

2019 SEP 11 AM 2:50

FILED

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

January 2019 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

RONALD SEYMOUR WEAVER,
SARA SOULATI,
JOHN CLAUDIUS WEAVER,
RONALD ARTHUR CARLISH,
HOWARD KEITH ELKIN,
WOLFGANG SCHEELE, and
NAGESH SHETTY,

Defendants.

No. CR

19CR00527-ODW

I N D I C T M E N T

[18 U.S.C. § 1349: Conspiracy to Commit Health Care Fraud and Wire Fraud; 18 U.S.C. § 1347: Health Care Fraud; 18 U.S.C. § 2: Aiding and Abetting and Causing an Act to be Done; 18 U.S.C. §§ 982(a)(7) and 981(a)(1)(C) and 28 U.S.C. § 2461(c): Criminal Forfeiture]

The Grand Jury charges:

COUNT ONE

[18 U.S.C. § 1349]

[ALL DEFENDANTS]

A. INTRODUCTORY ALLEGATIONS

At times relevant to this Indictment:

1. Defendant RONALD SEYMOUR WEAVER ("R. WEAVER") was a resident of Pacific Palisades, California, within the Central

1 District of California. Defendant R. WEAVER was an internal
2 medicine physician licensed to practice in California.

3 Defendant R. WEAVER was the owner, officer, and operator of
4 Ronald Seymour Weaver M.D., Inc. ("RSW"), a medical services
5 corporation operating medical clinics known as the Global Cardio
6 Care Centers at 633 East Aerick Street, Inglewood, California
7 90301, and 11860 Wilshire Blvd, Los Angeles, California 90025,
8 both within the Central District of California.

9 2. Defendant SARA SOULATI was a resident of Santa Monica,
10 California, within the Central District of California.

11 Defendant SOULATI was the owner, officer, and operator of Global
12 Cardio Care, Inc. ("GCC"), a medical services administration
13 company located at 633 East Aerick Street, Inglewood, California
14 90301, and the part-owner, officer, and operator of GCC Imaging,
15 LLC ("GCC Imaging"), an independent diagnostic testing facility
16 located at 633 East Aerick Street, Inglewood, California 90301,
17 both within the Central District of California. GCC Imaging was
18 owned by GCC and defendant SOULATI.

19 3. Defendant RONALD ARTHUR CARLISH was a resident of
20 Pacific Palisades, California, within the Central District of
21 California. Defendant CARLISH was a cardiologist licensed to
22 practice in California. From at least in or around 2009 to in
23 or around 2014, defendant CARLISH was an independent contractor
24 at RSW and GCC Imaging.

25 4. Defendant HOWARD KEITH ELKIN was a resident of
26 Whittier, California, within the Central District of California.
27 Defendant ELKIN was a cardiologist licensed to practice in
28 California. From at least in or around 2014 to in or around

1 2018, defendant ELKIN was an independent contractor at RSW and
2 GCC Imaging.

3 5. Defendant WOLFGANG SCHEELE was a resident of Los
4 Angeles, California, within the Central District of California.
5 Defendant SCHEELE was a cardiologist licensed to practice in
6 California. From at least in or around 2006 to in or around
7 2014, defendant SCHEELE was an independent contractor at RSW and
8 GCC Imaging.

9 6. Defendant NAGESH SHETTY was a resident of Huntington
10 Beach, California, within the Central District of California.
11 Defendant SHETTY was a cardiologist licensed to practice in
12 California. From at least in or around 2014 to in or around
13 2018, defendant SHETTY was an independent contractor at RSW and
14 GCC Imaging.

15 7. Defendant JOHN CLAUDIUS WEAVER ("J. WEAVER") was a
16 resident of Alhambra, California, within the Central District of
17 California. Defendant J. WEAVER was a physician licensed to
18 practice in California. From at least in or around 2008 to in
19 or around 2018, defendant J. WEAVER was an independent
20 contractor at RSW.

21 8. Together, RSW, GCC, GCC Imaging, defendants SOULATI,
22 R. WEAVER, J. WEAVER, CARLISH, ELKIN, SCHEELE, and SHETTY, and
23 others known and unknown to the Grand Jury operated the "GCC
24 Clinic," operating under the name "Global Cardio Care," at 633
25 East Aerick Street, Inglewood, California 90301, in the Central
26 District of California, and elsewhere.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

THE MEDICARE AND MEDICAID PROGRAMS

9. The GCC Clinic serviced a patient population that received health care benefits through Medicare and/or the California Medicaid Program ("Medi-Cal").

10. Individuals who qualified for Medicare or Medi-Cal benefits were referred to as "beneficiaries." Each Medicare or Medi-Cal beneficiary was given a unique health insurance claim number ("HICN").

11. Health care providers that provided medical services that were reimbursed by Medicare or Medi-Cal were referred to as "providers."

12. Providers were required to maintain a medical record for each Medicare and/or Medi-Cal beneficiary who was their patient, and the medical records had to be accurately written, promptly completed, accessible, and had to use a system of author identification.

Medicare

13. Medicare was a federally-funded health care benefit program, affecting commerce, that provided benefits to individuals who were over the age of 65 or disabled. The U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services ("CMS") administered the Medicare program, which was a "health care benefit program" as defined by Title 18, United States Code, Section 24(b).

14. To participate in the Medicare program, providers, including physicians and independent diagnostic testing facilities, were required to submit an application in which the provider, or its owners and operators in the case of a corporate

1 provider, agreed: (a) to comply with all Medicare-related laws
2 and regulations; and (b) not submit claims to Medicare knowing
3 they were false or fraudulent or with deliberate ignorance or
4 reckless disregard of their truth or falsity. If Medicare
5 approved the provider's application, Medicare assigned the
6 provider a Medicare "provider number" which was used for
7 submitting, processing, and paying claims to Medicare for
8 services rendered to beneficiaries.

9 15. A provider could submit a claim to Medicare through
10 the mail or electronically. When submitting a claim, the
11 providers were required to certify: (a) that they were
12 responsible for all claims submitted to Medicare by themselves,
13 their employees, and their agents; (b) that they would submit
14 claims that were accurate, complete, and truthful; and (c) that
15 the medical services referred to in the claim were medically
16 necessary.

17 16. Medicare would reimburse providers only for services
18 and procedures that were deemed to be "medically necessary,"
19 which met the coverage criteria provided by Medicare.

20 17. CMS contracted with regional contractors to process
21 and pay Medicare claims. Noridian Administrative Services, LLC
22 ("Noridian") was the Medicare contractor that processed and paid
23 claims involving physician and independent diagnostic testing
24 facility services in the Central District of California from
25 approximately September 2013 to at least approximately December
26 2017. Such claims submitted to Noridian from providers in the
27 Central District of California were sent via interstate wires to
28 North Dakota. Prior to Noridian, from at least approximately

1 January 2010 to approximately September 2013, the contractor for
2 claims involving physician and independent diagnostic testing
3 facility services in the Central District of California was
4 Palmetto GBA ("Palmetto"). Such claims submitted to Palmetto
5 from providers in the Central District of California were sent
6 via interstate wires to South Carolina.

7 Medi-Cal

8 18. Medi-Cal was a jointly-funded federal-state health
9 care benefit program, affecting commerce, that provided benefits
10 to the disabled and individuals and families with low incomes
11 and resources. CMS and the State of California administered the
12 Medi-Cal program, which was a "health care benefit program" as
13 defined by Title 18, United States Code, Section 24(b).

14 19. To participate in Medi-Cal, providers were required to
15 submit an application and sign an agreement under the penalty of
16 perjury promising that the provider will not engage in or commit
17 fraud or abuse.

18 20. Medi-Cal offered various health care benefit program
19 options, including a fee-for-service plan, which was
20 administered by the California Department of Health Care
21 Services ("DHCS") and Medi-Cal Managed Care plans, which were
22 administered by managed care organizations ("MCOs"). LA Care
23 Health Plan ("LA Care") was a Medi-Cal MCO operating in Los
24 Angeles County, within the Central District of California.

25 Medicare Payments and Co-payments

26 21. Medicare and Medi-Cal reimbursed physicians and other
27 health care providers for medically necessary treatment and
28 services rendered to beneficiaries. For a patient who was

1 qualified and covered under both Medicare and Medi-Cal, Medicare
2 covered the primary payment for the reimbursable amount of the
3 medical expense and Medi-Cal covered the co-payment.

4 22. To receive reimbursement from the DHCS fee-for-service
5 plan or LA Care for co-payments related to Medicare-covered
6 services, the provider submitted a claim to Medicare, including
7 the secondary insurance coverage information. If Medicare
8 covered the claim, then Medicare forwarded the co-payment
9 request to Medi-Cal or LA Care. Medi-Cal issued payment to the
10 provider in the form of a direct deposit or a warrant (check)
11 from the State of California Health Care Deposit Fund, signed by
12 the State Controller. LA Care issued payments to the provider
13 by check.

14 EXTERNAL COUNTERPULSATION AND STRESS TESTING

15 23. Coronary Artery Disease ("CAD") was a common form of
16 heart disease that occurred when the arteries that supply blood
17 to the heart muscle became hardened and narrowed. CAD was
18 caused by the buildup of cholesterol and other matter, called
19 plaque, within the arteries' inner walls. As the buildup
20 increased, less blood flowed through the arteries, and chest
21 pain, blood clots, or heart attack could result.

22 24. Angina Pectoris ("angina") was a symptom of CAD and
23 was characterized by chest pain or discomfort that occurred when
24 the heart muscle did not receive enough oxygen-rich blood.
25 Stable angina had a regular pattern and occurred when the heart
26 was working harder than usual. Disabling angina was a
27 classification of angina where a patient experienced angina

1 symptoms while walking one block or climbing one flight of
2 stairs.

3 25. To diagnose a patient with CAD, a cardiologist had to
4 conduct certain diagnostic testing. One test that could be used
5 to diagnose CAD was a "stress test," which measured blood flow
6 to the heart muscle in rest and in stress.

7 26. External counterpulsation ("ECP") was a non-invasive
8 outpatient treatment for angina caused by CAD. ECP involved
9 placing the patient on a treatment table and wrapping the
10 patient's lower trunk and legs in air cuffs, similar to blood-
11 pressure cuffs, which inflated and deflated in synchronization
12 with the patient's cardiac cycle. A full course of ECP usually
13 consisted of 35 one-hour treatments.

14 27. Medicare would reimburse providers only for services
15 and procedures that were deemed to be "medically necessary," and
16 which met the coverage criteria provided by Medicare. Medicare
17 paid for ECP only for patients diagnosed with disabling stable
18 angina that was inoperable or for which surgery would be highly
19 risky. Medicare did not pay for ECP unless it was rendered
20 under the direct supervision of a physician. Medicare did not
21 pay for stress tests to screen for CAD, or stress tests that
22 were repeated too frequently, such as unnecessary annual
23 testing.

24 28. Medi-Cal paid co-payments arising from ECP treatments
25 and diagnostic testing for beneficiaries of Medicare and Medi-
26 Cal, provided that the treatment or test met the coverage
27 criteria provided by Medicare.

28

1 B. OBJECTS OF THE CONSPIRACY

2 29. Beginning no later than in or around January 2010 and
3 continuing through at least in or around December 2017, in Los
4 Angeles County, within the Central District of California, and
5 elsewhere, defendants R. WEAVER, SOULATI, and J. WEAVER,
6 together with defendants CARLISH and SCHEELE from no later than
7 in or around January 2010 to in or around 2014, and together
8 with defendants ELKIN and SHETTY from no later than in or around
9 2014 to at least in or around December 2017, and others known
10 and unknown to the Grand Jury, knowingly conspired to commit
11 health care fraud, in violation of Title 18, United States Code,
12 Section 1347, and wire fraud, in violation of Title 18, United
13 States Code, Section 1343.

14 C. MANNER AND MEANS OF THE CONSPIRACY

15 30. The objects of the conspiracy were carried out, and to
16 be carried out, in substance, as follows:

17 a. Defendant SOULATI would recruit and cause to be
18 recruited Medicare beneficiaries to receive ECP at the GCC
19 Clinic, including via presentations at various locations, in
20 which defendant SOULATI and others promoted ECP to prevent and
21 treat a wide variety of medical conditions, even though they
22 knew that most of the patients they recruited were Medicare
23 beneficiaries and that Medicare did not cover ECP to treat all
24 of those conditions.

25 b. Defendants J. WEAVER and SHETTY would order and
26 cause to be ordered medically unnecessary cardiovascular
27 diagnostic tests for the recruited Medicare beneficiaries, which
28 testing was to be performed by GCC Imaging.

1 c. Before that diagnostic testing was performed,
2 defendants CARLISH, ELKIN, SCHEELE, and SHETTY would prescribe
3 and cause to be prescribed ECP to the recruited Medicare
4 beneficiaries at the GCC Clinic, even though they knew those
5 beneficiaries did not have disabling angina and did not
6 otherwise meet Medicare's coverage criteria for ECP.

7 d. In order to conceal the lack of medical necessity
8 for the ECP prescriptions, defendants SOULATI, J. WEAVER,
9 CARLISH, ELKIN, SCHEELE, and SHETTY would write and cause to be
10 written false diagnoses into beneficiaries' patient records, as
11 defendant R. WEAVER then knew.

12 e. Medicare beneficiaries would receive ECP at the
13 GCC Clinic from technicians that defendant R. WEAVER did not
14 directly supervise. Nonetheless, as defendant R. WEAVER knew,
15 RSW's patient records bore defendant R. WEAVER's electronic
16 signature and RSW's Medicare claims listed defendant R. WEAVER
17 as the rendering provider.

18 f. After the ECP was prescribed, and often after it
19 was rendered, defendants CARLISH, ELKIN, SCHEELE, and SHETTY
20 would conduct and interpret, and cause to be conducted and
21 interpreted, the medically unnecessary cardiovascular diagnostic
22 testing for GCC Imaging, including repeated tests after a
23 patient had already received a "normal" result on the same test.

24 g. Defendants R. WEAVER, SOULATI, J. WEAVER,
25 CARLISH, ELKIN, SCHEELE, and SHETTY, and others known and
26 unknown to the Grand Jury, would submit and cause to be
27 submitted fraudulent claims to Medicare via interstate wires for
28 the medically unnecessary ECP and diagnostic testing.

1 h. GCC provided medical administration services to
2 RSW and GCC Imaging, including billing, collection, marketing,
3 and advertising. For these services, RSW would agree to pay GCC
4 seventy percent (70%) of RSW's gross receipts, including
5 receipts from Medicare and Medi-Cal, and did pay GCC a
6 percentage of its Medicare and Medi-Cal receipts. GCC Imaging
7 would agree to pay GCC 60% of GCC Imaging's gross collections,
8 including collections from Medicare and Medi-Cal, and did pay
9 GCC a percentage of its Medicare and Medi-Cal receipts.

10 31. From in or about January 2010 to in or about December
11 2017, RSW billed Medicare via interstate wires approximately
12 \$135 million for ECP, of which Medicare paid RSW via interstate
13 wires approximately \$18.2 million. Between in or around January
14 2010 and in or around December 2017, GCC Imaging billed Medicare
15 via interstate wires approximately \$48.9 million for diagnostic
16 testing, and was paid via interstate wires approximately \$6.9
17 million.

COUNTS TWO THROUGH SEVENTEEN

[18 U.S.C. §§ 1347, 2]

[ALL DEFENDANTS]

32. The Grand Jury realleges and incorporates by reference paragraphs 1 through 28 and 30 through 31 of this Indictment here.

A. THE SCHEME TO DEFRAUD

33. Beginning no later than in or about January 2010, and continuing until at least in or about December 2017, in Los Angeles County, within the Central District of California, and elsewhere, defendants R. WEAVER, SOULATI, and J. WEAVER, together with defendants CARLISH and SCHEELE from no later than in or around January 2010 to in or around 2014, and together with defendants ELKIN and SHETTY from no later than in or around 2014 to at least in or around December 2017, and others known and unknown to the Grand Jury, knowingly, willfully, and with the intent to defraud, executed, attempted to execute, and caused to be executed a scheme and artifice: (1) to defraud a health care benefit program, namely, Medicare, as to material matters in connection with the delivery of and payment for health care benefits, items, and services; and (2) to obtain money from Medicare by means of material false and fraudulent pretenses, representations, and promises, and the concealment of material facts in connection with the delivery of and payment for health care benefits, items, and services.

B. MEANS TO ACCOMPLISH THE SCHEME TO DEFRAUD

34. The fraudulent scheme operated, in substance, as described in paragraph 30 of this Indictment.

1 C. EXECUTIONS OF THE FRAUDULENT SCHEME

2 35. On or about the dates set forth below, within the
 3 Central District of California, and elsewhere, the defendants
 4 identified below, together with others known and unknown to the
 5 Grand Jury, knowingly and willfully executed, attempted to
 6 execute, and caused to be executed the fraudulent scheme
 7 described above, by submitting and causing to be submitted to
 8 Medicare for payment the following false and fraudulent claims:

9

COUNT	DEFEN- DANT	BENEF- ICIARY	DATE SUBMITTED	CLAIM NUMBER	PROCE- DURE	AMOUNT BILLED
TWO	CARLISH	C.L.	7/26/2013	55111320 7736950	ECP	\$1,000
THREE	CARLISH	J.T.	8/5/2013	55181321 7373770	ECP	\$1,000
FOUR	CARLISH	D.T.	8/5/2013	55181321 7373760	ECP	\$1,000
FIVE	CARLISH	J.C.	8/9/2013	55111322 1814400	ECP	\$1,000
SIX	SCHEELE	J.T.	2/19/2014	55181405 0357800	ECP	\$1,000
SEVEN	SCHEELE	L.L.	3/3/2014	55111406 3469580	ECP	\$1,000
EIGHT	SCHEELE	A.V.	3/27/2014	55181408 6028970	ECP	\$1,000
NINE	SCHEELE	L.J.	3/27/2014	55181408 6028200	ECP	\$1,000
TEN	SHETTY R.WEAVER	E.T.	2/13/2015	55111504 7059340	ECP	\$1,000
ELEVEN	ELKIN SOULATI J.WEAVER	E.W.	5/5/2015	55111512 6237530	Stress Test	\$1,500
TWELVE	SOULATI J.WEAVER	M.W.	2/5/2016	55111603 9123270	Stress Test	\$1,500

28

COUNT	DEFEN- DANT	BENEF- ICIARY	DATE SUBMITTED	CLAIM NUMBER	PROCE- DURE	AMOUNT BILLED
THIR- TEEN	SHETTY R.WEAVER	W. I.	2/24/2016	55181605 5658960	ECP	\$1,000
FOUR- TEEN	ELKIN R.WEAVER	P. B.	4/15/2016	55181610 6582590	ECP	\$1,000
FIF- TEEN	ELKIN R.WEAVER	J. C.	12/8/2016	55181634 3429050	ECP	\$1,000
SIX- TEEN	ELKIN R.WEAVER	V. H.	2/24/2017	55181705 5449060	ECP	\$1,000
SEVEN- TEEN	SHETTY R.WEAVER	A. J.	6/23/2017	55181717 4791770	ECP	\$1,000

FORFEITURE ALLEGATION ONE

[18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)]

36. Pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure, notice is hereby given that the United States of America will seek forfeiture as part of any sentence, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), in the event of any defendant's conviction of the offense set forth in Count One of this Indictment.

37. Any defendant so convicted shall forfeit to the United States of America the following:

(a) all right, title, and interest in any and all property, real or personal, constituting, or derived from, any proceeds traceable to the offense; and

(b) To the extent such property is not available for forfeiture, a sum of money equal to the total value of the property described in subparagraph (a).

38. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), any defendant so convicted shall forfeit substitute property, up to the value of the property described in the preceding paragraph if, as the result of any act or omission of said defendant, the property described in the preceding paragraph or any portion thereof (a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to, or deposited with a third party; (c) has been placed beyond the jurisdiction of the court; (d) has been substantially diminished

1 in value; or (e) has been commingled with other property that
2 cannot be divided without difficulty.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

FORFEITURE ALLEGATION TWO

[18 U.S.C. § 982 and 28 U.S.C. § 2461(c)]

39. Pursuant to Rule 32.2(a), Fed. R. Crim. P., notice is hereby given that the United States will seek forfeiture as part of any sentence, pursuant to Title 18, United States Code, Section 982(a)(7) and Title 28, United States Code, Section 2461(c), in the event of any defendant's conviction of the offenses set forth in any of Counts Two through Seventeen of this Indictment.

40. Any defendant so convicted shall forfeit to the United States of America the following:

(a) All right, title, and interest in any and all property, real or personal, that constitutes or is derived, directly or indirectly, from the gross proceeds traceable to the commission of any offense of conviction; and

(b) To the extent such property is not available for forfeiture, a sum of money equal to the total value of the property described in subparagraph (a).

41. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 982(b), any defendant so convicted shall forfeit substitute property, up to the total value of the property described in the preceding paragraph if, as a result of any act or omission of said defendant, the property described in the preceding paragraph, or any portion thereof (a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to or deposited with a third party; (c) has been placed beyond the jurisdiction

1 of the Court; (d) has been substantially diminished in value; or
2 (e) has been commingled with other property that cannot be
3 divided without difficulty.

4 A TRUE BILL

5
6 15/
7 Foreperson

8
9 NICOLA T. HANNA
10 United States Attorney

11 
12 *Scott M. Garringer*
Deputy Chief, Criminal Division For:

13 BRANDON D. FOX
14 Assistant United States Attorney
Chief, Criminal Division

15 RANEE A. KATZENSTEIN
16 Assistant United States Attorney
Chief, Major Frauds Section

17 KRISTEN A. WILLIAMS
18 Assistant United States Attorney
Deputy Chief, Major Frauds Section

19 ALLAN MEDINA
20 Deputy Chief, Fraud Section
United States Department of Justice

21 NIALL M. O'DONNELL
22 Assistant Chief, Fraud Section
United States Department of Justice

23 EMILY Z. CULBERTSON
24 Trial Attorney, Fraud Section
United States Department of Justice