News Conference
April 20, 2017

Investigation Results and Filing Decision Regarding Insurance Fraud Scam with 21 Doctors Charged
DEFENDANTS

26 defendants:
• 21 doctors
• One physician assistant
• Two pharmacists
• Two business owners
CHARGES

• Insurance fraud
• Conspiracy to commit medical insurance fraud
• False and fraudulent claims
• Rebates for patient referrals
• Referral of clients for compensation
MAXIMUM EXPOSURE

- Tanya King could serve a maximum sentence of 117 years in prison.
- Two pharmacists could serve up to 28 years.
- 21 Physicians and one Physician Assistant could serve up to 25 years in prison.
Between 2011 and 2015:

- Billed insurance companies $40 million dollars
- Collected $23 million dollars

Tanya Moreland King and Christopher King
THREE SCAMS

1. Snake Oil Scam
2. Medical Kickback Scam
3. Bogus Urine Test Scam
THE SNAKE OIL SCAM

• Defendants contracted with Pharmacist Charles Bonner
  • Owner of Steven’s Pharmacy in Costa Mesa

• Mass manufactured thousands of compound transdermal creams

• Not FDA approved or uniquely formulated to specific patients
THE SNAKE OIL SCAM

- $15 to $40 per tube of compound cream

- Billed for $250 to $700 per tube
HOW IT WORKED

• Recruited physicians with cash incentives:
  • either a flat rate of $50 or a share of the profits on the distribution
THE MEDICAL KICKBACK SCAM

- Purchased repackaged pain medication from two repackagers:
  - NuCare Pharmaceuticals in Orange
  - A S Medication Solutions in Costa Mesa
THE MEDICAL KICKBACK SCAM

• Repackaged medications were sent directly to the physicians involved in the scam

• When medication was dispensed:
  • Kings would bill workers compensation insurance carriers without disclosing the wholesale cost
  • Split the profits with the prescribing physician based upon a pre-arranged agreement
BOGUS URINE TEST SCAM

- Providing technical staff to participating physicians’ offices
  - Unnecessary urine tests
  - Billed to the insurance company
BOGUS URINE TEST SCAM

• Tests were referred to Pacific Toxicology Laboratory for additional testing regardless of results

• Flat rate of $60 per test and billed the insurance carriers hundreds of dollars per patient
BY THE NUMBERS

• 13,000 patients
• Over $23 million dollars collected from 27 workers compensation insurance carriers
• Over $2.1 million dollars paid out to doctors
• $40 million dollars billed
<table>
<thead>
<tr>
<th>Physician Name</th>
<th>Fee</th>
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</thead>
<tbody>
<tr>
<td>Dr. Duke Anh, M.D.</td>
<td>$80,000</td>
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<tr>
<td>Dr. Robert Caton, M.D.</td>
<td>$175,000</td>
</tr>
<tr>
<td>Dr. Christopher Chen, M.D.</td>
<td>$289,000</td>
</tr>
<tr>
<td>Dr. Parvez Fatteh, M.D.</td>
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<td>Dr. Robert Fenton, M.D.</td>
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<td>Dr. Michael Henry, M.D.</td>
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<td>Dr. Mannie Joel, M.D.</td>
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<td>Dr. Paul Kaplan, M.D.</td>
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<td>Dr. Eduardo Lin, M.D.</td>
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<td>Dr. Kevin Park, M.D.</td>
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<td>Dr. Jerome Robson, M.D.</td>
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<td>Dr. Eric Schmidt, MD.</td>
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<td>Dr. Kourosh Shamlou, M.D.</td>
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<td>Dr. Paul Stanton, M.D.</td>
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<tr>
<td>Dr. Oliver Howard, M.D.</td>
<td>$94,000</td>
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<tr>
<td>Rafael Chavez, P.A.</td>
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</tbody>
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PHYSICIANS INVOLVED

Dr. John Casey, M.D.
Clinic Stanislaus Orthopedic Clinic

Dr. Jonathan Cohen, M.D.,
Clinic Stanislaus Orthopedic Clinic

Dr. Mohamed Ibrahim, M.D.,
Clinic Stanislaus Orthopedic Clinic

Dr. William Pistel, M.D.
Clinic Stanislaus Orthopedic Clinic

Ismail Silva Jr., M.D.
Ismail Silva Sr., M.D.

$248,000

$345,000

PHARMICISTS INVOLVED

Charles Bonner, RPh.
Mervyn Miller, RPh.

$1.2 million