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Department of Justice

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Operators of Bogus Medical Clinics Charged in Conspiracy to Divert Massive Amounts of Prescription Narcotics to the Black Market

Glendale Defense Attorney and Others Involved in Scheme Allegedly Obstructed Justice by Creating Fake Medical Records to Justify Fraudulent Prescriptions

LOS ANGELES – The operators of seven sham medical clinics were among 12 defendants taken into custody this morning on federal drug trafficking charges that allege they diverted at least 2 million prescription pills – including oxycodone and other addictive and dangerous narcotics – to the black market.

Two indictments returned late last month by a federal grand jury alleges that members of the conspiracy profited from illicit prescriptions that were issued without any legitimate medical purpose through a series of clinics that periodically opened and closed in a “nomadic” style. The fraudulent prescriptions allegedly allowed the conspirators to obtain bulk quantities of prescription drugs that were sold on the street.

Those arrested this morning include Minas Matosyan, an Encino man also known as “Maserati Mike,” who is charged with leading the scheme and controlling six of the sham clinics. Matosyan allegedly hired corrupt doctors who allowed the conspirators to issue fraudulent prescriptions under their names in exchange for kickbacks.

“The two indictments charge 14 defendants who allegedly participated in an elaborate scheme they mistakenly hoped would conceal a high-volume drug trafficking operation,” said Acting United States Attorney Sandra R. Brown. “In addition to generating illicit profits, this scheme helped drive the prescription drug epidemic that is causing so much harm across our nation.”

“This investigation targeted a financially motivated racket that diverted deadly and addictive prescription painkillers to the black market,” said DEA Special Agent in Charge David Downing. “Today’s arrests underscore our resolve – DEA and its law enforcement partners will not tolerate criminal enterprises that fuel and exploit the opioid epidemic.”

The indictments unsealed today and search warrants executed this morning describe how Matosyan would “rent out recruited doctors to sham clinics.” Matosyan allegedly supplied corrupt doctors in exchange for kickbacks derived from proceeds generated when the other sham clinics created fraudulent prescriptions or submitted fraudulent bills to health care programs. In one example described in the court documents, Matosyan provided a corrupt doctor to a clinic owner in exchange for \$120,000.

When the clinic failed to pay the money and suggested instead that Matosyan “take back” the corrupt doctor, Matosyan demanded his money and said, “Doctors are like underwear to me. I don’t take back used things.”

In a recorded conversation described in court documents, Matosyan discussed how one doctor was paid “for sitting at home,” while thousands of narcotic pills were prescribed in that doctor’s name and Medicare was billed more than \$500,000 for purported patient care.

The conspirators also allegedly stole the identities of doctors who refused to participate in the scheme. In an intercepted telephone conversation described in court documents, Matosyan offered a doctor a deal to “sit home making \$20,000 a month doing nothing.” When the doctor refused the offer, the conspirators nevertheless created prescription pads in the doctor’s name and allegedly began selling fraudulent prescriptions for oxycodone without the doctor’s knowledge or consent.

According to court documents, the conspirators also issued prescriptions and submitted fraudulent billings in the name of a doctor who at the time was hospitalized and later died.

“The defendants in this scheme heartlessly lined their pockets with cash from the sale of thousands of addictive prescription drugs sold through the black market,” stated IRS Criminal Investigation’s Special Agent in Charge, R. Damon Rowe. “IRS Criminal Investigation, along with our law enforcement partners, will continue to aggressively pursue those who seek to profit from the sale and distribution of illegitimate prescription narcotics creating a drug crisis of epic proportions in our country.”

“For the sake of mere profit, the operators of these medical clinics spewed deadly prescription drugs onto our streets. The opioid epidemic gripping this country is well documented and our communities in the Los Angeles area have been impacted,” said Christian J. Schrank, Special Agent in Charge for the Office of Inspector General of the U.S. Department of Health and Human Services. “Too often those ill-gotten gains came at the expense of innocent Americans. It has been a pleasure working with our law enforcement colleagues to bring these people to justice.”

“Today’s enforcement actions, and the long-term multiagency investigation that preceded them, have dealt a major blow to a sophisticated healthcare fraud and identity theft scheme that posed a double threat. Not only did the defendants in this case use physicians’ names to write fraudulent prescriptions and fleece Medicare out of millions of dollars, but they’re also accused of funneling large quantities of dangerous prescription opiates, including oxycodone and hydrocodone, into the community,” said Joseph Macias, special agent in charge for Homeland Security Investigations in Los Angeles. “In collaboration with our law enforcement partners, HSI will continue to aggressively target those who compromise the integrity of our healthcare system and public safety to satisfy their own greed.”

The indictment also charges Matosyan and others – including Glendale-based criminal defense attorney Fred Minassian – with obstruction of justice for allegedly creating fraudulent medical records in an effort to deter the investigation.

After a load of Vicodin was seized from one of the conspiracy’s major customers, Matosyan allegedly oversaw the creation of fake medical paperwork in an effort to make it appear the drugs had been legitimately prescribed. The indictment describes intercepted conversations in which Minassian strategized on how to deceive law enforcement, which included a plan to bribe a doctor to lie to authorities.

The 12 defendants arrested this morning are:

- Minas Matosyan, 36, of Encino, who is accused of leading the scheme by recruiting corrupt doctors, overseeing the theft of other doctors’ identities, and negotiating the sale of fraudulent prescriptions and narcotic pills;
- Armen Simonyan, 52, of Burbank, who allegedly managed the operations at some of the fraudulent clinics;

- Grisha Sayadyan, 66, of Burbank, who allegedly managed the operations at various clinics and sold oxycodone and Vicodin pills directly to black market customers;
- Sabrina Guberman, 45, of Encino, who, while working at the sham clinics, allegedly lied to pharmacies seeking to verify the fraudulent narcotic prescriptions, which included creating and sending fake medical paperwork;
- Frederick Manning Jr., 47, of Santa Ana, allegedly one of the major drug customers of the clinics, who is charged with agreeing to purchase as many as 1,000 pills per week of narcotics from Matosyan;
- Fred Minassian, 50, of Glendale, the criminal defense attorney who allegedly spearheaded the scheme to lie to law enforcement by making it falsely appear that Vicodin seized from Freddie Manning Jr. had been legitimately prescribed by a doctor;
- Ralph Manning, 49, of North Hills (no relation to Frederick Manning Jr.), who is charged with being one of the principal couriers Matosyan used to deliver fraudulent prescriptions and “bulk quantities” of narcotic pills;
- Hayk Matosyan, 30, of Granada Hills, Matosyan’s brother, who allegedly filled fraudulent narcotic prescriptions at pharmacies and sold the resulting narcotics pills to black-market customers.
- Marisa Montenegro, 54, of West Hills, who allegedly filled fraudulent prescriptions;
- Elizabeth Gurumdzhyan, 25, of Hollywood, who allegedly filled fraudulent prescriptions;
- Anait Guyumzhyan, 27, of Hollywood, who allegedly filled prescriptions for oxycodone and returned the drugs to Matosyan-operated clinics in exchange for cash payment; and
- James Wilson, 54, of Venice, who alone is charged in the second indictment with illegally selling oxycodone prescriptions out of a Long Beach clinic that he controlled.

The 12 defendants arrested this morning are expected to be arraigned on the indictment this afternoon in United States District Court.

Authorities are continuing to seek two defendants named in the main indictment. Those fugitives are: Gary Henderson, 62, of Lancaster, who allegedly purchased fraudulent oxycodone prescriptions from Matosyan; and an unidentified conspirator known only by the name “Cindy.”

An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed innocent until and unless proven guilty.

All of the defendants face significant terms in federal prison if they are convicted. For example, if convicted of the nine counts in which he is charged, Matosyan would face a statutory maximum sentence of 165 years in prison.

The investigation in this case was conducted by the Drug Enforcement Administration; IRS Criminal Investigation; the U.S. Department of Health and Human Services - Office of Inspector General; the Ventura County Sheriff’s Office, Pharmaceutical Crimes Unit; and U.S. Immigration and Customs Enforcement’s Homeland Security Investigations.

The primary investigative agencies received substantial assistance from the Los Angeles County Sheriff’s Department, the Los Angeles Police Department, the California Department of Justice, and the Orange Police Department.

The case is being prosecuted by Assistant United States Attorneys Benjamin Barron and Jamie Lang of the Organized Crime Drug Enforcement Task Force.

Component(s):
USAO - California, Central

Contact:

Thom Mrozek
Spokesperson/Public Affairs Officer
United States Attorney's Office
Central District of California (Los Angeles)
213-894-6947

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