

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

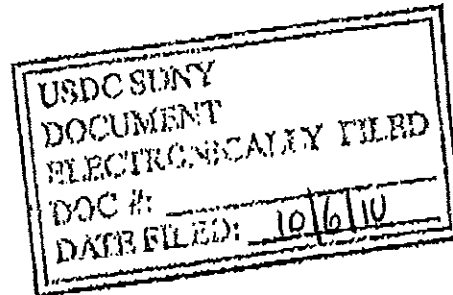
- v. -

ISAY GILYADOV,
VLADIMIR GILYADOV,
ARIEL ILYASOV,
 a/k/a "Arik,"
IVAN BARAQUE,
JIN YONG YIM,
DONG WOOK LEE,
KELLY FELICIANO,
ROBERSON JOSEPH,
 a/k/a "Robinson,"
 a/k/a "Roberto,"
GARY MAURENT, and
PHILIPPE FRANCOIS,

Defendants.
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SEALED INDICTMENT

94 10 Cr. 821 (JGK)



COUNT ONE

(Conspiracy)

The Grand Jury charges:

THE HEALTH CARE INSURANCE FRAUD SCHEME

1. At all times relevant to this Indictment, vehicles registered in New York State were required to have no-fault car insurance, which enabled the driver and passengers of a vehicle registered and insured in New York State to obtain benefits of up to \$50,000 per person for injuries sustained in an automobile accident, regardless of fault. An individual injured in such an accident could sign an assignment of benefits form, enabling medical practitioners to bill New York automobile insurance

companies and receive payment directly for costs incurred in treating the injured person. The insurance companies then typically compensated the medical practitioners at a fixed rate for various medical services to treat these accident victims.

2. From at least November 2009 through April 2010, Pitkin Medical Services II, P.C., was a medical clinic located at 1735 Pitkin Avenue, Brooklyn, New York (the "Pitkin Avenue Clinic" or the "Clinic"). While purporting to be a legitimate medical care clinic specializing in accident victims, the Pitkin Avenue Clinic was, in fact, a medical fraud mill which routinely billed automobile insurance companies under the no-fault program for medical treatments which were either (i) never provided or (ii) unnecessary, because the person being treated did not medically need the treatments. The Clinic used individuals (hereinafter referred to as "Runners") to refer "patients" to the Clinic who were in car accidents (often staged with the sole purpose of committing no-fault insurance fraud) in return for a fee. Often, the patients had suffered little or no injury from the accidents yet obtained weeks or months of unnecessary treatments at the Clinic such as physical therapy, chiropractory and acupuncture. The Clinic then billed automobile insurance companies under the no-fault program for these unnecessary medical treatments, often for thousands of dollars per patient.

3. From at least January 2010 through April 2010, the Pitkin Avenue Clinic also enabled outside medical suppliers and practitioners to fraudulently bill insurance companies for unnecessary medical treatments and supplies in return for kickbacks. Specifically, the Pitkin Avenue Clinic provided grossly overpriced and unnecessary medical supplies to Clinic patients; the sellers of these supplies then billed insurance companies for these supplies and, in return, the Pitkin Avenue Clinic managers were paid a kickback for each set of medical supplies. Similarly, patients were referred by the Pitkin Avenue Clinic to other clinics, such as a radiology clinic that performed Magnetic Resonance Imagings ("MRIs") and produced MRI reports that were either unnecessary or exaggerated. The radiology clinic then paid kickbacks to the managers of the Pitkin Avenue Clinic for referring patients for those MRIs and corresponding reports. Finally, on at least one occasion, the Pitkin Avenue Clinic referred patients from a staged car accident to another clinic called the Hillside Medical Rehabilitation Center, located at 114-34 Hillside Avenue in Queens, New York (the "Hillside Avenue Clinic"), because patients from the other car in that same accident were already receiving treatment from the Pitkin Avenue Clinic.

RELEVANT INDIVIDUALS TO THE CONSPIRACY

4. At various times relevant to this Indictment, ISAY GILYADOV, the defendant, with the assistance of his son, VLADIMIR GILYADOV, the defendant, operated and managed the Pitkin Avenue Clinic, in conjunction with a witness who was cooperating with the FBI ("CW-1").

5. At various times relevant to this Indictment, ARIEL ILYASOV, a/k/a "Arik," operated and managed the Hillside Avenue Clinic.

6. At all times relevant to this Indictment, IVAN BARAQUE, the defendant, a licensed physician, was the medical practitioner under whose name the Pitkin Avenue Clinic operated and who authorized prescriptions and referrals, and also billed insurance companies for some treatments performed at the Clinic.

7. At various times relevant to this Indictment, JIN YONG YIM and DONG WOOK LEE, the defendants, were accupuncturists at the Pitkin Avenue Clinic who billed patients for treatments that were unnecessary and/or inflated.

8. At various times relevant to this Indictment, KELLY FELICIANO, the defendant, was a patient at the Hillside Avenue Clinic who received numerous, unnecessary treatments in exchange for money after participating in a staged car accident.

9. At various times relevant to this Indictment, ROBERSON JOSEPH, a/k/a "Robinson," a/k/a "Roberto," GARY MAURENT,

and PHILIPPE FRANCOIS, the defendants, were Runners who recruited patients to the Pitkin Avenue Clinic in return for a fee per patient referred.

THE STATUTORY ALLEGATIONS

10. From in or about April 2009, up through and including September 2010, in the Southern District of New York and elsewhere, ISAY GILYADOV, VLADIMIR GILYADOV, ARIEL ILYASOV, a/k/a "Arik," IVAN BARAQUE, JIN YONG YIM, DONG WOOK LEE, KELLY FELICIANO, ROBERSON JOSEPH, a/k/a "Robinson," a/k/a "Roberto," GARY MAURENT, and PHILIPPE FRANCOIS, the defendants, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit, to violate Sections 1341 and 1347 of Title 18, United States Code.

11. It was a part and an object of the conspiracy that ISAY GILYADOV, VLADIMIR GILYADOV, ARIEL ILYASOV, a/k/a "Arik," IVAN BARAQUE, JIN YONG YIM, DONG WOOK LEE, KELLY FELICIANO, ROBERSON JOSEPH, a/k/a "Robinson," a/k/a "Roberto," GARY MAURENT, and PHILIPPE FRANCOIS, the defendants, and others known and unknown, unlawfully, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations and promises, for the purpose of executing such scheme and artifice and attempting so to do, would

and did place in a post office and authorized depository for mail matter, a matter and thing to be sent and delivered by the Postal Service, and would and did take and receive therefrom, such matter and thing, and would and did cause to be delivered by mail according to the direction thereon, and at the place at which it is directed to be delivered by the person to whom it is addressed, a matter or thing, in violation of Title 18, United States Code, Section 1341.

12. It was further a part and an object of the conspiracy that ISAY GILYADOV, VLADIMIR GILYADOV, ARIEL ILYASOV, a/k/a "Arik," IVAN BARAQUE, JIN YONG YIM, DONG WOOK LEE, KELLY FELICIANO, ROBERSON JOSEPH, a/k/a "Robinson," a/k/a "Roberto," GARY MAURENT, and PHILIPPE FRANCOIS, the defendants, and others known and unknown, unlawfully, willfully and knowingly would and did execute and attempt to execute a scheme and artifice to defraud health care benefit programs and obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, health care benefit programs, in connection with the delivery of and payment for health care benefits, items and services, in violation of Title 18, United States Code, Section 1347.

OVERT ACTS

13. In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about December 1, 2009, IVAN BARAQUE, the defendant, filed a Certificate of Incorporation with the New York Department of State for Pitkin Medical Services II, P.C.

b. On or about January 4, 2010, ISAY GILYADOV, the defendant, agreed to pay \$6,500 to ROBERSON JOSEPH, a/k/a "Robinson," a/k/a "Roberto," the defendant, for three patients JOSEPH had recruited to receive treatment at the Pitkin Avenue Clinic.

c. On or about January 7, 2010, KELLY FELICIANO, the defendant, a co-conspirator not charged as a defendant herein ("CC-1"), an undercover FBI agent ("UC-1"), a confidential source working with the FBI ("CS-1"), and a cooperating witness working with the FBI ("CW-1"), were involved in a staged car accident in Bronx, New York (the "January 7 Accident") for the purpose of submitting fraudulent insurance claims through the Pitkin Avenue Clinic and the Hillside Avenue Clinic.

d. On or about January 14, 2010, a cooperating witness working with the FBI ("CW-2"), acting as a Runner, met with ARIEL ILYASOV, a/k/a "Arik," the defendant, at the Hillside

Avenue Clinic, at which meeting CW-2 referred KELLY FELICIANO, the defendant, and CW-1 as possible patients from the January 7 Accident.

e. On or about February 1, 2010, VLADIMIR GILYADOV, the defendant, spoke to ROBERSON JOSEPH, a/k/a "Robinson," a/k/a "Roberto," the defendant, about payment for patients JOSEPH had recruited to the Pitkin Avenue Clinic.

f. On or about March 16, 2010, UC-1 received a 10-minute acupuncture treatment with magnetized balls from JIN YONG YIM, the defendant, at the Pitkin Avenue Clinic, yet YIM overbilled an insurance company for the treatment as a 45-minute session with needles.

g. On or about March 23, 2010, Motor Vehicle Accident Indemnification Corporation ("MVAIC"), located in New York, New York, received a bill by mail for medical services for two co-conspirators not named as defendants herein ("CC-2" and "CC-3") who received fraudulent medical treatment at the Pitkin Avenue Clinic.

h. On or about March 25, 2010, UC-1 received a 5-minute acupuncture treatment with magnetized balls from DONG WOOK LEE, the defendant, at the Pitkin Avenue Clinic, yet LEE overbilled an insurance company for the treatment as a 45-minute session with needles.

i. On or about March 26, 2010, ROBERSON JOSEPH, a/k/a "Robinson," a/k/a "Roberto," the defendant, and his partner, GARY MAURENT, the defendant, agreed to receive \$2,400 from ISAY GILYADOV, the defendant, for additional patients from an accident that JOSEPH and MAURENT referred to the Pitkin Avenue Clinic.

j. On or about April 7, 2010, PHILIPPE FRANCOIS and ISAY GILYADOV, the defendants, agreed that GILYADOV would pay FRANCOIS \$1,500 for three patients FRANCOIS referred to the Pitkin Avenue Clinic from an accident that FRANCOIS staged.

(Title 18 United States Code, Section 1349.)

Forfeiture Allegation

14. As a result of committing the offense alleged in Count One of this Indictment, ISAY GILYADOV, VLADIMIR GILYADOV, ARIEL ILYASOV, a/k/a "Arik," IVAN BARAQUE, JIN YONG YIM, DONG WOOK LEE, KELLY FELICIANO, ROBERSON JOSEPH, a/k/a "Robinson," a/k/a "Roberto," GARY MAURENT, and PHILIPPE FRANCOIS, the defendants,, shall forfeit to the United States, pursuant to 18 U.S.C. § 982, any and all property constituting or derived from any proceeds the defendants obtained directly or indirectly as a result of the said violation and any and all property used or intended to be used in any manner or part to commit and to facilitate the commission of the violation alleged in this Indictment.

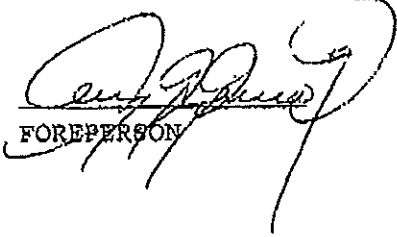
Substitute Asset Provision

15. If any of the above-described forfeitable property, as a result of any act or omission of ISAY GILYADOV, VLADIMIR GILYADOV, ARIEL ILYASOV, a/k/a "Arik," IVAN BARAQUE, JIN YONG YIM, DONG WOOK LEE, KELLY FELICIANO, ROBERSON JOSEPH, a/k/a "Robinson," a/k/a "Roberto," GARY MAURENT, and PHILIPPE FRANCOIS, the defendants:

- a. cannot be located upon the exercise of due diligence;
 - b. has been transferred or sold to, or deposited with, a third person;
 - c. has been placed beyond the jurisdiction of the Court;
 - d. has been substantially diminished in value;
- or
- e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 18 U.S.C. § 982, to seek forfeiture of any other property of ISAY GILYADOV, VLADIMIR GILYADOV, ARIEL ILYASOV, a/k/a "Arik," IVAN BARAQUE, JIN YONG YIM, DONG WOOK LEE, KELLY FELICIANO, ROBERSON JOSEPH, a/k/a "Robinson," a/k/a "Roberto," GARY MAURENT, and PHILIPPE FRANCOIS, the defendants, up to the value of the above forfeitable property.

(Title 18, United States Code, Section 982.)


FOREPERSON


PREET BHARARA
United States Attorney