

Glendale Resident Convicted in Medicare Fraud Scheme that Fraudulently Billed Medicare \$3.4 Million

LOS ANGELES—The owner of a downtown medical clinic has been convicted of Medicare fraud and money laundering in a scheme that billed Medicare more than \$3.2 million in only one month for medical services that were not provided.

Manuk Karapetyan, 46, an Armenian national who resides in Glendale, was found guilty last Friday of 22 counts of health care fraud and six counts of money laundering. The jury returned its verdicts after a one-week trial in United States District Court.

The charges against Karapetyan are in connection with the submission of approximately 6,000 health insurance claims for more than 800 Medicare patients who were supposedly treated at Karapetyan's clinic, USA Independent Medical Corp. The claims were made under the names of four California licensed physicians who never worked for the medical clinic and whose identities were stolen.

At trial, federal prosecutors presented evidence that there was no medical clinic, no patients received medical services, and no doctors provided any medical services. Nevertheless, USA Independent billed Medicare for services such as echocardiography, office evaluations, ultrasounds, electromyography studies of the anal or urethral sphincter, and anorectal manometry. Before Medicare discovered the fraud in October 2004, Karapetyan had already received and deposited approximately \$566,000 of Medicare funds into two bank accounts he controlled. Karapetyan also transferred tens of thousands of dollars of Medicare funds from these bank accounts to himself and to associates in Armenia through a Glendale-based money-transfer service.

Karapetyan testified at trial that he was merely a "straw" owner of the clinic and that a now-deceased individual, Sadrek Asatryan, was responsible for the business. The government introduced evidence showing that Karapetyan actively participated and was deeply involved in establishing and conducting the financial transactions for USA Independent.

The investigation into USA Independent began when Medicare patients received notices that summarized the charges that Karapetyan's company had billed to Medicare. The patients complained to their own doctors and to Medicare in the fall of 2004 that they did not receive the medical services, and Medicare opened a fraud investigation.

As a result of Friday's guilty verdicts, Karapetyan faces a statutory maximum sentence of 320 years in federal prison. He is scheduled to be sentenced on June 21 by United States District Judge Margaret M. Morrow. Karapetyan has been held without bond since he was arrested in this case in April 2009. The case against Karapetyan is the result of an investigation by the Federal Bureau of Investigation.