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## **52 arrested in sweeping Medicare fraud case**

The defendants, largely from L.A. and New York, allegedly are part of an Armenian organized crime outfit. Feds say they stole doctors' and patients' identities and submitted \$160 million in bogus claims.

By Scott Glover, Los Angeles Times

October 14, 2010

Authorities arrested more than two dozen Los Angeles-area residents early Wednesday for their alleged roles in a nationwide scheme to bilk Medicare out of more than \$160 million.

The investigation, dubbed Diagnosis Dollars, resulted in the arrests of 52 people across the U.S. in what authorities described as "the largest Medicare fraud scheme ever perpetrated by a single criminal enterprise."

The defendants allegedly are members or associates of an Armenian "organized crime enterprise" known as Mirzoyan-Terdjanian, according to federal law enforcement officials. They allegedly stole doctors' identities and used the information to enroll the phantom physicians as providers in Medicare, authorities alleged.

They then set up bogus offices and, using stolen beneficiary information, began billing for procedures that never occurred, according to a Department of Justice News release. Nationwide, the ring operated at least 118 phony clinics in 25 states and billed Medicare for some \$163 million, officials said.

"Healthcare fraud that targets the Medicare program makes victims of all Americans," Steven Martinez, who heads the FBI office in Los Angeles, said in a prepared statement. In addition to the FBI and IRS, the probe involved local law enforcement agencies in various cities.

The investigation, officials said, was aimed at "top tier" medical fraud operators across the country and resulted in the indictments of 73 people in California, Georgia, New Mexico, New York and Ohio.

The Los Angeles-area defendants, many of whom are related, set up at least eight fake medical clinics and submitted \$17 million in false claims to Medicare — \$8 million of which were paid, federal officials alleged.

Some of the Los Angeles-area defendants were also allegedly involved in forged prescription sales and the illegal distribution of OxyContin, a painkiller so potent it is referred to as synthetic heroin and sells for up to \$80 a pill on the street.

According to federal law enforcement officials, the alleged criminal enterprise is named for principal leaders Davit Mirzoyan and Robert Terdjanian, who are both charged in the indictment. Mirzoyan is based in Glendale, Terdjanian in Brooklyn, N.Y., authorities said.

Also charged is Armen Kazarian, described in an indictment filed in New York as a "Vor." The term refers to a select group of high-level criminals from the former Soviet Union, officials said.

Kazarian, based in Glendale, is the first alleged "Vor" ever charged with a racketeering offense, officials said. The last time a "Vor" was arrested on any federal charge was in 1996, officials added.

Some of the defendants could face life in prison and fines of \$1 million or more if convicted, officials said.