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SEVEN INDICTED IN CASE INVOLVING \$98 MILLION BEING FRAUDULENTLY BILLED

RIVERSIDE –Seven defendants are scheduled to be in Riverside County Superior Court tomorrow after being indicted by a grand jury in a case involving insurance fraud in which \$98 million was fraudulently billed.

The two separate, but related grand jury indictments are the result of a joint investigation by the Riverside County District Attorney's Office and the California Department of Insurance. The indictments were issued after evidence was presented to the Riverside County grand jury over a six-week period ending in mid-May.

The two indictments allege that 18 insurance companies were defrauded in this scheme in which \$98 million was fraudulently billed, resulting in \$12.4 million being paid by the insurance companies. All defendants are scheduled for arraignment in Dept. 64 at 8:30 a.m., Tuesday, June 7.

"Our system of workers' compensation and health insurance is designed to help people recover from injuries without suffering financial catastrophe," said Riverside County District Attorney Mike Hestrin. "Those who would defraud the system and steal those benefits are stealing from all of us."

State Insurance Commissioner Dave Jones said, "People often make the mistake of thinking insurance fraud is a victimless crime – it is not. When those providing services to injured workers rip off workers' compensation insurers through fraudulent practices, we all pay."

The charges stem from the operation of a workers' compensation medical mill, spearheaded by chiropractor Peyman Heidary, and involving other medical providers, which corrupted the workers' compensation system to defraud insurance companies out of millions of dollars. In general, a workers' compensation medical mill starts with a law firm that engages cappers to sign up clients for the express purpose of referring those clients to medical clinics owned by those involved in the scheme. Once at the clinic the patients are all, regardless of the nature of the injury, sent to multiple specialists and given multiple diagnostic tests. The purpose of the "treatment" for these patients is to inflate the medical bills sent to the insurance companies and, if the insurance companies don't pay the bills, they result in a lien against the workers' compensation case, so the bill never goes away. Once the bills and liens are established, those involved in the scheme can sell them to third party "factoring" companies at a reduced price, and the factoring companies continue to attempt to collect on the bills and liens. The insurance companies can be assessed fines at the Workers' Compensation Appeals Board for not paying on bills and liens, so the insurance companies will settle the bills and liens, although at a fraction of what the bill or lien is claiming is owed.

The first indictment, case RIF1670175, charges chiropractor Peyman Heidary, DOB: 8-30-70, of Riverside; attorney Cary Abramowitz, DOB: 10-20-56, of Los Angeles; and also Ana Solis, DOB: 4-24-82, of Rancho Cucamonga; and Gladys Ross, DOB: 7-17-62, of Simi Valley, with 69 felony counts which include conspiracy to commit insurance fraud, making a false insurance claim, making a false statement for the purpose of obtaining workers' compensation benefits, money laundering, practicing medicine without a license, and capping. There also is one misdemeanor count of unlicensed practice of law.

The second indictment, case RIF1670176, charges chiropractor Touba Pakdel-Nabati, DOB: 8-3-78, of Costa Mesa; and doctors Quynam Nguyen, DOB: 6-11-58, of Orange; and Jason Yang, DOB: 2-24-66, of Pasadena, with 38 felony counts which include conspiracy to commit insurance fraud, making a false insurance claim, making a false statement for the purpose of obtaining workers' compensation benefits, and capping. Both indictments also allege multiple excessive takings enhancements and an aggravated white collar crime enhancement.

If convicted as currently charged, Heidary faces a potential maximum sentence of 97 years and 4 months in state prison; and Pakdel-Nabati, Nguyen, Yang, Abramowitz, Solis, and Ross each face a potential maximum sentence of 63 years and 4 months in state prison.

The case is being prosecuted by Deputy District Attorneys Erika Mulhere, Matthew Murray, and Raymond Ramirez of the DA's Financial Crimes Unit.

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