

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
v. : Crim. No.
BORIS SOKHA : Title 18, United States Code,
Section 371 and Title 26,
United States Code, Section
7201

I N F O R M A T I O N

The defendant having waived in open court prosecution by
Indictment, the United States Attorney for the District of New
Jersey charges:

COUNT ONE
(Conspiracy to Commit Mail Fraud - Health Care Fraud Scheme)

Introduction

1. At various times relevant to this Information:

Background

a. Defendant BORIS SOKHA (hereinafter "SOKHA"), a
resident of Staten Island, New York and later Middlesex County,
New Jersey, was the principal of several medical management
companies, including BSSI Management, Inc.; Richmond Management
and Collection, Inc.; and Bath Avenue Billing and Collection,
Inc. (hereinafter "BSSI," "Richmond," and "Bath Ave." or
collectively "billing companies"). Defendant SOKHA, through his
billing companies, submitted claims to more than ten no-fault
insurance companies located in New Jersey, New York, and
elsewhere, on behalf of various medical providers. These medical

providers claimed to have provided psychological services, such as psychotherapy, to individuals reportedly involved in motor vehicle collisions.

b. M.D., a co-conspirator not named as a defendant herein, was defendant SOKHA's partner and assisted defendant SOKHA in running the day-to-day operations of the billing companies.

c. G.M., a co-conspirator not named as a defendant herein, was a licensed psychiatrist in New York and the principal of Medical Care GM and MGM Psychiatry Care, professional corporations located and incorporated in New York. Medical Care GM and MGM Psychiatry Care claimed to have provided psychological services, such as psychotherapy, to individuals reportedly involved in motor vehicle collisions.

d. B.L., a co-conspirator not named as a defendant herein, although possessing no medical license, was employed by Medical Care GM and MGM Psychiatry Care and purportedly rendered psychotherapy services to individuals reportedly involved in motor vehicle collisions.

e. Insurance Company One, located in New Jersey, provided no-fault motor vehicle insurance to claimants.

f. Insurance Company Two, located in New Jersey, provided no-fault motor vehicle insurance to claimants.

g. Insurance Company Three, located in New York, provided no-fault motor vehicle insurance to claimants.

Overview of No-Fault Insurance & Medical Billing Process

2. Any individual who had a motor vehicle registered in New York was required to obtain valid insurance coverage to drive the vehicle. This insurance coverage included compulsory personal injury protection. If a claimant sustained an injury as a result of a motor vehicle collision, then the claimant's insurance company was required to pay all necessary and reasonable medical expenses arising from such injury, regardless of claimant's fault or liability. To pay for medical expenses related to such injuries, the claimant authorized his or her medical provider to directly bill his or her insurance company.

3. To obtain payment from the insurance companies, the medical provider or billing company acting on behalf of the medical provider was required to submit to the insurance company a Form NF-3, "Verification of Treatment by Attending Physician or Other Provider of Health Service" (hereinafter "Form NF-3"). On the Form NF-3, the medical provider or billing company was required to truthfully report to the insurance company the type or types of medical services provided to the claimant and to identify and disclose the medical provider who actually rendered the medical services to the claimant. The medical provider or billing company was also required to provide the insurance company with medical documentation to support the claim, including medical Progress Notes. The insurance companies relied on these documents to determine the applicable fee for the

medical treatment or service provided to the claimant and to pay the claims submitted on behalf of the claimants.

The Conspiracy

4. From in or around 2001 through in or around 2005, in the District of New Jersey and elsewhere, defendant

BORIS SOKHA

knowingly and willfully conspired and agreed with Co-Conspirators M.D., G.M., B.L. and others to devise a scheme and artifice to defraud no-fault insurance companies and to obtain money and property from such companies by means of materially false and fraudulent pretenses, representations and promises, and to knowingly and willfully cause false and fraudulent documents, including Forms NF-3 and medical Progress Notes, to be sent or delivered by means of the United States Mail to no-fault insurance companies for the purpose of executing such scheme and artifice, contrary to Title 18, United States Code, Section 1341.

The Object of the Conspiracy

5. The object of the conspiracy was to obtain money from no-fault insurance companies by submitting materially false and fraudulent bills and supporting medical documents to such insurance companies.

The Manner and Means of the Conspiracy

6. It was a part of the conspiracy that defendant SOKHA

and Co-Conspirator M.D. recruited licensed psychiatrists, such as Co-Conspirator G.M., and induced them to create professional medical corporations. Although these licensed psychiatrists created professional medical corporations on paper, these licensed psychiatrists neither opened nor maintained actual medical offices in the name of the professional corporation they had created.

7. It was a further part of the conspiracy that defendant SOKHA and Co-Conspirator M.D. entered into arrangements with these licensed psychiatrists, whereby defendant SOKHA, through his billing companies, would conduct all billing on behalf of the professional medical corporations, would hire and pay employees, and would split the profits with the licensed psychiatrists.

8. It was a further part of the conspiracy that defendant SOKHA and Co-Conspirator M.D. rented office space at established medical clinics where various medical providers, such as chiropractors and acupuncturists, treated individuals reportedly involved in motor vehicle collisions.

9. It was a further part of the conspiracy that defendant SOKHA and Co-Conspirator M.D. hired individuals who possessed no medical licenses and dispatched them to the various medical clinics described in Paragraph 8 above. Defendant SOKHA and Co-Conspirator M.D. instructed these unlicensed individuals to meet with claimants at the clinics, to provide them with "psychotherapy," and to complete medical Progress Notes.

10. It was a further part of the conspiracy that defendant

SOKHA and Co-Conspirator M.D. submitted and caused to be submitted Forms NF-3, medical Progress Notes, and other documents to Insurance Companies One, Two, Three, and other insurance companies, through the U.S. Mail that:

a. billed for services and treatments that had not been provided to claimants; and

b. falsely represented that claimants had received psychotherapy from licensed doctors or under the supervision of licensed doctors, when, in fact such psychotherapy, if provided at all, was provided by the unlicensed individuals hired by defendant SOKHA and Co-Conspirator M.D.

11. It was a further part of the conspiracy that defendant SOKHA and Co-Conspirator M.D. fraudulently obtained in excess of \$2.5 million from the various insurance companies and used the money for the benefit of themselves and others.

Overt Acts

12. In furtherance of the conspiracy and to effect the object thereof, defendant BORIS SOKHA and his co-conspirators committed and caused to be committed the following overt acts, among others, in the District of New Jersey and elsewhere:

	Document	Mailing Information	Description of False Representation
a.	NF-3	mailed from Richmond in New York to Insurance Company One in New Jersey on or about January 15, 2003	falsely claimed that psychotherapy sessions provided to a claimant were provided by a licensed medical provider
b.	NF-3	mailed from Richmond in New York to Insurance Company Three in New York on or about August 22, 2003	falsely claimed that psychotherapy sessions provided to a claimant were provided by a licensed medical provider
c.	NF-3	mailed from Richmond in New York to Insurance Company Two in New Jersey on or about September 16, 2003	falsely claimed that a claimant had received seven hours of administrative tests

All in violation of Title 18, United States Code, Section 371.

COUNT TWO
(Tax Evasion)

1. The allegations set forth in Paragraphs 1 through 3 and Paragraphs 5 through 12 of Count One of this Information are hereby realleged as if set forth fully herein.

2. At times relevant to this Information, defendant SOKHA was required to annually file with the Internal Revenue Service a Form 1040, U.S. Individual Income Tax Return, and was required to report and pay personal taxes on his ordinary income, such as salary and dividends, that he received from any source, including his billing companies.

3. At times relevant to this Information, defendant SOKHA:

- a. diverted money from his billing companies' bank accounts to his personal bank account;
- b. diverted money from his billing companies' bank accounts for the use and benefit of his family members;
- c. skimmed cash by withdrawing money from the billing companies' bank account through automated teller transactions;
- d. failed to report as income on his personal tax returns the money that he diverted and skimmed from the billing companies, thereby causing his personal returns to understate a substantial amount of the income that he received;

e. signed federal income tax returns in which he purported to report all of his individual income and which returns contained written declarations that the returns were signed under penalties of perjury; and

f. filed and caused to be filed federal income tax returns in which he failed to report all of the income he had received from his billing companies.

4. On or about October 19, 2006, while a resident of New Jersey, defendant SOKHA signed and caused to be filed with the Internal Revenue Service a 2005 individual income tax return, Form 1040, on behalf of himself. That return stated that his taxable income for the calendar year 2005 was \$10,247 and the total amount of tax due and owing was approximately \$12,256.

5. Defendant SOKHA's 2005 Form 1040 did not include about \$300,569 in additional taxable income defendant SOKHA received in 2005. With this income, an additional tax of approximately \$84,083 was due and owing to the United States.

6. On or about October 19, 2006, in the District of New Jersey, defendant

BORIS SOKHA

did knowingly and willfully attempt to evade and defeat a substantial part of the income tax due and owing to the United States in that he signed and caused to be filed a false and fraudulent 2005 U.S. Individual Income Tax Return, Form 1040, as described in Paragraph 4 of Count Two of this Information, knowing it to be false and fraudulent, as described in Paragraph 5 of Count Two of this Information.

In violation of Title 26, United States Code, Section 7201.

CHRISTOPHER J. CHRISTIE
United States Attorney