

CRIMINAL COMPLAINT

COPY

UNITED STATES DISTRICT COURT	CENTRAL DISTRICT OF CALIFORNIA
UNITED STATES OF AMERICA v. SANG WHAN AHN,  DEFENDANT.	DOCKET NO.  MAGISTRATE'S CASE NO.  <div style="border: 1px solid black; padding: 5px; display: inline-block;">                 APR 25 2012                  CLERK, U.S. DISTRICT COURT                  CENTRAL DISTRICT OF CALIFORNIA                  BY DEPUTY                  12-0998M             </div>

Complaint for violation of Title 42, United States Code, Section 1320a-7b(b)(1).

NAME OF MAGISTRATE JUDGE  HON. SUZANNE H. SEGAL	UNITED STATES MAGISTRATE JUDGE	LOCATION Los Angeles, CA
DATE OF OFFENSE February 2009 - March 2, 2011	PLACE OF OFFENSE Los Angeles County	ADDRESS OF ACCUSED (IF KNOWN)

COMPLAINANT'S STATEMENT OF FACTS CONSTITUTING THE OFFENSE OR VIOLATION:  
 [42 U.S.C. § 1320a-7b(b)(1): Illegal Kickbacks for Patient Referrals]  
 Between in or around February 2009 and on or about March 2, 2011, in Los Angeles County, within the Central District of California, defendant SANG WHAN AHN, knowingly and willfully solicited and received remuneration from co-conspirator Mun in return for referring individuals to Greatcare Home Health, Inc. ("Greatcare"), for home health services for which payment could be made in whole and in part under a Federal health care program, namely Medicare. In particular, on or about September 29, 2010, defendant received a check from Mun for approximately \$400 in exchange for the referral of Medicare beneficiary B.K. to Greatcare, for whom Greatcare submitted a claim to Medicare on or about December 27, 2010.

BASIS OF COMPLAINANT'S CHARGE AGAINST THE ACCUSED:  
 (See attached affidavit which is incorporated as part of this Complaint)

MATERIAL WITNESSES IN RELATION TO THIS CHARGE: N/A

Being duly sworn, I declare that the foregoing is true and correct to the best of my knowledge.	SIGNATURE OF COMPLAINANT  ROSS REID <span style="float: right;">151</span>
	OFFICIAL TITLE Special Agent - HHS-OIG

Sworn to before me and subscribed in my presence,

SIGNATURE OF MAGISTRATE JUDGE(1)  <div style="text-align: center;">                 Suzanne H. Segal                  U.S. Magistrate Judge             </div>	DATE April 25, 2012
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## AFFIDAVIT

I, ROSS REID, being duly sworn, hereby depose and state the following:

### I. INTRODUCTION

1. I am a Special Agent ("SA") for the US Department of Health & Human Service, Office of Inspector General ("HHS-OIG"), assigned to the Los Angeles Regional Office. I have been a SA with HHS-OIG since January 2011. I graduated from the Criminal Investigator Training Program at the Federal Law Enforcement Training Center (FLETC) in Glynco, Georgia. In addition to the twelve weeks of training I completed at FLETC, I also successfully completed a six-week HHS-OIG Special Agent Basic Training Program, concentrating specifically on health care fraud investigations. My duties include investigating fraud, waste, and abuse within the 300+ programs under the Department of Health and Human Services, with the majority of time spent on Medicare fraud investigations. I have received, and receive on an ongoing basis, training specifically involving investigating criminal health care fraud investigations. I am currently licensed as a CPA in the State of California and a Certified Fraud Examiner. I obtained a Bachelor of Arts degree in Business & Economics from the University of California, Santa Barbara.

2. I am one of the agents investigating Greatcare Home Health, Inc. ("Greatcare"), and various individuals associated with it, including SANG WHAN AHN, also known as "Miss Ahn"

("AHN").

## II. PURPOSE OF THE AFFIDAVIT

3. This affidavit is made in support of a complaint charging AHN with one count of receiving illegal kickbacks for the referral of Medicare patients, in violation of Title 42, United States Code, Section 1320a-7b(b)(1), and an arrest warrant for AHN. Specifically, on or about September 29, 2010, in Los Angeles County, in the Central District of California, and elsewhere, AHN knowingly and willfully received remuneration in the form of a direct kickback of approximately \$400 in return for referring B.K., a Medicare beneficiary whose Medicare Health Insurance Card Number ("HICN") ends in 9442A, to Greatcare for the furnishing or arranging for the furnishing of any services for which payment may be made in whole or in part under a Federal Health care program, that is, home health services for which Greatcare submitted claim number 21036100280702CAR to Medicare on or about December 27, 2010.

4. I am familiar with the facts and circumstances of this investigation. I make this affidavit in part based upon personal knowledge derived from my participation in this investigation and in part based upon information obtained from the following sources:

a. Oral and written reports from other federal agents;

b. Medicare claims data and records obtained from Medicare contractors;

c. Records obtained through subpoenas and a search warrant; and

d. My training and experience in investigating Medicare fraud.

5. This affidavit is offered for the sole purpose of establishing probable cause for the complaint and arrest warrant and does not purport to set forth all of the facts of the investigation.

### III. PROBABLE CAUSE

#### A. The Medicare Program and Home Health Services

6. Medicare is a federally-funded health care benefit program administered by the Centers for Medicare and Medicaid Services ("CMS") that provides reimbursement for certain medically necessary health care services, including home health services, to persons age 65 and above and to certain disabled persons.

7. Individuals who qualified for Medicare benefits were referred to as "beneficiaries" and were issued Medicare identification cards with unique Health Insurance Claim Numbers ("HICNs"). To protect the privacy of the beneficiary identified in the complaint, the beneficiary is identified by initials and the last four digits of his/her HICN.

8. Persons and entities that provided medical services that were reimbursed by Medicare were called Medicare "providers."

9. Medicare reimbursed providers for certain types of medically necessary treatment, including home health services provided by qualified home health agencies.

10. Medicare coverage for home health services is limited to situations in which specified qualifying conditions are met. These conditions include the following:

a. The Medicare beneficiary is confined to the home and did not have a willing care-giver to assist him or her;

b. The beneficiary needs skilled nursing services or physical or occupational therapy services;

c. The beneficiary is under the care of a qualified physician who established a written plan of care for the beneficiary, signed by the physician and an RN (or by a therapist if only therapy services were provided) from the home health agency;

d. Skilled nursing services are provided by or under the supervision of an RN in accordance with the plan of care; and

e. The skilled nursing services or physical or occupational therapy are medically necessary.

**B. Greatcare Was a Medicare Provider that Paid AHN for Referrals of Medicare Beneficiaries**

11. From my review of materials provided by SafeGuard

Services, LLC ("SGS"), a program integrity contractor for Medicare, I know that Greatcare was a home health agency enrolled as a Medicare provider and owned by Hee Jung Mun, also known as "Angela Mun" ("Mun"), a Registered Nurse ("RN"), between on or about May 2008 and on or about March 2, 2011.

Referral Sheets Seized from Greatcare

12. On March 1, 2011, United States Magistrate Judge Frederick F. Mumm signed a search warrant for Greatcare's business location, finding probable cause to believe Greatcare was engaged in health care fraud, in violation of 18 U.S.C. § 1347, and the payment of kickbacks for patient referrals, in violation of 42 U.S.C. § 1320a-7b. From the agents who executed that search warrant on March 2, 2011, and based on my own review of the materials seized, I learned that agents discovered numerous "referral sheets" at Greatcare. The referral sheets typically listed the names of patients, the dates of referrals, and the lump sum that was paid for the referrals of those particular patients, including the dates on which the checks were written.

13. Based on my training and experience in Medicare fraud, I know that fraudulent Medicare providers often pay individuals known as "marketers" or "cappers" to recruit Medicare beneficiaries to receive services from the providers.

14. When I reviewed the materials seized during the search

warrant, I saw that many of the referrals sheets listed AHN at the top of the page. Below AHN's name, other names were listed in the "patient name" column with dates next to them. In the "pay day" column of these sheets, dollar amounts were listed, again accompanied by dates.

Greatcare Paid AHN for Referrals

15. Upon analyzing bank records for Greatcare, Mun, and AHN, I discovered approximately 47 checks written to AHN from either Greatcare or Mun totaling approximately \$91,400 between March 5, 2009, and February 24, 2011. All of these checks were endorsed by AHN and either cashed or deposited into her personal bank account.

16. From the "referral sheets" discovered during the execution of the search warrant at Greatcare, I was able to correlate approximately \$42,700 of the checks written to AHN with the lump sum amounts listed as payments to AHN in the referral sheets.

AHN Confessed to Receiving Kickbacks

17. On several occasions, AHN has admitted to both receiving kickbacks from Mun for referring Medicare beneficiaries to Greatcare and to knowing that the receipt of those kickbacks was wrong.

18. On August 20, 2010, agents consensually recorded a telephone conversation between AHN and Misha Kim ("Kim"). Kim

worked at Greatcare, primarily as a receptionist, from in or around March 2009 to in or around September 2010. Kim filed a complaint under the qui tam provisions of the federal False Claims Act, 31 U.S.C. § 3729 et seq., under which she may be entitled to up to 25% of the government's recovery. United States ex rel. Misha Kim v. Greatcare Home Health, Inc., et al., CV 10-01988-SVW. In that complaint, Kim alleged that Greatcare was engaged in Medicare fraud, including, among other things, the payment of kickbacks to physicians for referrals to Greatcare and to patients for enrolling with Greatcare. The court unsealed the qui tam on May 31, 2011. Kim agreed to record conversations with AHN.

19. I have reviewed a transcript of the August 20, 2010 conversation, on which AHN made the following statements:

a. In response to Kim's statement that she heard Mun owes AHN nearly \$20,000, AHN confirmed that Mun owed her money. AHN told Kim that she had not been paid November's payment either.

b. AHN also told Kim that Mun gave her a \$2,000 check and "made such a big deal as if the money is given away."

c. AHN told Kim that if Mun behaved foolishly, that AHN could "take her out with one blow."

d. AHN told Kim that she had heard from nurses at Greatcare that Mun only lured in healthy people who were



gamblers.

20. On August 24, 2010 agents consensually recorded another telephone conversation between AHN and Kim. I reviewed the transcript of that conversation, on which AHN made the following statements:

a. AHN told Kim that Mun "swindled government money" and was "committing a serious crime."

b. AHN said that AHN was also involved and needed "to prepare something for everything."

c. AHN told Kim she knew paperwork was being manipulated and "false papers" were being signed, while patients were paid \$300 to sign but "get no treatment."

d. AHN said that she did not work for almost a month at one point, saying "[w]hat a crook. This is dealing with the government."

e. On several occasions during the phone call, AHN advised Kim to confront Mun about the fraud occurring at Greatcare and "extort" \$50,000 from Mun. AHN stated to Kim that since Kim worked there the most, Kim would be able to obtain a big settlement from Mun.

f. AHN admitted to paying several patients in an effort to recruit them.

g. AHN said that she learned to pay patients from Mun. AHN said that she had witnessed Mun pay money to elderly

ladies. AHN also said that she caught Mun "convincing the patients." AHN said that if the patients complained that "[Mun] gave them money without providing treatment and took their signatures . . . [Mun] goes to jail."

h. AHN also admitted to paying a doctor for Greatcare out of her own pocket.

21. Special Agents Linda Kline of the Federal Bureau of Investigation (FBI) and Steve Ryan of HHS-OIG interviewed AHN on March 18, 2011. AHN agreed to speak with agents and said that Mun talked to AHN and told her that Mun made about \$4-5 million and that "everything illegal." AHN said that Mun paid doctors, including Dr. Whan Sil Kim, Dr. Bo Wook Paik, and Dr Dong Shin, paying each doctor differently. AHN stated that Mun is a "criminal." AHN also informed agents that some patients complained when they saw their Medicare invoices that had \$3,000 in claims, but they did not receive the services. According to AHN, Mun spoke with the patients who were worried that their Medicare will be taken away, and in some cases paid them off. AHN informed agents that she was aware that it was illegal to pay patients and doctors.

22. On March 28, 2011, AHN agreed to participate in a series of consensually recorded calls with Mun. Based on my review of the transcript of those March 28, 2011 conversations, I know that AHN spoke with Mun regarding signatures for Greatcare

patients referred by Dr. Whan Sil Kim. Based on what I have learned from the Greatcare investigation, I know that Dr. Kim had been subpoenaed for patient files for the patients she referred to Greatcare shortly before this March 28, 2011, telephone call. From the investigation, I also know that Mun and AHN have both told agents that Dr. Kim did not have any of these patient files at the time of this subpoena. During Mun's conversation with AHN, Mun attempted to obtain AHN's assistance in procuring patient signatures for Dr. Kim, and Mun and AHN discussed patients who were referred by Dr. Kim. During that conversation, AHN told Mun "how can I help this mess? I am also in a pitiful situation" and "[n]ow I am in sheer desperation. I also-let's die together! . . . If the FBI takes me away, I'll get the punishment."

23. SA Kline and I interviewed AHN on October 4, 2011. AHN agreed to speak with agents and stated as follows:

a. AHN originally began working for Mun several years ago. Mun asked AHN to help recruit Medicare patients who needed extra money. AHN recalled one of the first instances in which she met Mun and witnessed Mun paying two Medicare patients \$300 each in Mun's vehicle in front of a nursing home on Pico Avenue in Los Angeles.

b. After witnessing this transaction, AHN knew that fraud was occurring. AHN did not speak to Mun for a couple weeks

after this meeting. Afterwards, Mun asked AHN to work with her and offered to teach AHN about the business.

c. Mun promised AHN that she would pay AHN money for assisting with recruiting Medicare patients. Many times Mun would not keep her promise and did not pay AHN for the patients. However, Mun would pay AHN in lump sums periodically for various patients.

d. AHN estimated that she received approximately \$40,000 from Mun in total.

e. AHN stated that Mun would typically pay her more money when Mun would send "fake" bills to Medicare. When asked to clarify "fake," AHN stated that these were instances where Mun would bill Medicare for services that were not given.

24. During four proffer sessions with the United States Attorney's Office in Los Angeles between June 2011 and March 2012, Mun stated that she had paid AHN for referring patients to Greatcare and that AHN also paid doctors for referrals to Greatcare. During the March 2012 proffer, Mun said she paid AHN \$400 per referral for patients referred to doctors other than Dr. Kang, for whom she paid AHN \$600. I was either present at these sessions or reviewed the reports for them.

25. Mun has signed a plea agreement with the government, agreeing to cooperate with the government in return for potential downward departure at sentencing if the government finds that she

has substantially assisted its investigation. In the plea agreement, Mun admitted that she orchestrated the scheme at Greatcare that defrauded Medicare through a number of means: (a) paying illegal kickbacks to doctors and marketers for patient referrals, (b) paying illegal kickbacks to patients to induce them to sign up for home health services; (c) billing Medicare for patients who were not homebound or who otherwise did not qualify for home health services; (d) billing Medicare for services provided by unlicensed individuals or not provided at all, and (e) creating bogus medical records to support fraudulent claims to Medicare, and "upcoding" or exaggerating patient conditions to generate larger reimbursements from Medicare.

**C. AHN Received a Kickback from Greatcare for the Referral of Medicare Beneficiary B.K.**

26. One of the referral sheets seized during the execution of the search warrant is a referral sheet with AHN's name at the top, which lists five patient names, including the name of B.K., along with a note indicating that \$2,000 was paid on September 29, 2010, for those five patients. Based on the fact that \$2,000 was paid for five patients, as well as Mun's statements about the amount she paid AHN per referral, I believe that AHN received \$400 for referring B.K.

27. In reviewing Greatcare's bank records, I observed check number 3275, written out of Greatcare's Wilshire State Bank business checking account, was made payable to "Ahn Sang" for

\$2,000 on September 29, 2010. This check was endorsed, and an account number "9-204040" was written on the back of the check.

28. In reviewing AHN's bank records, I observed this \$2,000 check was recorded as having been deposited into AHN's checking account 9204040 at Saehan Bank on September 29, 2010. Based on my review of AHN's bank records, I also believe that the endorsement on the back of the deposited check is AHN's signature.

29. I reviewed Greatcare's Medicare billing data and learned that Greatcare billed Medicare for services allegedly provided to patient B.K., with a HICN ending in 9442A, in claim number 21036100280702CAR on December 27, 2010. Greatcare claimed it provided home health services to B.K. on this claim between September 10, 2010 through November 3, 2010. Medicare paid Greatcare \$2,663 for this claim.

#### IV. Conclusion

30. Based on the facts set forth herein, there is probable cause to believe that on or about September 29, 2010, in Los Angeles County, in the Central District of California, and elsewhere, defendant AHN knowingly and willfully received remuneration in the form of a direct kickback of approximately \$400 in return for referring B.K., a Medicare beneficiary whose Medicare Health Insurance Card Number ("HICN") ends in 9442A, to Greatcare for the furnishing or arranging for the furnishing of

any services for which payment may be made in whole or in part under a Federal Health care program, that is, for home health services to B.K., for which Greatcare submitted claim number 21036100280702CAR to Medicare on or about December 27, 2010.

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ROSS REID  
Special Agent  
Department of Health & Human  
Services - OIG

Subscribed and Sworn to before me  
on this 25 day of April, 2012.

Suzanne H. Segal  
U.S. Magistrate Judge

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HONORABLE SUZANNE H. SEGAL  
UNITED STATES MAGISTRATE JUDGE