



UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

October 2008 Grand Jury

11 UNITED STATES OF AMERICA, )  
12 Plaintiff, )  
13 v. )  
14 SUSAN BENDIGO, )  
15 aka "Susan Lim," )  
16 Defendant. )

CR 08

~~CR09-00148~~

I N D I C T M E N T

[18 U.S.C. § 1347: Health Care Fraud; 18 U.S.C. § 2: Aiding and Abetting, Causing an Act to be Done]

The Grand Jury charges:

COUNTS ONE THROUGH FIVE

[18 U.S.C. §§ 1347, 2]

A. INTRODUCTORY ALLEGATIONS

At all times relevant to this Indictment:

Defendant and Her Employment

1. Defendant SUSAN BENDIGO, also known as "Susan Lim" ("defendant BENDIGO"), was a registered nurse who worked for Medicare Plus Home Health Providers ("Medicare Plus"). She was also the Director of Nursing for Excel Plus Home Health

ARM:arm

1 Services ("Excel Plus").

2 2. Medicare Plus was a home health agency located in Santa  
3 Fe Springs, California, within the Central District of  
4 California. Medicare Plus had a valid Medi-Cal provider number.  
5 It received payments from Medi-Cal for health services allegedly  
6 provided to qualifying disabled patients. Medicare Plus was  
7 owned and operated by Priscilla Villabroza ("Villabroza") and  
8 others.

9 3. Excel Plus was a nursing registry that allegedly  
10 provided nursing staff to home health agencies, including  
11 Medicare Plus. Excel Plus was owned and operated by Villabroza  
12 and others.

13 4. Unicare Health Professional ("Unicare") was a "dba"  
14 for Villabroza that operated as a nursing registry that  
15 allegedly paid for skilled and licensed nursing services.

16 The Medi-Cal Program

17 5. Medi-Cal was a state-administered program that paid  
18 for essential medical care and services for California's  
19 qualifying indigent, elderly, disabled, and refugees.

20 6. Medi-Cal received funds from both the state and  
21 federal governments.

22 7. Medi-Cal patients were referred to as "beneficiaries."  
23 Doctors, home health agencies, and other persons or entities  
24 that rendered services and billed Medi-Cal were referred to as  
25 "providers."

26 8. Medi-Cal was regulated by the California Department of  
27 Health Care Services ("CAL-DHCS"), which promulgated rules for  
28 the administration of the Medi-Cal program. CAL-DHCS would

1 determine beneficiary qualifications, and issue Medi-Cal unique  
2 eligibility cards to beneficiaries for their use to obtain goods  
3 and services from Medi-Cal providers..

4 9. CAL-DHCS would assign unique identification numbers to  
5 each Medi-Cal provider upon acceptance into the program.

6 10. Medi-Cal providers, such as Medicare Plus, would render  
7 services directly to the beneficiaries, and then submit claims  
8 to Medi-Cal for reimbursement.

9 11. In their claims, Medi-Cal providers were required to  
10 accurately identify:

- 11 a. the provider;
- 12 b. the beneficiary; and
- 13 c. the goods or services rendered.

14 12. As a supplemental benefit for certain qualifying  
15 beneficiaries, Medi-Cal would pay for medically necessary in-  
16 home services that included private duty nursing services from a  
17 Registered Nurse ("RN") or a Licensed Vocational Nurse ("LVN").  
18 Thus, a beneficiary under the age of 21 who received a Medi-Cal  
19 benefit called Early and Periodic Screening, Diagnosis, and  
20 Treatment ("EPSDT") could, if eligible, receive additional  
21 medically necessary services, known as EPSDT Supplemental  
22 Services, that included private duty nursing services from a RN  
23 or a LVN.

24 13. When seeking reimbursement for EPSDT Supplemental  
25 Services, it was material for a Medi-Cal provider to identify  
26 accurately the type of health care professional who performed  
27 the services because certain procedures and services were  
28 reimbursed by Medi-Cal at rates corresponding to which

1 professional (e.g., doctor, RN, LVN, or other health care  
2 provider) performed that service.

3 14. When submitting claims to Medi-Cal, a provider such as  
4 Medicare Plus was required to certify that the information on the  
5 claim form was truthful and accurate and that the services or  
6 goods provided were reasonable and necessary to the health of  
7 the Medi-Cal beneficiary.

8 B. THE SCHEME TO DEFRAUD

9 15. Beginning no later than in or about May 2004, and  
10 continuing to on or about May 30, 2007, in Los Angeles County,  
11 within the Central District of California, and elsewhere,  
12 defendant BENDIGO, together with and aided and abetted by others  
13 known and unknown to the Grand Jury, knowingly, willfully, and  
14 with intent to defraud, executed and attempted to execute a  
15 scheme and artifice: (a) to defraud a health care benefit  
16 program affecting commerce, namely, Medi-Cal, as to material  
17 matters in connection with the delivery and payment for health  
18 care benefits, items, and services; and (b) to obtain money from  
19 Medi-Cal by means of material false and fraudulent pretenses and  
20 representations and the concealment of material facts in  
21 connection with the delivery of and payment for health care  
22 benefits, items, and services.

23 C. MEANS TO ACCOMPLISH THE SCHEME TO DEFRAUD

24 16. The fraudulent scheme operated, in substance, in the  
25 following manner:

26 a. Defendant BENDIGO and others known and unknown to  
27 the Grand Jury knowingly used Medicare Plus, Excel Plus, and  
28 Unicare to employ individuals who were not licensed LVNs in the

1 State of California (the "Unlicensed Nurses").

2 b. Defendant BENDIGO and others known and unknown to  
3 the Grand Jury hired the Unlicensed Nurses and sent them to  
4 treat Medi-Cal beneficiaries at homes and schools, fully knowing  
5 that Medi-Cal required that this work be performed by licensed  
6 nurses.

7 c. When defendant BENDIGO, Medicare Plus, and others  
8 known and unknown to the Grand Jury filed claims with Medi-Cal  
9 for services, the Unlicensed Nurses were billed as providing  
10 licensed nursing services.

11 d. Defendant BENDIGO and others known and unknown to  
12 the Grand Jury advised some of the Unlicensed Nurses to lie  
13 about their licensing, identity, and qualifications.  
14 Specifically, defendant BENDIGO told the Unlicensed Nurses that  
15 if they were ever asked, they should say that they were LVNs.

16 e. Defendant BENDIGO and others known and unknown to  
17 the Grand Jury told some of the Unlicensed Nurses the identity  
18 of the legitimate LVN that they should assume for the purposes  
19 of their visits. Defendant BENDIGO then had the Unlicensed  
20 Nurses sign this legitimate LVN's name on the nursing notes and  
21 nursing route sheets or told the Unlicensed Nurses to leave the  
22 nursing notes and route sheets unsigned knowing full well that  
23 either defendant BENDIGO or other co-schemers would later sign  
24 the name of the legitimate LVN as if that LVN had made the  
25 visits instead of the Unlicensed Nurses.

26 f. As defendant BENDIGO well knew, had Medi-Cal been  
27 aware that Unlicensed Nurses were making the licensed nursing  
28 visits that Medicare Plus was billing, the claims for skilled

1 nursing visits would not have been paid by Medi-Cal.

2 g. Defendant BENDIGO and others known and unknown to  
3 the Grand Jury created records at Excel Plus and Medicare Plus  
4 that fraudulently reflected alleged payments for licensed LVNs,  
5 when, in truth and fact, as defendant BENDIGO then well knew,  
6 the visits underlying these payments were actually performed by  
7 the Unlicensed Nurses.

8 h. In order to help conceal the use of Unlicensed  
9 Nurses, Villabroza and others known and unknown to the Grand  
10 Jury paid the Unlicensed Nurses through Unicare.

11 i. Through this scheme, from on or about July 1,  
12 2003, through on or about August 31, 2007, Medicare Plus,  
13 defendant BENDIGO, and other co-schemers billed Medi-Cal for  
14 approximately \$17,141,530.68, and were paid approximately  
15 \$10,069,403.04. Of these Medi-Cal payments, approximately  
16 \$5,110,849.14 were for medical services that were provided by  
17 the Unlicensed Nurses that were fraudulently billed as licensed  
18 nursing visits.

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D. EXECUTIONS OF THE FRAUDULENT SCHEME

17. On or about the dates set forth below, within the Central District of California and elsewhere, defendant BENDIGO, together with and aided and abetted by others known and unknown to the Grand Jury, for the purpose of executing and attempting to execute the scheme to defraud described above, knowingly and willfully submitted and caused to be submitted to Medi-Cal the following false and fraudulent claims:

<u>COUNT</u>	<u>UNLICENSED NURSE</u>	<u>MEDI-CAL CLAIM NUMBER</u>	<u>PATIENT</u>	<u>DATE CLAIM SUBMITTED</u>	<u>AMOUNT PAID</u>
ONE	J.B.	6045232308707	C.C.	11/29/2005	\$352.92
TWO	J.G.	7026609832501	M.Y.	12/01/2006	\$617.61
THREE	D.D.	7142241902301	H.C.	12/01/2006	\$470.56
FOUR	D.D.	7142241902101	H.C.	12/15/2006	\$470.56
FIVE	J.G.	7264231004605	M.Y.	03/12/2007	\$617.61

A TRUE BILL

*151*  
Foreperson \_\_\_\_\_

THOMAS P. O'BRIEN  
United States Attorney

*Christine C. Ewell*

CHRISTINE C. EWELL  
Assistant United States Attorney  
Chief, Criminal Division

DOUGLAS A. AXEL  
Assistant United States Attorney  
Chief, Major Frauds Section

ANTHONY R. MONTERO  
Special Assistant  
United States Attorney  
Major Frauds Section