

\$40 million medical-insurance fraud went down in Orange County, elsewhere, law and state officials say

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Orange County District Attorney Tony Rackauckas, left, and California Insurance Commissioner Dave Jones held a joint press conference Thursday morning to announce charges filed against 21 doctors, two pharmacists, two business owners, and a physician assistant for a \$40 million conspiracy to commit medical insurance fraud. in Santa Ana, CA on Thursday, April 20, 2017. (Photo by Sam Gangwer, Orange County Register/SCNG)

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Orange County District Attorney Tony Rackauckas and California Insurance Commissioner Dave Jones held a joint press conference Thursday morning to announce charges filed against 21 doctors, two pharmacists, two business owners, and a physician assistant for a \$40 million conspiracy to commit medical insurance fraud. Accused masterminds are Beverly Hills couple Tanya Moreland King, 37, and husband Christopher King, 38, who own medical-billing and medical-management companies Monarch Medical Group, King Medical Management and One Source Laboratories. in Santa Ana, CA on Thursday, April 20, 2017. (Photo by Sam Gangwer, Orange County Register/SCNG)

SANTA ANA More than two dozen doctors, pharmacists and business owners were charged Thursday in an alleged \$40 million medical-insurance scam in Orange County and elsewhere that officials said “played with patients’ lives.”

The accused masterminds are Beverly Hills couple Tanya Moreland King, 37, and husband Christopher King, 38, who own medical-billing and medical-management companies Monarch Medical Group, King Medical Management and One Source Laboratories.

Authorities said the couple carried out a complex insurance fraud in which they recruited doctors and pharmacists to prescribe unnecessary treatments for patients on workers’ compensation.

Medical Fraud charges in Orange County

OC Register

“The Kings and their co-conspirators played with patients’ lives, buying and selling them for profit without regard to patient safety,” State Insurance Commissioner Dave Jones said in a news conference Thursday in Orange County. “The magnitude of this alleged crime is an affront to ethical medical professionals.”

The Kings, along with 21 doctors, one physician assistant and two pharmacists, face a string of felony charges

including insurance fraud, filing false and fraudulent claims, and conspiracy to commit medical-insurance fraud.

Prosecutors alleged that the Kings, from 2011 through 2015, billed for unnecessary creams, tests and treatments to gain profits. The alleged scam victimized more than 13,000 patients and at least 27 insurance carriers, prosecutors said. Authorities said about \$23.2 million was paid to the Kings, while a total of \$40 million was billed to insurers.

Prosecutors said the Kings made oral and written agreements with doctors throughout California, including five in Orange County, to pay them each time they prescribed an unnecessary cream or medication. The doctors are accused of labeling the payment kickbacks as “marketing expenses.”

The alleged schemes included, according to authorities:

— Snake Oil Scam: The Kings are accused of working with co-defendants Charles Bonner, 56, and Mervyn Miller, 66, the owners of Steven’s Pharmacy in Costa Mesa, to manufacture creams that “did nothing” and were not FDA approved. The Kings are accused of paying \$15 to \$40 per tube of compound cream and billing insurance companies \$250 to \$700 per tube.

— Medication Kickback Scam: The Kings are accused of purchasing repackaged oral pain medications from Orange County outfits. They would then send the medications directly to the physicians. When the medications were prescribed, the Kings allegedly billed workers’ compensation carriers without disclosing the wholesale costs and then split the profits with the physicians.

— Bogus Urine Test Scam: The Kings are accused of providing technical staff to participating physicians’ offices for unnecessary urine tests. The tests were then referred to a lab for additional testing regardless of results, prosecutors said. Each test cost a \$60 flat rate but insurance carriers were billed hundreds of dollars, prosecutors said.

“In order for the system to survive, we must have ethical doctors who abide by their Hippocratic Oath to do no harm,” Orange County District Attorney Tony Rackauckas said.

Tanya King faces up to 117 years in prison, while the two pharmacists face up to 28 years, prosecutors said. The doctors each face up to 25 years. It was unclear how much time her husband would face if convicted.

It appeared that all of the defendants were out of jail, either released on their own recognizance or by posting bail.

Tanya King’s lawyer, Richard Moss, said he is reviewing the case and he expects her to be exonerated. Lawyers for some of the other defendants did not return calls for comment.

The Orange County doctors’ medical licenses were active as of Thursday afternoon, according to the state Medical Board.

The other defendants are:

Dr. Jerome Robson, 68, Modesto

Dr. Eric Schmidt, 63, Santa Rosa

Dr. Chris Chen, 55, Pleasanton

Dr. Duke Ahn, 49, Los Alamitos

Dr. Robert E. Caton, 65, Modesto

Dr. Eduardo T. Lin I, 55, Pleasanton
Dr. Ismael Silva Jr, 63, Newport Coast
Dr. Ismael Geli Silva, 38, Huntington Beach
Dr. Paul A. Stanton, 54, Victorville
Dr. John Casey Jr, 65, Modesto
Dr. Jonathan Cohen, 57, Modesto
Dr. Mohamed Ibrahim, 40, Danville
Dr. William Pistel, 53, Modesto
Dr. Kevin Park, 49, Buena Park
Dr. Kouros Shamlou, 49, Newport Coast
Dr. Mannie Joel, 67, Pleasanton
Dr. Parvez Fatteh, 46, Pleasanton
Dr. Robert Fenton, 68, Rancho Palos Verdes
Dr. Michael Henry, 61, Granite Bay
Dr. Howard Oliver, 70, Long Beach
Rafael Chavez, P.A., 53, Apple Valley
Dr. Paul Kaplan, 76, Folsom