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CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
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UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA  
February 2012 Grand Jury

UNITED STATES OF AMERICA, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
GEORGE SAMUEL LAING, )  
AUGUSTUS OHEMENG, M.D., )  
GEORGE TARRYK, M.D., and )  
EMMANUEL CHIDUEME, )  
 )  
Defendants. )

No. CR CR12-0415  
I N D I C T M E N T  
[18 U.S.C. § 1347: Health Care  
Fraud; 18 U.S.C. § 2(b):  
Causing an Act To Be Done]

The Grand Jury charges:

COUNTS ONE THROUGH SIX

[18 U.S.C. §§ 1347, 2(b)]

A. INTRODUCTORY ALLEGATIONS

At all times relevant to this Indictment:

The Defendants, the Pacific Clinic, Ivy Medical Supply, and Santos Medical Supply

1. Defendant GEORGE SAMUEL LAING ("LAING") was the manager and operator of the medical clinic that was located at

BSK

1 2491 Pacific Avenue, Suite #2, Long Beach, California (the  
2 "Pacific Clinic"), within the Central District of California.

3 2. Defendant AUGUSTUS OHEMENG, M.D. ("OHEMENG") was a  
4 physician who treated patients at the Pacific Clinic.

5 3. Defendant GEORGE TARRYK, M.D. ("TARRYK") was a  
6 physician who treated patients at the Pacific Clinic.

7 4. Defendant EMMANUEL CHIDUEME was the owner and operator  
8 of Ivy Medical Supply, Inc. ("Ivy"), a durable medical equipment  
9 ("DME") supply company.

10 5. From in or about June 2004 until at least in or about  
11 September 2009, Ivy was located at 1304 South Magnolia Avenue,  
12 Anaheim, California, within the Central District of California.  
13 Ivy became a Medicare provider and was issued a Medicare provider  
14 number on or about June 30, 2002.

15 6. Santos Medical Supply ("Santos") was a DME supply  
16 company located at 2821 South Vermont Avenue in Los Angeles,  
17 California, within the Central District of California.

18 7. Ivy and Santos purported to provide to Medicare  
19 beneficiaries, among other things, enteral nutrition, which was a  
20 liquid nutritional supplement sold under brand names such as  
21 Ensure and Glucerna, and enteral nutrition feeding supply kits,  
22 which were kits that included syringes used to administer enteral  
23 nutrition to patients who received their nutrition through a  
24 feeding tube rather than by mouth.

25 8. Between in or about February 2005 and in or about  
26 September 2008, defendants OHEMENG and TARRYK, while practicing  
27 at the Pacific Clinic, prescribed enteral nutrition and feeding  
28 supply kits to approximately 370 Medicare beneficiaries whom

1 defendant LAING referred to Santos. Between in or about February  
2 2005 and in or about September 2009, defendants OHEMENG and  
3 TARRYK, while practicing at the Pacific Clinic, prescribed  
4 enteral nutrition and feeding supply kits to approximately 367  
5 Medicare beneficiaries whom defendant LAING referred to Ivy.

6 9. Between in or about February 2005 and in or about  
7 September 2009, based on prescriptions written by defendants  
8 OHEMENG and TARRYK, Santos and Ivy billed Medicare approximately  
9 \$2,373,922 and \$3,314,177, respectively, for enteral nutrition  
10 and feeding supply kits allegedly supplied to Medicare  
11 beneficiaries. Based on these claims, Medicare paid Santos and  
12 Ivy approximately \$1,451,414 and \$1,518,254, respectively.

13 The Medicare Program

14 10. Medicare was a federal health care benefit program,  
15 affecting commerce, that provided benefits to individuals who  
16 were over the age of 65 or disabled. Medicare was administered  
17 by the Centers for Medicare and Medicaid Services ("CMS"), a  
18 federal agency within the United States Department of Health and  
19 Human Services.

20 11. Individuals who qualified for Medicare benefits were  
21 commonly referred to as Medicare "beneficiaries." Each  
22 beneficiary was given a Health Identification Card Number  
23 ("HICN") unique to that beneficiary.

24 12. DME companies, physicians, and other health care  
25 providers that provided services that were reimbursed by  
26 Medicare were referred to as "providers."

27 13. To become eligible to participate in Medicare, Medicare  
28 required DME companies to submit an application in which the

1 company agreed to comply with all Medicare-related laws and  
2 regulations. If Medicare approved the application, Medicare  
3 assigned the DME company a Medicare "provider number," which  
4 enabled the DME company to submit claims to Medicare for  
5 reimbursement for products provided to Medicare beneficiaries.

6 14. Most DME providers, including Santos and Ivy, submitted  
7 their claims electronically.

8 15. Medicare required a claim for Medicare reimbursement of  
9 DME to set forth, among other things, the beneficiary's name and  
10 HICN, the type of DME provided to the beneficiary, the date that  
11 the DME was provided, and the name and Unique Physician  
12 Identification Number ("UPIN") and/or the National Provider  
13 Identifier ("NPI") of the physician who prescribed or ordered the  
14 DME.

15 16. Medicare reimbursed DME providers only for DME that was  
16 medically necessary to the treatment of a beneficiary's illness  
17 or injury, was prescribed by a beneficiary's physician, and was  
18 provided in accordance with Medicare regulations and guidelines  
19 that governed whether a particular item would be reimbursed by  
20 Medicare.

21 17. To bill Medicare, a DME provider submitted a claim  
22 (Form 1500), which Medicare required to be truthful, complete,  
23 and not misleading. In addition, when submitting a claim to  
24 Medicare, a DME provider certified that the services or supplies  
25 covered by the claim were medically necessary.

26 18. Prior to January 2007, for some types of DME, including  
27 enteral nutrition, Medicare also required a Certificate of  
28 Medical Necessity ("CMN"), signed by the referring physician,

1 certifying that the patient had the medical conditions necessary  
2 to justify the DME.

3 19. For enteral nutrition to be covered by Medicare, the  
4 Medicare beneficiary who received the enteral nutrition must have  
5 had some illness or injury that prevented him from swallowing or  
6 ingesting nutrients by mouth. Medicare would not cover  
7 nutritional supplements for patients who were able to drink  
8 nutritional supplements normally.

9 20. Patients receiving enteral nutrition through a feeding  
10 tube required approximately 1600 calories per day. Such patients  
11 generally required one syringe per day to inject the enteral  
12 nutrition into a feeding tube.

13 B. THE FRAUDULENT SCHEME

14 21. Beginning on or about February 28, 2005, and continuing  
15 through on or about September 30, 2009, in Los Angeles County,  
16 within the Central District of California, and elsewhere,  
17 defendants LAING, OHEMENG, TARRYK, and CHIDUEME, together with  
18 others known and unknown to the Grand Jury, knowingly, willfully,  
19 and with intent to defraud, executed and attempted to execute a  
20 scheme and artifice: (a) to defraud a health care benefit  
21 program, namely Medicare, as to material matters in connection  
22 with the delivery of and payment for health care benefits, items,  
23 and services; and (b) to obtain money from Medicare by means of  
24 material false and fraudulent pretenses and representations and  
25 the concealment of material facts in connection with the delivery  
26 of and payment for health care benefits, items, and services.

27 22. The fraudulent scheme operated, in substance, in the  
28 following manner:

1           a. Defendant LAING opened and operated the Pacific  
2 Clinic and recruited defendants OHEMENG and TARRYK as treating  
3 physicians for the clinic.

4           b. Defendant CHIDUEME established Ivy, a retail DME  
5 company, and operated Ivy for the purpose of submitting claims to  
6 the Medicare program.

7           c. Defendant LAING used patient recruiters, known as  
8 "marketers" or "cappers," for the purpose of bringing Medicare  
9 beneficiaries to the Pacific Clinic.

10           d. At the Pacific Clinic, defendants OHEMENG and  
11 TARRYK performed physical examinations and administered tests for  
12 Medicare beneficiaries. Following the examinations, defendants  
13 OHEMENG and TARRYK prescribed Medicare beneficiaries 1600  
14 calories of enteral nutrition per day "with feeding syringes."

15           e. The prescriptions for enteral nutrition and  
16 feeding syringes written by defendants OHEMENG and TARRYK were  
17 fraudulent in that the Medicare beneficiaries were not tube fed,  
18 did not require a full daily value of 1600 calories in liquid  
19 nutrition, and had no need for prescription syringes.

20           f. Defendant OHEMENG fraudulently and falsely signed  
21 CMNs certifying that patients were tube fed and could not ingest  
22 food orally, even though, as defendant OHEMENG then well knew,  
23 the patients did not have a feeding tube and could ingest food  
24 orally.

25           g. Once defendants OHEMENG and TARRYK wrote the false  
26 and fraudulent enteral nutrition prescriptions, defendant LAING  
27 referred the prescriptions to DME supply companies, including  
28 Santos and Ivy, in exchange for kickback payments. A Santos

1 employee, J.G., and others known and unknown to the Grand Jury,  
2 paid LAING approximately \$300 for each enteral nutrition and  
3 feeding supply kit prescription. Defendant CHIDUEME, on behalf  
4 of Ivy, also made kickback payments to defendant LAING in  
5 exchange for the referral of enteral nutrition and feeding supply  
6 kit prescriptions.

7 h. Based on the false and fraudulent prescriptions  
8 written by defendants OHEMENG and TARRYK and referred by  
9 defendant LAING, one or more co-schemers at Santos submitted and  
10 caused to be submitted false and fraudulent claims to Medicare on  
11 behalf of Santos, falsely representing that Santos had supplied  
12 Medicare beneficiaries with certain quantities of medically  
13 necessary enteral nutrition and feeding supply kits when, in  
14 truth and fact, the enteral nutrition and feeding supply kits  
15 were not medically necessary because the beneficiaries were  
16 drinking the liquid nutrition normally and Santos was supplying  
17 only a fraction of the enteral nutrition and supply kits for  
18 which it was billing Medicare.

19 i. Based on the false and fraudulent prescriptions  
20 written by defendants OHEMENG and TARRYK and referred by  
21 defendant LAING, defendant CHIDUEME submitted and caused to be  
22 submitted false and fraudulent claims to Medicare on behalf of  
23 Ivy, falsely representing that Ivy had supplied Medicare  
24 beneficiaries with certain quantities of medically necessary  
25 enteral nutrition and feeding supply kits when, in truth and  
26 fact, the enteral nutrition and feeding supply kits were not  
27 medically necessary because the beneficiaries were drinking the  
28 liquid nutrition normally and Ivy was supplying only a fraction

1 of the enteral nutrition and feeding supply kits for which it was  
2 billing Medicare.

3 j. Between in or about February 2005 and in or about  
4 September 2008, Santos submitted false and fraudulent claims to  
5 Medicare for enteral nutrition and enteral nutrition feeding  
6 supply kits in the amount of approximately \$2,373,922. Medicare  
7 in turn paid Santos approximately \$1,451,414 on those claims.

8 k. Between in or about February 2005 and in or about  
9 September 2009, Ivy submitted false and fraudulent claims to  
10 Medicare for enteral nutrition and enteral nutrition feeding  
11 supply kits in the amount of approximately \$3,314,177. Based on  
12 these claims, Medicare paid Ivy approximately \$1,518,254.

13 C. EXECUTION OF THE FRAUDULENT SCHEME

14 23. On or about the dates set forth below, within the  
15 Central District of California and elsewhere, the defendants  
16 listed below, together with others known and unknown to the Grand  
17 Jury, for the purpose of executing and attempting to execute the  
18 fraudulent scheme described above, knowingly and willfully caused  
19 to be submitted to Medicare the following false and fraudulent  
20 claims for payment for DME purportedly provided to the  
21 beneficiaries listed below:

22

<u>COUNT</u>	<u>DEFENDANT</u>	<u>CLAIM NUMBER/ DME COMPANY</u>	<u>DATE CLAIM SUBMITTED</u>	<u>AMOUNT OF CLAIM</u>	<u>BENEFICIARY - TYPE OF DME</u>
25 ONE	26 LAING, OHEMENG, TARRYK	27 10712284 7993000 (SANTOS)	05/2/2007	\$636.43	S.Y. - enteral nutrition and syringes

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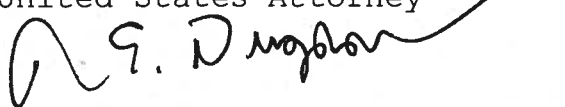


1	TWO	LAING, OHEMENG, TARRYK	10818385 3073000 (SANTOS)	7/1/2008	\$636.43	S.P. - enteral nutrition and syringes
2						
3	THREE	LAING, OHEMENG, TARRYK	10824682 7299000 (SANTOS)	9/2/2008	\$971.10	S.L. - enteral nutrition and syringes
4						
5	FOUR	LAING, OHEMENG, TARRYK, CHIDUEME	10833785 8672000 (IVY)	12/02/2008	\$779.65	S.L. - enteral nutrition and syringes
6						
7	FIVE	LAING, OHEMENG, TARRYK, CHIDUEME	10915680 5900000 (IVY)	06/05/2009	\$754.50	S.P. - enteral nutrition and syringes
8						
9	SIX	LAING, OHEMENG, TARRYK, CHIDUEME	10924580 6295000 (IVY)	09/02/2009	\$754.50	S.Y. - enteral nutrition and syringes
10						
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12						
13						

14 A TRUE BILL

15   
16 \_\_\_\_\_  
17 Foreperson

18 ANDRÉ BIROTTE JR.  
19 United States Attorney

20   
21 ROBERT E. DUGDALE  
22 Assistant United States Attorney  
23 Chief, Criminal Division

24 BEONG-SOO KIM  
25 Assistant United States Attorney  
26 Chief, Major Frauds Section

27 CONSUELO S. WOODHEAD  
28 Assistant United States Attorney  
Deputy Chief, Major Frauds Section

GRANT B. GELBERG  
Special Assistant United States Attorney  
Major Frauds Section