



## Los Angeles Division

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### Ten Indicted in Operation “Diagnosis Dollars” Where Defendants Allegedly Defrauded the U.S. Medicare System in \$17 Million Scheme

*Several Defendants Charged Nationwide in Related Cases Also Arrested in Los Angeles Today*

**U.S. Attorney’s Office**  
October 13, 2010

**Central District of California**  
(213) 894-2434

Ten individuals have been indicted in Los Angeles for their role in a scheme to defraud the U.S. Medicare System, announced U.S. Attorney, Andre Birotte Jr.; FBI Assistant Director in Charge, Steven Martinez; Leslie P. DeMarco, Special Agent in Charge of IRS - Criminal Investigation; Sheriff of Los Angeles County, Leroy Baca; Los Angeles Police Chief, Charlie Beck; Glendale Police Chief Ronald DePompa; Burbank Police Chief Scott LaChasse; and Glenn Ferry, Special Agent in Charge of the Los Angeles Department of Health and Human Services Officer of Inspector General.

The indictment unsealed today in Los Angeles charges key figures in health care fraud schemes that operated in several states and allegedly submitted more than \$17 million in fraudulent claims to Medicare. The Los Angeles cases, which were brought as part of an investigation called "Diagnosis Dollars," are linked to a nationwide multi-district crackdown on health care fraud. Defendants have also been charged in several other districts, including New York, Cleveland, Atlanta, and New Mexico, with various health care fraud offenses and racketeering, among other charges.

In addition to the seven defendants charged in Los Angeles who were arrested this morning, 24 defendants indicted in other districts who reside in Los Angeles were arrested here this morning.

According to the indictments returned under seal by a federal grand jury in Los Angeles on October 7, the defendants, many of whom are related, played roles in the operation of at least eight fraudulent medical clinics and sought reimbursement from the Medicare health care benefit program for services that were never delivered to patients with coverage under that program. The defendants are also charged with laundering the money derived from the fraudulent scheme. In addition, 12 search warrants were executed in Los Angeles to seek evidence.

The Los Angeles indictments alleges crimes including Conspiracy to Commit Bank Fraud; Conspiracy to Launder Monetary Instruments; Money Laundering; Bank Fraud; Aggravated Identity Theft; and Criminal Forfeiture.

The defendants charged in three separate indictments unsealed this morning are:

Pogos Satamyan, of Glendale  
Vachagan Dishchian, 34, of Van Nuys  
Vahe Dischian, 36, of Van Nuys  
Andranik Satamyan, 20, of Glendale  
Haroutyoum Dischian, 62, of Van Nuys  
Nicolae Candu, 24, who is a fugitive and is currently being sought by law enforcement  
Vitalina Shcherbyak, 24, who is a fugitive and is currently being sought by law enforcement  
Nikolay Agishev, 24, who is a fugitive and is currently being sought by law enforcement  
Grisha Sayadyan, 59, of Glendale  
Allen Sayadyan, 30, of Glendale

According to the main eight-defendant indictment, the scheme worked in the following way: individuals would obtain the stolen identities of physicians to enroll as providers in the Medicare program, which requires a medical doctor's name, Social Security number and date of birth. Using the stolen physician identities, applications to become providers were submitted applications to Medicare. The defendants would then open clinics by leasing office space or by renting a post office box. Other defendants would then open fraudulent bank accounts into which Medicare could transfer fraudulent claims. These bank accounts were opened in either the name of the physician whose identity had been stolen, a business, or in the name of a co-conspirator.

Once the application was approved and the Medicare provider account was opened, the defendants allegedly began to bill Medicare utilizing stolen beneficiary identifications. In reality, the Medicare beneficiaries were never seen or treated.

Medicare would then pay the fraudulent claims and transmit the funds directly into the fraudulent bank accounts. As the Medicare funds were received, they were withdrawn immediately and laundered. Some of the defendants laundered the funds by forging signatures of the alleged account holder, and then delivered the signed checks to a third party, who was actually a confidential informant working for the FBI. The confidential informant would then cash the checks and return the proceeds in cash to the defendants, less a fee.

Eight fraudulent clinics are specifically identified in the Los Angeles case, and investigators estimate the defendants submitted more than \$17 million in fraudulent claims for which Medicare paid approximately \$8 million.

Those arrested today will have their initial appearances this afternoon in United States District Court in <https://archives.fbi.gov/archives/losangeles/press-releases/2010/la101310.htm>

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Those arrested today will have their initial appearances this afternoon in United States District Court in Los Angeles. The government will request that the defendants charged in districts outside Los Angeles be removed to the districts in which they were charged for prosecution.

Steven Martinez, the Assistant Director in Charge of the FBI's Los Angeles Field Office said, "Health care fraud that targets the Medicare program makes victims of all Americans. The identity theft of the elderly and the disabled that facilitates many health care schemes is particularly depraved, and we will continue to educate potential victims to report anyone who requests their personal information."

"If the alleged perpetrators arrested today had the foresight to see this indictment coming, they would be dismayed to learn that not only are they facing significant prison terms, but they will also lose the fruits of their crime," observed Leslie P. DeMarco, Special Agent in Charge of IRS - Criminal Investigation's Los Angeles Field Office. "To combat health care fraud, IRS - CI provides financial investigative expertise in multi-agency task force investigations. Our expertise in following the money helps develop the evidence necessary to bring criminals involved in these types of schemes to justice."

Chief Beck said. "Those who defraud the health care systems take resources from those who are legitimately in need and the LAPD will eagerly seek to put those criminals in jail." He added, "Guarding the integrity of our systems against fraud is accomplished best with healthy partnerships in law enforcement. Today is just one example."

Sheriff Baca stated. "The Health Authority Law Enforcement Task Force (HALT), has been working with its federal partners and other agencies for the past decade in health care fraud investigations. Today's goal was to target "top tier" medical fraud operators from the Los Angeles area who have been indicted for setting up medical scams nationwide. In Los Angeles County, many of these suspects are also involved in forged prescriptions sales and distribution of large quantities of Oxycontin (synthetic heroin) to local gang members and young children. This successful partnership has been the culmination of hard work between multi-agencies in combating threats against public health and safety."

"This multi-agency investigation is proof positive that health care fraud is not local, not regional, not even nationwide. Rather, this crime is now global in nature and results in the loss of hundreds of millions of taxpayer dollars," said Glenn R. Ferry, Special Agent in Charge for the Los Angeles Region of the Office of Inspector General. "OIG will continue to work with the FBI and other law enforcement partners to aggressively investigate and prosecute individuals and even global organizations intent on stealing funds from desperately needed health care services."

This joint and continuing investigation is being conducted by the FBI; IRS - Criminal Investigation; the Los Angeles County Sheriff's Department; the Los Angeles Police Department and the Los Angeles Department of Health and Human Services Officer of Inspector General. In addition to these law enforcement agencies, several other agencies participated in the execution of today's arrest and search warrants, including, U.S. Immigration and Customs Enforcement, the Burbank Police Department, and the Glendale Police Department. The defendants charged in U.S. District Court in Los Angeles will be prosecuted by the United States Attorney's Office.

*An indictment is merely an allegation and defendants are presumed innocent unless and until proven guilty in a court of law.*

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