

**FILED**

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EASTERN DISTRICT OF CALIFORNIA

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IN THE UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

CAROLE SACHS, O.D.

Defendants.

CASE NO. 1:21-CR-00218 NONE-SKO

18 U.S.C. § 1347 – HEALTH CARE FRAUD (NINE  
COUNTS); 18 U.S.C. § 982(A)(7) – CRIMINAL  
FORFEITURE

INDICTMENT

COUNTS ONE THROUGH NINE: [18 U.S.C. § 1347 – HEALTH CARE FRAUD]

The Grand Jury charges:

CAROLE SACHS, O.D.,

defendant herein, as follows:

**I. INTRODUCTION**

At all times relevant to this Indictment:

**A. Relevant Individuals and Entities**

1. Defendant Carole SACHS, O.D., resided in Delhi, California, within the State and Eastern District of California. She was an optometrist and practiced out of two offices, one in Turlock, California, and one in Modesto, California, both within the State and Eastern District of California.

2. M.B. worked part-time in SACHS's Turlock office. Her job responsibilities included answering phones, ordering glasses, and submitting insurance claims.

3. E.I. was a company that provided an online platform for optometry and ophthalmology practitioners to submit claims to government and private insurers, including the Medicare Program.

4. Amniotic membranes, as used in optometry and ophthalmology practice, were round discs derived from human amniotic tissue designed to be placed on the patient's eye by optometric and ophthalmic practitioners to treat certain conditions and diseases.

5. Ophthalmic ultrasounds utilize sound waves to create a high-resolution image of the eye for purposes of diagnosing certain conditions.

**B. Background on the Medicare Program and CPT Codes**

6. The Medicare Program ("Medicare") was a federal health care insurance program providing benefits to persons who are age 65 or older, or who are disabled, and it was a "health care benefit program" as defined by 18 U.S.C. § 24(b). Medicare was administered by the Centers for Medicare and Medicaid Services, a federal agency under the United States Department of Health and Human Services. Individual patients who received benefits under Medicare were commonly referred to as Medicare "beneficiaries." Medicare was funded through federal funds.

7. Medicare paid claims submitted by participating health care providers for covered medical services and supplies provided to patients who were Medicare beneficiaries.

8. There were different types of Medicare benefits. One of the types of benefits is called "Medicare Part B." Medicare Part B provided reimbursement of certain medically-necessary services of medical professionals such as optometrists.

9. To obtain reimbursement from Medicare, a provider, including an optometrist, was required to first apply to participate in the Medicare Program. If approved, Medicare issued the provider a Medicare provider identification number, which was used for the provider to submit, and for Medicare to process and pay, Medicare claims. By signing the provider application, the provider agreed to comply with Medicare's rules and regulations.

10. Once approved by Medicare, the provider would typically begin performing medical services to treat patients who were Medicare beneficiaries and submit claims to Medicare to receive

1 payment for those services. In submitting each claim, the provider certified that the information on the  
2 claim form was truthful and accurate and that the services provided were reasonable and necessary to the  
3 health of the beneficiary. Medicare had additional payment rules restricting when it would pay for  
4 certain services or supplies. Medicare would deny and would not pay a provider's claim for a service  
5 that the provider did not perform.

6 11. Most Medicare claims were paid based solely on the information provided in the claim  
7 itself. After each claim was approved for payment, Medicare or its agent would send the reimbursement  
8 to the provider by mail or directly to the provider's bank account via an Electronic Funds Transfer  
9 ("EFT").

10 12. A Current Procedural Terminology code ("CPT Code") was a numeric medical code used  
11 to report and document medical, surgical, and diagnostic procedures provided to a patient. Medicare  
12 providers used CPT Codes when submitting claims to Medicare to identify the specific services they  
13 provided to patients who were Medicare beneficiaries and for which they were requesting  
14 reimbursement. Medicare required providers to specify the beneficiary who received services, the date  
15 services were received, and the types of services received, among other information. Medicare  
16 determined whether to allow each claim, and the amount it paid for each claim, based on the information  
17 the provider submitted.

18 13. CPT code 65778 was the CPT code for placement of amniotic membrane on the ocular  
19 surface without sutures. CPT codes 76512 and 76514 were the CPT codes for two types of ophthalmic  
20 ultrasounds. SACHS billed Medicare for claimed services using these three CPT codes, among others.

## 21 II. THE SCHEME TO DEFRAUD

22 14. Beginning on a date unknown to the grand jury, but no later than in or around November  
23 2016 and continuing until in or around February 2021, in the State and Eastern District of California and  
24 elsewhere, defendant CAROLE SACHS devised a scheme and artifice to defraud a health care benefit  
25 program by submitting false claims to Medicare and the United States for services to her patients who  
26 were Medicare beneficiaries that she did not perform, to obtain and attempt to obtain, by means of false  
27 and fraudulent pretenses, representations, and promises, money and property from Medicare and the  
28 United States.

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20. For example, Medicare beneficiary S.V. never met SACHS in person. S.V. had an appointment set with SACHS in or around July 2017, but SACHS canceled it. SACHS later spoke with S.V. over the phone and prescribed S.V. antibiotics. In or around June 2018, SACHS caused a false and fraudulent claim to be submitted to Medicare in the amount of \$875 for services that she never provided to S.V. SACHS falsely claimed that she provided services to S.V. in December 2017 including an eye examination, three ultrasounds, photographs of the eye, and measurement of eye muscles. As a result of SACHS's fraudulent representations, Medicare made payments of \$456.80 to SACHS on these claims. When a Medicare contractor initiated an audit of the claims and requested that SACHS provide supporting medical records, SACHS reimbursed Medicare for the claim and did not provide the



1 supporting records, in an effort to forestall the discovery of her scheme to defraud,

2         21. Throughout SACHS's scheme and artifice to defraud, in a further attempt to forestall the  
3 discovery thereof, she created, and caused to be created, falsified patient records to support the false and  
4 fraudulent claims she submitted. For example, Medicare beneficiary K.R. visited SACHS's office once  
5 in or around June 2015, and once again in or around June 2018, for eye examinations and glasses.  
6 SACHS submitted false and fraudulent claims to Medicare for services she purportedly rendered to K.R.  
7 on eight dates of service in 2018. This included six claims for insertion of amniotic membranes, five  
8 claims for eye examinations, and two claims for ultrasounds. SACHS billed Medicare \$10,350 for these  
9 purported services, which she never actually rendered. SACHS caused Medicare to make payments of  
10 \$3,343.07 to her due to those fraudulent claims. In or around December 2018, Medicare's initiated an  
11 audit of SACHS's claims for two of those eight days of service, June 12 and 13, 2018. Medicare's  
12 contracted auditor requested that SACHS provide supporting medical records. In furtherance of her  
13 fraud scheme and to forestall its discovery, SACHS created, and caused to be created, false medical  
14 records regarding the claimed services and submitted the false records to the contractor.

15         22. In or around September 2020, after becoming aware of the government's criminal  
16 investigation and in a further attempt to forestall the discovery of her scheme and artifice to defraud,  
17 SACHS instructed one of her employees to destroy patient records.

18         23. As a result of SACHS's scheme to defraud, she caused false and fraudulent claims  
19 exceeding \$1,000,000 to be submitted to Medicare and the United States, and caused Medicare and the  
20 United States to pay over \$700,000 to SACHS on such false and fraudulent claims. SACHS used the  
21 fraud proceeds for her own benefit.

22         24. In carrying out her scheme and artifice to defraud, SACHS acted at all relevant times  
23 with the intent to defraud.

24         25. On or about the dates set forth below, in the State and Eastern District of California and  
25 elsewhere, in connection with the delivery of and payment for health care benefits, items, and services,  
26 SACHS knowingly and willfully executed, and attempted to execute, a scheme and artifice to defraud  
27 Medicare and the United States, and to obtain, by means of false and fraudulent pretenses,  
28 representations, and promises, money and property owned by, and under the custody control of

Medicare and the United States by submitting, and causing to be submitted, to Medicare and the United States materially false claims for benefits, items, and services purportedly provided to her patients who were Medicare beneficiaries, despite SACHS well knowing that the services and other items had not been provided:

COUNT	Patient Initials	Approx. Date Service Allegedly Provided	Claim Number	Approx. Billed Amount	Falsely Claimed Services
ONE	I.Y.	11/20/16	540916349274360	\$200	Eye and Medical Examination
TWO	K.R.	6/2/2018	540218173138900	\$1,600	Insertion of Amniotic Membrane to Eye Surface
THREE	K.R.	6/12/2018	540918164381380	\$100	Eye and Medical Examination
FOUR	R.G.	12/26/2018	540919036367510	\$100	Ultrasound of Eye Disease, Growth, or Structure
FIVE	S.C.	3/15/2019	549719158493200	\$1,600	Insertion of Amniotic Membrane to Eye Surface
SIX	S.C.	4/5/2019	540919098714220	\$1,600	Insertion of Amniotic Membrane to Eye Surface
SEVEN	J.C.	6/3/2019	540919156384410	\$50	Ultrasound of Corneal Structure And Measurement
EIGHT	J.C.	6/5/2019	540919156384420	\$1,600	Insertion of Amniotic Membrane to Eye Surface
NINE	S.C.	8/5/2019	540919219536880	\$1,600	Insertion of Amniotic Membrane to Eye Surface

All in violation of Title 18, United States Code, Section 1347.

**FORFEITURE ALLEGATION:** [18 U.S.C. § 982(a)(7) - Criminal Forfeiture]

26. Upon conviction of the offenses alleged in Count One through Nine of this Indictment,

1 the defendant shall forfeit to the United States, pursuant to Title 18, United States Code, Section  
2 982(a)(7), any property, real or personal, that constitutes or is derived, directly or indirectly, from gross  
3 proceeds traceable to the commission of the offense.

4 27. If any of the property described above, as a result of any act or omission of the defendant:

- 5 a) cannot be located upon the exercise of due diligence;
- 6 b) has been transferred or sold to, or deposited with, a third party;
- 7 c) has been placed beyond the jurisdiction of the court;
- 8 d) has been substantially diminished in value; or
- 9 e) has been commingled with other property which cannot be divided without  
10 difficulty,

11 the United States of America shall be entitled to forfeiture of any other property of the defendants, up to  
12 the value of the property subject to forfeiture, including but not limited to a personal forfeiture money  
13 judgment, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United  
14 States Code, Section 982(b)(1).

15 A TRUE BILL.

16 /s/ Signature on file w/AUSA

17  
18 FOREPERSON

19 PHILLIP A. TALBERT  
20 ACTING UNITED STATES ATTORNEY

21 **KIRK E. SHERRIFF**  
22 KIRK E. SHERRIFF  
23 Assistant United States Attorney  
24 Chief, Fresno Office  
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