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12 Attorneys for Plaintiff

13
14 IN THE UNITED STATES DISTRICT COURT
15 FOR THE DISTRICT OF ARIZONA

16 United States of America,
17 Plaintiff,

18 vs.

19 Carlos Ching,
20 Defendant.
21
22
23

No. CR-24-01075-01-PHX-MTL

INFORMATION

VIO: 18 U.S.C. § 1349 (Conspiracy to Commit Health Care Fraud)

18 U.S.C. § 981(a)(1)(C);
28 U.S.C. § 2461;
18 U.S.C. § 982(a)(7)
(Forfeiture Allegations)

24 THE UNITED STATES ATTORNEY’S OFFICE CHARGES:

25 **BACKGROUND**

26 At all times relevant to this Information:
27
28



The Medicare Program

1
2 1. The Medicare program (“Medicare”) was a federal health care program
3 providing benefits to persons who were 65 years of age or older or disabled. Medicare was
4 administered by the Centers for Medicare and Medicaid Services (“CMS”), a federal
5 agency under the United States Department of Health and Human Services. Individuals
6 who received benefits under Medicare were referred to as Medicare “beneficiaries.”

7 2. Medicare was a “health care benefit program,” as defined by Title 18, United
8 States Code, Section 24(b), and a “Federal health care program,” as defined by Title 42,
9 United States Code, Section 1320a-7b(f).

10 3. Medicare covered different types of benefits and was separated into different
11 program “parts.” Medicare “Part A” covered, among others, health services provided by
12 skilled nursing facilities, hospices, and home health agencies. Medicare “Part B” covered,
13 among other things, medical items and services provided by physicians, nurse practitioners,
14 group practices, and other qualified health care providers, that were medically necessary
15 and ordered by licensed medical doctors or qualified health care providers.

16 4. Physicians, nurse practitioners, group practices, and other health care
17 providers (collectively, “providers”) that provided services to beneficiaries were able to
18 apply for and obtain a “provider number.” A provider that received a Medicare provider
19 number was able to file claims with Medicare to obtain reimbursement for items and
20 services provided to beneficiaries.

21 5. A Medicare claim was required to contain certain important information,
22 including: (a) the beneficiary’s name; (b) a description of the health care benefit, item, or
23 service that was provided or supplied to the beneficiary; (c) the billing codes for the benefit,
24 item, or service; (d) the date upon which the benefit, item, or service was provided or
25 supplied to the beneficiary; and (e) the name of the referring or rendering physician or other
26 health care provider, as well as a unique identifying number, known either as the Unique
27 Physician Identification Number (“UPIN”) or National Provider Identifier (“NPI”). The
28 claim form could be submitted in hard copy or electronically via interstate wire.

1 (a) submitting and causing the submission of false and fraudulent claims to Medicare for
2 items and services that were (i) medically unnecessary, (ii) not eligible for Medicare
3 reimbursement, (iii) not provided as represented, and/or (iv) procured through kickbacks
4 and bribes; (b) concealing the submission of false and fraudulent claims to Medicare and
5 the receipt and transfer of the proceeds from the fraud; and (c) diverting proceeds of the
6 fraud for the personal use and benefit of CARLOS CHING and his co-conspirators, and to
7 further the fraud.

8 **Manner and Means**

9 The manner and means by which CARLOS CHING and his co-conspirators sought
10 to accomplish the purpose of the conspiracy included, among other things, the following:

11 17. From approximately May 2023 through approximately March 2024,
12 CARLOS CHING, as an independent contractor with Company 1 and as the owner of H3
13 Medical Clinic LLC, agreed with others to order and apply amniotic allografts that were
14 procured through illegal kickbacks and bribes, medically unnecessary, ineligible for
15 Medicare reimbursement, and/or not provided as represented.

16 18. From approximately June 2023 through approximately January 2024,
17 Company 1 fraudulently billed Medicare approximately \$87,074,711 for amniotic
18 allografts purchased from Company 3 and applied by CARLOS CHING that were procured
19 through illegal kickbacks and bribes, medically unnecessary, ineligible for Medicare
20 reimbursement, and/or not provided as represented. Medicare paid Company 1
21 approximately \$65,417,733 based on those false and fraudulent claims. Company 1 paid
22 CARLOS CHING approximately \$221,500 in exchange for ordering and applying the
23 amniotic allografts billed to Medicare.

24 19. From approximately January 2024 through approximately March 2024,
25 CARLOS CHING, through his company H3 Medical Clinic LLC, fraudulently billed
26 Medicare approximately \$5,481,788 for amniotic allografts that he procured from
27 Company 3 and applied to Medicare beneficiaries. These allografts were procured through
28 illegal kickbacks and bribes, medically unnecessary, ineligible for Medicare

1 reimbursement, and/or not provided as represented. Medicare paid approximately
2 \$4,295,667 based on those claims.

3 **FORFEITURE ALLEGATIONS**
4 **(18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461;**
5 **18 U.S.C. § 982(a)(7))**

6 20. The above allegations contained in this Information are hereby incorporated
7 by reference as if fully set forth herein for the purpose of alleging forfeiture against the
8 defendant, CARLOS CHING, pursuant to Title 18, United States Code, Sections
9 981(a)(1)(C) and 982(a)(7); and Title 28, United States Code, Section 2461.

10 21. Pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and
11 982(a)(7), together with Title 28, United States Code, Section 2461, as a result of the
12 foregoing violation as charged in Count 1 of this Information, the defendant, CARLOS
13 CHING, shall forfeit to the United States: any property, real or personal (a) which
14 constitutes or is derived from proceeds traceable to the commission of the offense, and (b)
15 that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the
16 commission of the offense.

17 22. Such property includes, but is not limited to, a forfeiture money judgment, in
18 an amount to be proved in this matter, representing the total amount of proceeds and/or
19 gross proceeds obtained as a result of the defendant's violation as charged in Count 1 of
20 this Information.

21 23. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by
22 Title 18, United States Code, Section 982(b), the defendant, CARLOS CHING, shall forfeit
23 substitute property, up to the value of the properties described above or identified in any
24 subsequent forfeiture bills of particular, if, by any act or omission of the defendant, the
25 property cannot be located upon the exercise of due diligence; has been transferred or sold
26 to, or deposited with, a third party; has been placed beyond the jurisdiction of the Court;

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1 has been substantially diminished in value; or has been commingled with other property
2 that cannot be subdivided without difficulty.

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4 Dated this ____ day of June, 2024.

5 GARY M. RESTAINO
6 United States Attorney
7 District of Arizona

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Date: 2024.06.21 15:16:54 -07'00'

8 Matthew Williams
9 Assistant U.S. Attorney

10 GLENN S. LEON
11 Chief
12 Criminal Division, Fraud Section
13 U.S. Department of Justice

SHANE BUTLAND Digitally signed by SHANE BUTLAND
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14 Shane Butland
15 Trial Attorney