

**CALIFORNIA DEPARTMENT OF INSURANCE  
FRAUD DIVISION**

**DISABILITY AND HEALTHCARE  
INSURANCE FRAUD PROGRAM**

**MONTEREY COUNTY**

**REQUEST-FOR-APPLICATION**

**FISCAL YEAR 2015-2016**

**Pursuant to Insurance Code Section 1872.85(c)(2), the application for funding is a public document and may be subject to disclosure. However, information submitted to the California Department of Insurance concerning criminal investigations, whether active or inactive, is considered confidential.**

**DISABILITY AND HEALTHCARE INSURANCE FRAUD  
INVESTIGATION/PROSECUTION PROGRAMS  
FISCAL YEAR 2015-2016 GRANTS**

**Grant Application  
Checklist and Sequence**

*The Application MUST include the following:*

	<u><b>YES</b></u>	<u><b>NO</b></u>
1. Is the Grant Application Transmittal sheet (Form 02) completed and signed by the district attorney?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Table of Contents	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Is the Program Contact Form (Form 03) completed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Is an original or certified copy of the Board Resolution (Form 04) included? If NOT, the cover letter must indicate the submission date.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. The County Plan includes:		
a) County Plan Qualifications (Form 05)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Staff Qualifications (Form 06(a))	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Organizational Chart (Form 06(b))	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Program Report (Form 07)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) County Plan Problem Statement (Form 08)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) County Plan Program Strategy (Form 09)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Is the Projected Budget included? (Forms 10-12)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
a) Line-item totals are verified?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Is the Equipment Log (Form 13) completed and signed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Joint Plan (Attachment A)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Case Descriptions (Attachment B)	<input checked="" type="checkbox"/>	<input type="checkbox"/>



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***Investigation/Prosecution Program***  
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**DEPARTMENT OF INSURANCE  
PROGRAM CONTACT FORM**

1. Provide the name, title, address and telephone number of the person having day-to-day operational responsibility for the program, and who can be contacted with questions regarding the program.

Name: Edward Hazel

Title: Managing Deputy District Attorney

Address: 230 Church St., Bldg. #3

Salinas, CA 93901

E-mail address: hazele@co.monterey.ca.us

Telephone Number: (831) 755-5076 Fax Number: (831) 755-5068

2. Provide the name, title, address and telephone number of the District Attorney's Financial Officer.

Name: Bruce Suckow

Title: Finance Manager II

Address: 230 Church St., Bldg. #2

Salinas, CA 93901

E-mail address: suckowb@co.monterey.ca.us

Telephone Number: (831) 755-5259 Fax Number: (831) 796-3389

3. Provide the name, title, address and telephone number of the person who may be contacted for questions regarding data collection/reporting for the applicant agency.

Name: Edward Hazel

Title: Managing Deputy District Attorney

Address: 230 Church St., Bldg. #3

Salinas, CA 93901

E-mail address: hazele@co.monterey.ca.us

Telephone Number: (831) 755-5076 Fax Number: (831) 755-5068

# **BOARD OF SUPERVISORS RESOLUTION**

The Board of Supervisor Resolution required for this grant follows this page.



# Monterey County

168 West Alisal Street,  
1st Floor  
Salinas, CA 93901  
831.755.5066

## Board Order

Upon motion of Supervisor Parker, seconded by Supervisor Armenta and carried by those members present, the Board of Supervisors hereby:

Approved and authorized the District Attorney to sign, submit and execute grant applications for existing programs, including any extensions or amendments thereof under similar terms, for continued funding for Fiscal Year 2015-16 from Federal and State agencies for the District Attorney's Office Victim Assistance Unit and other Prosecution Programs.

- Victim Compensation and Government Claims Board (VCGCB)
- Victim Witness Assistance Program (Office of Emergency Services – OES)
- Automobile Insurance Fraud Prosecution Program (Department of Insurance – DOI)
- Workers Compensation Fraud Prosecution Program (DOI)
- Underserved Victim Advocacy and Outreach (OES)
- Traffic Safety Resource Prosecutor Program (California Office of Traffic Safety)
- Disability & Health Care Fraud (DOI)
- Southwest Prosecution Initiative (Department of Homeland Security)

PASSED AND ADOPTED on this 7<sup>th</sup> day of April 2015, by the following vote, to wit:

- AYES: Supervisors Armenta, Phillips, Salinas, Parker and Potter
- NOES: None
- ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 77 for the meeting on April 7, 2015.

Dated: April 8, 2015  
File ID: 15-0244  
Revised: April 21, 2015

Gail T. Borkowski, Clerk of the Board of Supervisors  
County of Monterey, State of California

STATE OF CALIFORNIA  
COUNTY OF MONTEREY

By Denise Hancock  
Deputy

I, Gail T. Borkowski, Clerk of the Board of Supervisors, do hereby certify the foregoing to be a full, true and correct copy of the original

BOARD ORDER on file in my office.

Witness my hand and seal of the Board of Supervisors.

This 21st day of APRIL 2015

GAIL T. BORKOWSKI  
Clerk of the Board of Supervisors

By: Denise Hancock Deputy

seal

## **DISABILITY AND HEALTHCARE INSURANCE FRAUD QUALIFICATIONS**

**Answer the following questions to describe your experience in investigating and prosecuting disability and healthcare insurance fraud cases during the last two (2) fiscal years as specified in the California Code of Regulations, Title 10, Section 2698.97.1.**

- 1. What areas of your disability and healthcare insurance fraud operation were successful and why?**

This is the second year the Monterey County District Attorney's Office has operated a Disability and Healthcare Fraud Program (hereinafter "Program"). Over the preceding two fiscal years, we have been very successful in a number of areas. We have initiated and continued with undercover investigations, reviewed case referrals, filed charges against and successfully prosecuted individuals engaged in disability and healthcare fraud.

We have also established a proactive outreach program, actively participated in the development of the Monterey County Prescribe Safe Initiative, and have embarked on a mission to train local law enforcement officers. We have also accumulated leads on cases that will require investigation in the future. A brief discussion of each of those accomplishments follows.

### **SUCCESSFUL PROSECUTIONS**

#### **Julian Rosario**

On July 19, 2014 officers responded to the Community Hospital of the Monterey Peninsula (CHOMP) and contacted the Emergency Department nurse who reported there was a person seeking emergency care who provided identification of a certain person. The treating doctor noticed that he had treated this person previously and when that was done the patient was treated under a different name. Suspicious of Rosario's claimed ailments the staff asked him to leave but he refused. He continued to ask for Vicodin. He gave a number of inconsistent stories regarding his identity and background which heightened the suspicions of the medical staff.

When police interviewed him he continued with his attempt to portray himself to be the person he said he was when he first came to the hospital. Eventually he admitted using a false name to gain treatment and to avoid paying the hospital bill. The charges amounted to \$16,829. He further stated that the person he falsely claimed to be had better insurance than he did and that this person gave Rosario permission to use his personal information. Rosario told police he had done this before but was not caught.



About two weeks later, (August 1, 2014), Rosario went to the same hospital and tried to pass himself off as another person different than the one before. The treating doctor recognized him and contacted law enforcement. He amassed another \$2,000 in treatment costs on this occasion. When he was searched police found prescription medication in yet another person's name.

Subsequent investigation by our assigned Disability and Healthcare Fraud investigator revealed that Rosales had committed the same acts about two weeks before the July 19, 2014 incident that was reported to police. In that incident, Rosario received treatment that cost \$11,210.00. He presented as payment insurance information related to Premier Insurance.

Once the entire scam was uncovered it was determined that Rosales had made a total of four additional hospital visits in the month of July 2014 over and above those detailed above, each time falsely presenting himself as another person. In two of those visits he presented insurance as a means of payment. The carriers were Premier Insurance and Blue Shield. The total costs of treatment received by Rosales were \$73,653. The medical providers opined that Rosales was addicted to prescription medications and this was his way of securing medications to feed his habit.

He pled guilty to insurance fraud and unlawfully using another's personal identifying information. He was placed on felony probation for five years and ordered to serve 210 days in county jail and to make full restitution.

This is an excellent example of how our unit can supplement local law enforcement efforts. Often local agencies either do not have the time, resources, or expertise to dig deeply into a case like this. We were fortunate to have an investigator with insurance fraud experience who was able to step in and uncover the full extent of the criminal conduct. This case also highlights the success our outreach/training to local law enforcement and to medical institutions in our County has had in terms of their looking for potential suspicious activities and then taking the appropriate steps to notify not only local law enforcement but our office as well.

### **Jeremy Cronk**

In this case the Defendant called in a fraudulent prescription to a pharmacy. The pharmacist became suspicious based on the information provided. He then called the doctor who purportedly wrote the prescription and learns the prescription is fraudulent. Police were contacted who responded to the pharmacy to wait for the defendant. When he arrives, he enters the drive thru to pick up the prescription whereupon he is arrested. Meanwhile the pharmacy personnel tried to run the prescription through the insurance carrier of the person named on the prescription but the carrier rejected payment. After he was arrested and searched, police found him to be in possession of cocaine. Cronk pled guilty to attempting to obtain prescription medications by fraud and possession of a controlled substance, Norco. He was placed on felony probation and ordered to serve 225 days in custody.

The significance of this case is how it came to be reported to police and how we were notified. Our prosecutor received an email from a physician who works with a local hospital stating he had been called by a local pharmacist wanting to confirm a prescription. The prescription was for 90 Norco tablets which this doctor felt was out of the ordinary. He took it upon himself to contact the purported issuing doctor about this who immediately denied issuing the prescription. The pharmacist was then contacted by the doctor who asked the pharmacist to delay the suspects as long as possible. Meanwhile the doctor contacted our prosecutor relaying this information. Our prosecutor immediately contacted the local police department which was one where she had recently given training on how to investigate such a case. The officer immediately responded to the pharmacy and determined sufficient evidence existed to support an arrest.

This case highlighted what can be accomplished very quickly with a coordinated effort between the private sector and law enforcement.

### **Ryan Malapaz**

Defendant used another's identity to secure health benefits for treatment in the emergency room of Natividad Medical Center. A witness overheard the Defendant give the false information, notified the appropriate personnel and local police were contacted. Malapaz pled guilty to felony counts of forgery, possession of illegal narcotics and identity theft. He was sentenced to three years in prison. The execution of that sentence was suspended pending successful completion of three years of felony probation. The defendant has already violated probation and a bench warrant has been issued.

This case could have been further enhanced had it been referred to our fraud unit at the initial stages along with the report to local police. This case is an example of how training of law enforcement is paramount to successful insurance fraud cases.

### **OUTREACH PROGRAM**

Since the inception of our program and assignment of our prosecutor, we have been busy contacting allied agencies, private sector healthcare professionals, medical corporations, and hospitals in an effort to inform them of our unit-its purposes and objectives.

As discussed and detailed more completely below, one of our more significant accomplishments has been the establishment of a cooperative effort between medical professionals and law enforcement aimed at having the medical community report suspicious activity to law enforcement including our office in timely fashion. We have also formed a significant number of alliances and relationships with representatives from a wide range of subject matter experts from the public and private sectors. These contacts will serve as a fertile resource

In addition to our work with the medical community we have also established very good relations with the California Medical Board. In one of our first discussions, we were informed of a desire to initiate an undercover operation related to medical marijuana clinics allegedly run by criminal syndicates. This idea is still under consideration.

We have also participated in a number of meetings, presentations and training sessions over the preceding two fiscal years which are summarized below. As mentioned above this is only the second year of our Program. The first part of the first year (FY 2013-2014) was a building time for the Program. It took some time to assign personnel to the unit and categorize objectives and priorities once funding was confirmed. As a result we did not begin with the program in earnest until September 3, 2013.

In September 2013 we attended the San Francisco Mini Medical Fraud meeting with Greg Chinn – NICB in Benicia. We introduced our new unit. Mr. Chinn graciously offered to provide a list of top red flag “questionable conduct” doctors and chiropractors in Monterey County. This is very valuable information because it will allow us to focus our very limited resources on targets that have the greatest potential for successful investigation and prosecution.

Also in September 2013, we met with Dr. Douglas Sunde, a surgeon at Community Hospital of the Monterey Peninsula (CHOMP) to discuss healthcare fraud issues in Monterey County. He kindly offered to be a resource regarding medical fraud in our county and indicated a willingness to assist with outreach, investigations, and referral of cases.

In October 2013 we issued a press release announcement of our new disability and healthcare fraud unit. We received a good deal of coverage including an article printed in the Salinas Californian. Our prosecutor also participated in an on camera interview with Adriana Sutton – Channel 64 Univision for the 6:00 p.m. news program. Our new disability and healthcare fraud unit was featured in that segment of the program. Our prosecutor also spoke with reporter Greg Jones from Workcomp Central regarding the press release and gave him information on the grant. Our new unit was also featured in an article published in the Community Hospital of the Monterey Peninsula (CHOMP) newsletter.

In November 2013 our prosecutor introduced herself and the new program to attendees of the quarterly SIU meeting in San Jose at the Santa Clara Crime lab. She announced the existence of our new unit and made numerous contacts. She has also met with the Chief Medical Officer, the Revenue Integrity and Compliance Director from the Salinas Valley Medical Hospital (SVMH) as well as the vice-president of Medical Affairs at CHOMP and the CEO, of Monterey Peninsula Surgery Center. During these meetings the new unit and potential future outreach was discussed. Each agency was very receptive to our program and expressed a willingness to help.

During November and December 2013, our prosecutor continued to introduce herself and our unit to as many agencies as possible. In November 2013, she attended the Watsonville Workers' Compensation Enforcement Collaborative meeting (14 attendees) where she explained the objectives of our unit. We have participated in the Collaborative for many years as a part of our Workers' Compensation Fraud Unit. The contacts made at these meetings are very helpful in our learning of developments and trends within the local labor market regarding possible fraud and exploitation of employees. Members of the collaborative include: the Workers' Compensation Insurance Rating Bureau, California Applicants' Attorney Association, California Commission on Health and Safety and Workers' Compensation, California Department of Industrial Relations, Uninsured Employers Benefits Trust Fund, California Department of Insurance, Division of Workers' Compensation, California Department of Insurance, Fraud Assessment Commission, California Department of Insurance, Fraud Division, Division of Labor Standards Enforcement, Kaiser Permanente, Salud Para La Gente, Watsonville Law Center, U.C. Berkeley Institute for Research on Labor and Employment, Worksafe, Santa Cruz County District Attorney's Office, and the Monterey County District Attorney's Office.

Shortly after attending the Collaborative meeting our prosecutor was contacted by a representative of the Watsonville Law Center who indicated she had clients from both Monterey and Santa Cruz counties that were seeking advice regarding the new healthcare laws. Our prosecutor discussed with her the potential for fraudulent activity stemming from the new medical exchanges as well as identity theft.

Also in December, our prosecutor attended the Mini Medical Fraud Meeting where a discussion was held regarding a San Francisco doctor who was arrested for a prescription fraud scheme of homeless people. A discussion was also held on the issue of potential medical fraud in regards to medical payments made as part of various insurance policy provisions. These discussions are invaluable because it focuses attention on the types of activity in which healthcare fraud can be found. Our prosecutor takes this information and seeks to determine whether similar activity is present in Monterey County.

In January 2014, our prosecutor was discussing prescription drug fraud with an emergency department physician from CHOMP. Following that discussion she was invited to join a coalition of healthcare professionals to address prescription drug abuse in emergency departments. The first meeting was in February 2014. The program was named the Monterey County Prescribe Safe Initiative. There were nineteen attendees at the first meeting including the Monterey County Sheriff, the Coroner, the physician head of all the hospitals in the county, the Monterey County Medical Society, the Hospital Association of Northern and Central California, and the Director of Health for Monterey County.

This Coalition recognizes that prescription drug abuse has been declared an epidemic by the Centers for Disease Control and Prevention (CDC). Moreover, according to the Monterey County Medical Examiner data, the leading cause of non-natural death is drug overdose. Drug overdose deaths greatly exceed deaths

due to motor vehicle crashes. The majority of such deaths involve prescription drugs.

The guidelines developed by the Coalition are a collection of recommendations modeled by the San Diego County Medical Society Prescription Drug Abuse Medical Task Force. The Coalition adopted these guidelines which draw on published medical literature, evidence-based recommendations from various professional organizations, and the best practice experience of the San Diego County providers.

Participation in this Coalition has given our prosecutors access to the Chief Medical Officer for Natividad Medical Center (NMC) for future outreach. It has also created an opportunity for her to discuss with the emergency room doctors at CHOMP the need to prevent the fraudulent use of another's health benefits.

From this Coalition has stemmed a Prescribe Safe Legal Workgroup the purpose of which is to discuss the legal ramifications of mandated reporting of dirty doctors and drug seeking patients. Included in these discussions are the impact of HIPPA and the California Privacy Act.

Also in January 2014, our prosecutor attended the NICB Mini Medical Fraud meeting in Benicia where a number of healthcare fraud issues were discussed including a case which San Diego County and the Federal agencies are handling that involves an allergy sensitivity scam. Once again, discussions of this type alert us to the kinds of conduct that result in fraudulent practices. We are then better able to look for and understand the problem should it arise in our county.

Towards the end of January 2014, our prosecutor met with the Medical Board of California in our Salinas office. A discussion was held regarding working cases together and the importance of sharing information. A plan was agreed to regarding meeting on a regular basis to keep each other informed of current and potential investigations.

In March 2014 we met with CHOMP officials to develop a protocol for CHOMP doctors to report crimes to law enforcement. The doctors at CHOMP want a mandate or policy that they can use to report physician misconduct and patient overdosing. This is an on-going project that will be developed in the next few months. If it works, it could serve as a model to be adopted by other local hospitals.

Also in March 2014 we met with the vice president of Emergency Room Operations at Natividad Medical Center regarding our unit and working together to eliminate fraud.

The March meeting of Mini Medical Fraud was held in San Mateo, A discussion was held regarding questionable claims made by various chiropractors, including two from Salinas. We will continue to monitor this issue and develop as much information as possible.

In April 2014, we had an opportunity to participate in a five person panel discussion with other healthcare professionals engaged in the hiring and managing of in-home caregivers. Our prosecutor addressed seventy-five attendees and provided information on our unit and provided advice on how to avoid becoming a victim of healthcare fraud. This was very well received to the point that following the presentation one of the attendees approached our prosecutor seeking additional information.

Also in April 2014, we began our training sessions for local law enforcement. We have trained officers from the Pacific Grove, Carmel, and Monterey Police Departments and the Peninsula Regional Violence and Narcotics Team. We discuss the objectives of our program, the types of activity or evidence which may indicate insurance and/or prescription fraud, and how to deal with situations where insurance or prescription fraud is suspected.

On July 21, 2014 we met with physicians and local police at CHOMP to discuss Prescribe Safe procedures and police response to calls. In total there were 13 attendees all of whom contributed to the discussion. This was followed up in August 2014 when we again met with doctors and law enforcement to discuss how the procedures were working in terms of recognizing fraudulent identification and insurance cards, as well as drug seeking patients. A very positive discussion was had on handling cases where the emergency department personnel recognize a person they have treated before using a different name or other means. This is an obvious red flag in terms of identifying prescription fraud/healthcare fraud.

In September 2014 we attended a presentation given by the Board of Nursing and DEA. Discussions included healthcare fraud trends, Health and Human Services, and a case presentation from Alameda County District Attorney Investigators.

Monterey has agreed to a mini task force concept developed by Captain Kathleen Harris of the Morgan Hill CDI office. The concept requires stake holders to come together periodically to discuss potential targets that are operating in one or more of the subject jurisdictions and decide on a plan of attack. The task force members would provide resources to the task force to strike at targets in any of the counties who are a part of organization. This will permit the smaller counties to complete undercover investigations more quickly and then turn over more investigations for prosecution.

Conversely, the larger counties would benefit from the additional resources coming from the smaller agencies on an as needed basis. The overall objective would be to have a greater impact on provider fraud which is well known to be a substantial cost factor in healthcare fraud. Each office would share in the results regardless of the county where the investigation was conducted and could report the degree of impact had on the problem.

Moreover, there could well be situations where the target provider is committing fraud in more than one county. By combining resources, the task force concept would eliminate duplicative investigation efforts. This, of course, would mean

more cost-effective investigations and prosecutions. We have had a number of meetings with the task force members. In September 2014 we attended the initial formal meeting to discuss objectives, principles and obligations of the task force.

Since the first meeting we have attended the bi-monthly meetings where a number of very important items and activities as well as trends seen throughout the respective counties were discussed. We have also discussed the possibly doing future outreach at local county health fairs.

In March 2015 the task force members came together to discuss a number of investigations currently underway in each member county. This included a special master search warrant out of San Mateo County, a discussion of one of our undercover investigations, and a doctor with a clinic in Salinas potentially engaged in fraudulent activity. In addition we discussed CDI's investigation of a clinic in Sacramento, as well as a Santa Clara case involving a medical spa.

We are also regular attendees of the Mini Medical fraud meeting hosted by NICB. This is a very important meeting because representatives from a number of different disciplines are in attendance. This gives us an opportunity to see how various organizations view the medical healthcare fraud landscape and to discuss how it can be addressed.

In March 2015, we expanded our outreach efforts to include pharmacists. It is well known that prescription fraud is a large part of the overall healthcare fraud problem. Accordingly, it is only logical to bring in pharmacists to help address the problem. We attended a presentation by the Board of Pharmacy. In attendance were 40 inspectors divided into teams. During the meeting we were able to share with them our concept and plan to attack the fraud problem in Monterey County. We also committed to bringing the Board of Pharmacy into our Prescribe Safe initiative.

In February 2015, we had a very productive meeting with CDI-Morgan Hill representatives to discuss joint outreach between CDI and our Program as well as outreach that overlaps with our worker's compensation fraud unit.

Also in February 2015 we attended a presentation from the California Dental Board and the Bureau of Medi-Cal Fraud & Elder Abuse (BMFEA). Items discussed included prescribing to an addict, resources from the Office of the Inspector General, and nurse practitioners prescribing medications.

On February 19, 2015 our investigator and attorney attending a meeting in Sacramento, CA hosted by the Nor-Cal Enforcement Network (NEN). NEN is part of the Western Information Sharing Network (WISN). One of the goals of NEN is to collaborate with Multi-agencies to foster networking, information sharing, coordination, and de-confliction among local, state, and federal law enforcement and regulatory agencies targeting the medical practitioner community in Northern California. Plans were laid at that meeting for our investigator to give an overview on how to investigate provider fraud cases. In May 2015 our investigator gave a presentation to NEN on investigating "Dirty Doctors."

The February meeting with the Dental Board was followed up with a March 2015 meeting with representatives of the Dental Board and CDI to discuss future cases and future outreach. The Dental Board investigator and our staff were very encouraged to have contacts for mutual case investigations.

From February through May 2015 we have been very active coordinating with various state agencies including CDI-Morgan Hill in an effort to identify potential targets for investigation and areas where fraudsters seem to be gravitating.

## **UNDERCOVER INVESTIGATIONS**

As reported in our previous application we have a number of undercover investigations underway. We have three large scale open investigations on medical providers that are on-track. As with many such investigations it will take additional time to review and assess the material contained in the investigative file. Our prosecutor and investigator are working diligently on the investigations and we anticipate a prosecutorial decision in relatively short order. Additional details of these investigations are provided in Attachment B for confidential reasons.

Early in FY 2014-2015, our investigator conducted an informal survey of local medical related facilities and businesses to develop a perspective on whether insurance fraud was being perpetrated by medical providers in Monterey County and if so to what extent. He received anecdotal evidence that indicated provider fraud indeed exists in Monterey County. He heard multiple complaints from local medical related businesses regarding overprescribing. He also learned of complaints from patients regarding insurance fraud and double billing. From that exercise our investigator developed information on three other medical providers that may be involved in billing fraud. In order to determine the extent, if any, of the fraud we will need to conduct some form of undercover investigation. Our unit is very small which limits our ability to launch an undercover investigation into every report of suspected fraud. As time and resources become available we will initiate an investigation on targets which we feel offer the best opportunity for a successful prosecution. These three providers are obviously on our list for investigation. Additional confidential information is provided on Attachment B.

### **2. Specify what unfunded contributions (i.e., financial, equipment, personnel, technology) and support your county provided to the disability and healthcare insurance fraud program.**

This office continues to support the investigation and prosecution of Disability and Healthcare Fraud in a number of ways. Some of those are discussed below.

Our investigative staff provides back-up support to the grant investigations. This may be in the form of support and covering forces during search warrant service, or by conducting undercover surveillance of targets, or by conducting witness interviews and surveillance of potential targets or to provide technical assistance with the downloading of data from seized computers and other similar devices.



Our Supervising District Attorney Investigator works closely with this unit. She attends the various meetings along with our investigator and attorney. She also supervises the actions of investigators working on cases within the program.

Our Managing Deputy District Attorney is involved in the overall operations of the unit. He, with assistance from other sections of the office, prepares the RFA. He also monitors the overall program during the year. He meets with the investigative staff, the attorney staff and CDI on an as needed basis to discuss cases and policies. He offers recommendations to the attorney on potential settlement options. He meets with CDI representatives to discuss coordination efforts and joint operations.

For fiscal year 2014-2015, our office anticipates spending more than was awarded to support this grant unit. In FY 2014-2015 the modified budget for our program was \$267,827. This included the \$200,000 grant award for FY 14-15, \$28,603 in approved carry-over funds and \$39,224 in unfunded contributions by Monterey County. The projected actual cost for the Program in FY 14-15 is \$321,880.35 which is a deficit of \$54,053.35. This amount could have been greater had our attorney not gone on maternity leave. She was out from August 15, 2014 to January 2, 2015.

**3. Detail and explain the turnover or continuity of personnel assigned to your disability and healthcare insurance fraud program. Include any rotational policies your county may have.**

Inasmuch as this is only the second year of this program we have not had the benefit of a long term staffing history. Nevertheless, we anticipate having a very stable staff going forward. Our policy and procedures with grant funded positions is to keep those assigned to the unit for the long term. This is premised on our belief that a dedicated, focused staff is better for the program over the long run. A long term staff develops an institutional memory and tends to build and learn from their experiences. It also reduces the amount of new training required for the unit. With a long term staff we can focus on updating training rather than starting over from scratch each time a new person is transferred into the unit.

We do not have an automatic length of tour of duty, e.g. three years. Our attorney has been in the unit since September 2013 and was the first prosecutor assigned to the program. We have not assigned a full-time investigator to the unit due to funding limitations. We have however assigned all investigative requests to the same investigator in an effort to maintain continuity within the program and to avoid having to train multiple individuals on the nuances of a specialized position. This practice will continue into the future. It is hoped that adequate funding will be awarded to fund a full-time investigator position. If that comes into existence, an investigator will be assigned to the unit indefinitely.

Our rotational policy generally looks to the overall needs of the office while keeping in mind career diversity and progression within the ranks. While on the one hand it is important to have long-term investigative and attorney staff we

must also keep in mind that these personnel need to have a wide range of experiences.

As seen below in response to Qualification (Form 06(a)) we had a number of investigators contribute time and effort to our Program. This was due to a need to support the undercover investigations. The primary investigator during the year was Mark Trueblood who is the lead investigator in the unit and for the undercover operations.

**4. List the governmental agencies you have worked with to develop potential disability and healthcare insurance fraud cases.**

Over the preceding two fiscal years we have worked with the following agencies:

California Department of Insurance [CDI]-Morgan Hill  
California Department of Insurance [CDI]-Benicia  
California Medical Board  
Workers' Compensation Enforcement Collaborative, Watsonville  
Monterey County Health Department  
Monterey County Sheriff's Office  
Pacific Grove Police Department  
Carmel Police Department  
Monterey Police Department  
Marina Police Department  
Salinas Police Department  
Seaside Police Department  
Natividad Medical Center (County owned hospital)  
Peninsula Regional Violence and Narcotics Team  
California Dental Board  
Board of Chiropractic Examiners – California Department of Consumer Affairs  
California Nursing Board – Board of Registered Nursing  
California Pharmacy Board  
Drug Enforcement Agency (DEA)  
Office of the California Attorney General  
Santa Clara County District Attorney's Office  
San Mateo County District Attorney's Office  
Alameda County District Attorney's Office  
Fresno District County Attorney's Office  
Contra Costa County District Attorney's Office  
San Francisco County District Attorney's Office  
Bureau of Medi-Cal Fraud & Elder Abuse (BMFEA)  
United States Army

We have also coordinated and worked with the following organizations to develop potential disability and healthcare insurance fraud cases.

National Insurance Crime Bureau [NICB]  
Health Improvement Partnership of Santa Cruz County  
Central California Alliance for Health

Las Ventanas Surgery Center  
OIG  
Anthem Blue Cross  
Blue Shield  
CMS-Medicare  
United Health  
Northern California Fraud Investigator's Association (NCFIA)  
Community Hospital of the Monterey Peninsula  
Salinas Valley Memorial Hospital  
Mee Memorial Hospital  
Doctors on Duty – Monterey County

5. **Was there a distribution of frozen assets in the current reporting period? If yes, please describe. If no, state none.**

There was no distribution of frozen assets in this reporting period.

**QUALIFICATIONS**

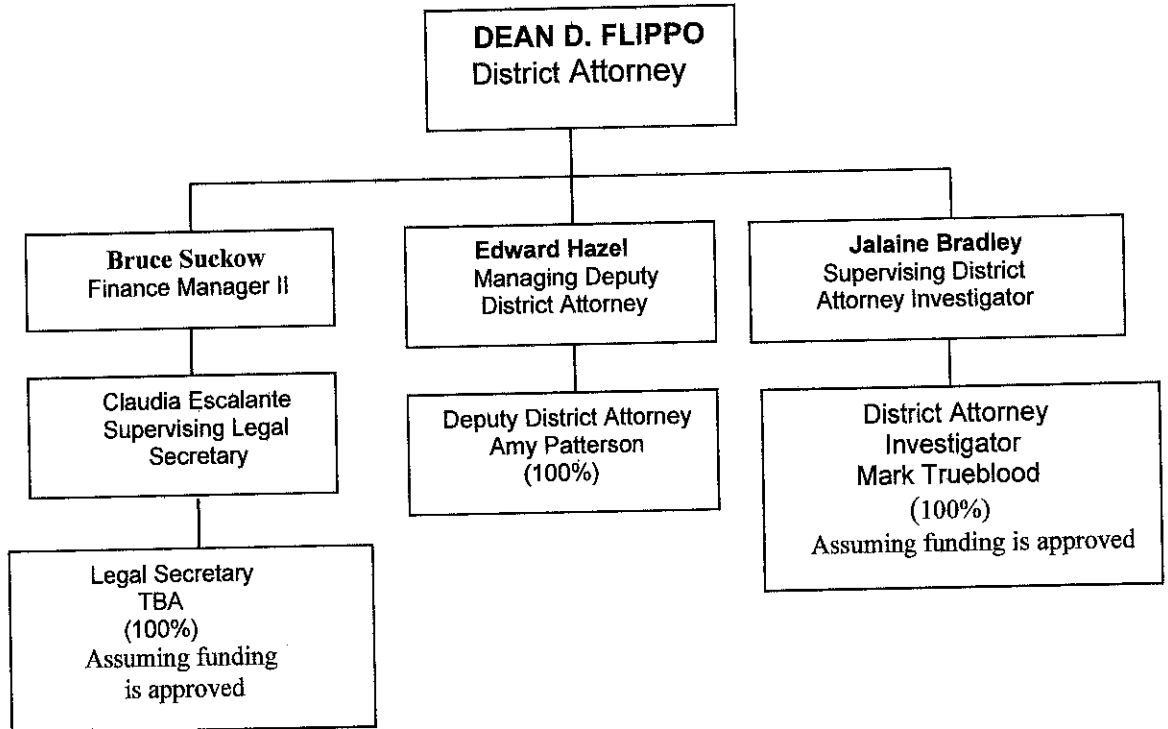
List the name of the program's prosecutor(s) and investigator(s). Include position titles and percentages for any vacant positions to be filled. For each, list:

1. The percentage of time devoted to the program.
2. How long the prosecutor(s)/investigator(s) have been with the program.

<b>Prosecutors</b>	<b>% Time</b>	<b>Time With Program Start Date/End Date</b>
Amy Patterson	100%	September 3, 2013- Present (maternity leave August 15, 2014- January 2, 2015)

<b>Investigators</b>	<b>% Time</b>	<b>Time With Program Start Date/End Date</b>
Mark Trueblood	64%	July 1, 2014-present
George Costa	.002%	As needed July 1, 2014-present
Fred Lombardi	.002%	As needed July 1, 2014-present
Don Magnusan	.002%	As needed July 1, 2014-present
Erik Morris	.002%	As needed July 1, 2014-present
Christena O'Shea	.008%	As needed July 1, 2014-present
Steve Guidi	.015%	As needed July 1, 2014-present

ORGANIZATIONAL CHART



**QUALIFICATIONS  
PROGRAM REPORT**

Data for this report follows this page. The data will also be transmitted electronically to the Department of Insurance.

**CALIFORNIA DEPARTMENT OF INSURANCE - FRAUD DIVISION  
DISABILITY AND HEALTHCARE INSURANCE FRAUD PROGRAM**

Submitted: Not Submitted

Version #: 1

FISCAL YEAR: 2014-15

From ( 7/1/14 to 05/31/15 )

PROGRAM REPORT FOR: **MONTEREY**

COUNTY

I. Number of Suspected Fraud Claims Reviewed from 7/1/14 through 05/31/15	<b>3</b>
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II. DOCUMENTED CASE REFERRALS SOURCES	PENDING	ACCEPTED	REJECTED	CLAIMANT CASES	NON-CLAIMANT CASES
A. CDI - Fraud Division	0	0	2	0	0
B. Private Carrier	0	0	0	0	0
C. Local Law Enforcement	4	2	3	0	0
D. Third Party Administrator	0	0	0	0	0
E. Others	1	0	0	0	0
F. Total (A-E)	5	2	5	0	0

III. INVESTIGATIONS - PRE FILING DECISIONS	CASES	SUSPECTS
A. Number of cases and suspects carried forward on 6/30/14 to FY 14/15	6	7
B. Number of NEW cases and suspects initiated from 7/1/14 through 05/31/15	12	12
C. Total Cases/Suspect (A+B)	18	19
1. Declinations - Rejections	6	6
2. Number of CDI Joint Investigations (from A & B)	6	7
D. Investigative Assist(s)	6	6
1. Number TO outside agency	6	6
2. Number FROM an outside agency	0	0
E. Number of unassisted investigations by District Attorney	6	6

III. INVESTIGATIONS - PRE FILING DECISIONS CONTINUED							
Case Investigations by F. Categories and Complexities	STANDARD	MEDIUM	COMPLEX	VERY COMPLEX	TOTAL CASES		
1. Billing Fraud	1	0	0	7	8		
2. Disability	0	0	0	0	0		
3. Embezzlement	1	0	0	0	1		
4. Identity Theft	1	1	0	0	2		
5. Pharmacy	5	0	0	0	5		
6. Surgery Center	0	0	0	1	1		
7. Unlawful Solicitation / Referral	0	0	0	0	0		
8. Other Healthcare	1	0	0	0	1		
Total (1-8)	9	1	0	8	18		
IV. ARRESTS THIS REPORTING PERIOD			CASES		DEFENDANTS		
A. Arrests by District Attorney - Felony			0	0	0		
B. Arrests by CDI - Felony			0	0	0		
C. Arrest by joint effort CDI / DA - Felony			0	0	0		
D. Arrest by other - Felony			4	4	4		
E. Total (A - D) - Felony			4	4	4		
F. Arrests by District Attorney - Misdemeanor			0	0	0		
G. Arrests by CDI - Misdemeanor			0	0	0		
H. Arrest by joint effort CDI / DA - Misdemeanor			0	0	0		
I. Arrest by other - Misdemeanor			0	0	0		
J. Total (F - I) - Misdemeanor			0	0	0		
K. Total (E+J) - Felonies and Misdemeanors			4	4	4		
V. CASES IN COURT							
A. Cases carried forward on 6/30/14 to FY 14/15 by Categories and Complexities	STANDARD	MEDIUM	COMPLEX	VERY COMPLEX	TOTAL CASES	TOTAL DEFENDANTS	TOTAL CHARGEABLE FRAUD (in dollars)
1. Billing Fraud	0	0	0	0	0	0	
2. Disability	0	0	0	0	0	0	
3. Embezzlement	0	0	0	0	0	0	
4. Identity Theft	0	0	0	0	0	0	
5. Pharmacy	2	0	0	0	2	2	\$138
6. Surgery Center	0	0	0	0	0	0	
7. Unlawful Solicitation / Referral	0	0	0	0	0	0	
8. Other Healthcare	0	0	0	0	0	0	



V. CASES IN COURT (CONTINUED)

B New Case filings/indictments initiated 7/1/14 through 05/31/15 by Categories and Complexities	STANDARD	MEDIUM	COMPLEX	VERY COMPLEX	TOTAL CASES	TOTAL DEFENDANTS	TOTAL CHARGEABLE FRAUD (in dollars)
1. Billing Fraud	0	0	0	0	0	0	
2. Disability	0	0	0	0	0	0	
3. Embezzlement	0	0	0	0	0	0	
4. Identity Theft	0	0	1	0	1	1	\$73,653
5. Pharmacy	0	0	0	0	0	0	
6. Surgery Center	0	0	0	0	0	0	
7. Unlawful Solicitation / Referral	0	0	0	0	0	0	
8. Other Healthcare	0	0	0	0	0	0	
C Total Cases in Court - Categories and Complexities (A+B)	STANDARD	MEDIUM	COMPLEX	VERY COMPLEX	TOTAL CASES	TOTAL DEFENDANTS	TOTAL CHARGEABLE FRAUD (in dollars)
1. Billing Fraud	0	0	0	0	0	0	
2. Disability	0	0	0	0	0	0	
3. Embezzlement	0	0	0	0	0	0	
4. Identity Theft	0	0	1	0	1	1	\$73,653
5. Pharmacy	2	0	0	0	2	2	\$138
6. Surgery Center	0	0	0	0	0	0	
7. Unlawful Solicitation / Referral	0	0	0	0	0	0	
8. Other Healthcare	0	0	0	0	0	0	
9. Total Cases in Court from (C)	2	0	1	0	3	3	\$73,791

V. CASES IN COURT (CONTINUED)

D. TOTAL CASES BY FILING CLASSIFICATION	CASES	DEFENDANTS	
1. Felony Cases from (C)	3	3	
2. Misdemeanor Cases from (C)	0	0	
3. Civil Cases from (C)	0	0	
E. COURT PROCEEDINGS	CASES	DEFENDANTS	MOTIONS / HEARINGS
1. Number of Preliminary Hearings	0	0	
2. Number Held to Answer	0	0	
3. Number of Grand Jury Indictments	0	0	
4. Number of Motions requiring a response			0
5. Number of Court Hearings			16

VI. FELONY DISPOSITIONS	CASES	DEFENDANTS
A. Convictions	3	3
1. Pled Guilty / No Contest	3	3
2. Number of Convictions by Trial	0	0
B. Sentences		
1. State Prison Imposed		2
2. County Jail Imposed		1
3. Probation, no Jail Imposed		0
C. Reduction to Misdemeanor		0
D. Municipal Court Dismissals		0
E. Superior Court Dismissals		0
	AMOUNT ORDERED	AMOUNT COLLECTED *
F. Amount of Fines & Penalty Assessments	\$1,940	
G. Amount of Restitution		

\*Amount collected from all cases during the fiscal year.

VII. MISDEMEANOR - DISPOSITIONS	CASES	DEFENDANTS
A. Convictions	0	0
1. Pled Guilty / No Contest	0	0
2. Convicted by Trial	0	0
B. Sentences		
1. County Jail Imposed		0
2. Probation, no Jail Imposed		0
C. Dismissals		0
	AMOUNT ORDERED	AMOUNT COLLECTED *
D. Amount of Fines & Penalty Assessments		
E. Amount of Restitution		

VIII. CIVIL CASES	NUMBER FILED	NUMBER OF JUDGMENTS
A. Cases carried forward on 6/30/14 to FY 14/15	0	
B. New Cases filed this reporting period from 7/1/14 through 05/31/15	0	
C. Total Cases (A+B)	0	
D. Cases Concluded this reporting period.	0	0
E. Judgments	AMOUNT ORDERED	AMOUNT COLLECTED*
1. Restitution		
2. Fines and Penalties		
3. Costs		

IX. SEARCH WARRANTS	NUMBER	SUSPECTS	LOCATIONS
A. Total Search Warrants Issued	4	4	20
B. Special Master Search Warrants	0	0	0

X. OUTREACH TRAINING	NUMBER		
A. Number of training sessions	14		
B. Total Number of trainees	348		

CONVICTION INFORMATION  
COUNTY: MONTEREY

CASE #	DEFENDANT	ROLE	DATE OF CONVICTION	CONVICTION TYPE		PRIMARY CONVICTION CHARGE	ESTIMATED FRAUD (\$)	COURT	COUNTY JAIL (days)	PRISON (months)	PROBATION (months)	COMMUNITY SERVICE (hours)	OTHERS	TOTAL ACQUITTALS	TOTAL DISMISSALS	ASSETS FROZEN (\$)	RESTITUTION ORDERED (\$)	CIVIL FINE (\$)	CRIMINAL FINE (\$)	VICTIM NAMES	REFERRAL SOURCE	DOA NAME			
				FELONY (X)	MISDEMEANOR (X)																				
DHF14-005	Crnk, Jeremy	F	08/20/14	X		PC264(H)(S)11 173(a)	138	Monterey Superior		28			Defend ant to register as require d pursuant to HS1159 0 as a narcotic s offende r.							\$890		C	Patterson		
DHF14-310	Crnk, Jeremy	F	08/20/14	X		PC259(a)(9)	138	Monterey Superior		8										\$370		C	Patterson		
DHF15-014	Rosario, Julian	D	09/11/14	X		PC550(a)(6)	73653	Monterey Superior	210		60									\$740	CHOMP- Premium Insurance/Ble Shield: Troy Adams, victim restitution in amount to be determine by the Probation office.	C	Patterson		
FY (2014-15) Sub Total				3	0														\$0	\$0	\$0	\$1,940			
TOTAL				3	0		73653													\$0	\$0	\$0	\$1,940		

CONVICTION INFORMATION  
COUNTY:

Insert appropriate letter Role:	** Referral Sources	
Billing Fraud	A	A
Disability	B	B
Embezzlement	C	Local Law Enforcement C
Identity Theft	D	Third Party Administrator D
Pharmacy	F	Other E
Surgey Center	G	
Unlawful Solicitation/Referral	H	
Other Healthcare	I	

## **COUNTY PLAN PROBLEM STATEMENT**

Please describe the types and magnitude of disability and healthcare insurance fraud (e.g., billing fraud, disability, embezzlement, identity theft, pharmacy, surgery center, unlawful solicitation) relative to the extent of the problem specific to your county. Please use local data or other evidence to support your description.

### **GENERAL CHARACTERISTICS-MONTEREY COUNTY**

Monterey County is located in California's central coast, with its northern boundary located approximately 100 miles south of San Francisco. It has two major highways running through it, Highway 101 and Highway 1. Monterey County is approximately 54 miles wide by approximately 100 miles long. The Pacific Ocean borders its western boundary. The county covers a geographical area of 3,324 square miles or 2,127,359 acres.

The county has a population of approximately 415,057 with 300,000 of that population residing in the twelve incorporated cities, and the remaining 115,000 residing in the rural unincorporated areas. The county also contains over 300,000 acres of the Los Padres National Forest and another 164,503 acres of the Ventana Wilderness area.

Monterey County is an ethnically diverse area. In 2010, 32.9 percent of the population is listed as Caucasian, 55.4 percent are Hispanic, one-half of one-percent are Pacific Islander/Asian, 3.1 percent are African American and 1.3 percent are Native American.

The economic range of the population runs from the wealthy residents of Carmel and Pebble Beach to the homeless in the smaller Peninsula cities and Salinas. A number of Silicon Valley commuters live in Monterey County and commute to other counties to work.

Agriculture is the number one industry in Monterey County. It is a \$4 billion dollar industry annually. Most of these activities are centered in and around the Salinas Valley. Although Monterey County is often called the Salad Bowl of the World a number of other crops and commodities are grown or raised here including fruits, nuts, livestock, poultry, and seed crops.

Monterey County is also noted for its wine, golf, auto racing, fishing, and tourism industries. Tourism is mostly centered in the Monterey Peninsula and the Big Sur coast. Big Sur is renowned for its scenic beauty and is described as the coastal area south of Monterey and ending at the San Luis Obispo County Line. Highway 1 is the main road used to get to and from Big Sur.

Educational opportunities are numerous in Monterey County. Along with the long established Monterey Peninsula College and Hartnell College, Monterey County is home

to California State University-Monterey Bay (CSUMB) which was established in 1994. CSUMB offers undergraduate and graduate degree programs in a number of fields. The Monterey College of Law founded in 1972 is also located in Monterey County. There are also satellite programs from Chapman University and Golden Gate University located in Monterey County. In addition, the military has a significant educational presence in Monterey County with the Defense Language Institute and the Naval Post Graduate School both located in the City of Monterey.

There are four major hospitals in Monterey County Community Hospital of the Monterey Peninsula (CHOMP), Natividad Medical Center (NMC), Salinas Valley Memorial Healthcare System (SVMHS), and Mee Memorial. CHOMP primarily serves the Monterey Peninsula population including Monterey, Pacific Grove, Carmel, Seaside Marina, Pebble Beach, Carmel Valley, and the coastal communities. NMC and SVMHS are both located in Salinas and provide services to patients from throughout the county. Mee Memorial typically serves the south county population.

CHOMP offers a wide range of healthcare services at 15 locations, including the main hospital, outpatient facilities, satellite laboratories, a mental health clinic, a short-term skilled nursing facility, Hospice of the Central Coast, and business offices. It is a nonprofit healthcare provider with 258 licensed hospital beds and 28 skilled-nursing beds, delivering a continuum of care from birth to end of life, and every stage in between. The hospital operates with a medical staff of over 364 personnel.

Natividad Medical Center (NMC) is a 172-bed acute care hospital owned and operated by Monterey County. It is the safety-net hospital and has provided healthcare to the residents of Monterey County for over 129 years, regardless of their ability to pay. NMC is a Level II Trauma Center providing the immediate availability of specialized personnel, equipment, and services to treat the most severe and critical injuries. It is the only teaching hospital on the Central Coast, through its affiliation with the University of California, San Francisco (UCSF). The hospital operates with a medical staff of over 230 physicians and has several specialty clinics and outpatient primary care clinics operated by the Monterey County Health Department.

Salinas Valley Memorial Healthcare System (SVMHS) is an integrated network of healthcare programs, services and facilities that serve people throughout Monterey County. It opened in 1952. It is a 269-bed acute care hospital with several specializations provided by a medical staff of 300 board-certified physicians.

Mee Memorial is located in King City which is in the southern portion of Monterey County. It is a 119-bed facility that provides inpatient, outpatient, and emergency services.

## **PROBLEMS AND TRENDS**

### **GENERAL COMMENTS**

Disability and healthcare fraud in Monterey County is clearly a problem. As reflected by the caseload, both current and prospective as summarized above and in Attachment B, as well as discussions we have had with sister agencies and public and private medical

providers, disability and healthcare fraud in this County includes billing fraud, identity theft, pharmacy/prescription fraud, and surgery center fraud. The perpetrators are from all walks of life including professionals, white/blue collar individuals, and small business owners. The efforts to commit fraud are varied and range from simple false statements to elaborate operations designed to maximize ill-gotten gains. It appears the method and techniques used to commit fraud are limited only by the imagination of the perpetrators.

## **PHARMACY/PRESCRIPTION FRAUD**

Abuse of addictive prescription drugs has reached epidemic levels in the U.S. The drugs are readily available in large quantities, thus fueling addicts, creating new generations of users, and sometimes killing users who overdose. Painkillers are among the largest sources of abuse. Muscle relaxants, anti-anxiety medicines and others are often part of the mix as well. Dishonest pain clinics are a significant source of trafficking. Crooked doctors write prescriptions for large quantities of drugs such as OxyContin. Private or taxpayer-funded insurance programs frequently pay for the prescriptions. Addicts frequent the clinics in large numbers for hits. Clinics typically sell the addicts prescription drugs in large and potentially deadly quantities. Minimal or no examinations are given to determine medical need. Clinics also sell to street dealers, who resell to addicts at large markups.

Opioid painkillers cause more overdose deaths in the U.S. than heroin and cocaine combined. (Centers for Disease Control report, October 2011). By 2010, enough addictive painkillers were sold to medicate every American adult with a typical 5 mg dose of hydrocodone every four hours for one month. (ibid). Overdoses from opioid painkillers were involved in 14,800 of the 36,450 drug deaths in 2008. Every day, 44 people in the U.S. die from overdose of prescription painkillers, and many more become addicted (Centers for Disease Control and Prevention, 2015). Insurance fraud is a major financier of America's epidemic diversion of addictive prescription drugs such as OxyContin.

By far the category of fraud that has been most reported to us over the past two years is pharmacy/prescription fraud. We have been involved in several referrals involving this form of fraud. It is clear that Monterey County has its share of pill mills. The most troubling aspect of this form of fraud is that we have developed evidence that a number of patients who received pills from the target doctors died as a result of prescription pill overdose.

Numerous cases have recently been brought to the attention of our Healthcare/Disability Fraud Unit where a particular Emergency Department physician's DEA number is being used to obtain fraudulent prescriptions, including controlled substances. Currently, one of our local hospitals lists all Emergency Department Physicians and their respective DEA numbers on prescription pads that are used in the hospital. The doctor will handwrite a prescription and give it to the patient. It has been discovered that likely the prescription for schedule III drugs, such as Norco, are being called in to pharmacies with the DEA information provided from this prescription pad. On occasion, pharmacies have called the doctors and the local law enforcement regarding the suspected fraudulent prescriptions. Law Enforcement then tracks down the person picking up the prescription and ultimately arrests them.



Investigation of doctors engaged in prescription fraud is a labor intensive undertaking. Often it requires undercover surveillance, development of confidential sources of information, and execution of search warrants followed by extensive document review in order to discover the full extent of the fraudulent operation. These types of investigations can take months to years of planning and execution before submission to the prosecutor for consideration of charges. Thereafter, it may take months or years before the case is finally adjudicated particularly if the defendant demands a jury trial.

Cases have been brought to the attention of our unit where a physician's DEA number is being used to obtain fraudulent prescriptions, including controlled substances. Insurance companies are paying for these fraudulent prescriptions and the physician is not even aware that the fraudulent activity is occurring.

One of our concerns relating to rooting out prescription fraud cases is how do we identify individuals who are obtaining prescription medications illegally or through unscrupulous doctors. One avenue potentially available is to identify overdose victims, interview them to see if they will assist in disclosing the source of their medications. We asked the emergency department doctors what if anything, other than treatment, is done with patients overdosing on prescription drugs. The answer was that nothing is done.

Unfortunately, not all of these cases are being turned over to law enforcement for investigation. That means insurance companies are paying for these fraudulent prescriptions and the physician is not even aware that the fraudulent activity is occurring.

## **BILLING FRAUD**

We have received information of varying degrees of reliability regarding billing fraud by medical providers. Even if only some of those potential cases are established to be true, we can expect significant effort will have to be made to thoroughly investigate them.

## **EMBEZZLEMENT**

We worked on a case of suspected embezzlement by an insurance broker which after much discussion and review of the facts and law was determined to be lacking in evidence of intent to defraud. Nevertheless, the case highlighted the fact that there are brokers in Monterey County looking to cut corners that may ultimately cross the line into fraud. It is imperative that we remain alert to indicators of fraudulent activity. This is so particularly under the current economic downturn which is a time that brokers and/or agents may be tempted to embezzle motivated by a need to make mortgage payments or support ones family. While the motivations to defraud may serve as a factor in aggravation or mitigation, the fact remains that a theft has occurred and an innocent person(s) has/have been victimized.

These cases too can require a significant amount of investigative work. As we have seen in our other fraud units, if there is one victim it is very likely there will be many others. Similarly, if a fraudster commits one form of fraud it is not unusual to see him/her commit other forms as well. We must be vigilant when conducting investigations and not simply look for low hanging fruit.

## **DISABILITY FRAUD**

While we have only received limited and anonymous information regarding disability fraud there is little doubt this is occurring in Monterey County. We have seen such fraud being committed by individuals receiving money from state disability agencies. There is every reason to suspect fraudsters are defrauding insurance carriers in this area.

## **IDENTITY THEFT**

More than 1.4 million people have been victimized by medical identity theft. Victims pay about \$20,000 each to resolve their cases, and more than half say they had to pay for medical care they did not receive in order to restore health coverage. Nearly half of the victims also lost health coverage due to the fraud, and nearly one-third said their health premiums rose after they were victimized. Fewer than 10 percent say their incidents were completely resolved. (Ponemon Institute, 2010). Medical identity theft is the fastest-growing form of identity theft. (World Privacy Forum, 2006). Medical identity theft comprises about 3 percent (249,000) of 8.3 million overall victims of identity theft. (Federal Trade Commission, Identity Theft Survey Report, 2007).

Identity theft is clearly a major problem across many lines of business. The healthcare industry is no exception. We have seen cases where a person assumed the identity of another in order to secure medical treatment. These cases revealed many weaknesses in the healthcare system that has led to perpetrators feeling it is an easy thing to do. The real problem is that the perpetrator leaves a victim in his wake who often must spend considerable time and effort repairing the damage done. It also creates the potential for medical records to become confused as between the true patient and the criminal one. For example, if a person fraudulently assumes another person's medical chart and is treated for a condition, that treatment and medical history will be added to the medical chart unbeknownst to the innocent patient. When the innocent patient goes for legitimate treatment, the doctors will have an erroneous medical history and will make medical decisions based on false information. This can only work to the detriment of the innocent patient.

The Ryan Malapaz case summarized above opened our eyes to some serious issues related to identity theft when associated with the obtaining of healthcare. We learned that some hospitals do not check identification of individuals seeking healthcare. It is no secret that many people who come to the emergency room for treatment are not actual emergency patients but are instead using the emergency room for routine care. In these situations not confirming a person's identification can have serious consequences particularly as it relates to the true person whose identity has been stolen. Treating a person who is not the true patient could lead to erroneous entries on the innocent person's medical chart. This in turn could lead to future physicians making decisions based on erroneous information. It also creates a scenario where an insurance carrier could be billed for services rendered to a non-policyholder.

We raised this issue with physicians at a local hospital to determine whether the situation described above was an aberration or something more commonplace. We were advised by management that they do not check the identification of patients coming into the emergency room for fear of deterring those in need of medical treatment from staying to

receive that treatment. We then spoke with the head of registration who indicated that identifications are checked and scanned if the patient is not currently in the system. If the patient does not have identification then nothing is scanned. A concern arose when we asked what happens when a patient gives identifying information that does not match what is currently on file in their electronic patient file. We were told that nothing happens; they simply create a new file with the same name.

The Rosario case summarized above is a case where the perpetrator candidly admitted he was able to commit repeated fraudulent acts with impunity. It also highlighted how expensive it can be for medical providers, hospitals and carriers if this practice is allowed to continue unabated. Additionally, it highlighted the need for medical practitioners to be ever vigilant in detecting potential fraudulent activity and to report what they know to the proper authorities. Finally, the case revealed there are people in our community who are willing to permit others to use their insurance information so that the other person can illegally obtain healthcare benefits. If Rosario can accumulate over \$73,000 in medical costs while seeking to feed a prescription drug addiction we can only imagine if the same scenario involved a catastrophic illness. In other words, if Rosario had a major life threatening illness and he used his friend's insurance information (with or without the friends consent) the costs to the providers and carriers could have been astronomical.

## CONCLUSION

Monterey County continues to see its share of fraud in a variety of areas including everything from prescription fraud to pill mills to billing fraud and identity theft.

The problems we see in Monterey County are very similar to those seen throughout California and the nation. Disability and healthcare fraud, specifically billing and prescription fraud as well as identity theft fraud and to a lesser extent disability fraud exists in Monterey County. Investigation and prosecution of these cases can be very complex and voluminous.

Our limited staffing is such that we cannot launch full-scale investigations into every situation where such fraud is suspected. Given these realities we must critically evaluate each report of suspected fraud and decide which referrals are most likely to result in prosecutable cases. Unfortunately, it is impossible to predict with any degree of precision where an investigation will lead. Accordingly, we must constantly assess and reassess where we are and whether a particular case should be pursued.

## COUNTY PLAN PROGRAM STRATEGY

1. **Explain how your county plans to resolve the problem stated in your problem statement. Include improvements in your program.**

### INTRODUCTION

The following program strategy is premised on the staffing of our unit with a fully funded prosecutor and a fully funded investigator at a minimum. While we can arguably continue without a funded legal secretary in the short term, it is important to realize that as the program grows, which we expect it will, it will become necessary to hire a support person for the unit.

We will continue to seek the assistance of subject matter experts from our sister agencies including the California Department of Insurance (CDI). This has shown in the past as with our other fraud units to be an effective way to stretch our limited resources thereby permitting our investigative and prosecutorial resources to focus attention on other matters. In billing and prescription fraud cases, and to a lesser extent, disability and identity theft cases, we will seek to partner with CDI because of their significant expertise in such areas. In identity theft cases we will seek to educate local law enforcement on the indicators of identity theft as it relates to healthcare fraud such that first responders will immediately think to contact our unit for assistance. A more complete discussion of our strategy follows.

### PRESCRIPTION/PHARMACY FRAUD

Education of the medical community and law enforcement on the serious issue of prescription and pharmacy fraud that is permeating our community is paramount. We have already instituted the Prescribe Safe Initiative that includes the county's hospitals, local law enforcement, doctors on duty, and the district attorney's office to help prevent the drug seeking patient from obtaining unnecessary and harmful opiate painkillers as well as other controlled substances without a medical necessity. This effort still needs to be expanded to include pharmacies, more law enforcement, insurance company SIUs, and community doctors. We intend to continue our efforts of expanding the knowledge base throughout the County regarding this trend and what can be done to stop it.

In our meetings with law enforcement and medical professionals, we have suggested providing law enforcement information on overdosed patients so that they could be contacted once they have stabilized. The information obtained could be maintained in a database for use in future or ongoing criminal investigations. Patients and/or their families may be willing to talk to law enforcement about how the medications were obtained or may provide insight into a particular case. We discussed an overdose log that would be created by the charge nurse and maintained by a specified

doctor. This doctor could then pull the CURES reports on each of the patients listed and provide information to law enforcement on a regularly scheduled basis. We believe these discussions have successfully opened the door to continued dialogue on ways to identify potential cases for investigation and prosecution.

As for individuals who are exploiting the use of prescription pads with the names of multiple doctors and corresponding DEA numbers, we plan to deal with that in a couple of different ways. In the short term we plan to contact all physicians but in particular those who are victims in suspected or charged fraudulent prescription cases to make them aware of the criminal activity. CURES reports will then be run on the particular physician involved. The physician will then review the report and will confirm all entries of fraudulent prescriptions to a District Attorney Investigator (DAI). A DAI will then contact the pharmacy in which the prescriptions were filled. Insurance information will be obtained and an investigation will take place with potential charges of HS11173(a) and PC 550 (a)(6) to be filed at the conclusion of the investigation.

In the long term once a full-time DAI is assigned to the Healthcare/Disability Fraud Unit he/she will assist local law enforcement and the local medical community in obtaining CURES reports on a regular basis for physicians and physician assistants to ensure that prescription fraud is detected quickly and will alert law enforcement if fraudulent activity is occurring. The assigned DAI will then conduct an investigation to locate the individual that fraudulently used the doctors DEA number or other property/information to obtain the prescription and ascertain if insurance was used for payment. We anticipate this will lead to charges of HS 11173(a) and PC 550 (a)(6) that will be filed at the conclusion of the investigation.

The Monterey County Prescribe Safe Initiative is expected to continue to be a way in which we can coordinate the efforts of local medical providers, pharmacists, and law enforcement to attack the prescription drug fraud problem in a proactive fashion. We have attended a number of meetings with members from these disciplines and have received commitments from them to assist with our effort to detect prescription drug fraud.

The plan is to develop a reporting system that will enable providers and pharmacists to have quick, real-time access to law enforcement whenever they notice any red flags regarding the commission of a fraudulent act. In so doing, we will be able to identify potential suspects as soon as possible thereby permitting an early investigation rather than a past tense one. We will also be well placed to assess whether there are indicators of a larger operation than what appears initially and if so, we will be able to take affirmative steps sooner rather than later. It is our long term hope that the work of those in the Initiative will lead to a deterrence of fraud and in so doing have a significant impact on the overall problem.

These coordinated efforts have proven to be an effective way to address and hopefully stem the number of people who seek to obtain prescription medications unlawfully. We intend to share with other medical facilities the successful practice used by one medical facility in our county to identify and report potential cases of identity theft. This will serve as a model for other medical professionals so that law

enforcement can be alerted to potential criminal conduct. It is our expectation that with the synchronization of efforts between law enforcement and the medical profession we will develop additional cases of prescription/pharmacy fraud.

## **BILLING FRAUD**

As to the problem of investigation and prosecution of complex provider billing, we plan to employ a proactive approach rather than a reactive approach. In our other fraud units we have historically responded to a complaint by conducting initial interviews followed by serving search warrants which would then lead to extensive document review and analysis to determine if a past tense fraud was committed. This was extremely labor intensive. By its very nature that kind of investigation was one in which it was always unknown where the investigation would ultimately lead. We shifted our practice in the other units to a proactive model which we believe has made for more efficient investigations and prosecutions. We have implemented a similar strategy with the Disability and Healthcare Fraud program.

Going forward we plan to continue our real time undercover investigations intended to discover whether a provider is actively involved in fraudulent activities. We believe this is a better way to expend limited investigative resources because it will lead to collection of evidence which is documented by audio and videotape recordings under a relatively controlled environment. Such evidence when supported by documentation seized pursuant to a search warrant from the provider which is directly related to the undercover "patient" rather than general patients will be extremely persuasive to a fact finder. Such evidence will also be very helpful in learning the true extent of the fraudulent activities because the undercover operation will serve as an example of the provider's modus operandi and will allow investigators to focus their attention on narrow issues rather than taking a "shotgun" approach.

## **DISABILITY AND IDENTITY THEFT**

In the disability and identity theft fraud arena we will need to work smarter rather than harder. Given the time consuming nature of these investigations and our very small investigative staff we will have to identify cases that have a high potential for success. This will have to be done early in the process so that we do not waste limited resources on cases with little likelihood of success. Going forward we will review cases from a triage perspective. That is taking the cases that are more clear cut first and if time permits initiate investigations that are more subtle or multifaceted. Fortunately, our recent experience in working with public and private entities investigating and prosecuting these cases has shown us how to do so in as efficient and effective manner as possible. These recent investigations will serve as a model to be used in the future.

We have discussed the legal issues and concern for fraud surrounding identity theft in the healthcare area with medical professionals. We suggested implementing a policy that requires contacting law enforcement to investigate a situation where there is a suspected identity theft or where an insurance carrier is billed for treatment given to a person who is using another's identity to secure health insurance benefits. Everyone

present at the various meetings agreed with our proposal. Hospital officials will have regular meetings with management and staff to discuss implementation and sustainability of a policy to address these concerns. This is another example of our success in working with medical providers to open discussions on the question of solving the identity theft problem. Moreover, identifying individuals who commit identity theft quickly, preferably while they are still at the medical facility, will increase the opportunity to conduct a complete investigation and bring charges when appropriate.

## **OUTREACH**

We also plan to continue with our outreach program. We have addressed a number of different audiences from varied medical and professional disciplines. We intend to continue this practice and expand to as many different groups as possible. The target audience of course is anyone with a connection to disability and healthcare issues. Therefore, we will seek to address social and business organizations, community groups, and SIU's from our local and regional insurance carriers. We encourage each audience to remain vigilant about looking for signs of fraud and to report any suspected or suspicious fraudulent activity.

## **PROGRAM IMPROVEMENTS**

As for improvements in the program, we have continued in our efforts to build strong coalitions with allied agencies from different disciplines to help our investigator and attorney build quality cases. We continue to meet with members of the CDI and regional SIU meetings on a quarterly basis where we discuss and review cases. In previous years this meeting was attended by CDI and our office. More recently these meetings have expanded to include representatives of Santa Clara and Santa Cruz District Attorney Offices. This is a very positive improvement in that it gives our staff an opportunity to meet and discuss trends, legal issues, and other matters, with their contemporaries from other counties.

- 2. What are your plans to meet any announced goals of the Insurance Commissioner? If these goals are not realistic for your county, please state why they are not, and what goals you can achieve? What is your strategic plan to accomplish the goals?**

## **BALANCED CASELOAD**

A balanced caseload is an important part of any program. It is rarely useful in combating the fraud problem to become myopic and attack only one area of fraud to the exclusion of the many other forms that we see every day. In Monterey County we have seen in very short order a caseload that includes fraud cases from several different areas. Going forward we expect to see the commission of fraudulent acts from all sectors of the community that involve people from all walks of life.

In our program, we use a multi-level and collaborative approach to the review process when evaluating potential cases. Our Supervising District Attorney Investigator who is a well experienced investigator works with the investigator and attorney looking for

potential cases. Our investigator, working in conjunction with allied agencies and industry sources such as SIU's, are constantly reviewing cases that are referred to us. During this process the investigators are looking at the many ways in which fraud can be committed. As summarized above, we have seen fraud in areas including billing by providers, pill prescriptions, identity theft, disability, and embezzlement. There is little doubt Monterey County has within its borders individuals bent on committing an assortment of fraud. That being the case we are ever mindful of the objective to not focus on a single form of fraud.

Over the past year we have received partial information that required further follow-up in a number of cases involving various forms of suspected fraud. Unfortunately, due to limited funding for a full-time investigator we have been unable to jump on all such referrals to determine whether a viable case could be made. We have therefore sought to train local law enforcement in what to look for when they are called to a situation that may involve fraud. With local law enforcement assistance we should be able to identify fraud in a variety of areas which will permit us to keep a balanced perspective to our caseload. Similarly, we have partnered with local medical professionals to act as eyes and ears in the community and to alert us if they notice suspicious activity. These cooperative efforts will permit us to investigate and prosecute fraud in a variety of areas.

During this process we are very much aware that an investigation can start out looking into one area of fraud and then additional fraudulent activity is discovered. The attorney in coordination with the investigative team is in a perfect position to evaluate whether a particular investigation will develop into a prosecutable case. The attorney is cognizant of the need to maintain a balanced caseload and can make decisions with that in mind. The attorney, in coordination with the Managing Deputy District Attorney and the Supervising District Attorney Investigator, makes decisions regarding how many cases of any certain category can be effectively handled during the course of the year.

It is important that our team members not become entrenched in any one particular area of fraud investigations/prosecutions. While other programs may have the staffing to allow for development of experts in one area of fraud over another, Monterey County's modest staffing means that our investigator and prosecutor must be able to handle any kind of case that comes to their attention. We seek to have them well versed and well-practiced in identifying all forms of fraud. We seek to keep an open mind when conducting investigations so that the evidence dictates the process.

## **PERFORMANCE AND CONTINUITY WITHIN THE PROGRAM**

Over the past year our very modest unit has brought cases before the court and has secured convictions in areas of fraud. We are very careful not to waste public funds. We are very much aware that funding comes from the citizens of this state and we are expected to use those funds wisely.

The Monterey County Disability and Healthcare Fraud Unit have worked with and hope to continue to work with CDI and other allied agencies in dealing with this problem. Currently, we are involved in a joint operation with the California Medical



Board on a long term undercover investigation related to provider fraud. To insure success of a long term investigation and subsequent prosecution such as this requires continuity and stability of funding. It is our intent to conduct this operation, as well as others that are newly initiated, as expeditiously and cost effectively as possible. By the same token, if we do not have the funding necessary to support the minimum requirements of our dedicated unit, it will be very difficult if not impossible to conduct in-depth undercover investigations.

## **OUTREACH AND PUBLIC AWARENESS**

We are very fortunate, again, to have a CDI regional office that is willing to assist in anti-fraud efforts including participation in quarterly meetings with local and regional SIU's. It is equally important to have medical practitioners and industry representatives (SIU's) attend these meetings. We intend to continue to do all we can to identify such organizations and expand the invitation list to the SIU meeting.

We have met with the Morgan Hill CDI office to discuss ways in which new investigations can be launched and how we can reach out to more audiences. Our appreciation for the level of assistance and support received from Captain Kathleen Harris and her staff cannot be overstated. Our prosecutor and investigator are extremely impressed with the level of cooperation and energy brought to the table by Captain Harris' staff.

The extent of our outreach program is detailed below in our response to Question 4. Over the past year we have reached over 244 individuals from a myriad of professions, occupations, and backgrounds. This does not include the number of citizens who either read the newspaper or watched the newscast following our press release. In the past fiscal year we addressed organizations that included senior citizens, medical professions, SIU's, and other insurance industry representatives.

## **JOINT PLANS AND MEMORANDUMS OF UNDERSTANDING**

We are of the opinion that program participants (CDI- Fraud Division and District Attorney Offices) must have a cohesive working relationship with regular communications. To this end, we have established in our other fraud units very deep and strong working relationships with our colleagues at CDI-Morgan Hill. The Disability and Healthcare Fraud Unit is benefitting from this track record of cooperation. It has been a smooth transition to incorporate this program into the others within the office and with Morgan Hill CDI. We have meetings with representatives of CDI-Morgan Hill where we discuss on-going cases and plan future operations and investigations. We also have quarterly meetings with SIU's where CDI-Morgan Hill is present to discuss such things as industry trends, and potential new cases. Our investigators, prosecutor, and managers have made themselves available to all at CDI-Morgan Hill whenever there is a question or issue that needs attention. We are very fortunate that the members of CDI-Morgan Hill are likewise very receptive to our calls and make themselves available to us at a moment's notice.

From our position, we see a relationship that is not only professional but also carries a great deal of mutual respect. It is clear to us that CDI is more than willing to dedicate

resources in support of our cases and operations and we are very appreciative of that effort. The high level of cohesiveness and communications that exists between our agencies is a result of many years of stable staffing in both offices.

Our meetings with CDI-Morgan Hill are always professional. There has never been any evidence of our agencies working at cross purposes. To the contrary, we have always been able to come to a consensus on how to approach the caseload in a mutually beneficial manner. We look forward to continue working with Ms. Harris and her staff to build on this relationship and to work towards the objective of forging a strong anti-fraud partnership.

**3. What goals do you have that require more than a single year to accomplish?**

The undercover operations mentioned above and summarized in Attachment B which are currently underway and are in line will take us into the next fiscal year and possibly beyond. As mentioned above, one operation is well underway and should be completed by the end of this calendar year. The other operations are on temporary hold while we wrap up the first case. It is anticipated that it will be another several months before we will return to those investigations. Assuming charges are filed, the prosecution of the current undercover case will take us into the next fiscal year if not beyond.

Our efforts to address the prescription/pharmacy fraud and identity theft problems will take us into the next fiscal year. We have made great strides in these areas in a relatively short time period. We have coordinated the efforts of all the hospitals in the county to work towards identifying doctors and patients who are abusing the prescription medicine system. We have also assisted in the preparation of guidelines to be used by medical professionals who come into information regarding potential abuse or criminal activity. We have also opened a dialogue with hospital administrators to look for evidence of identity theft and if found to contact law enforcement immediately. Over the next fiscal year we will need to continue these efforts to ensure the system is workable and is developing leads into potential cases. More importantly, it is our hope that these efforts will deter people from committing prescription fraud and identity theft. This process will be an on-going one.

Our goal of training local law enforcement in the area of recognizing indicators of fraudulent activity is an important one for us that will take us into the next fiscal year. Indeed, this is a long term goal that will have to be renewed regularly to catch all newly hired officers and to refresh the memories of other officers. Given our very small staff we must look for force multipliers. As we have done in our other fraud unit, we expect to ally ourselves with agencies on the front line of law enforcement to teach them what to look for and when they find evidence of fraudulent activity to contact us or CDI immediately.

#### 4. Training and Outreach

##### TRAINING RECEIVED DURING FY13-14 AND FY 14-15.

DDA Amy Patterson

9/24/13 Healthcare Fraud training, CDI, Pleasanton, CA  
9/25/13 Case Management System Training, Salinas, CA  
11/4-11/8/13 CDAA Fraud conference in Santa Rosa, CA  
11/22/13 Ethics and Balance Training, Sacramento, CA  
2/13/14 Social Media 101, National White Collar Crime Center,  
Mountain View, CA  
4/16-18/14 NCFIA Conference, Monterey, CA  
1/5/15 ISO training, NICB Monterey DA Office  
2/5/15 Introduction to Pill Cases, DEA, Pleasanton, CA  
4/1-3/15 NCFIA – Monterey  
4/22/15 CPT codes, James Fisher, DIR, Santa Clara, CA  
5/8/15 Changing landscape of chronic pain management: New guidelines  
for Opiate prescribing for Chronic Pain Patients, Health  
Improvement Partnership and Central California Alliance for  
Health, Aptos, CA

DAI Mark Trueblood

08/13/13 New employee orientation, County of Monterey, Salinas, CA  
08/15/13 Emergency vehicle operations, Marina, CA  
09/26/13 Case Management System Training, Salinas, CA  
10/21-11/1/13 DAI training, POST UCI Irvine, Sacramento, CA  
11/5-11/8/13 Fraud seminar, CDAA, Santa Rosa, CA  
11/12-15/13 Gang seminar for one week/GTF/Salinas  
01/13-1/17/14 OIS training, Marina, CA  
03/10/14 Wiretap school, DOJ, Monterey, CA  
04/16-18/14 NCFIA training and seminar, Monterey, CA  
9/18/14 Healthcare 303  
12/2-5/14 CDAA Fraud Training

##### OUTREACH DURING FY13-14 AND FY 14-15.

The following is a listing of the outreach and training we attended/provided in FY 2013-2014

9/26/13 San Francisco Mini-Medical Fraud Meeting– NICB in Benicia. (14 attendees).  
10/11/13 Meeting medical surgeon with Community Hospital of the Monterey Peninsula (CHOMP) to discuss healthcare fraud issues in Monterey County.  
10/21/13 Press release distributed for announcement of new disability and healthcare fraud unit.

- 10/22/13 On camera interview with Adriana Sutton – Channel 64 Univision regarding press release of new disability and healthcare fraud unit. Spoke with reporter Greg Jones from Workcomp central regarding press release.
- 10/24/13 Meeting with vice president Medical Affairs at CHOMP to discuss healthcare fraud unit. He will have article regarding new unit published in newsletter at CHOMP.
- 11/14/13 SIU meeting in San Jose at the Santa Clara Crime lab.
- 11/15/13 Meeting with Chief Medical Officer, Salinas Valley Medical Hospital (SVMH). Discussed unit and potential future outreach
- 11/20/13 Meeting with Revenue Integrity and Compliance Director, SVMH to discuss medical fraud at SVMH.
- 11/21/13 Watsonville Collaborative meeting – 14 attendees. Introduced prosecutor and explained objectives of the unit.
- 12/2/13 Phone outreach with representative from the Watsonville Law Center. She indicated that she had clients from both Monterey and Santa Cruz counties that are seeking advice regarding the new healthcare laws. Discussed with her the potential fraud surrounding Covered California Exchanges, and identity theft so she can better advise her clients.
- 12/11/13 Meeting with CEO of Monterey Peninsula Surgery Center which included tour of the facility, discussion of healthcare and fraud and needs of the medical community in prosecution and investigation of these types of cases.
- 12/18/13 Mini Medical Fraud Meeting NICB- 17 Attendees.
- 1/22/14 Phone conference with CHOMP Emergency Room physician regarding emergency room procedures in Monterey County dealing with prescription drug fraud.
- 1/23/14 NICB Mini Medical Fraud meeting in Benicia-23 attendees.
- 1/24/14 Meeting with Medical Board of CA here in Salinas-8 Attendees  
Discussion of working joint cases together and the importance of sharing information.
- 2/27/14 Meeting at CHOMP for Prescribe Safe Initiative-19 Attendees, included Sheriff Miller, Coroner, the physician head of all the hospitals in the county, director of health for Monterey County. We discussed prescription drug fraud. Also discussion with the emergency room doctors at CHOMP regarding prevention for fraudulently using another's health benefits.
- 3/14/14 Meeting with vice president of Emergency Room Operations, Natividad Medical Center regarding new unit and working together to eliminate fraud.
- 3/20/14 Mini Medical Fraud meeting, San Mateo, 13 Attendees.
- 4/4/14 Prescribe safe legal workgroup meeting. 4 attendees to discuss the legal ramifications of mandated reporting of doctors and drug seeking patients perpetrating prescription fraud.
- 4/10/14 Outreach – Presentation for Hiring and Managing In-home Caregivers – Avoiding Fraud and Scams-75 attendees. Panel of 5 speakers..
- 4/21/14 Training for Pacific Grove and Carmel Police officers. 11 officers total.
- 4/24/14 Mini Medical Fraud Meeting – Morgan Hill at CDI.
- 5/15/14 Training for Monterey Police officers, 25 officers.

The following is a listing of the outreach and training we attended/provided in FY 2014-2015:

- 7/21/14 CHOMP training meeting with local police to discuss Prescribe Safe Initiative procedures and police response to calls. (13 attendees)
- 8/14/14 SIU Meeting (27 attendees)
- 8/20/14 CHOMP training meeting with doctors and law enforcement. Discussion on identity theft and recognizing potential suspects. (9 Attendees)
- 9/9/14 Nor-Cal Enforcement Network Meeting (40 attendees)
- 9/24/14 Preliminary Task Force Meeting with CDI and partner agencies (10 attendees)
- 11/13/14 SIU Meeting (29 attendees)
- 1/14/15 Task Force Meeting with CDI and partner agencies. (16 attendees)
- 1/29/15 Mini Medical fraud meeting – NICB (38 attendees)
- 2/3/15 Meeting with CDI re: joint outreach plan (3 attendees)
- 2/10/15 Collaborative Meetings with CDI (14 attendees)
- 2/12/15 SIU Meeting (29 attendees)
- 2/19/15 Nor-Cal Enforcement Network meeting (40 attendees)
- 3/18/15 Task Force Meeting with CDI and partner agencies. (15 attendees)
- 3/30/15 Meeting with Dental Board and CDI re case load development. (5 attendees)
- 3/26/15 Mini Medical fraud meeting – NICB (19 attendees)
- 4/21/15 Collaborative Meetings with CDI (14 attendees)
- 4/30/15 Collaborative Meetings with CDI (50 attendees)
- 5/7/15 Nor-Cal Enforcement Network meeting, Presentation by DAI Trueblood on “How to investigate a “dirty doctor” case.” (40 attendees)
- 5/14/15 SIU Meeting (27 attendees)
- 5/28/15 Mini Medical fraud meeting – NICB (29 attendees)

In the future, we have planned to attend/present at the following events:

- All regularly scheduled Mini Medical Fraud Meetings
- All regularly scheduled SIU meetings
- All regularly scheduled meetings to continue work on the Monterey County Prescription Fraud Initiative
- Continued training of local law enforcement on how to identify healthcare fraud.
- Presentations to local healthcare related organizations
- Presentations to local business, fraternal, and social organizations to explain objectives of our unit.

**5. Describe the county’s efforts and the district attorney’s plan to obtain restitution and fines imposed by the court to the Disability and Healthcare Fraud Account.**

In Monterey County the Revenue and Recovery Department is responsible for the collection of fines and restitution imposed by the courts in criminal cases. We have direct contact with that department and periodically confer with members of the department to update the status of all cases in which restitution and fines have been

ordered. We maintain a spreadsheet that tracks all fines and restitution ordered by the court.

If a defendant becomes delinquent and the person in question is on formal reporting probation, we have the option of contacting the Probation Department to have them bring the person into their office and inquire why he/she is delinquent. If the explanation is unacceptable, the Probation Department may file a petition to revoke the person's probationary status and then the person must explain the delinquency to the court.

We also have the option of filing our own petition to violate a defendant's probation whenever we learn of a delinquency in payments. While we can do this in any case where the person is on probation, this option is typically used in cases where the person is on informal, non-reporting probation.

The continuing challenge in this area is that in order to revoke a person's probation and return him/her to custody it must be shown that the defendant willfully failed to pay and had the ability to do so. Thus, if the person has no ability to pay there is little that can be done legally to extract the restitution or fine payments. Of course, probation can be extended to a point to allow more time for the defendant to pay. Another action that may be taken is to have a hearing on the defendant's assets where the defendant is required to list his/her assets so a determination can be made on the question of ability to pay. Finally, a person who does not pay restitution is not entitled to expungement of the conviction.

Our attorney takes this matter seriously and monitors the situation on a regular basis. If we learn of a delinquency we take the actions that are necessary to bring the matter to the attention of the Probation Department and the Courts as necessary.

**6. Identify the performance objectives that the county would consider attainable and would have a significant impact in reducing disability and healthcare insurance fraud.**

Project:

- a. 30\* new investigations will be initiated during FY 2015-2016.
- b. 20\* new prosecutions will be initiated during FY 2015-2016.

\*These projections assume funding for a full-time investigator. The projections will naturally be proportionally smaller if funding covers only a fraction of investigator costs. These projections also assume we are not heavily involved in the provider fraud cases discussed above and in Attachment B. If we are so involved, a majority of investigative and prosecutor time will be dedicated to those cases which means the overall number of investigations and prosecutions will be fewer but the level of case complexity and impact on reducing disability and healthcare insurance fraud will be greater because we will be working on medical provider cases which are well known to be one of the largest, if not the largest, cost drivers in the fraud arena.

**7. If you are asking for an increase over the amount of grant funds received last fiscal year, please provide a brief description of how you plan to utilize the additional funds.**

The funding sought under this RFA is the amount necessary to fully fund a basic unit. We are seeking as we did last fiscal year to establish a self-contained unit consisting of a senior prosecutor, a senior investigator and a legal secretary. Funding will be used to cover salaries, benefits, and operating expenses associated with the three positions assigned to the unit.

The investigator with appropriate input from the prosecutor will work to develop leads, decide on courses of investigation, prioritize cases to be investigated, and submit cases in timely fashion to the prosecutor for consideration of charges. The investigator will then assist the prosecutor in presenting the case throughout the criminal justice system up to and including trial.

The prosecutor will review cases for filing of charges, provide legal input to the investigator regarding potential investigations, handle all aspects of filed cases up to and including trial.

The prosecutor and the investigator will work as a team to conduct outreach presentations and training to local law enforcement.

The legal secretary will provide all required administrative support to the prosecutor and investigator. This will include tracking statistics, preparing periodic reports for submission to CDI, filing and serving legal pleadings, and assisting in document organization and summaries.

**FORMS 10, 11, 12**

**BUDGET**

Budget information required in forms 10, 11, and 12 are submitted in Excel format following this page.



**BUDGET CATEGORY AND LINE-ITME DETAIL**  
**DISTRICT ATTORNEY OF MONTEREY COUNTY**  
**DISABILITY AND HEALTH CARE FRAUD - FY 2015-16**  
**A. PERSONNEL SERVICES - SALARIES/EMPLOYEE BENEFITS**  
**As of - 14 May 2015**

Item	Description	Percentage	Amount	Sub-Totals	Cost
1	Deputy District Attorney IV, Step 7	100%	\$ 155,725	\$ 155,725	\$155,725.00
	<b>Benefits</b>				
	Unemployment Insurance	0.50%	\$ 779	\$ 779	
	Social Security	4.62%	\$ 7,194	\$ 7,194	
	Worker's Compensation	9.79%	\$ 15,245	\$ 14,381	
	Health Insurance	9.20%	\$ 14,327	\$ 14,327	
	Dental Insurance	0.45%	\$ 701	\$ 701	
	Vision Insurance	0.10%	\$ 156	\$ 156	
	Employee Assistance Program	0.03%	\$ 47	\$ 47	
	Life Insurance	0.09%	\$ 140	\$ 140	
	Long Term Disability	0.28%	\$ 436	\$ 436	
	Flex Paid Insurance	1.25%	\$ 1,947	\$ 1,947	
	Special Benefits	1.68%	\$ 2,313	\$ 2,313	
	Medicare	1.46%	\$ 2,274	\$ 2,274	
	Retirement - PERS	14.43%	\$ 22,471	\$ 22,471	\$ 67,164.95

2	District Attorney Investigator III. Step 7	100%	\$ 121,021	\$ 121,021	\$121,021.00
	FTE	1.0			
	<b>Benefits</b>				
	Unemployment Insurance	0.50%	\$ 605	\$ 605	
	Social Security	4.62%	\$ 5,591	\$ 5,591	
	Worker's Compensation	9.79%	\$ 11,848	\$ 11,848	
	Health Insurance	9.20%	\$ 11,134	\$ 11,134	
	Dental Insurance	0.45%	\$ 545	\$ 545	
	Vision Insurance	0.10%	\$ 121	\$ 121	
	Employee Assistance Program	0.03%	\$ 36	\$ 36	
	Life Insurance	0.09%	\$ 109	\$ 109	
	Long Term Disability	0.28%	\$ 339	\$ 339	
	Flex Paid Insurance	1.25%	\$ 1,513	\$ 1,513	
	Post Pay Benefits	4.28%	\$ 4,779	\$ 4,779	
	Medicare	1.46%	\$ 1,767	\$ 1,767	
	Retirement - PERS	24.46%	\$ 29,602	\$ 29,602	\$ 67,988.27

Item	Description	Percentage	Amount	Sub-Totals	Cost
3	Legal Secretary, Step 7	100%	\$ 51,420	\$ 51,420	\$ 51,420.00
	<b>Benefits</b>				
	Unemployment Insurance	0.50%	\$ 257.10	\$ 257.10	
	Social Security	4.62%	\$ 2,375.60	\$ 2,375.60	
	Worker's Compensation	9.79%	\$ 5,034.02	\$ 5,034.02	
	Health Insurance	9.20%	\$ 4,730.64	\$ 4,730.64	
	Dental Insurance	0.45%	\$ 231.39	\$ 231.39	
	Vision Insurance	0.10%	\$ 51.42	\$ 51.42	
	Employee Assistance Program	0.03%	\$ 15.43	\$ 15.43	
	Life Insurance	0.09%	\$ 46.28	\$ 46.28	
	Long Term Disability	0.28%	\$ 143.98	\$ 143.98	
	Flex Paid Insurance	1.25%	\$ 642.75	\$ 642.75	
	Special Benefits	0.30%	\$ 154.26	\$ 154.26	
	Medicare	1.46%	\$ 750.73	\$ 750.73	
	Retirement - PERS	14.43%	\$ 7,419.91	\$ 7,419.91	\$ 21,853.50

<b>Totals</b>	
<b>Salaries</b>	<b>\$ 328,166.00</b>
<b>Benefits</b>	<b>\$ 157,006.72</b>
<b>Grand Total</b>	<b>\$ 485,172.72</b>

**BUDGET CATEGORY AND LINE-ITME DETAIL  
DISTRICT ATTORNEY OF MONTEREY COUNTY  
DISABILITY AND HEALTH CARE FRAUD - FY 2015-16  
B. OPERATING EXPENSES  
As of - 14 May 2015**

Item	Description	Amount	Cost
6601 - Audit Expenses	1% of Grant Amount	\$ 4,000	\$ 4,000
6232 - Comm - Telephone	Per employee - telephone charges (\$867)	\$ 2,601	\$ 2,601
6261 - Insurance (Non-recoverable)	Per employee - County Insurance (\$332)	\$ 996	\$ 996
6262 - Insurance (Recoverable)	Per Employee - County Insurance ( \$1,146)	\$ 3,438	\$ 3,438
6405 - Courier Services	Per Employee - Interoffice courier (\$60.86)	\$ 183	\$ 183
6406 - Mail Handling	Per Employee - Mail processing (\$61.36)	\$ 184	\$ 184
6415 - Records Destruction	Per Employee - Destruction of Records (\$106.55)	\$ 320	\$ 320
6603 - Data Processing	Per Employee - Internet/Computer (\$3,947.93)	\$ 11,844	\$ 11,844
6603 - Data Processing	Per employee - ERP financial system (\$376.58)	\$ 1,130	\$ 1,130
6864 - Fleet Service Charge	Per Investigator - Vehicle Servicing (\$2,902.78)	\$ 2,903	\$ 2,903
6867 - Vehicle Use / Replacement	Per Investigator - Vehicle Replacement (\$3,120.30)	\$ 3,120	\$ 3,120
6861 - Training and Travel		\$ -	\$ -
6302 - Trial Expenses	Consulting & Expert Witness Fees at \$350 per hour Review of Records & Testimony	\$ -	\$ -
Indirect	Administrative Cost Allocation 10% of Salaries (w/o benefits)	\$ 32,817	\$ 32,817
		<b>Totals</b>	<b>\$ 63,536</b>

<p><b>BUDGET CATEGORY AND LINE-ITME DETAIL</b>  <b>DISTRICT ATTORNEY OF MONTEREY COUNTY</b>  <b>DISABILITY AND HEALTH CARE FRAUD - FY 2015-16</b>  <b>C. EQUIPMENT</b>  <b>As of - 14 May 2015</b></p>
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Item	Description	Amount	Cost
			\$ -
			\$ -
			\$ -
		<b>Category Total</b>	\$ -
		<b>Program Total</b>	\$ 548,708.32

### EQUIPMENT LOG

Equipment Log for FY 2014-2015  
County of Monterey

Equipment Ordered	Equipment Cost	Date Ordered	Date Received	Serial Number	Equipment Tag Number

Rows can be inserted as needed.

No equipment purchased.

I certify this report is accurate and in accordance with the approved Grant Award Agreement.

Name: Dean D. Flippo Title: Monterey County District Attorney

Signature: *Dean D. Flippo* Date: 5/28/15

# **ATTACHMENT A**

## **JOINT PLAN**

The Joint Plan between the California Department of Insurance and the County of Monterey follows this page.

# ATTACHMENT A

## JOINT PLAN

**Disability and Healthcare Insurance Fraud Joint Investigation Plan for  
the Monterey County District Attorney's Office  
and the California Department of Insurance, Fraud Division,  
Silicon Valley Regional Office  
Fiscal Year 2015-16**

### 1. Introduction

The "parties" to this joint plan are the California Department of Insurance (CDI), Fraud Division, Silicon Valley Regional Office and the Monterey County District Attorney's Office Insurance Fraud Unit.

The parties to this joint plan recognize that Fraud Division's mission is to investigate allegations of insurance fraud throughout the State of California, and that it is the primary investigative agency in this field.

The investigative responsibilities of the CDI, Fraud Division, Silicon Valley Regional Office encompass five counties and several CDI programs. Due to the considerable geographical territory, the number of programs, the number of referrals/cases, and the finite number of investigators available, the Regional Office cannot reasonably be expected to devote its efforts exclusively in one county. Therefore, there is an important need for an effective joint plan with the Monterey County District Attorney's Office to reduce insurance fraud in Monterey County.

### 2. Statement of Goals

- (a) To promote a close working relationship between the DA's Insurance Fraud Unit and the Regional Office based on the common goal of fighting insurance fraud, commitment to the highest professional and ethical standards, and mutual respect in the pursuit of justice and the protection of the citizens of Monterey County and the State of California.
- (b) To conduct investigations in a timely manner, using professional standards and procedures, and aggressively and ethically prosecute those who commit insurance fraud.
- (c) To create the best possible anti-insurance-fraud program through the efficient and effective use of the limited resources provided, and combat the serious problem of insurance fraud.

### 3. Receipt and Assignment of Cases

- (a) Insurers will submit case referrals to the Regional Office or the district attorney's office. The insurers will be encouraged to meet with the Regional Office and/or the district attorney's office to discuss case referrals. Representatives from both agencies will attend the meeting, when practical, to discuss the merits of the case. This will allow all parties to ask and answer questions in a timely fashion, and to be aware of

the strengths and weaknesses of the case. When a suspected fraudulent claim (SFC) or a case referral package is received from an insurer, it will be entered into a database, available for future reference. Both parties will maintain a case tracking system to monitor all SFC's and case referral packages received.

- (b) Both parties will communicate on a regular, scheduled basis to discuss SFC's and case referral packages received to avoid duplicative efforts, and to ensure that all referrals are being appropriately addressed. When a case is assigned for investigation, the assigning party will notify the assigned party within five working days.
- (c) If the SFC or case referral package is sent only to the CDI, the Regional Office will address the matter, exercising its best discretion on how to proceed, with reasonable notice to the DA's Insurance Fraud Unit of the action taken. If the SFC or case referral package is sent only to the DA's Insurance Fraud Unit, it will notify the Regional Office and determine what action, if any, the Regional Office intends to take as indicated in paragraphs (e), (f), and (g) below. The information shall include the suspect's name, carrier or administrator, claim number, and date received.
- (d) As the primary investigative agency in the field of insurance fraud, the CDI Fraud Division will have "first claim" to any SFC or case referral package sent by an insurer for investigation. There can be an exception to this provision if the referring insurer specifically requests that the investigation be done by the DA's office. The Regional Office will be notified immediately to discuss the situation and avoid any duplicative efforts.
- (e) If the Regional Office elects to pursue an investigation of a SFC or case referral package sent by an insurer to both parties, the DA's Insurance Fraud Unit will suspend any further action on the case or will assist the Regional Office in a joint investigation.
- (f) If either party elects not to pursue an investigation of a SFC or case referral sent by an insurer, because of excessive caseloads, resource limitations, or any other reason, or chooses to defer any matter referred, the other party will review the referral for investigation. The referring insurer will be notified of this fact in writing and a copy of the writing will be submitted to the appropriate insurance fraud unit.
- (g) If the DA's Insurance Fraud Unit receives a referral that would be more appropriately handled in another county's jurisdiction, the DA's office will forward the referral to the appropriate county and notify the Regional Office.

#### **4. Investigations**

- (a) Pursuant to the above provisions, it is understood and agreed that either party will provide assistance to the other upon request in any investigation where such assistance is needed. This could include executing search warrants, interviewing witnesses, and making arrests.
- (b) Joint investigations may be undertaken in cases where the parties determine it is beneficial to combine resources to achieve the most efficient and effective results. This will be determined on a case-by-case basis.
- (c) It is expected that cases will be developed from referrals by insurers, other law enforcement/governmental agencies, informants, and other responsible sources of information. Outreach programs are strongly encouraged to promote this aspect of the plan.
- (d) It is the intent of this joint investigation plan to avoid duplicative efforts by maintaining regular communication to discuss caseloads and share information concerning current



investigations. The Regional Office supervisors will meet at a minimum of twice a year with the DA's Insurance Fraud Unit's designee to review the working relationship between both agencies.

- (e) A deputy district attorney from the DA's Insurance Fraud Unit, or his/her designee, will be available to meet with the Regional Office investigator at any time during the investigation of a case when so requested by the investigator to discuss any aspect of the case.
- (f) It is the intent of the parties that by maintaining regular communication and adhering to agreed-upon plans and procedures, the completed investigation will result in the filing of criminal charges and a successful prosecution. At the same time, however, it is understood that not every case that is investigated will result in prosecution. This can happen when the evidence is insufficient, material witnesses are no longer available, the case lacks jury appeal, or other circumstances rendering the likelihood of conviction unreasonable. The parties will take all possible steps to avoid such situations, as it is undesirable to expend investigative resources on cases that do not result in prosecution.
- (g) The Regional Office will be responsible for any investigative costs in its cases prior to filing of a formal complaint or indictment with the clerk of the court. Absent extraordinary agreement, the DA will be responsible for costs associated with prosecution after the complaint or indictment is filed.

#### **5. Undercover Operations**

- (a) Both parties recognize the importance of undercover investigations in those cases where it is felt this technique is a viable means (often the only means) of developing evidence to prove a suspected insurance fraud. However, the parties also agree that undercover operations need to be highly organized and carefully monitored by supervisory personnel to ensure the efficiency and integrity of the investigation. It is understood that undercover operations can be very labor intensive and time-consuming, and do not always produce the desired result.
- (b) Either party may decide to conduct an undercover operation in a particular case using its own personnel and resources. In a situation where either party conducts its own independent undercover investigation in Monterey County, the other party will be advised and will be available to provide any advice or assistance requested.

#### **6. Case Filing Requirements**

- (a) The investigation of suspected insurance fraud cases should focus on not only the development of probable cause to make an arrest, but also obtaining sufficient evidence to prove the charges beyond a reasonable doubt in criminal court. It is understood that each case is unique and that certain action may be required in one case, but not in another.
- (b) When submitting a case for prosecution, the investigator should present as complete a package as possible, including a detailed report which outlines the offenses alleged to have been committed, the details of the investigation, and the evidence available to prove the charges, including identification of available witnesses and supporting documentation. In cases involving alleged false statements or misrepresentations, there must also be sufficient evidence to show materiality of the alleged false statement or misrepresentation to the claim.
- (c) To promote efficiency in this area, Regional Office investigators are required to contact the Monterey County DA early in the investigation of a case to share ideas and develop strategies that will lead to a prosecutable case.

- (d) The DA will ensure that all formal case presentations made by the Regional Office will be reviewed within ten working days of receipt, unless otherwise stated. If additional investigation is needed, the reviewing prosecutor will notify the case investigator immediately. The case investigator will complete the additional investigation as soon as reasonably possible and provide the prosecutor with status updates at a minimum of every ten working days until the investigation is completed. The prosecutor will further ensure that filing decisions shall be made in a timely fashion but no longer than thirty days from the date of receipt. If a case is rejected for prosecution, the prosecutor will prepare a letter in writing stating the reason(s) for the rejection and provide the letter to the case investigator within ten working days of the rejection. The case investigator will, in turn, notify the complaining party.

#### 7. Case Dispositions

The DA will provide a certified copy of the minute order to CDI within thirty days of a sentencing.

#### 8. Training

- (a) Both parties will be active participants in the annual CDAA/CDI Insurance Fraud Training Seminar. This will provide significant trainings for both parties in the area of insurance fraud.
- (b) The parties will participate in joint informal training sessions as necessary on issues important to the investigation and prosecution of insurance fraud cases.
- (c) The parties will assist each other, when requested, in training sessions for insurance carriers and administrators on issues important to the detection, investigation, and prosecution of insurance fraud cases. Both parties will notify each other when there is a request for training by an insurance carrier and administrator which affects Monterey County.

#### 9. Problem Resolution

It is the intent of this joint plan that any problems or differences that may arise between the parties be resolved quickly through early, direct, and open communication by those personnel directly involved in the dispute. If necessary, the Captain of the Regional Office and the prosecutor in charge of the DA's insurance fraud program may be called upon to resolve any dispute, concentrating on the best interests of the overall insurance fraud program.

Dean D. Flippo 5/28/15

Dean D. Flippo  
District Attorney  
Monterey County District Attorney's Office

Kathleen Harris Date: 4-30-15

Kathleen Harris  
Captain  
Silicon Valley Regional Office  
California Department of Insurance Fraud Division

## **ATTACHMENT B**

This attachment is submitted as a separate addendum to the Monterey County DHIF application and is considered confidential.

**ATTACHMENT C**  
**PRESS RELEASES AND PRESS COVERAGE**

1. Press Releases-MCDA
2. Newspaper and other publications articles-Salinas Californian, Monterey Herald,
3. Broadcast Media articles-KION

**\* NEWS RELEASE \***

**DEFENDANT SENTENCED  
FOR INSURANCE FRAUD AND IDENTITY THEFT**

---

**FOR IMMEDIATE RELEASE**

**September 11, 2014**

**CONTACT: Carol Reed,**

**Deputy District Attorney (831) 755-5128**

---

Monterey County District Attorney Dean D. Flippo announced today that Julian Demitre Rosario, age 22 was sentenced by the Honorable Wendy Duffy for insurance fraud and unlawful use of personal identifying information. The defendant was placed on five years of felony probation, ordered to serve 210 days in custody, be subject to search and seizure and pay victim restitution. The court retained jurisdiction over victim restitution for Premier Insurance, Blue Shield, CHOMP and the two individuals whose identity the defendant used to obtain medical treatment. The estimation of the total restitution is approximately \$50,000. The defendant was immediately remanded into custody after sentencing.

During the month of July, 2014 on four different dates, the defendant went to CHOMP's emergency room complaining of abdominal pain. Each time the defendant was seeking to obtain narcotics. He informed personnel of his true name one time, a variation of his name another time and two other individuals' names the other two times. On the last date while the defendant was receiving treatment from a doctor, another emergency room doctor recognized the defendant and that he was using a false identity and insurance. CHOMP personnel contacted Monterey Police who responded, interviewed the defendant and then arrested him. The defendant had been contacted by police regarding similar allegations on a previous occasion. During the two contacts, he gave inconsistent versions of who he was, his age, and why he was at the hospital.

The case was investigated by Monterey Police Officer Amy Carrizosa and District Attorney Investigator Mark Trueblood.

This case was handled by the Healthcare Fraud Unit of the Monterey County District Attorney's Office. This unit aggressively investigates and prosecutes prescription drug fraud and insurance fraud in Monterey County. The unit also investigates and prosecutes cases involving use of another's identity to secure healthcare benefits; healthcare related embezzlement; unlawful healthcare solicitations/referrals; fraudulent or inflated pharmacy billings; prescription fraud and abuse; out-patient surgery center fraud; and fraudulent disability claims.

If you suspect healthcare fraud of any kind you are encouraged to immediately call the Monterey County District Attorney's Healthcare Fraud Unit hotline at 831-755-3224.

## Salinas doctor charged with DUI, office raided

Allison Gattin, The Salinas Californian 1:22 p.m. PST February 17, 2015



(Photo: The Salinas Californian)

As authorities conducted a drug raid on Salinas' Chinatown last Thursday, a second set of federal officers searched a Salinas doctor's office and home in connection with an alleged fraud case.

Dr. Steven Mangar, who runs Pacific Pain Care Institute, was arrested on Valentine's Day last year on suspicion of driving under the influence of methamphetamine, prosecutor Ed Hazel said. A California Highway Patrol officer stopped 44-year-old Mangar at Highway 101 and Sanborn Road.

But because the U.S. Department of Justice crime lab in Sacramento is so backed up, Mangar's toxicology report wasn't available until last month, Hazel said. Mangar was charged Jan. 21. He was ultimately arraigned

364 days after his arrest.

Mangar's arraignment Friday in Monterey County Superior Court followed a day after federal agents swooped down on his West Alisal Street office and his home on Madeira Avenue in Salinas.

Hazel wouldn't say what evidence prosecutors were seeking at Mangar's office and house.

Authorities with the Monterey County District Attorney's Office's Health Care and Workers' Compensation fraud units served the search warrant with help from the State Medical Board, the Department of Insurance, the Drug Enforcement Agency and the DOJ Office of the Inspector General.

At the same time, another alphabet soup of agents searched Salinas' Chinatown for methamphetamine, heroin, marijuana and cash. Twelve arrests stemmed from that raid.

Between 2005 and 2012, Mangar collected 10 traffic citations for minor incidents, Hazel said. In that time period, he was also sued four times in civil court.

Thursday wasn't the first time Mangar has come under scrutiny from the State Medical Board.

On Oct. 5, 2012, Mangar was placed on three years' probation following an investigation into his treatment between 2003 and 2010 of a 60-year-old man who had chronic neck pain. According to court documents, Mangar kept shoddy records that indicated he examined the patient at times when, in fact, he hadn't.

Mangar prescribed the man Percocet and Oxycontin, both powerful pain killers, according to the records.

After the investigation, he was ordered to enroll in prescribing practices and record-keeping courses.

On May 15, 2013, Mangar was cited and fined \$350 for failing to submit a quarterly declaration in conjunction with his probation.

On Nov. 6, 2014, Medical Board officials filed a petition to revoke Mangar's probation. Doing so could result in the loss of Mangar's physician's and surgeon's certificate.

The petition revolved around Mangar's treatment of a 40-year-old man with chronic back pain, according to court records. Although the patient's quality of life didn't improve, Mangar continued prescribing him Oxycontin. He later added in Ritalin when the man said he couldn't stay awake.

In doing so, Mangar acted unprofessionally and failed to develop an objective-oriented treatment plan, according to the allegation.

A decision is still pending in that petition.

ProPublica analysis shows Mangar was the third-leading hydrocodone prescriber in California in 2012. Hydrocodone, also known as Vicodin, is another powerful pain killer.

In 2012, 72 percent and 55 percent of Mangar's 241 patients filled Schedule II and Schedule III drug prescriptions, respectively, according to ProPublica. Drugs are classified into five categories, per the DEA. Schedule II drugs are potentially highly addictive. Schedule III drugs carry a moderate to low risk of abuse.

On average, specialists in Mangar's area only prescribed Schedule II and Schedule III drugs 4 percent and 13 percent of the time, respectively.

Only 23 percent of Mangar's prescriptions were for brand names, compared with a 29 percent average at other specialists' offices. But Mangar's prescriptions also cost \$170 on average compared with \$99 from other prescribers.

Mangar, who is represented by defense attorney Susan Chapman, is expected to return to court March 5, Hazel said. Mangar and Chapman weren't immediately available for comment Tuesday afternoon.

Follow Allison Gatlin on Twitter @allison\_salnews #salinas.

Read or Share this story: <http://bit.ly/1A3BRvj>



### Feb 18: Obama Urges Homeowners To Switch To A 15 Year Fixed

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22	32	42	52	62	72
23	33	43	53	63	73
	34	44	54	64	74

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</story/news/local/2015/02/18/section-davis-road-closed-today/23616869/>

Feb. 18, 2015, 9:28 a.m.

**Prunedale probation search finds guns, marijuana**

# Doc in fraud case under investigation

County investigators also aided in raid

**By Ana Ceballos** *ac@salinas.com*  
*aceballos@montecrespietrial.com*  
*@ceballosup on Twitter*

**SALINAS** — The Salinas doctor whose home and medical practice were raided by state and federal authorities last week had been under investigation for months, though prosecutors say they still need to sift through evidence before deciding on any charges.

Prosecutors have been

the search.

"There's so many issues that are still under active investigation that we haven't been able to comb through some of his records," prosecutor Ed Hazel said.

So far, the only charges Mangar faces are for allegedly driving under the influence of methamphetamine in Salinas last Valentine's Day. He was arrested and released on his own recognizance that day with charges only recently filed after test results were returned from a state crime

lab, Hazel said.

Despite serious allegations leveled in November by the Medical Board — including falsifying records and prescribing drugs without an appropriate examination — Mangar continues to practice medicine.

"He is still practicing because he has not been convicted," Medical Board Supervisor Victor Sandoval said. "At this point it is not fair to him until all facts are in and everything has been resolved, both criminally and under the admin-

istration."

In 2012, Mangar was responsible for nearly 5,000 Medicare Part D prescriptions, including 942 prescriptions or refills for hydrocodone, making him the No. 3 prescriber among California specialists, according to the journal *BMJ*.

Mangar was also a frequent prescriber of oxycodone, oxycodone and methadone, names such as Vicodin.

Hazel could not confirm if the raid was connected to the amount of prescriptions he made in the past.

Carmel Valley resident Jacqueline Shannon said she saw Mangar for six months in 2012 for a work-related injury.

"He was loosey-goosey with prescription drugs and he had poor record-keeping. It was so easy to get drugs," she said. Shannon, adding that she felt the doctor's bedside manner could be inappropriate.

Hazel could not confirm if the raid was connected to the amount of prescriptions he made in the past.

## Mangar

FROM PAGE 2

The exact time frame of the long-term investigation into Mangar's alleged criminal fraud also remains unclear.

Mangar was first placed on probation by the Medical Board in October 2012. In May 2013, he was cited for failing to comply with the terms of his probation, which included attending prescribing practices and medical record-keeping courses.

In November 2014, he was again brought before the board, which sought to revoke his license based on a wide-ranging complaint detailing lax efforts to diagnose and properly record medical information. A hearing to revoke his license was requested, but Sandoval could not confirm a date citing Mangar's "privacy issues at stake."

Among the allegations that prompted the board to consider revoking his license was the case of

an unidentified 43-year-old woman who was prescribed a regimen of benzodiazepines and opiates, and was hospitalized four times between 2011 and 2012 with psychiatric episodes. In January 2012, she was placed on psychiatric hold after she was found cutting her wrist in a parking lot.

The board claimed the woman's drug regimen "appears to have exacerbated the patient's underlying depression and suicidal ideation."

Mangar will return to court March 6 for an early disposition on the DUI case for an attempt to bring the criminal case to a resolution. Hazel said. His attorney, Susan Chapman, was not immediately available for comment Tuesday.

Hazel said it could be weeks before an update in the ongoing investigation. Anyone with information is urged to call investigator Mark Trueblood, at 883-7568.

*Ana Ceballos can be reached at 726-4377.*



# Salinas doctor charged with DUI, office raided

By Allison Gatlin  
agatlin@salinasjournal.com

12-18-13

As authorities conducted a drug raid on Salinas Chinatown last Thursday, a second set of federal officers searched a Salinas doctor's office and home in connection with an alleged fraud case.

Dr. Steven Mangar, who runs

Pacific Pain Care Institute, was arrested on Valentine's Day last year on suspicion of driving under the influence of methamphetamine, prosecutor Ed Hazel said. A California Highway Patrol officer stopped the 44-year-old Mangar at Highway 101 and Sanborn Road.

But because the U.S. Department of Justice crime lab in Sac-

ramento is so backed up, Mangar's toxicology report wasn't available until last month, Hazel said. Mangar was charged Jan. 21. He was ultimately arraigned 364 days after his arrest.

Mangar's arraignment Friday in Monterey County Superior Court followed a day after federal agents swooped down on his West Alisal Street office and his

home on Madeira Avenue in Salinas.

Hazel wouldn't say what evidence prosecutors were seeking at Mangar's office and home.

Authorities with the Monterey County District Attorney's Office's Health Care and Workers' Compensation fraud units

See DUI, Page 5A

## DUI

Continued from Page 1A

served the search warrant with help from the State Medical Board, the Department of Insurance, the Drug Enforcement Agency and the DOJ Office of the Inspector General.

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Thursday wasn't the first time Mangar has come under scrutiny from the State Medical Board.

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Mangar prescribed the

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After the investigation, he was ordered to enroll in prescribing practices and record-keeping courses.

On May 15, 2013, Mangar was cited and fined \$350 for failing to submit a quarterly declaration in conjunction with his probation.

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Only 23 percent of Mangar's prescriptions were for brand names, compared with a 29 percent average at other specialists' offices. But Mangar's prescriptions also cost \$170 on average compared with \$99 from other prescribers.

Mangar, who is represented by defense attorney Susan Chapman, is expected to return to court March 5, Hazel said. Mangar and Chapman weren't immediately available for comment Tuesday afternoon.

Follow Allison Gatlin on Twitter @allison\_salnews #salinas

## **Salinas doctor accused in DUI being investigated for criminal fraud**

*By Ana Ceballos, Monterey Herald*

MontereyHerald.com

Salinas >> A Salinas doctor, accused of driving under the influence of methamphetamine, had his office and North Salinas home raided last week after authorities suspected him of criminal fraud in relation to his medical practice, a prosecutor said.

Dr. Steven Keith Mangar, a physician specializing in chronic pain management for 26 years, worked at Pacific Pain Care on West Alisal Street.

The 44-year-old doctor was arrested on Jan. 28 on suspicion of driving under the influence of meth, while traveling on Highway 101 near the Sanborn Road exit. This charge is not in connection to the raid, said Berkley Brannon, Monterey County Chief Assistant District Attorney.

On Friday, Mangar appeared in court for his arraignment on the DUI charge. After being in custody for two weeks, he was cited and released Saturday on his own recognizance, said John Thornburg, a spokesman with the sheriff's office.

It is unclear if he continues to practice medicine. Attempts to reach him at his office Monday afternoon were unsuccessful.

### **Medical practice history**

According to ProPublica, he was No. 3 Vicodin prescriber in California in 2012.

In 2012, he wrote 942 prescriptions for Vicodin, with 246 of those given to people 65 or older — an above average number of prescriptions compared to his peers. He was selling the drugs at an average price that nearly doubled the selling point of his peers, according to ProPublica.

During this time, his medical license was under scrutiny by the California Medical Board, according to court documents.

In October 2012, the medical board opted not to revoke his license on the condition that he be placed on probation for three years and attend prescribing practices and medical record keeping courses.

He was placed on probation after being accused of not "maintaining adequate and accurate records," while still "prescribing, dispensing or furnishing dangerous drugs," according to the complaint.

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In November 2014, Mangar was found guilty of "unprofessional conduct" again based on allegations that he prescribed "controlled substances to a patient without an appropriate medical examination," according to the complaint. Based on the new violations, the board said his "probation is subject to revocation."

Prosecutor Ed Hazel, who is presiding over this case, was not available for comment.

*Ana Ceballos can be reached at 726-4377.*



*Ana Ceballos*

Ana Ceballos is the lead criminal justice and breaking news reporter for the Monterey Herald. Reach the author at [aceballos@montereyherald.com](mailto:aceballos@montereyherald.com) or follow Ana on Twitter: [@ceballosap](https://twitter.com/ceballosap).

- Full bio and more articles by Ana Ceballos
- Back to top

## DEA, Medical Board scrutinizing Salinas doctor in fraud case

By [Ana Ceballos](#), Monterey Herald

Posted: 02/17/15, 5:32 PM PST | Updated: 15 hrs ago

[0 Comments](#)

Salinas >> The Salinas doctor whose home and medical practice were raided by state and federal authorities last week had been under investigation for months, though prosecutors say they still need to sift through evidence before deciding on any charges.

Prosecutors have been tight-lipped about the raid, which focuses on pain management specialist Dr. Steven Mangar and included the U.S. Department of Justice, Drug Enforcement Agency, California Department of Insurance, Monterey County worker's compensation and health care fraud investigators and more. The California Medical Board — which has a separate action pending to revoke Mangar's medical license — also participated in the search.

"There's so many issues that are still under active investigation that we haven't been able to comb through some of his records," prosecutor Ed Hazel said.

So far, the only charges Mangar faces are for allegedly driving under the influence of methamphetamine in Salinas last Valentine's Day. He was arrested, cited and released on his own recognizance that day, with charges only recently filed after test results were returned from a state crime lab, Hazel said.

Despite serious allegations leveled in November by the Medical Board — including falsifying records and prescribing drugs without an appropriate examination — Mangar continues to practice medicine.

"He is still practicing because he has not been convicted," Medical Board Supervisor Victor Sandoval said. "At this point it is not fair to him, until all facts are in and everything has been resolved, both criminally and under the administration."

In 2012, Mangar was responsible for nearly 5,000 Medicare Part D prescriptions, including 942 prescriptions or refills for hydrocodone, making him the No. 3 prescriber among California specialists, according to the journalism nonprofit ProPublica. Hydrocodone is usually sold under brand names such as Vicodin.

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Mangar was also a frequent prescriber of oxycodone, oxycontin and methadone.

Carmel Valley resident Jacqueline Shannon said she saw Mangar for six months in 2012 for a work-related injury.

"He was loosey-goosey with prescription drugs and he had poor record-keeping. It was so easy to get drugs," said Shannon, adding that she felt the doctor's bedside manner could be inappropriate.

Hazel could not confirm if the raid was connected to the amount of prescriptions he made in the past. The exact time frame of the long-term investigation into Mangar's alleged criminal fraud also remains unclear.

Mangar was first placed on probation by the Medical Board in October 2012. In May 2013, he was cited for failing to comply with the terms of his probation, which included attending prescribing practices and medical record-keeping courses.

In November 2014, he was again brought before the board, which sought to revoke his license based on a wide-ranging complaint detailing lax efforts to diagnose and properly record medical information. A hearing to revoke his license was requested, but Sandoval could not confirm a date citing Mangar's "privacy issues at stake."

Among the allegations that prompted the board to consider revoking his license was the case of an unidentified 43-year-old woman who was prescribed a regimen of benzodiazepines and opioids, and was hospitalized four times between 2011 and 2012 with psychiatric episodes. In January 2012, she was placed on psychiatric hold after she was found cutting her wrist in a parking lot.

The board claimed the woman's drug regimen "appears to have exacerbated the patient's underlying depression and suicidal ideation."

Mangar will return to court March 5 for an early disposition on the DUI case for an attempt to bring the criminal case to a resolution, Hazel said. His attorney, Susan Chapman, was not immediately available for comment Tuesday.

Hazel said it could be weeks before an update in the ongoing investigation. Anyone with information is urged to call investigator Mark Trueblod, at 883-7508.

*Ana Ceballos can be reached at 726-4377.*

## Court records: Salinas doctor may plead in DUI case

Allison Gatlin, The Salinas Californian 3:31 p.m. PDT April 24, 2015



(Photo: Laramie Treviño/The Salinas Californian)

A Salinas pain specialist will likely accept a plea deal related to his Valentine's Day 2014 citation on suspicion of drugged driving, court records show.

Dr. Steven Mangar is scheduled for a Mills waiver next Wednesday in Monterey County Superior Court. A Mills waiver allows an attorney to enter a guilty plea on a client's behalf, without the client's attendance. The waiver typically indicates an out-of-court deal is on the table.

Mangar's case has been seemingly swimming toward resolution since his arraignment — 364 days after he was cited. Although Mangar was cited in February 2014, charges weren't filed until Jan. 21, 2015.

He was then charged with driving under the influence of methamphetamine and using a controlled substance, both misdemeanors, court records show.

On Feb. 12, the day before his arraignment, Mangar's West Alisal Street office and home on Madeira Avenue were searched by a coalition of local, state and federal law enforcement officers.

As of Friday, no charges have been filed related to that search, according to court records. Prosecutors didn't immediately return a call Friday afternoon requesting more information.

In February, Monterey County District Attorney's Office representatives wouldn't say what they were seeking while searching the doctor's properties, but Mangar told The Californian that they took a pell-mell approach to the search.

"They didn't find what they were looking for, which they said was drugs," Mangar said. "It was a far-reaching raid."

Officers confiscated his cell phone, personal items, cash, computers and a back-up drive, but Mangar said he was able to resume business the following day, after his early morning arraignment in court.

"We cooperated fully, and, luckily, they allowed us to have the computers necessary to operate Friday," he said.

The investigation largely seemed routine, Mangar said. Opiates, like some of the medication he prescribes, are one of the leading causes of accidental death every year in the United States.

Court records show Mangar's arraignment in the DUI case was continued three times. Twice, Susan Chapman, Mangar's defense attorney, indicated the case was closing in on resolution.

In February, Mangar told The Californian he was actually pulled over Feb. 14, 2014, for driving 85 mph in a 65 mph zone.

"The officer knew specifically what I did for a living as a pain specialist," he said. "He thought I was on pain killers."

Mangar said he and Chapman were seeking to have his blood from that night retested. Chapman didn't immediately return a call requesting comment Friday afternoon.

February's kerfuffle isn't the first time Mangar has come under legal scrutiny.

Last year, Medical Board of California officials filed a petition to revoke Mangar's professional probation. The reason for his probation is not apparent from online records. If completed, the revocation could result in Mangar losing his physician's and surgeon's certificate.

As of Friday, Mangar remained on probation, online records show.

Follow Allison Gatlin on Twitter @allison\_salnews #salinas.

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## SUPES OK HIGHLANDS PROJECT

By CHRIS COUNTS

By A 4-0 vote Sept. 9, the Monterey County Board of Supervisors approved the expansion of an oceanfront home in the Carmel Highlands, despite objections from a neighbor that the house would eliminate his privacy and reduce the value of his property. Gopalkrishnan and Brenda Venkatesh, who live at 173 Spindrift Road, want to construct a 1,938-square-foot addition to their existing 3,308-square-foot home. The Monterey County Zoning Administrator approved their plans June 26.

But Melvin Kaplan, who lives next door, appealed the decision to the supervisors July 11 — in part because he claimed his neighbor took out trees that screened his home.

"There have been 20 to 30 trees removed over the past year," Kaplan claimed. "We now look directly onto the existing home and the construction instead of the forest."

At the Sept. 9 hearing, Kaplan's attorney, Gary Patton, argued that the addition will not only impair his client's views, but do the same to a trail that splits the two properties. The trail provides access to a beach.

Patton told the supervisors that Kaplan was willing to let the project move forward as long as "adequate screening and landscaping" were installed between the two properties.

"The Kaplans don't want a lawsuit," Patton said. "They just want a condition providing some screening."

But Gopalkrishnan Venkatesh took issue with the idea. "I want to have nice landscaping, I want to have nice trees and I want to have a nice yard," he told the supervisors. "But I don't want my neighbor telling me how many trees I have to plant."

Venkatesh also said he only removed dead trees from his property, and pruned others after consulting with an arborist.

Representing Venkatesh, attorney Richard Gullen said his client's architect "provided a plan with some additional screening," but Kaplan's landscape architect "came back with a much more detailed and onerous proposal."

Venkatesh declined the counter offer. "We didn't want to be bound to something we couldn't perform, and we didn't want to create the basis of a future dispute," Gullen said.

Absent from the hearing was supervisor Dave Potter, in whose district the project is located. Supervisor Jane Parker said she preferred to see more screening, but she didn't feel strongly enough about it to support the appeal. Supervisor Fernando Arrieta, meanwhile, was quick to back a denial of the appeal. "We're going to be here forever," he said. "If the appellant wants to litigate, that's their prerogative."

## Man sentenced for scamming CHOMP, insurance companies

By KELLY NIX

A MAN who feigned illness and used phony identities to obtain prescription painkillers from doctors at Community Hospital of the Monterey Peninsula was sentenced by a judge last week to more than 200 days in jail.

On Sept. 11, Monterey County Superior Court Judge Wendy Duffy ordered Julian Demitre Rosario, 22, to serve 210 days in county jail, be on probation for five years and pay victim restitution for identity theft and insurance fraud.

According to Monterey County deputy district attorney Carol Reed, Rosario visited CHOMP's emergency room four times in July, each time claiming he had abdominal pain. On the first visit, he gave hospital staff his real name.

The next time, he used a variation of his name, and the other two times, he used the identities of other people.

"On the last date, while the defendant was receiving treatment from a doctor," according to Reed, "another emergency room doctor recognized the defendant and realized he was using a false identity and insurance."

Hospital staff notified the Monterey Police Department, and officers went to the hospital and interviewed Rosario before arresting him. According to Reed, Rosario had previously been contacted by police on similar allegations, and during those contacts "he gave inconsistent versions of who he was, his age and why he was at the hospital."

Though Rosario got the narcotics through false pretenses, the district attorney's office cannot disclose the names of the drugs Rosario illegally obtained from CHOMP due to "privacy rights," Reed said. She also said no evidence came out in court that he was selling the meds.

His "sentence was 210 days in county jail, and after serving 60 actual days, he could be released by probation to an in-residency [drug] treatment program," Reed told The Pine Cone. "This determination will be made by the probation officer."

The first time Rosario went to CHOMP's ER, he showed ID. But on the subsequent

visits, when he used fake names, he didn't. Under federal law, the hospital is compelled to provide medical treatment even to people who can't identify themselves, much less have insurance.

"He provided two false names on two occasions," Reed said, "and one of those times provided another [person's] insurance information."

As part of his sentence, Rosario is also required to pay about \$50,000 in restitution. Besides the two people whose identities he stole, insurance companies Blue Shield and Premier Insurance, and CHOMP were also victims of Rosario's scam.

Following the sentencing, Rosario was remanded into custody by a Monterey County Sheriff's deputy.

Monterey police officers Amy Carrizosa and district attorney investigator Mark Truseblood led the investigation into Rosario's case.

The case was also handled by the district attorney's fraud unit, which looks into and prosecutes prescription drug fraud, insurance fraud and cases involving identity theft in to obtain healthcare benefits, healthcare-related embezzlement, fraudulent disability claims and other areas.

CHOMP spokeswoman Brenda Moore said using false identification to obtain prescription drugs doesn't happen often at the hospital, but vigilance about potential prescription drug fraud has become heightened.

"We've been working closely with the district attorney's office since it formed a unit targeting drug and insurance fraud on how to communicate concerns with law enforcement and follow privacy laws," Moore told The Pine Cone.

The Monterey County Prescribe Safe Initiative, which began in June, enables doctors to check a database to see a patient's pattern of controlled medication use. Moore also said that deaths from prescription drug overdoses exceeded motor vehicle-related deaths in the county.

Insurance fraud costs insurers up to \$72.5 billion each year, according to the Coalition Against Insurance Fraud.

**Lying to get painkillers earns a man 210 days in jail**



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## Daniel "Dan" Theodore Henke



Daniel "Dan" Theodore Henke, 75, passed away peacefully in his sleep at his home in Corral de Tierra on Saturday, August 23, 2014.

Dan was born on September 17, 1938 in Kalispell, Montana. His early years were spent in a log cabin his father built in Fortuna, Montana. They moved to Great Falls where he graduated from Central Catholic High in 1956.

After High School, he served in the US Navy as a Chaplain's Assistant on the USS Yorktown. After his service, he attended College of Great Falls.

Dan had a lucrative 30-year career in automobile sales and became a successful mortgage broker until his retirement in 2010. Dan also became a writer, finishing a novel, "Tiger."

Dan was predeceased by his mother, Margaret Doran Pike, his brother Don Henke of Phillipsburg, Montana, and Elgia Fridley, his first wife.

He is survived by his wife, Linda Griffin Henke; daughter, Denise Castellucci; stepchildren, Jason Shore, Tracey Gannon, Steve Markgraf and Erika Markgraf Schiller, and former spouses, Bonnie Sunwood and Pamela Harris, and a sister-in-law Jesse Henke; nephews, Bill and Steve Henke; nieces, Karen Degel and Linda Lubke Henke; aunt, Loretta Day, plus several cousins. His grandchildren, Rebecca, Nicholas and Lewis were a source of great pride to him.

There will be a private family ceremony. In lieu of flowers, the family asks that a contribution to Save the Tiger Fund be made to: Panthera, 8 West 40th Street, 18th Floor, New York, NY 10018, Attention: Development Department, or online at: <https://www.panthera.org/donate>

Funeral arrangements by Struve and Laporte Funeral Home. Online condolences to [www.struveandlaporte.com](http://www.struveandlaporte.com)

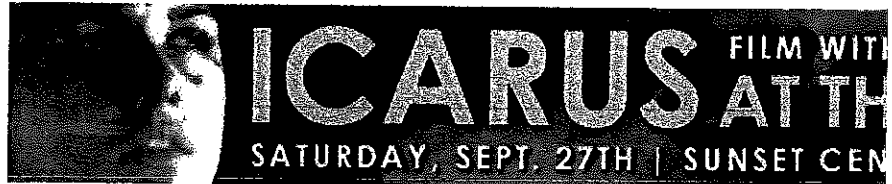
## Harry Stanford Anthony

Harry Stanford Anthony, age 89, left us on the morning of August 31. He was a big-hearted, friendly man who loved to make people laugh. After his graduation from Piedmont High School he attended the Univ. of California until he joined the Army Air Corps and served as a Second Lieutenant. He lived in Danville and Sacramento with his wife, Barbara Higgins Anthony, and his two children until her death in 1984. During that time and later he was the president of the Higgins Lumber Company. He built a home for his family at lake Tahoe.

Shortly before retiring he moved to Oakland and married Joan Hatley. She was the widow of Arthur Hatley of Pebble Beach, CA.

Harry was a great lover of the outdoors. He spent almost all vacation days skiing, fishing, and hunting ducks. He had a wonderful group of friends that he enjoyed at the Claremont Country Club where he played endless games of dominos and golf until his health declined. He told everyone, "Don't get old, you won't like it!" Harry was also a member of the Monterey Peninsula Country Club for many years. Harry is survived by his wife, Joan, his daughter Lacy Anthony Voeltz and her husband Leif, and his son, Ward William Anthony. His stepchildren, Barbara duPont, Pamela Williams, Sheila Thornley, Jonathan and Sam Hatley, five grandchildren, and three great-grandchildren who all loved him very much.

As his son-in-law, Richard Thornley said, "For an old Lumberman to take his leave in the morning sun amongst the scent of the pines is somehow fitting, and courageous."



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## ICARUS AT THE EDGE OF TIME

# Man sentenced to jail for defrauding CHOMP and insurance providers for narcotics.

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Posted: Saturday, September 13, 2014  
10:30 am

by Sara Rubin

It was his fourth visit to the ER of Community Hospital of the Monterey Peninsula in as many weeks.

Twenty-two-year-old Julian Rosario went to CHOMP four times in July complaining of abdominal pain. On each visit, he left with pills. On his way out the fourth time, a Monterey police officer stopped him.

Rosario was charged with two counts of insurance fraud, two counts of false impersonation and two counts of identity theft, all felonies; he was also charged with two misdemeanors, giving false information to a police officer and being in possession of a controlled substance.

He pleaded no contest to two felony counts, but all the charges were considered in his sentencing this week, which was handed down by Monterey County Superior Court Judge Wendy Duffy.



Deputy DA Carol Reed declined to identify the type of pills Julian Rosario fraudulently obtained, citing potential patient privacy concerns.



Rosario will serve at least two months in the county jail, and then he'll have the option of serving the remainder of his 210-day sentence in an addiction recovery program.

"The idea is to hopefully to get him treatment," Deputy District Attorney Carol Reed says.

Rosario, who is currently a transient, appears to have kept the pills for his own use, rather than selling them.

Prosecutors say Rosario lied on multiple occasions to feed an addiction. He gave doctors his real name on his first visit, then a variation of his real name. The last two times he returned to CHOMP, he used different people's names.

An ER doctor saw Rosario and recognized him, and notified Monterey PD.

Rosario was also ordered to pay an estimated \$50,000 in restitution to the two people whose identities he used, as well as Premier Insurance, Blue Shield and CHOMP.

That amount includes the estimated expenses for each of his ER visits.

"He wasn't convicted for just getting narcotics," Reed says. "He's committing insurance fraud. He's basically doing the same thing as making a false statement in order to obtain an insurance benefit."

Reed wouldn't comment on the veracity of Rosario's alleged stomach pain, but says it was clear he was there for the purpose of getting meds.

Many local law enforcement officials say that as prescription drugs have become harder to obtain, addicts (including youth) have been turning in increasing numbers to street drugs, namely heroin.

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## Salinas doctor's office raided

UPDATED 6:11 PM PST Feb 13, 2015

### SALINAS, Calif. -

A day after having his office and home were raided by state agents, a Salinas doctor was in court Friday answering to charges that he was driving under the influence of illegal drugs.

Doctor Steven Mangar is a pain specialist who operates Pacific Pain Care at 975 W. Alisal.

Mangar was in court Friday morning on charges he was driving under the influence of methamphetamine when CHP officers stopped him on Highway 101 near the Sanborn Road exit.

On Thursday morning, agents with the Drug Enforcement Agency, Department of Justice, California Medical Board, and District Attorney's Office served search warrants at Mangar's office and North Salinas house.

Mangar was back seeing patients on Friday, and when KSBW showed up at the doctor's office, Mangar had little to say.

"No comment, until we get additional information," said Mangar's attorney William Murray.

Prosecutors were tight lipped about the investigation and what they were looking for.

"There's a number of things that are under investigation I'm not really at liberty to talk about the specifics. There a number of issues we're looking into," prosecutor Ed Hazel said.

A search of Mangar's medical license shows he's been in trouble with the California Medical Board.

In October 2012 the board revoked his medical license but agreed to stay that order on stipulation Mangar would be on probation for three years. The action was the result of accusations that Mangar was "prescribing, dispensing, or furnishing dangerous drugs... without an appropriate prior examination," according to the complaint. The complaint also alleged Mangar billed patients for medical examinations that were never documented in the patient's file. As part of his probation Mangar was ordered to enroll in a course in medical record keeping.

But as recently as November last year the state attorney general's office moved to revoke Mangar's probation based on more accusations that he furnished drugs without medical examinations.

That action is still pending but it may have lead to Thursday's raids at the doctor's home and office.

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