

DJ/HDM:PJC  
F. #2022R00128

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK  
----- X

UNITED STATES OF AMERICA

- against -

MANLING SHEN,  
also known as "Mary Shen," and  
RUIBING ZHU,  
also known as "Bing Bing,"

Defendants.

----- X

THE GRAND JURY CHARGES:

#### INTRODUCTION

At all times relevant to this Superseding Indictment, unless otherwise indicated:

I. Medicaid

1. Medicaid was a federal and state health care program that provided benefits to individuals and families who met specified financial and other eligibility requirements, and certain other individuals who lacked adequate resources to pay for medical care. The Centers for Medicare and Medicaid Services, a federal agency under the United States Department of Health and Human Services, was responsible for overseeing Medicaid in participating states, including New York State. Individuals who received benefits under Medicaid were referred to as "recipients."

FILED  
IN CLERK'S OFFICE  
US DISTRICT COURT E.D.N.Y.  
\* JUNE 26, 2023 \*  
BROOKLYN OFFICE

#### S U P E R S E D I N G I N D I C T M E N T

Cr. No. 22-502 (S-1) (NM)  
(T. 18, U.S.C., §§ 2, 371, 981(a)(1)(C),  
982(a)(7), 982(b)(1), 1347, 1349,  
1512(c)(1) and 3551 et seq.;  
T. 21, U.S.C., § 853(p);  
T. 28, U.S.C., § 2461(c);  
T. 42, U.S.C., § 1320a-7b(b)(2)(B))

2. Medicaid was a “health care benefit program,” as defined by Title 18, United States Code, Section 24(b) and referenced in Title 18, United States Code, Section 1347, and Title 42, United States Code, Section 1320a-7b.

3. Medicaid was a health and long-term care coverage program jointly financed by states and the federal government pursuant to the Social Security Act of 1965. Each state established and administered its own Medicaid program and determined the type, amount, duration and scope of services covered within broad federal guidelines.

4. Medicaid covered the costs of medical services and products ranging from routine preventive medical care for children to institutional care for the elderly and disabled. Service providers were authorized to submit claims to Medicaid only for services they actually rendered and were required to maintain patient records verifying the provision of services. By submitting a claim, the provider certified, among other things, that the services were rendered to the patient and were medically necessary, and were not rendered as a result of kickbacks or bribes.

5. Medicaid in New York State (“New York Medicaid”) was administered by the New York State Department of Health (the “New York DOH”). The New York DOH had approved certain managed long term care (“MLTC”) plans to provide managed care to New York Medicaid recipients with long-lasting health issues or disabilities. Each MLTC plan had its own network of health care providers. New York Medicaid managed care providers who were within an MLTC network did not bill Medicaid directly, but instead billed the MLTC plan for services provided to its recipients.

6. New York Medicaid MLTC services included “social adult day care” services, which were services provided pursuant to a structured program that offered older adults

with functional impairments socialization, supervision, personal care and nutrition services in a protective setting.

II. The Defendants and Relevant Entity and Individual

7. The defendant MANLING SHEN, also known as “Mary Shen,” was an employee of Blue Sky Adult Day Care, Inc. (“Blue Sky”) and a resident of Flushing, New York.

8. The defendant RUIBING ZHU, also known as “Bing Bing,” was an employee of Blue Sky and a resident of Flushing, New York.

9. Individual-1 was a New York Medicaid recipient whose identity is known to the Grand Jury.

10. Blue Sky was registered as a New York Medicaid managed care provider and was a provider of social adult day care services for at least five New York Medicaid MLTC plans.

11. MLTC Plan-1 was an MLTC that operated in New York.

III. The Health Care Fraud and Kickback Conspiracies

12. In or about and between December 2021 and November 2022, the defendant MANLING SHEN, together with others, agreed to execute and executed a scheme to enrich themselves whereby they submitted claims to New York Medicaid for social adult day care services that were purportedly provided to New York Medicaid recipients who had enrolled with Blue Sky to receive such services, but in fact were not provided as represented and were provided in connection with the payment of illegal kickbacks and bribes.

13. In particular, the defendant MANLING SHEN, together with others, submitted and caused to be submitted false and fraudulent claims to New York Medicaid for

services purportedly provided to New York Medicaid recipients on particular dates. In reality, the services were frequently not provided to the recipients at all or not provided as billed.

14. As part of the scheme, the defendants MANLING SHEN and RUIBING ZHU, together with others, paid illegal kickbacks and bribes in the form of United States currency to New York Medicaid recipients in exchange for the ability to bill New York Medicaid for the recipients' purported visits to Blue Sky. At least some of the New York Medicaid recipients who received cash kickbacks did not actually visit Blue Sky on some or all of the dates of the visits that were billed and did not receive the services as Blue Sky represented to New York Medicaid.

15. In or about each month between January 2022 and November 2022, the defendants MANLING SHEN and RUIBING ZHU and other Blue Sky employees paid illegal kickbacks and bribes in the form of cash payments to Individual-1 ranging from approximately \$770 to approximately \$1,000, knowing that Individual-1 typically only attended Blue Sky on days in which he/she was paid.

16. In or about and between January and December 2022, Blue Sky billed MLTC plans approximately \$8.3 million and was paid approximately \$7.5 million.

IV. The Evidence Tampering

17. On or about November 8, 2022, law enforcement agents executed a search warrant at Blue Sky. When the defendant RUIBING ZHU was alerted to the presence of law enforcement agents, she fled Blue Sky with a bag containing cash used to pay illegal kickbacks



and bribes to New York Medicaid recipients. ZHU took the cash to an apartment located in the same building as Blue Sky (the “Apartment”).

18. On or about November 10, 2022, law enforcement agents executed a search warrant at the Apartment and recovered approximately \$70,000 in United States currency and a ledger that listed the amount of United States currency provided to the defendant MANLING SHEN each month during 2021 and 2022 that had been used by SHEN and the defendant RUIBING ZHU to pay illegal kickbacks and bribes to New York State Medicaid recipients at Blue Sky and another adult day care.

COUNT ONE  
(Conspiracy to Commit Health Care Fraud)

19. The allegations contained in paragraphs one through 16 are realleged and incorporated as if fully set forth in this paragraph.

20. In or about and between December 2021 and November 2022, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant MANLING SHEN, also known as “Mary Shen,” together with others, did knowingly and willfully conspire to execute a scheme and artifice to defraud New York Medicaid, a health care benefit program as that term is defined under Title 18, United States Code, Section 24(b), and to obtain, by means of one or more materially false and fraudulent pretenses, representations and promises, money and property owned by, and under the custody and control of, New York Medicaid, in connection with the delivery of a payment for health care benefits, items and services, contrary to Title 18, United States Code, Section 1347.

(Title 18, United States Code, Sections 1349 and 3551 et seq.)

COUNTS TWO THROUGH THREE  
(Health Care Fraud)

21. The allegations contained in paragraphs one through 16 are realleged and incorporated as if fully set forth in this paragraph.

22. In or about and between December 2021 and November 2022, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant MANLING SHEN, also known as “Mary Shen,” together with others, did knowingly and willfully execute and attempt to execute a scheme and artifice to defraud New York Medicaid, a health care benefit program as that term is defined under Title 18, United States Code, Section 24(b), and to obtain, by means of one or more materially false and fraudulent pretenses, representations and promises, money and property owned by, and under the custody and control of, New York Medicaid, in connection with the delivery of a payment for health care benefits, items and services.

23. On or about the dates specified below, within the Eastern District of New York and elsewhere, the defendant MANLING SHEN, together with others, did submit and cause to be submitted the following false and fraudulent claims to MLTC Plan-1, in an attempt to execute, and in execution of, the scheme described above:

| Count | New York Medicaid Recipient | Approximate Date of Claim | Approximate Amount Billed to the MLTC Plan |
|-------|-----------------------------|---------------------------|--|
| TWO   | Individual-1                | February 8, 2022          | \$100                                      |
| THREE | Individual-1                | February 8, 2022          | \$100                                      |

(Title 18, United States Code, Sections 1347, 2 and 3551 et seq.)

COUNT FOUR

(Conspiracy to Defraud the United States and Pay Health Care Kickbacks)

24. The allegations contained in paragraphs one through 16 are realleged and incorporated as if fully set forth in this paragraph.

25. In or about and between December 2021 and November 2022, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants MANLING SHEN, also known as “Mary Shen,” and RUIBING ZHU, also known as “Bing Bing,” together with others, did knowingly and willfully conspire to:

(a) defraud the United States, by impairing, impeding, obstructing and defeating through deceitful and dishonest means, the lawful government functions of the Centers for Medicare and Medicaid Services in its administration of New York Medicaid; and

(b) commit certain offenses against the United States, that is, to offer and pay remuneration, including kickbacks and bribes, directly and indirectly, overtly and covertly, in cash and in kind, to one or more New York Medicaid recipients to induce those New York Medicaid recipients to purchase, lease, order and arrange for and recommend purchasing, leasing and ordering goods, facilities, services and items for which payment may have been made in whole and in part under New York Medicaid, which was a federal health care program, contrary to Title 42, United States Code, Section 1320a-7b(b)(2)(B).

26. In furtherance of the conspiracy and to effect its objects, within the Eastern District of New York and elsewhere, the defendants MANLING SHEN, also known as “Mary Shen,” and RUIBING ZHU, also known as “Bing Bing,” together with others, did commit and cause the commission of, among others, at least one of the following:

OVERT ACTS

(a) On or about January 6, 2022, SHEN and ZHU provided United States currency in the amount of \$770 to Individual-1.

(b) On or about August 8, 2022, SHEN and ZHU provided United States currency in the amount of \$1,000 to Individual-1.

(c) On or about November 8, 2022, SHEN and ZHU provided United States currency in the amount of \$1,000 to Individual-1.

(Title 18, United States Code, Sections 371 and 3551 et seq.)

COUNTS FIVE THROUGH SEVEN  
(Paying Health Care Kickbacks)

27. The allegations contained in paragraphs one through 16 are realleged and incorporated as if fully set forth in this paragraph.

28. On or about the dates set forth below, within the Eastern District of New York and elsewhere, the defendants MANLING SHEN, also known as “Mary Shen,” and RUIBING ZHU, also known as “Bing Bing,” together with others, did knowingly and willfully pay kickbacks and bribes, directly and indirectly, overtly and covertly, in cash and in kind, to one or more New York Medicaid recipients to induce those New York Medicaid recipients to purchase, lease, order and arrange for and recommend purchasing, leasing and ordering goods, facilities, services and items for which payment may have been made in whole and in part under New York Medicaid, which was a federal health care program, as set forth below:



| Count | Approximate Date | Kickback  |
|-------|------------------|---|
| FIVE  | January 6, 2022  | Payment by cash in the amount of \$770.00 to Individual-1   |
| SIX   | August 8, 2022   | Payment by cash in the amount of \$1,000.00 to Individual-1 |
| SEVEN | November 8, 2022 | Payment by cash in the amount of \$1,000.00 to Individual-1 |

(Title 42, United States Code, Section 1320a-7b(2)(B); Title 18, United States Code, Sections 2 and 3551 et seq.)

COUNT EIGHT

(Tampering with Documents or Proceedings)

29. The allegations contained in paragraphs one through 18 are realleged and incorporated as if fully set forth in this paragraph.

30. On or about November 8, 2022, within the Eastern District of New York and elsewhere, the defendant RUIBING ZHU, also known as “Bing Bing,” together with others, did corruptly alter, destroy, mutilate and conceal a record, document and other object, and attempted to do so, with the intent to impair its integrity and availability for use in an official proceeding, to wit: the Grand Jury investigation into the activity occurring at Blue Sky described above.

(Title 18, United States Code, Sections 1512(c)(1), 2 and 3551 et seq.)

CRIMINAL FORFEITURE ALLEGATION  
AS TO COUNTS ONE THROUGH SEVEN

31. The United States hereby gives notice to the defendants that, upon their conviction of any of the offenses charged in Counts One through Seven, the government will seek forfeiture in accordance with Title 18, United States Code, Section 982(a)(7), which requires any person convicted of a federal health care offense to forfeit property, real or personal,

that constitutes, or is derived directly or indirectly from, gross proceeds traceable to the commission of such offenses.

32. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be

divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1), to seek forfeiture of any other property of the defendants up to the value of the forfeitable property described in this forfeiture allegation.

(Title 18, United States Code, Sections 982(a)(7) and 982(b)(1); Title 21, United States Code, Section 853(p))

CRIMINAL FORFEITURE ALLEGATION  
AS TO COUNT EIGHT

33. The United States hereby gives notice to the defendant charged in Count Eight that, upon her conviction of such offense, the government will seek forfeiture in accordance with Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), which require any person convicted of such offense to forfeit any property, real or personal, constituting, or derived from, proceeds obtained directly or indirectly as a result of such offense.

34. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be

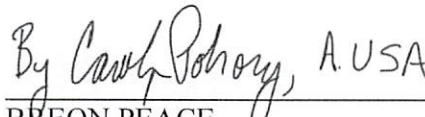
divided without difficulty;

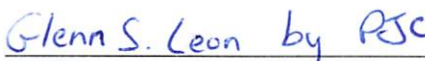
it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described in this forfeiture allegation.

(Title 18, United States Code, Section 981(a)(1)(C); Title 21, United States Code, Section 853(p); Title 28, United States Code, Section 2461(c))

A TRUE BILL

  
FOREPERSON

  
BREON PEACE  
UNITED STATES ATTORNEY  
EASTERN DISTRICT OF NEW YORK

  
GLENN S. LEON  
CHIEF, FRAUD SECTION  
CRIMINAL DIVISION  
U.S. DEPARTMENT OF JUSTICE

F. #2022R00128

No.

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UNITED STATES DISTRICT COURT

EASTERN *District of* NEW YORK

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CRIMINAL DIVISION

---

THE UNITED STATES OF AMERICA

vs.

MANLING SHEN, also known as "Mary Shen," and  
RUIBING ZHU, also known as "Bing Bing,"

Defendants.

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SUPERSEDING INDICTMENT

(T. 18, U.S.C., §§ 2, 371, 982(a)(7), 981(a)(1)(C), 982(b)(1), 1347, 1349,  
1512(c)(1), and 3551 *et seq.*; T. 21, U.S.C., § 853(p);  
T. 28, U.S.C., § 2461(c); T. 42, U.S.C., § 1320a-7b(b)(2)(B))

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*A true bill.*

*A. Scavini*

Foreperson

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Filed in open court this \_\_\_\_\_ day.

of \_\_\_\_\_ A.D. 20 \_\_\_\_\_

\_\_\_\_\_  
Clerk

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Bail, \$ \_\_\_\_\_

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*Patrick J. Campbell, DOJ Trial Attorney (718) 254-6366*