANCE COMPANY.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

FOURTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: GRAND THEFT OF PERSONAL PROPERTY, a violation of section 487(a) of the PENAL CODE of California, in that said defendant(s) did unlawfully take money and personal property of a value exceeding Nine Hundred Fifty Dollars (\$950), to wit Lawful Money the property of ZENITH INSURANCE COMPANY.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

FIFTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: GRAND THEFT OF PERSONAL PROPERTY, a violation of section 487(a) of the PENAL CODE of California, in that said defendant(s) did unlawfully take money and personal property of a value exceeding Nine Hundred Fifty Dollars (\$950), to wit Lawful Money the property of BERKSHIRE HATHAWAY HOMESTATE COMPANIES.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

SIXTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: GRAND THEFT OF PERSONAL PROPERTY, a violation of section 487(a) of the PENAL CODE of California, in that said defendant(s) did unlawfully take money and personal property of a value exceeding Nine Hundred Fifty Dollars (\$950), to wit Lawful Money the property of FIREMAN'S FUND INSURANCE COMPANY.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

SEVENTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: CONSPIRACY TO COMMIT A CRIME, a violation of section 182(a)(1) of the PENAL CODE of California, in that said defendant(s) did unlawfully conspire together and with another person and persons whose identity is unknown to commit the crime of Grand Theft of Personal Property, in violation of Section 487(a) of the Penal Code, a felony; that pursuant to and for the purpose of carrying out the objectives and purposes of the aforesaid conspiracy, the said defendant(s) committed the following overt act and acts at and in the County of Alameda:

Douglas Abeles hired Gabriela Cuevas in 2005 to work for him as a receptionist in his medical practice's office and thereafter promoted her based on her performance in doing what he asked her to do and her loyalty to him.

Douglas Abeles formed Physicians RX Network, Inc. ("PRXN") in 2005 and transferred Gabriela Cuevas to work there in 2008. Douglas Abeles put PRXN in a location other than his medical office. Douglas Abeles had PRXN contract with physicians in regards to the dispensing of prescribed drugs, including prescription compound creams, and billing the insurance companies on behalf of the physicians for these drugs. Gabriela Cuevas worked for Douglas Abeles at PRXN.

In late 2010, Douglas Abeles went into the Urine Analysis ("UA") business, forming Redwood Laboratory Management, LP and Redwood Laboratory Associates, LLC ("RLM"). RLM contracted with physicians in regards to urine drug testing of patients and billing insurance companies on behalf of the physicians for this drug testing. Douglas Abeles had PRXN and RLM operate in the same office and the two businesses overlapped and shared.

In January of 2010, Douglas Abeles hired Gregg Gorski to be a sales representative for PRXN; in November of 2010, Douglas Abeles hired Roxanne Cecot to be the billing supervisor for PRXN; and in February of 2011, Douglas Abeles hired Larry Davis to be the Chief Operating Officer of PRXN.

Douglas Abeles fired Larry Davis within two weeks of his hire because Larry Davis complained to Douglas Abeles about improprieties concerning the new urine analysis business there. Douglas Abeles promoted Gregg Gorski to be the operations manager for PRXN.

In the spring and summer of 2010, both Roxanne Cecot and Gregg Gorski complained to Douglas Abeles about improprieties in the billing at PRXN, particularly about over-billing insurance companies for prescription drug compounds. Roxanne Cecot learned that Douglas Abeles told the receptionist at PRXN and another PRXN employee to over-ride the billing software at PRXN and manually change the prices (upwards) on the bills sent to the insurance companies. Douglas Abeles then transferred both of these employees to RLM to do the billing for RLM.

In May of 2011, Douglas Abeles formed another business, PRXN Toxicology, LLC. Also during that same month, Roxanne Cecot complained to Douglas Abeles about the impropriety of falsely billing the insurance companies and Douglas Abeles said to her, "Screw them until they catch on."

In June of 2011, Douglas Abeles wrote the following in an email that he sent to Gregg Gorski and Gabriela Cuevas: "The goal is to have specific job roles with in the UA program. I want them to still work with each other. IE PRXN and RLM ... Also, I wanted to clarify Larry Davis. ... not because he questioned the business model. He threatened the UA program with very specific actions that would have lost the deal for us. This would have caused lost revenue in the amount of over 3,000,000. ... Furthermore if any employee further implies any wrong doing to anyone they are to be let go immediately on grounds of insubordination and liable. We cannot operate a successful company with this kind of mutiny...."

Douglas Abeles instructed or caused his PRXN and RLM employees to print documents that Douglas Abeles' business partner (Alliance Toxicology) sent to them and then sent these documents to the insurance companies, along with a bill for the documents. One document was called a "Urine Toxicology Review" report and it purported that the physician that ordered the urine test spent forty-five minutes reviewing medical records that had been submitted for the physician's review by PRXN. The report ended with a closing of "sincerely," and then the physician's name typed where the signature is normally placed.

PRXN and RLM never sent these "Urine Toxicology Review" ("UTR") reports to the physicians, just the insurance companies and it was accompanied by a bill for it. The physician never authored these UTR's.

Crystal Ung was hired by Douglas Abeles in about April of 2011 to be a biller at RLM. When Crystal Ung complained that this false report and billing was not right, Douglas Abeles told her to continue doing what she was hired to do. She obeyed Douglas Abeles and he increased her pay from \$15 per hour to \$21 per hour. Crystal Ung later quit working for Douglas Abeles because of these acts.

In November of 2011, a physician's office called PRXN/RLM to complain about the UTR's and PRXN/RLM's billing the insurance companies for them. Gabriela Cuevas spoke to the physician's office about these complaints. Gabriela Cuevas told the office that this was done by accident by employee Crystal Ung, they fired her because of this and it would not happen again.

In January of 2012, Douglas Abeles promoted Amy Rader to do Crystal Ung's job. He made Amy Rader the head of the UA department. Amy Rader was the PRXN receptionist that Douglas Abeles told to change the prices upward for the prescription compounds in the spring of 2011 and then he promoted her when she did what he told her to do.

By January of 2012, Douglas Abeles had put Gabriela Cuevas in charge of everything at PRXN and RLM. Both Gregg Gorski and Roxanne Cecot had left PRXN/RLM. All employees at PRXN/RLM answered to Gabriela Cuevas and she answered to Douglas Abeles.

In January of 2012, Gabriela Cuevas emailed Alliance Toxicology (Douglas Abeles' partner) and informed them that Amy Rader was taking Crystal Ung's position for the UA program. She also asked that Alliance Toxicology set up Amy Rader to receive the UTR's and other UA documents that Alliance Toxicology was sending to PRXN/RLM. Gabriela Cuevas also trained Amy Rader how to bill the insurance companies for Douglas Abeles' UA program.

In April of 2012, Amy Rader emailed Douglas Abeles with a billing question. She told him that before she took over in January they billed the UTR report at six units and \$39.95 per unit but Douglas Abeles' partner at Alliance Toxicology told her to bill it at a lower rate (\$39.95 for the first unit and \$29.96 at the next five units). Amy Rader told Douglas Abeles that when she billed at the new rate the insurance companies were only paying for the first unit and not paying anything for the next five units. She asked Douglas Abeles how he wanted her to bill in the future for the UTR's. Douglas Abeles responded four hours later and copied Gabriela Cuevas. His response was, "as discussed bill as 6 units"

Despite everything known to them, Douglas Abeles and Gabriela Cuevas continued to send to the insurance companies UTR's stating that the physician spent forty-five minutes on the matter and billed the insurance companies accordingly until they changed it in about September of 2012.

In May of 2013, Gabriela Cuevas' work computer was seized pursuant to a court ordered search of PRXN/RLM's business office. There were over 10,200 UTR's stored in her computer.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

EIGHTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: INSURANCE FRAUD, a violation of section 1871.4(a)(2) of the INSURANCE CODE of California, in that said defendant(s) did unlawfully and knowingly present and cause to be presented a false and fraudulent written and oral material statement in support of, and in opposition to, a claim for compensation for the purpose of obtaining and denying compensation, as defined in section 3207 of the Labor Code.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

NINTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: INSURANCE FRAUD, a violation of section 1871.4(a)(2) of the INSURANCE CODE of California, in that said defendant(s) did unlawfully and knowingly present and cause to be presented a false and fraudulent written and oral material statement in support of, and in opposition to, a claim for compensation for the purpose of obtaining and denying compensation, as defined in section 3207 of the Labor Code.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

TENTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: INSURANCE FRAUD, a violation of section 1871.4(a)(2) of the INSURANCE CODE of California, in that said defendant(s) did unlawfully and knowingly present and cause to be presented a false and fraudulent written and oral material statement in support of, and in opposition to, a claim for compensation for the purpose of obtaining and denying compensation, as defined in section 3207 of the Labor Code.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

ELEVENTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: INSURANCE FRAUD, a violation of section 1871.4(a)(2) of the INSURANCE CODE of California, in that said defendant(s) did unlawfully and knowingly present and cause to be presented a false and fraudulent written and oral material statement in support of, and in opposition to, a claim for compensation for the purpose of obtaining and denying compensation, as defined in section 3207 of the Labor Code.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

TWELFTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: INSURANCE FRAUD, a violation of section 1871.4(a)(2) of the INSURANCE CODE of California, in that said defendant(s) did unlawfully and knowingly present and cause to be presented a false and fraudulent written and oral material statement in support of, and in opposition to, a claim for compensation for the purpose of obtaining and denying compensation, as defined in section 3207 of the Labor Code.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

THIRTEENTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: INSURANCE FRAUD, a violation of section 1871.4(a)(2) of the INSURANCE CODE of California, in that said defendant(s) did unlawfully and knowingly present and cause to be presented a false and fraudulent written and oral material statement in support of, and in opposition to, a claim for compensation for the purpose of obtaining and denying compensation, as defined in section 3207 of the Labor Code.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

FOURTEENTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: CONSPIRACY TO COMMIT A CRIME, a violation of section 182(a)(1) of the PENAL CODE of California, in that said defendant(s) did unlawfully conspire together and with another person and persons whose identity is unknown to commit the crime of Insurance Fraud, in violation of Section 1871.4(a)(2) of the Insurance Code, a felony; that pursuant to and for the purpose of carrying out the objectives and purposes of the aforesaid conspiracy, the said defendant(s) committed the following overt act and acts at and in the County of Alameda:

Douglas Abeles hired Gabriela Cuevas in 2005 to work for him as a receptionist in his medical practice's office and thereafter promoted her based on her performance in doing what he asked her to do and her loyalty to him.

Douglas Abeles formed Physicians RX Network, Inc. ("PRXN") in 2005 and transferred Gabriela Cuevas to work there in 2008. Douglas Abeles put PRXN in a location other than his medical office. Douglas Abeles had PRXN contract with physicians in regards to the dispensing of prescribed drugs, including prescription compound creams, and billing the insurance companies on behalf of the physicians for these drugs. Gabriela Cuevas worked for Douglas Abeles at PRXN.

In late 2010, Douglas Abeles went into the Urine Analysis ("UA") business, forming Redwood Laboratory Management, LP and Redwood Laboratory Associates, LLC ("RLM"). RLM contracted with physicians in regards to urine drug testing of patients and billing insurance companies on behalf of the physicians for this drug testing. Douglas Abeles had PRXN and RLM operate in the same office and the two businesses overlapped and shared.

In January of 2010, Douglas Abeles hired Gregg Gorski to be a sales representative for PRXN; in November of 2010, Douglas Abeles hired Roxanne Cecot to be the billing supervisor for PRXN; and in February of 2011, Douglas Abeles hired Larry Davis to be the Chief Operating Officer of PRXN.

Douglas Abeles fired Larry Davis within two weeks of his hire because Larry Davis complained to Douglas Abeles about improprieties concerning the new urine analysis business there. Douglas Abeles promoted Gregg Gorski to be the operations manager for PRXN.

In the spring and summer of 2010, both Roxanne Cecot and Gregg Gorski complained to Douglas Abeles about improprieties in the billing at PRXN, particularly about over-billing insurance companies for prescription drug compounds. Roxanne Cecot learned that Douglas Abeles told the receptionist at PRXN and another PRXN employee to over-ride the billing software at PRXN and manually change the prices (upwards) on the bills sent to the Insurance companies. Douglas Abeles then transferred both of these employees to RLM to do the billing for RLM.

In May of 2011, Douglas Abeles formed another business, PRXN Toxicology, LLC. Also during that same month, Roxanne Cecot complained to Douglas Abeles about the impropriety of falsely billing the insurance companies and Douglas Abeles said to her, "Screw them until they catch on."

In June of 2011, Douglas Abeles wrote the following in an email that he sent to Gregg Gorski and Gabriela Cuevas: "The goal is to have specific job roles with in the UA program. I want them to still work with each other. IE PRXN and RLM ... Also, I wanted to clarify Larry Davis. ...not because he questioned the business model. He threatened the UA program with very specific actions that would have lost the deal for us. This would have caused lost revenue in the amount of over 3,000,000. ... Furthermore if any employee further implies any wrong doing to anyone they are to be let go immediately on grounds of insubordination and liable. We cannot operate a successful company with this kind of mutiny...."

Douglas Abeles instructed or caused his PRXN and RLM employees to print documents that Douglas Abeles' business partner (Alliance Toxicology) sent to them and then sent these documents to the insurance companies, along with a bill for the documents. One document was called a "Urine Toxicology Review" report and it purported that the physician that ordered the urine test spent forty-five minutes reviewing medical records that had been submitted for the physician's review by PRXN. The report ended with a closing of "sincerely," and then the physician's name typed where the signature is normally placed.

PRXN and RLM never sent these "Urine Toxicology Review" ("UTR") reports to the physicians, just the insurance companies and it was accompanied by a bill for it. The physician never authored these UTR's.

Crystal Ung was hired by Douglas Abeles in about April of 2011 to be a biller at RLM. When Crystal Ung complained that this false report and billing was not right, Douglas Abeles told her to continue doing what she was hired to do. She obeyed Douglas Abeles and he increased her pay from \$15 per hour to \$21 per hour. Crystal Ung later quit working for Douglas Abeles because of these acts.

In November of 2011, a physician's office called PRXN/RLM to complain about the UTR's and PRXN/RLM's billing the insurance companies for them. Gabriela Cuevas spoke to the physician's office about these complaints. Gabriela Cuevas told the office that this was done by accident by employee Crystal Ung, they fired her because of this and it would not happen again.

In January of 2012, Douglas Abeles promoted Amy Rader to do Crystal Ung's job. He made Amy Rader the head of the UA department. Amy Rader was the PRXN receptionist that Douglas Abeles told to change the prices upward for the prescription compounds in the spring of 2011 and then he promoted her when she did what he told her to do.

By January of 2012, Douglas Abeles had put Gabriela Cuevas in charge of everything at PRXN and RLM. Both Gregg Gorski and Roxanne Cecot had left PRXN/RLM. All employees at PRXN/RLM answered to Gabriela Cuevas and she answered to Douglas Abeles.

In January of 2012, Gabriela Cuevas emailed Alliance Toxicology (Douglas Abeles' partner) and informed them that Amy Rader was taking Crystal Ung's position for the UA program. She also asked that Alliance Toxicology set up Amy Rader to receive the UTR's and other UA documents that Alliance Toxicology was sending to PRXN/RLM. Gabriela Cuevas also trained Amy Rader how to bill the insurance companies for Douglas Abeles' UA program.

In April of 2012, Amy Rader emailed Douglas Abeles with a billing question. She told him that before she took over in January they billed the UTR report at six units and \$39.95 per unit but Douglas Abeles' partner at Alliance Toxicology told her to bill it at a lower rate (\$39.95 for the first unit and \$29.96 at the next five units). Amy Rader told Douglas Abeles that when she billed at the new rate the insurance companies were only paying for the first unit and not paying anything for the next five units. She asked Douglas Abeles how he wanted her to bill in the future for the UTR's. Douglas Abeles responded four hours later and copied Gabriela Cuevas. His response was, "as discussed bill as 6 units"

Despite everything known to them, Douglas Abeles and Gabriela Cuevas continued to send to the insurance companies UTR's stating that the physician spent forty-five minutes on the matter and billed the insurance companies accordingly until they changed it in about September of 2012.

In May of 2013, Gabriela Cuevas' work computer was seized pursuant to a court ordered search of PRXN/RLM's business office. There were over 10,200 UTR's stored in her computer.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

FIFTEENTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES did, in the County of Alameda, State of California, between July 15, 2007 and October 1, 2014, commit a Felony, to wit: FALSE AND FRAUDULENT CLAIM, a violation of section 549 of the PENAL CODE of California, in that said defendant(s) did unlawfully solicit, accept and refer business to and from an individual and entity with knowledge that, and with reckless disregard for whether, the individual and entity for and from whom the solicitation and referral was made, and the individual and entity who was solicited and referred, intended to violate Penal Code section 550 and the Insurance Code section 1871.4.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

SIXTEENTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES did, in the County of Alameda, State of California, between July 15, 2007 and October 1, 2014, commit a Felony, to wit: FALSE AND FRAUDULENT CLAIM, a violation of section 549 of the PENAL CODE of California, in that said defendant(s) did unlawfully solicit, accept and refer business to and from an individual and entity with knowledge that, and with reckless disregard for whether, the individual and entity for and from whom the solicitation and referral was made, and the individual and entity who was solicited and referred, intended to violate Penal Code section 550 and the Insurance Code section 1871.4.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

SEVENTEENTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES did, in the County of Alameda, State of California, between July 15, 2007 and October 1, 2014, commit a Felony, to wit: FALSE AND FRAUDULENT CLAIM, a violation of section 549 of the PENAL CODE of California, in that said defendant(s) did unlawfully solicit, accept and refer business to and from an individual and entity with knowledge that, and with reckless disregard for whether, the individual and entity for and from whom the solicitation and referral was made, and the individual and entity who was solicited and referred, intended to violate Penal Code section 550 and the Insurance Code section 1871.4.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

EIGHTEENTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES did, in the County of Alameda, State of California, between July 15, 2007 and October 1, 2014, commit a Felony, to wit: FALSE AND FRAUDULENT CLAIM, a violation of section 549 of the PENAL CODE of California, in that said defendant(s) did unlawfully solicit, accept and refer business to and from an individual and entity with knowledge that, and with reckless disregard for whether, the individual and entity for and from whom the solicitation and referral was made, and the individual and entity who was solicited and referred, intended to violate Penal Code section 550 and the Insurance Code section 1871.4.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

NINETEENTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES did, in the County of Alameda, State of California, between July 15, 2007 and October 1, 2014, commit a Felony, to wit: FALSE AND FRAUDULENT CLAIM, a violation of section 549 of the PENAL CODE of California, in that said defendant(s) did unlawfully solicit, accept and refer business to and from an individual and entity with knowledge that, and with reckless disregard for whether, the individual and entity for and from whom the solicitation and referral was made, and the individual and entity who was solicited and referred, intended to violate Penal Code section 550 and the Insurance Code section 1871.4.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

TWENTIETH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES did, in the County of Alameda, State of California, between July 15, 2007 and October 1, 2014, commit a Felony, to wit: FALSE AND FRAUDULENT CLAIM, a violation of section 549 of the PENAL CODE of California, in that said defendant(s) did unlawfully solicit, accept and refer business to and from an individual and entity with knowledge that, and with reckless disregard for whether, the individual and entity for and from whom the solicitation and referral was made, and the individual and entity who was solicited and referred, intended to violate Penal Code section 550 and the Insurance Code section 1871.4.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

TWENTY-FIRST COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: FALSE PERSONATION OF ANOTHER, a violation of section 530 of the PENAL CODE of California, in that said defendants falsely personated HENRY MICHAEL JAFFIN in a private and official capacity and in such assumed character HENRY MICHAEL JAFFIN received money and property, knowing that it was intended to be delivered to the individual so personated, with the intent to convert the same to his or her own use, to that of another person, and to deprive the true owner.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

TWENTY-SECOND COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: FALSE PERSONATION OF ANOTHER, a violation of section 530 of the PENAL CODE of California, in that said defendants falsely personated PARVEZ MEHBOOB FATTEH in a private and official capacity and in such assumed character PARVEZ MEHBOOB FATTEH received money and property, knowing that it was intended to be delivered to the individual so personated, with the intent to convert the same to his or her own use, to that of another person, and to deprive the true owner.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

TWENTY-THIRD COUNT

The Undersigned further deposes and says on information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: FALSE PERSONATION OF ANOTHER, a violation of section 530 of the PENAL CODE of California, in that said defendants falsely personated MANNIE JOEL in a private and official capacity and in such assumed character MANNIE JOEL received money and property, knowing that it was intended to be delivered to the individual so personated, with the intent to convert the same to his or her own use, to that of another person, and to deprive the true owner.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

TWENTY-FOURTH COUNT

The Undersigned further deposes and says on information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: FALSE PERSONATION OF ANOTHER, a violation of section 530 of the PENAL CODE of California, in that said defendants falsely personated TIMOTHY CHRISTOPHER SHEN in a private and official capacity and in such assumed character TIMOTHY CHRISTOPHER SHEN received money and property, knowing that it was intended to be delivered to the individual so personated, with the intent to convert the same to his or her own use, to that of another person, and to deprive the true owner.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

TWENTY-FIFTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: FALSE PERSONATION OF ANOTHER, a violation of section 530 of the PENAL CODE of California, in that said defendants falsely personated BASIL RASHAD BESH in a private and official capacity and in such assumed character BASIL RASHAD BESH received money and property, knowing that it was intended to be delivered to the individual so personated, with the intent to convert the same to his or her own use, to that of another person, and to deprive the true owner.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

TWENTY-SIXTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: FALSE PERSONATION OF ANOTHER, a violation of section 530 of the PENAL CODE of California, in that said defendants falsely personated MICHAEL DAVID HALPERIN in a private and official capacity and in such assumed character MICHAEL DAVID HALPERIN received money and property, knowing that it was intended to be delivered to the individual so personated, with the intent to convert the same to his or her own use, to that of another person, and to deprive the true owner.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

TWENTY-SEVENTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: FALSE PERSONATION OF ANOTHER, a violation of section 530 of the PENAL CODE of California, in that said defendants falsely personated D. SANTI RAO in a private and official capacity and in such assumed character D. SANTI RAO received money and property, knowing that it was intended to be delivered to the individual so personated, with the intent to convert the same to his or her own use, to that of another person, and to deprive the true owner.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

TWENTY-EIGHTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: FALSE PERSONATION OF ANOTHER, a violation of section 530 of the PENAL CODE of California, in that said defendants falsely personated CHRISTOPHER MARK JOHNSON in a private and official capacity and in such assumed character CHRISTOPHER MARK JOHNSON received money and property, knowing that it was intended to be delivered to the individual so personated, with the intent to convert the same to his or her own use, to that of another person, and to deprive the true owner.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

TWENTY-NINTH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: FALSE PERSONATION OF ANOTHER, a violation of section 530 of the PENAL CODE of California, in that said defendants falsely personated JOHN WILLIAM JAUREGUITO in a private and official capacity and in such assumed character JOHN WILLIAM JAUREGUITO received money and property, knowing that it was intended to be delivered to the individual so personated, with the intent to convert the same to his or her own use, to that of another person, and to deprive the true owner.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

THIRTIETH COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: FALSE PERSONATION OF ANOTHER, a violation of section 530 of the PENAL CODE of California, in that said defendants falsely personated HIEU T. BALL in a private and official capacity and in such assumed character HIEU T. BALL received money and property, knowing that it was intended to be delivered to the individual so personated, with the intent to convert the same to his or her own use, to that of another person, and to deprive the true owner.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

THIRTY-FIRST COUNT

The Undersigned further deposes and says on Information and belief, that said DOUGLAS JOEL ABELES and GABRIELA CUEVAS did, in the County of Alameda, State of California, between January 1, 2008 and October 1, 2014, commit a Felony, to wit: CONSPIRACY TO COMMIT A CRIME, a violation of section 182(a)(1) of the PENAL CODE of California, in that said defendant(s) did unlawfully conspire together and with another person and persons whose identity is unknown to commit the crime of False Personation of Another, in violation of Section 530 of the Penal Code, a felony; that pursuant to and for the purpose of carrying out the objectives and purposes of the aforesaid conspiracy, the said defendant(s) committed the following overt act and acts at and in the County of Alameda:

Douglas Abeles hired Gabriela Cuevas in 2005 to work for him as a receptionist in his medical practice's office and thereafter promoted her based on her performance in doing what he asked her to do and her loyalty to him.

Douglas Abeles formed Physicians RX Network, Inc. ("PRXN") in 2005 and transferred Gabriela Cuevas to work there in 2008. Douglas Abeles put PRXN in a location other than his medical office. Douglas Abeles had PRXN contract with physicians in regards to the dispensing of prescribed drugs, including prescription compound creams, and billing the insurance companies on behalf of the physicians for these drugs. Gabriela Cuevas worked for Douglas Abeles at PRXN.

In late 2010, Douglas Abeles went into the Urine Analysis ("UA") business, forming Redwood Laboratory Management, LP and Redwood Laboratory Associates, LLC ("RLM"). RLM contracted with physicians in regards to urine drug testing of patients and billing insurance companies on behalf of the physicians for this drug testing. Douglas Abeles had PRXN and RLM operate in the same office and the two businesses overlapped and shared.

In January of 2010, Douglas Abeles hired Gregg Gorski to be a sales representative for PRXN; in November of 2010, Douglas Abeles hired Roxanne Cecot to be the billing supervisor for PRXN; and in February of 2011, Douglas Abeles hired Larry Davis to be the Chief Operating Officer of PRXN.

Douglas Abeles fired Larry Davis within two weeks of his hire because Larry Davis complained to Douglas Abeles about improprieties concerning the new urine analysis business there. Douglas Abeles promoted Gregg Gorski to be the operations manager for PRXN.

In the spring and summer of 2010, both Roxanne Cecot and Gregg Gorski complained to Douglas Abeles about improprieties in the billing at PRXN, particularly about over-billing insurance companies for prescription drug compounds. Roxanne Cecot learned that Douglas Abeles told the receptionist at PRXN and another PRXN employee to over-ride the billing software at PRXN and manually change the prices (upwards) on the bills sent to the insurance companies. Douglas Abeles then transferred both of these employees to RLM to do the billing for RLM.

In May of 2011, Douglas Abeles formed another business, PRXN Toxicology, LLC. Also during that same month, Roxanne Cecot complained to Douglas Abeles about the impropriety of falsely billing the insurance companies and Douglas Abeles said to her, "Screw them until they catch on."

In June of 2011, Douglas Abeles wrote the following in an email that he sent to Gregg Gorski and Gabriela Cuevas: "The goal is to have specific job roles with in the UA program. I want them to still work with each other. IE PRXN and RLM ... Also, I wanted to clarify Larry Davis. ...not because he questioned the business model. He threatened the UA program with very specific actions that would have lost the deal for us. This would have caused lost revenue in the amount of over 3,000,000. ... Furthermore if any employee further implies any wrong doing to anyone they are to be let go immediately on grounds of insubordination and liable. We cannot operate a successful company with this kind of mutiny...."

Douglas Abeles instructed or caused his PRXN and RLM employees to print documents that Douglas Abeles' business partner (Alliance Toxicology) sent to them and then sent these documents to the insurance companies, along with a bill for the documents. One document was called a "Urine Toxicology Review" report and it purported that the physician that ordered the urine test spent forty-five minutes reviewing medical records that had been submitted for the physician's review by PRXN. The report ended with a closing of "sincerely," and then the physician's name typed where the signature is normally placed.

PRXN and RLM never sent these "Urine Toxicology Review" ("UTR") reports to the physicians, just the insurance companies and it was accompanied by a bill for it. The physician never authored these UTR's.

Crystal Ung was hired by Douglas Abeles in about April of 2011 to be a biller at RLM. When Crystal Ung complained that this false report and billing was not right, Douglas Abeles told her to continue doing what she was hired to do. She obeyed Douglas Abeles and he increased her pay from \$15 per hour to \$21 per hour. Crystal Ung later quit working for Douglas Abeles because of these acts.

In November of 2011, a physician's office called PRXN/RLM to complain about the UTR's and PRXN/RLM's billing the insurance companies for them. Gabriela Cuevas spoke to the physician's office about these complaints. Gabriela Cuevas told the office that this was done by accident by employee Crystal Ung, they fired her because of this and it would not happen again.

In January of 2012, Douglas Abeles promoted Amy Rader to do Crystal Ung's job. He made Amy Rader the head of the UA department. Amy Rader was the PRXN receptionist that Douglas Abeles told to change the prices upward for the prescription compounds in the spring of 2011 and then he promoted her when she did what he told her to do.

By January of 2012, Douglas Abeles had put Gabriela Cuevas in charge of everything at PRXN and RLM. Both Gregg Gorski and Roxanne Cecot had left PRXN/RLM. All employees at PRXN/RLM answered to Gabriela Cuevas and she answered to Douglas Abeles.

In January of 2012, Gabriela Cuevas emailed Alliance Toxicology (Douglas Abeles' partner) and informed them that Amy Rader was taking Crystal Ung's position for the UA program. She also asked that Alliance Toxicology set up Amy Rader to receive the UTR's and other UA documents that Alliance Toxicology was sending to PRXN/RLM. Gabriela Cuevas also trained Amy Rader how to bill the insurance companies for Douglas Abeles' UA program.

In April of 2012, Amy Rader emailed Douglas Abeles with a billing question. She told him that before she took over in January they billed the UTR report at six units and \$39.95 per unit but Douglas Abeles' partner at Alliance Toxicology told her to bill it at a lower rate (\$39.95 for the first unit and \$29.96 at the next five units). Amy Rader told Douglas Abeles that when she billed at the new rate the insurance companies were only paying for the first unit and not paying anything for the next five units. She asked Douglas Abeles how he wanted her to bill in the future for the UTR's. Douglas Abeles responded four hours later and copied Gabriela Cuevas. His response was, "as discussed bill as 6 units"

Despite everything known to them, Douglas Abeles and Gabriela Cuevas continued to send to the insurance companies UTR's stating that the physician spent forty-five minutes on the matter and billed the insurance companies accordingly until they changed it in about September of 2012.

In May of 2013, Gabriela Cuevas' work computer was seized pursuant to a court ordered search of PRXN/RLM's business office. There were over 10,200 UTR's stored in her computer.

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT GABRIELA CUEVAS

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

AGGRAVATED WHITE COLLAR CRIME CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged, pursuant to Penal Code 186.11(a), that the offenses set forth in counts 1 through 38 are related felonies, a material element of which is fraud and embezzlement, which involve a pattern of related felony conduct, and the pattern of related felony conduct involves the taking of and results in the loss by another of more than one hundred thousand dollars (\$100,000).

STATUTE OF LIMITATIONS-DATE OF DISCOVERY CLAUSE AS TO DEFENDANT DOUGLAS ABELES

It is further alleged that the above violation was not discovered until July 14, 2011, and that a material element of said violation is fraud and breach of a fiduciary obligation within the meaning of Penal Code Sections 801.5 and 803(c).

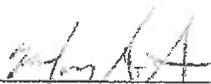
Pursuant to Penal Code Section 1054.5(b), the People are hereby informally requesting that defendant's counsel provide discovery to the People as required by Penal Code Section 1054.3.

Complainant therefore prays that a warrant issue and that said defendant(s) be dealt with according to law.

Subscribed and sworn to before me,
Wednesday, October 22, 2014



ROBERT J. HARTMAN
Deputy District Attorney
State Bar #104513 th
Alameda County, California


Inspector Michael Carter, #267
Alameda County District Attorney's Office
CEPD No. 11FDH0164

On July 14, 2011, Zenith Insurance Company filed an FD-1 form with the California Department of Insurance/Alameda County District Attorney's Office regarding suspected fraud by Physicians Rx Network (PRxN)/Redwood Laboratory Management (RLM). Declarant began an investigation regarding their medical billing practices. Declarant's investigation showed Dr. Douglas Abeles, M.D. is a licensed physician with an orthopedic practice in Castro Valley, CA. Dr. Abeles is the sole owner of PRxN and RLM. As the owner, Declarant learned Dr. Abeles is responsible for the business model, policies and procedures developed and employed by the businesses. Declarant's investigation has also showed that Gabriela Cuevas is the manager of PRxN and RLM. As such, Declarant learned she is responsible for the day-to-day operations of the business and answers directly to Dr. Abeles. PRxN and RLM are located within the same office, in Hayward.

Declarant learned, from Liberty Mutual Insurance Company and Zenith Insurance Company, of possible billing fraud by PRxN and RLM involving the generation and billing of supplemental reports.

The fraud begins when a patient attends a medical appointment, generally workers compensation, with a pain management physician. That physician will bill for a regular office visit and order a urine test for the patient to determine if they are taking their medication.

The victim physicians involved in this investigation have contracted with PRxN to provide urinalysis supplies, equipment, testing, personnel and billing services to the contracting physicians. Typically, PRxN would provide a laboratory technician to the physician for a specified number of hours or days per week. The PRxN lab tech would supervise the collection of the urine sample and package it for delivery to the lab. PRxN would contract the lab work and provide the results to the physician. Finally, RLM would handle all of the billing and paperwork.

Liberty Mutual claims representatives became suspicious when they began receiving billings for a "Urine Toxicology Review" report from various physicians who contract with PRxN. These reports all looked and read the same.

All of the reports listed the provider had spent approximately 45 minutes reviewing the medical records associated with urinalysis reports received from PRxN. All of the reports contained a workers compensation admonition associated with Labor Code section 5703 that read, "I have not violated Labor Code Section 139.3 and the content of the report are true and correct to the best of my knowledge. This statement is made under penalty and (sic) perjury." The signature area of the reports all have a stamp that reads, "DICTATED BUT NOT SIGNED."

Each of the reports was accompanied by a billing that listed the following CPT codes and amounts:

99080 Special Report	\$239.88
99358 Prolonged physician service without direct patient contact	\$109.02

Declarant contacted four additional insurance companies, State Compensation Insurance Fund, Berkshire Hathaway, Fireman's Fund and Travelers. They each had similar claims submitted by RLM for the supplemental report billings.

Nine physicians and one nurse practitioner were contacted regarding the Supplemental Reports issued by PRxN and billed by RLM. None of them were aware of the Supplemental Reports issued in their names. Additionally, each said they would never bill for the CPT codes listed and none had received any of the proceeds billed in their names.

Declarant's investigation resulted in the discovery of over 30,000 supplemental reports prepared by PRxN and a documented loss of at least \$73,545.80 from the six insurance companies. The fraud began in early 2010 and ran until 1/1/14.

Declarant's investigation revealed Dr. Abeles was aware of and encouraged the fraudulent billing activities at PRxN and RLM and that Ms. Cuevas knowingly carried out Dr. Abeles' policies.

Dr. Abeles' billing scheme and Ms. Cuevas participation resulted in their violation of the following:

Dr. Abeles committed six counts of 549PC, soliciting a false insurance claim, one count for each insurance company victim.

Dr. Abeles and Ms. Cuevas committed ten counts each of 530PC, false personation. One count for each medical provider victim. Plus, one count each of 182(a)(1)PC, conspiracy to commit false personation.

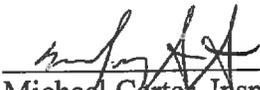
Dr. Abeles and Ms. Cuevas committed six counts each of 487(a)PC, grand theft. One count each for each insurance company victim. Plus, one count each of 182(a)(1)PC, conspiracy to commit grand theft.

Dr. Abeles and Ms. Cuevas committed six counts each of 1871.4(a)(2)IC, workers comp insurance fraud. One count for each insurance company victim. Plus one count each of 182(a)(1)PC, conspiracy to commit workers comp insurance fraud.

Finally, due to the amount of the theft, Dr. Abeles should be charged with 186.11PC, the white collar crime enhancement.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed 10/22/14, in Oakland, California


Michael Carter, Inspector II