

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION

FILED

2009 DEC 16 PM 4:28

U.S. DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA, FLORIDA

UNITED STATES OF AMERICA

v.

CASE NO. 8:09-Cr-577-T 27 MAP

LILIAN J. PAGKALIWANGAN and  
RAYMUNDO P. ARELLANO

18 U.S.C. § 1349  
18 U.S.C. § 1035  
18 U.S.C. § 1028A(a)(1)  
18 U.S.C. § 982(a)(7)  
18 U.S.C. § 981(a)(1)(C)  
28 U.S.C. § 2461(c)

INDICTMENT

The Grand Jury charges:

COUNT ONE

(Conspiracy to commit health care fraud)

A. Introduction

At times material to this Indictment:

1. The Florida Medicaid program provided funding for certain medical care for indigent persons with both federal and state funds.
2. Medicare was a federal health insurance program that provided medical coverage for the elderly, generally those sixty-five years of age and older, and for certain disabled persons.
3. Lakeland Therapy Providers, Inc., a Florida corporation located in Lakeland, Florida, billed the Medicaid program for services purportedly provided to indigent or disabled persons, primarily pediatric recipients. Optimum Therapy, Inc., a Florida corporation also located in Lakeland, Florida, billed the Medicare program for

services purportedly provided to Medicare beneficiaries, primarily elderly persons who resided in assisted living facilities.

4. Raymundo P. Arellano and Lilian J. Pagkaliwangan, who were husband and wife, operated Lakeland Therapy Providers, Inc. and Optimum Therapy, Inc.

**B. The Conspiracy**

5. From in or about April 2006 through and including in or about June 2008, within the Middle District of Florida and elsewhere,

LILIAN J. PAGKALIWANGAN AND  
RAYMUNDO P. ARELLANO,

the defendants herein, did knowingly and willfully combine, conspire, confederate and agree with each other and with others, known and unknown to the grand jury, to execute, and attempt to execute, a scheme to defraud health care benefit programs and to obtain by means of materially false and fraudulent pretenses and representations the funds of health care benefit programs, in violation of Title 18, United States Code, Sections 1347 and 2.

**C. Manner and Means**

6. It was a part of the conspiracy that conspirators would and did systematically submit claims for reimbursement from the Medicaid and Medicare programs for services not rendered, including claims for services purportedly rendered on days the beneficiaries and recipients were not present at defendants' clinic and did not receive any services, and including claims for more units of service than were actually provided.

7. It was further a part of the conspiracy that conspirators would and did submit claims for reimbursement from the Medicaid program for services that were purportedly performed by an enrolled therapist that in fact were not performed by that therapist, but by another therapist who was not enrolled as a Medicaid provider.

8. It was further a part of the conspiracy that conspirators would and did falsify patient records relating to physical therapy treatment.

9. It was further a part of the conspiracy that conspirators would and did submit false and fraudulent claims for reimbursement from the Medicare program for individual therapy services that in fact were conducted in group settings and including claims for services provided by unlicensed and untrained individuals.

10. It was further a part of the conspiracy that conspirators would and did submit claims for reimbursement from the Medicare and Medicaid programs for therapy services that were purportedly provided by LILIAN J. PAGKALIWANGAN to Medicare beneficiaries and Medicaid recipients in two different physical locations during the same time period, and would and did falsify patient and billing records relating thereto.

11. It was further a part of the conspiracy that conspirators would and did perform acts and make statements to hide and conceal and to cause to be hidden and concealed the purpose of the conspiracy and the acts committed in furtherance thereof.

#### **D. Overt Acts**

12. In furtherance of the conspiracy and to effectuate the objectives thereof, the following overt acts, among others, were committed in the Middle District of Florida.

1) On or about June 22, 2007, conspirators submitted a fraudulent claim for reimbursement relating to services purportedly provided to patient DR on June 15, 2007.

2) On or about July 20, 2007, conspirators submitted a fraudulent claim for reimbursement relating to services purportedly provided by enrolled provider Meng Yang to patient MZ on July 17, 2007.

3) On or about July 27, 2007, conspirators submitted a fraudulent claim for reimbursement relating to services purportedly provided by enrolled provider Meng Yang to patient DB on July 24, 2007.

4) In or about July 2007, defendant LILIAN J. PAGKALIWANGAN directed a Lakeland Therapy Providers, Inc. employee to limit the duration of occupational therapy treatments to two units of service.

5) On or about August 3, 2007, conspirators submitted a fraudulent claim for reimbursement relating to services purportedly provided by enrolled provider Meng Yang to patient NC on July 23, 2007.

6) On or about August 3, 2007, conspirators submitted a fraudulent claim for reimbursement relating to services purportedly provided to patient NC on August 2, 2007.

7) On or about October 26, 2007, conspirators submitted a fraudulent claim for reimbursement relating to services purportedly provided to patient AH on October 19, 2007.

8) On or about November 9, 2007, conspirators submitted a fraudulent

claim for reimbursement relating to services purportedly provided to patient NC on November 5, 2007.

9) On or about December 14, 2007, conspirators submitted a fraudulent claim for reimbursement relating to services purportedly provided to patient DB on December 11, 2007.

10) On or about February 22, 2008, conspirators submitted a fraudulent claim for reimbursement relating to services purportedly provided to patient DB on February 18, 2008.

11) On or about March 21, 2008, conspirators submitted a fraudulent claim for reimbursement relating to services purportedly provided to patient MP on March 18, 2008.

12) On or about May 23, 2008, defendant LILIAN J. PAGKALIWANGAN directed an employee to write in patient names and dates of birth on blank physical therapy treatment note forms.

13) On or about May 23, 2008, defendant LILIAN J. PAGKALIWANGAN falsely advised an investigator that five Medicaid patient record files were not on her business premises.

14) On or about May 23, 2008, and thereafter, defendant LILIAN J. PAGKALIWANGAN directed employees to create numerous partially completed physical therapy treatment notes.

All in violation of Title 18, United States Code, Sections 1349 and 2.

**COUNTS TWO THROUGH ELEVEN**  
**(False Statements)**

On or about the dates listed below in each count, within the Middle District of Florida, in a matter involving a health care benefit program affecting commerce,

**LILIAN J. PAGKALIWANGAN AND  
RAYMUNDO P. ARELLANO,**

the defendants, did knowingly and willfully make materially false, fictitious, and fraudulent statements and representations, and did make and use materially false writings and documents knowing the same to contain materially false, fictitious, and fraudulent statements and entries, in connection with the delivery of and payment for health care benefits, items, and services; that is, in submitting claims for payment under Medicaid, and causing the submission of such claims, the defendants did falsely claim that certain services were provided to the Medicaid recipients specified below in each count when in fact such claims were false, as described in each count.

<b>COUNT</b>	<b>DATE OF SERVICE</b>	<b>FALSITY</b>	<b>DATE OF CLAIM</b>	<b>PATIENT INITIALS</b>	<b>AMOUNT OF CLAIM</b>	<b>CPT CODE OR FALSE PROVIDER NUMBER</b>
2	06/15/07	Units of Service	06/22/07	DR	\$72.00	92507
3	07/17/07	Units of Service and named provider	07/20/07	MZ	\$72.00	891753100/97530

COUNT	DATE OF SERVICE	FALSITY	DATE OF CLAIM	PATIENT INITIALS	AMOUNT OF CLAIM	CPT CODE OR FALSE PROVIDER NUMBER
4	07/24/07	Units of Service and named provider	07/27/07	DB	\$72.00	891753100/97530
5	07/23/07	Units of Service and named provider	08/03/07	NC	\$54.00	891753100/97530
6	08/02/07	Units of Service	08/03/07	NC	\$72.00	92507
7	10/19/07	Units of Service	10/26/07	AH	\$72.00	97530
8	11/05/07	Units of Service	11/09/07	NC	\$72.00	92507
9	12/11/07	Units of Service	12/14/07	DB	\$72.00	97530
10	02/18/08	Units of Service	02/22/08	DB	\$72.00	97530
11	03/18/08	Units of Service	03/21/08	MP	\$72.00	97530

All in violation of Title 18, United States Code, Sections 1035 and 2.

**COUNT TWELVE**  
**(Aggravated Identity Theft)**

On or about July 20, 2007, within the Middle District of Florida, and elsewhere,

LILIAN J. PAGKALIWANGAN AND  
RAYMUNDO P. ARELLANO,

the defendants herein, did knowingly transfer, possess, and use, without lawful authority, a means of identification of another person, to wit, the Medicaid provider number of Medicaid provider Meng Yang, during and in relation to a violation of 18 U.S.C. § 1035, that is, making a false statement relating to a health care matter.

In violation of Title 18, United States Code, Sections 1028A(a)(1) and 2.

**COUNT THIRTEEN**  
**(Aggravated Identity Theft)**

On or about July 27, 2007, within the Middle District of Florida, and elsewhere,

LILIAN J. PAGKALIWANGAN AND  
RAYMUNDO P. ARELLANO,

the defendants herein, did knowingly transfer, possess, and use, without lawful authority, a means of identification of another person, to wit, the Medicaid provider number of Medicaid provider Meng Yang, during and in relation to a violation of 18 U.S.C. § 1035, that is, making a false statement relating to a health care matter.

In violation of Title 18, United States Code, Sections 1028A(a)(1) and 2.

**COUNT FOURTEEN**  
(Aggravated Identity Theft)

On or about August 3, 2007, within the Middle District of Florida, and elsewhere,

LILIAN J. PAGKALIWANGAN AND  
RAYMUNDO P. ARELLANO,

the defendants herein, did knowingly transfer, possess, and use, without lawful authority, a means of identification of another person, to wit, the Medicaid provider number of Medicaid provider Meng Yang, during and in relation to a violation of 18 U.S.C. § 1035, that is, making a false statement relating to a health care matter.

In violation of Title 18, United States Code, Sections 1028A(a)(1) and 2.

**FORFEITURE**

1. The allegations contained in Count One and Counts Two through Eleven of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to the provision of Title 18, United States Code, Section 982(a)(7) and 981(a)(1)(C) and Title 28, Section 2461(c).

2. From their engagement in any or all of the violations alleged in Count One of this Indictment, involving a conspiracy to commit health care fraud, in violation of Title 18, United States Code, Section 1349, and their engagement in the substantive violations alleged in Counts Two through Eleven, alleging violations of Title 18 United States Code Section 1035, the defendants

LILIAN J. PAGKALIWANGAN

and

RAYMUNDO ARELLANO

shall forfeit to the United States of America, pursuant to Title 18, United States Code,

Section 982(a)(7) and 981(a)(1)(C) and Title 28, Section 2461(c), any and all right, title, and interest they may have in any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense, including but not limited to the following:


A sum of money equal to the amount of proceeds obtained as a result of the offense, for which the defendants are jointly and severally liable, in that such sum constitutes or is derived, directly or indirectly, from proceeds traceable to the commission of health care fraud.

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

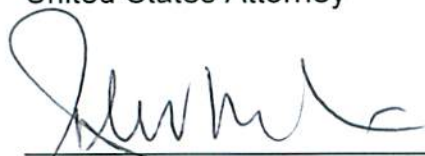
- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be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


the United States of America shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1).

A TRUE BILL,

  
\_\_\_\_\_  
Foreperson

A. BRIAN ALBRITTON  
United States Attorney

By:   
\_\_\_\_\_  
ROBERT T. MONK  
Assistant United States Attorney

By:   
\_\_\_\_\_  
ROBERT A. MOSAKOWSKI  
Assistant United States Attorney  
Chief, Tampa Division

No. 8:09-Cr-

**UNITED STATES DISTRICT COURT**

Middle District of Florida  
Tampa Division

THE UNITED STATES OF AMERICA

vs.

LILIAN PAGKALIWANGAN and  
RAYMUNDO ARELLANO

**INDICTMENT**

Violations:

- 18 U.S.C. § 1349
- 18 U.S.C. § 1035
- 18 U.S.C. § 1028(A)(a)(1)

A true bill,

  
Foreperson

Filed in open court this 16th day  
of December 2009.

\_\_\_\_\_  
Clerk

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