

1 EDMUND G. BROWN JR.
Attorney General of the State of California
2 BUREAU OF MEDI-CAL FRAUD & ELDER ABUSE
MARK ZAHNER, Chief of Prosecutions
3 Vincent Bonotto, SBN.: 199282
Deputy Attorney General
4 303 North Glenoaks Blvd., Suite 900
Burbank, CA 91502

5 [REDACTED]
6 [REDACTED]
7 *Attorneys for Plaintiff*

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF LOS ANGELES, Central District

10
11 **PEOPLE OF THE STATE OF CALIFORNIA,**

12
13 Plaintiff,

14 v.

15 **TATYANA YAKOVENKO (aka Tetyana Yakovenko, Tatyana Fox), NATALYA ZVEREVA (aka Natasha Zvereva), CARLOS VILLANUEVA, ALEKSEY LISITSA (aka Alex Lisitsa), JODEE A. WALLACE, and ROMALIS CONWAY,**

16
17
18
19 Defendants.

DECLARATION MADE PURSUANT TO SECTION 2015.5 CCP IN SUPPORT OF ISSUANCE OF FELONY COMPLAINT AND ARREST WARRANT

AG Docket No.: LA2009101229

20
21 The undersigned hereby declares, upon information and belief:

22 That I, Special Agent Paul Ramirez, California Department of Justice, Office of the
23 Attorney General, Bureau of Medi-Cal Fraud and Elder Abuse (BMFEA), am a California peace
24 officer as defined by Penal Code section 830.1 (b). I was appointed a Special Agent with the
25 Department of Justice on July 21, 2007, and assigned to investigate health care fraud within the
26 Medi-Cal program.

27 I have been awarded the California Peace Officer Standards and Training (P.O.S.T.) Basic
28 and Intermediate certificates.

1 I was a peace officer for the State of California Medical Board, from August 9, 2004, until
2 July 20, 2007. I investigated California's licensed practitioners and other licensed allied health
3 agencies for criminal and administrative violations involving the unlicensed practice of medicine,
4 prescription drug crimes, monetary fraud, and provider health insurance fraud. I have attended
5 over 80 P.O.S.T. certified hours of instructions presented by the Medical Board of California.

6 I was a peace officer for the California Youth Authority, from August 2000 until August
7 2004. I served four years as a Youth Correctional Counselor and was assigned to the drug
8 counseling living unit. I conducted follow up investigations of inmate assaults, drug trafficking,
9 and other related offenses. Prior to that, I was a custodial officer for the San Bernardino County
10 Probation Department, from April 1999 to August 2000.

11 I have a Bachelor's of Arts Cooperative degree in Sociology/ Law and Society from the
12 University of California, Riverside. I have received and completed over 640 hours of
13 personalized training and instruction from the P.O.S.T. Specialized Investigator Basic Course and
14 the 300-hour Special Agent Academy. I have attended many P.O.S.T. certified, law enforcement
15 training schools. These state and federal training courses included the investigation of Money
16 Laundering, White Collar Crime, Economic Crime, Organized Crime organizations, and Identity
17 Theft.

18 I have investigated many complaints of criminal fraud and grand theft. I have prepared,
19 obtained, and served search warrants, and assisted other peace officers in the service of search
20 warrants, for the purpose of gathering evidence of criminal activity, including Medi-Cal fraud and
21 grand theft. I have located and recovered property, evidence, and other indicia of criminal activity
22 from businesses, residences, vehicles, personal computers, and bank accounts.

23 I am familiar with the methods and means used by criminals in committing fraud and
24 healthcare fraud. I am familiar with the rules and regulations that govern health care providers
25 who bill Medi-Cal for services, and the processing of claims, payment of claims, and record
26 retention. I have received on-the-job training from experienced Medi-Cal fraud investigators in
27 the different schemes used to defraud the Medi-Care system. I have attended forty hours of
28 formal training specific to the Medi-Cal program and Medi-Cal fraud.

1 **SUMMARY OF PROBABLE CAUSE**

2 I will set forth probable cause to believe that the owners and operators of New
3 Beginnings-Recovery Treatment Center Inc. (hereafter New Beginnings) engaged in a scheme to
4 defraud the Medi-Cal program by submitting fraudulent Medi-Cal claims for alcohol and drug
5 counseling services that were not rendered.

6 New Beginnings is a Drug Medi-Cal provider. They provide drug and alcohol counseling
7 services to eligible adult and juvenile Medi-Cal beneficiaries. These services are funded by the
8 California Medi-Cal Program through the Los Angeles County Alcohol and Drug Program
9 Administration.

10 I received information that New Beginnings possibly was billing Medi-Cal for drug
11 counseling sessions that did not occur. During the course of the investigation, Special Agents of
12 Department of Justice Bureau of Medi-Cal Fraud and Elder Abuse (BMFEA) interviewed twenty
13 current and former employees of New Beginnings, thirteen current and former New Beginnings
14 clients, as well as State and County Alcohol and Drug Program employees and other witnesses.
15 BMFEA Agents executed search warrants at all four of the New Beginnings offices located at:
16 5311 S. Western Ave. Los Angeles, California (Western office), 1137 W. 6th St. Los Angeles,
17 California (6th St. office), 1129-A N. Garey Ave. Pomona, California (Pomona office), and 7514
18 W. Sunset Blvd. Los Angeles, California (Sunset office). Your affiant served a search warrant on
19 the New Beginnings banking institution.

20 Based on the witness statements, seized evidence, and billing records, I have collected
21 evidence to show New Beginnings owner Tatyana Yakovenko, and New Beginnings upper
22 management including Natasha Zvereva, Carlos Villanueva, Aleksey Lisitsa, Jodee Wallace, and
23 Romalis Conway, engaged in a scheme to defraud the State of California through the systematic
24 billing of the L.A. County Alcohol Drug Program for non-rendered drug treatment services.

25 Specifically, I believe New Beginnings billed Medi-Cal for counseling sessions that the
26 beneficiaries did not attend, and that counselors were ordered to fabricate group treatment notes
27 and Client Activity Records to support the fraudulent billings. I also believe Medical Waiver
28 forms to qualify beneficiaries for counseling were pre-signed by the medical director, and on

1 occasion the medical director's signature was forged. I believe beneficiaries were enrolled in the
2 program despite not having a drug problem or without an assessment by the medical director. I
3 also believe that juvenile beneficiaries were told to sign multiple group sign in sheets by
4 counselors, and often beneficiary signatures were forged on group sign-in sheets to support
5 fraudulent billings. I believe that adult beneficiaries were induced to attend drug counseling by
6 being provided cigarettes, food, and promised assistance with Section 8 housing qualification. I
7 also believe that drug testing of beneficiaries was fabricated to allow for continued and
8 unnecessary treatment.

9 Based upon my investigation and information as set forth in this affidavit, I believe that
10 the owners and operators of New Beginnings have submitted one thousand six hundred and forty
11 two (1,642) fraudulent claims to the Medi-Cal (Drug Medi-Cal) Program for services, a violation
12 of section 14107(a) of the Welfare and Institutions Code (Submitting False Claims). The owners
13 of New Beginnings have billed and received payment of \$68,338.71 for services to which they
14 are not entitled. According to both the State and County Alcohol and Drug Programs, New
15 Beginnings received \$11,037,935.00 for rendered Drug Medi-Cal services from July 1, 2005 to
16 May 30, 2009. By statements and evidence collected in this investigation, as much as sixty
17 percent of those claims submitted were for services not rendered.

18 **THE MEDI-CAL PROGRAM**

19 Medi-Cal is a medical assistance program that pays the cost of essential medical care for
20 California's qualifying poor. In other states Medi-Cal is called Medicaid (not to be confused with
21 Medicare, which is a federally funded health insurance program for the elderly and disabled).
22 Medi-Cal is jointly funded by the state and federal governments, and administered by the
23 California Department of Health Care Services (DHCS).

24 The medical care received by Medi-Cal patients, commonly referred to as beneficiaries, is
25 not provided by employees of the Medi-Cal program, but by independent health care providers
26 enrolled as Medi-Cal providers. Those providers are paid on a fee-for-service basis, when the
27 provider submits a claim for payments after providing medical care to a beneficiary.

28 Medi-Cal providers are required to comply with Medi-Cal's rules and regulations, which

1 are found in Welfare and Institutions Codes section 14000- 14499.77, in Title 22 California Code
2 and Regulations section 50000-59999, and in Medi-Cal provider manuals.

3 Medi-Cal beneficiaries are issued Medi-Cal identification cards, which are plastic cards
4 with a magnetic strip that contains information about the beneficiary's eligibility for Medi-Cal
5 benefits. That information includes the beneficiary's Medi-Cal beneficiary identification number,
6 which is either the beneficiary's social security number or a unique 14-digit number assigned by
7 the county.

8 To be processed for payment, a Medi-Cal claim must contain specific information,
9 including the provider's Medi-Cal provider number, the beneficiary's Medi-Cal beneficiary
10 identification number, the dates the health care services or merchandise were provided, and the
11 procedure codes for these services or merchandise.

12 A Medi-Cal claim also includes the provider's charge for the medical care. Medi-Cal pays
13 a claim only if the service or merchandise is a covered benefit of the Medi-Cal program and the
14 beneficiary was eligible to receive that service or merchandise.

15 Medi-Cal generally pays a claim upon receipt, without requiring the claim to be
16 accompanied by any documentary proof that the services or merchandise were actually provided
17 or were medically necessary.

18 Each claim submitted by a Medi-Cal provider must be signed by the provider or a person
19 authorized by the provider to bind the provider (Title 22, California Code of Regulations, section
20 51502(a)(11)). For electronic claims, this signature requirement is met by including a certification
21 statement with each submission.

22 A signature on a claim certifies that the "information contained above is true, accurate,
23 and complete", that "the services listed on this form have been personally provided to the patient
24 by the provider or, under his direction, by another person eligible under the Medi-Cal services
25 and designated on the claim, were, to the best of the provider's knowledge, medically indicated
26 and necessary to the health of the patient"; and that "[the provider agrees to keep for a minimum
27 period of three years from the date of service all records which are necessary to disclose fully the
28 extent of services furnished to the patient]"

1 Every Medi-Cal claim contains express representations that the provider provided the
2 claimed services or merchandises to the named beneficiary, and implied representations that the
3 claimed services or merchandise was medically necessary and provided in compliance with Medi-
4 Cal's rules and regulations.

5 The submission of a Medi-Cal claim containing false representation (express or implied),
6 when done with intent to defraud, is a felony-misdemeanor (Welfare and Institutions Code
7 section 14107). If Medi-Cal pays the fraudulent claim, a theft in the amount if the payment is
8 committed, and a theft in excess of \$400 is a felony-misdemeanor (Penal Code section 487(a)).

9 **THE DRUG MEDI-CAL PROGRAM**

10 The Department of Health Care Services (DHCS) administers the Medi-Cal Program. The
11 California Department of Alcohol and Drug Programs (ADP) receives Medi-Cal funding from
12 DHCS, through the Drug Medi-Cal Program (DMC), for eligible services provided to Medi-Cal
13 beneficiaries. The Drug Medi-Cal Program is the vehicle through which medically necessary
14 alcohol and drug treatment is provided to California's Medi-Cal eligible population.

15 The ADP utilizes county alcohol and drug programs as a broker for services. The counties
16 enter into contracts with private community-based service providers for treatment, recovery, and
17 prevention services to eligible patients. The counties are reimbursed by DHCS, via ADP, for the
18 cost of these services.

19 The ADP administers Drug Medi-Cal funding through its Interagency Agreement with
20 DHCS and the counties. The ADP licenses and certifies Drug Medi-Cal treatment providers,
21 reimburses the counties for substance abuse treatment (through county alcohol and drug programs
22 and directly to some treatment providers), and monitors treatment providers in order to ensure
23 that they are following the California Code of Regulations (CCR), Title 9 and Title 22, which
24 govern Drug Medi-Cal treatment.

25 ///

26 ///

27 ///

28

1 **RESULTS OF INVESTIGATION**

2 **I. BACKGROUND**

3 **A. Referral / Complaint**

4 The Department of Justice, Bureau of Medi-Cal Fraud and Elder Abuse (BMFEA) initiated
5 a criminal investigation in response to a Case Summary Complaint Report (Compliant Report),
6 received on August 26, 2008, from the California Department of Alcohol and Drug Programs
7 Licensing and Certification Division Program Compliance Branch (State ADP).

8 The Complaint Report indicated that State ADP had received four complaints from both
9 current and former employees' of New Beginnings alleging violations of Title 22, California
10 Code of Regulations, which were indicative of Drug Medi-Cal fraud and included: 1) the forging
11 of group counseling sign-in sheets and employees' time sheets; 2) the provider billed for services
12 not provided and falsified documentation of services; 3) sharing patients/clients between Drug
13 Medi-Cal programs; 4) failure to pay counselors wages in a timely manner; 4) falsifying
14 counselor location time sheets; 5) medical director signatures missing or appearing forged; 6)
15 clients' Treatment Plans were pre-templated and fabricated; 7) continuing to bill for discharged
16 clients; 8) fabricated progress and group notes.

17 Preliminary phone interviews by State ADP investigators with two New Beginnings
18 employees during August 2008 showed that directives were given by New Beginnings
19 management to create fraudulent client drug treatment notes in order to bill for drug treatment
20 services not rendered.

21 The complaint was assigned for investigation to your affiant on September 2, 2008.

22 **B. Court Order**

23 On November 19, 2008, I obtained a court order from Judge John P. Doyle, Los Angeles
24 Superior Court, North Central District. The court ordered the release of: the identities of the
25 beneficiaries who were treated and billed by the New Beginnings offices on 6th St. and Western
26 Ave.; related documents of the ADP; the billing and payment records; and records relating to the
27 provider from both the L.A. County ADP and State ADP. During the course of the investigation,
28 fraudulent practices were discovered at the Pomona and Sunset offices and subsequent court

1 orders were granted by Judges Patrick J. Hegarty and Carlos Velarde, Los Angeles Superior
2 Court, North Central District.

3 **C. Medi-Cal Provider Information**

4 New Beginnings provides alcohol and drug treatment services to Los Angeles County
5 qualified Medi-Cal beneficiaries under a contract established with the County of Los Angeles
6 Alcohol and Drug Programs Administration (L.A. County ADP); contract number H-701412
7 (fiscal year 2005-2008) and contract PH-000490 (fiscal year 2008-2011). Contract H-701412
8 was signed by Tatyana Yakovenko on July 1, 2005 and contract PH-000490 was signed by
9 Tatyana Yakovenko on July 1, 2008, both on behalf of New Beginnings. These contracts establish
10 the identifying information of each parent (four New Beginnings offices) and satellite locations.
11 The contracts establish specific services allocated and provided at each location.

12 **D. New Beginnings Locations**

13 New Beginnings, at 1151 W. 6th St., Los Angeles, California, was certified as a Substance
14 Abuse Clinic on January 25, 2002, identified as Medi-Cal provider #7019 for billing purposes.
15 New Beginnings operates under the corporate title "New Beginnings-Recovery Treatment Center
16 Inc." and is a private nonprofit corporation, corporation number 2367723. The initial corporate
17 officer was Olga Skarlato and listed the initial directors as Tetyana Yakovenko, Alla Azrilyan,
18 and Cuthbert Pyne. The corporate address was listed as 1151 W. 6th Street in Los Angeles.

19 New Beginnings was certified to provide Drug Medi-Cal services and initially operated out
20 of the 6th St. office. During 2005, the office relocated to the 5311 S. Western Ave. Los Angeles
21 (Western office). During 2006, New Beginnings opened an additional office at 1137 W. 6th St.,
22 Los Angeles, (6th St. office) and multiple satellite locations. During 2007, an office in Pomona
23 was added, and in 2008 an office on Sunset Blvd. in Los Angeles (Sunset office) was added with
24 additional satellite locations. The last amendment was made during December 2008 and shows
25 New Beginnings had a total of four certified parent offices with thirteen satellite locations.

26 New Beginnings operates under four parent offices, each operate under different Drug
27 Medi-Cal provider numbers. The following provider numbers are assigned to each office for
28 billing purposes:

1 Provider #7019 is 5311 S. Western Ave. Los Angeles office.

2 Provider# 7130 is 1137 W. 6th St. Los Angeles office.

3 Provider# 7295 is 1129-A N. Garey Ave. Pomona office.

4 Provider# 7296 is 7514 W. Sunset Blvd. Los Angeles office.

5 The 6th St. office operates as a parent office for thirteen Los Angeles area high school
6 “satellite” locations. Each high school or satellite is certified to provide drug treatment groups
7 and individual counseling to juveniles identified with a drug problem not to exceed 20 hours of
8 treatment. New Beginnings designates a counselor to perform onsite weekly drug groups at each
9 satellite location. All of the satellite locations are billed under the 6th St. provider number.

10 Each month New Beginnings submitted claims under the four provider numbers to L.A.
11 County ADP for services rendered electronically. In addition, the New Beginnings owner was
12 required to sign a monthly certification form that attests and that all electronic billing submitted
13 by New Beginnings were both medically necessary and true. The County of Los Angeles
14 reimbursed New Beginnings for these submitted claims by issuing a county pay warrant. The
15 County ADP then submitted the paid claims to the State ADP for reimbursement.

16 New Beginnings billed for drug counseling services and was paid the following total
17 amounts for the following fiscal years:

18 2005-2006 -\$2,010,316.92

19 2006-2007 -\$2,310,729.54

20 2007-2008 -\$3,028,609.08

21 2008-2009 -\$3,688,281.05

22 **D. Corporate Information**

23 On October 26, 2009, I received certified records from the Secretary of State of California
24 regarding New Beginnings, which showed Articles of Incorporation for New Beginnings
25 Recovery Treatment Center, Inc. were filed on December 10, 2001. New Beginnings registered
26 as a non-profit public benefit corporation (corp. # 2367723), with named incorporator and initial
27 agent Olga Skarlato, and directors Tetyana Yakovenko, Alla Azrilyan, and Cuthbert Pyne, M.D.
28 The listed address was 1151 West Sixth Street, Los Angeles, California.

1 On October 24, 2003, the corporate records were amended to reflect Tatyana Yakovenko
2 replaced Olga Skarlato as the Executive Director/ Chief Executive Officer.

3 A Statement of Information was filed on November 22, 2006. New Beginnings' principal
4 address was changed to 5311 S. Western Ave., Los Angeles, California. The Chief Executive
5 Officer is listed as Tatyana Yakovenko; the Secretary is Aleksey Lisitsa; the Chief Financial
6 Officer is Mila Purman.

7 **II. DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**

8 **A. State ADP**

9 On November 19, 2008, your affiant served the court order to the State ADP. On
10 November 25, 2008, I met with the State ADP staff in Sacramento to obtain their reports and
11 audit results.

12 I spoke with Susan King, Supervising Financial Manager, State ADP Accountability
13 Branch. King explained the method of payment of Drug Medi-Cal funds to providers. King told
14 me the provider submits its claims electronically to the county ADP. The county then submits
15 claims (monthly) with invoices for services billed to the State ADP. The claims and invoice
16 information is then sent to DHCS, which verifies the eligibility of the beneficiary and provider
17 and the type of service billed. When approved by DHCS, the State ADP then sends payment to
18 the county. The county ADP subsequently pays the provider by county warrant.

19 On December 22, 2008, your affiant received the certified billing records of New
20 Beginnings for the fiscal years 2005/2006, 2006/2007, and 2007/2008. The records included the
21 paid and denied claims for the Western Ave. and 6th St. offices. On June 4, 2009, BMFEA
22 received the billing records for the Pomona office and on October 1, 2009 the completed billing
23 records from the State ADP including the dates July 1, 2005 to May 30, 2009 were received.

24 **B. LA County ADP**

25 **1.** [REDACTED]

26 On September 24, 2008, your affiant interviewed [REDACTED]
27 [REDACTED] responsibilities and requirements. [REDACTED] said a provider is required to keep, among other
28 documentation, group sign-in sheets, patient/beneficiary files, treatment plans, progress notes, and

1 counselor evaluation reports for three years by Title 22, CCR, and for five years by contract with
2 the county.

3 Every DMC provider has a Medical Director who establishes the medical necessity for each
4 client. Once the client decides to attend the designated DMC provider, they must have an intake
5 and initial assessment performed. A treatment plan is then established between the medical
6 director, assigned counselor and site supervising counselor. The treatment plan incorporates the
7 patient's legal, medical, drug recovery, mental health and family issues with projected treatment,
8 goals, and discharge dates. The treatment plan is then reviewed every 90 days by the medical
9 director to verify the medical necessity and or if a significant event warrant earlier review,
10 continued treatment, or to discharge and graduate clients from the program.

11 Treatment is provided by either group or individual counseling sessions. Treatment is
12 billed based on the type of service provided. There are two types of drug treatment group
13 counseling provided; "Day Care Habilitative" (DCH) or "Outpatient Drug Free" (ODF). DCH is
14 a three hour structured treatment group provided three times per week identified to treat those
15 juveniles found with substance abuse diagnosis. The DCH reimbursement rate averages \$67.00
16 per service per client. ODF is a 90 minute drug treatment group which averages \$30.00 per
17 service per client. The client is required to attend the specific amount of time in order to submit
18 the claim for the service.

19 Treatment services can be provided at a satellite location. A satellite location, such as a
20 high school, is not certified however it may be utilized to provide a limited amount of treatment.
21 These satellite locations establish a contract with the DMC provider. The high school allows the
22 DMC provider to use a classroom for the treatment group or individual session. The DMC
23 provider assigns a counselor to the satellite location and the supervisor of the DMC provider is
24 responsible for oversight at the contracted high schools.

25 When the DMC provider submits the billing to the L.A. County ADP, it is coded to show
26 the client's identifying number and what specific type of counseling was provided. To verify the
27 billing, an audit of the DMC provider location is necessary to review the sign in sheets of the
28 clients for the day. The billing submitted to L.A. County ADP and employee time sheets should

1 all be consistent, showing the patient having progress notes in their chart, having signed their
2 name on the group sign in sheet, the counselor's signature and counselor's time card matching the
3 time the services were provided.

4 **2.** [REDACTED]

5 On February 19, 2009, your affiant served the court order for release of New Beginnings
6 records to [REDACTED]. During May and July 2009 the second (Pomona office) and third (Sunset
7 office) court orders were served to [REDACTED]

8 On March 3, 2009, your affiant interviewed [REDACTED] and he was familiar with New
9 Beginnings and its owner, Tatyana Yakovenko. [REDACTED] described the ADP billing procedure: the
10 DMC provider provides the drug treatment service and then bills L.A. County ADP for services
11 electronically. The provider's executive director also signs a monthly hard copy claim certifying
12 and authorizing a payment to the DMC provider. [REDACTED] stated that Tatyana Yakovenko was the
13 person who signed the monthly claims for New Beginnings. The L.A. County Auditor
14 Controller's office issues the DMC provider a monthly pay warrant based on the claims submitted.

15 Once a year, the L.A. County ADP has a cost-settlement review with the DMC providers to
16 compare actual expenses with costs incurred and treatment provided and billed during that fiscal
17 year. The provider is required to prepare a Cost Report for the L.A. County ADP every fiscal year.
18 The L.A. County ADP then sends an auditor to the provider to physically review the provider's
19 accountant's books, receipts, invoices and business expenses.

20 On April 15, 2009 [REDACTED] provided your affiant with the copies of two contracts; Fiscal
21 Year 2005-2008 Provider Agreement contract # H-701412 and Fiscal Year 2008-2011 Provider
22 Agreement contract # PH-000490 both between L.A. County ADP and New Beginnings. The
23 contracts indicate New Beginnings certified four office locations, hours of operation, program
24 descriptions and medical director's office availability.

25 During April 2009, [REDACTED] provided your affiant with billing records included fiscal years
26 2006/2007, 2007/2008, and 2008/2009. [REDACTED] provided copies of the County of Los Angeles
27 Auditor Controller General pay warrants made payable to New Beginnings. The warrants were
28

1 deposited in the bank account of New Beginnings at Wells Fargo Bank, account number
2 6173760254.

3 **3.** [REDACTED]

4 On April 30, 2009, your affiant interviewed [REDACTED] who conducted a fiscal year
5 2007/2008 audit of New Beginnings. [REDACTED] results were documented in a November 2008
6 Program Monitoring Summary Report. [REDACTED] reviewed three client charts from each of the four
7 New Beginnings offices, and found questionable client signatures at the Sunset and 6th St. offices.

8 During [REDACTED] audit [REDACTED] observed a large number of heavily sedated clients at the Western
9 Ave. office. The clients were huddled in the rear of the building's back patio and observed to be
10 smoking. Oliver also visited the Pomona office, and it appeared they had a "staged" group with
11 clients that had no interaction with the counselor. This treatment group included five clients that
12 were heavily sedated and several were inappropriately dressed in bathrobes and later identified
13 two of the five clients as [REDACTED] observed many of the clients talking
14 to themselves; many sat with blank stares, and had apparent mental health issues. Participant
15 [REDACTED] was observed to be talking to herself. [REDACTED] interviewed participant [REDACTED]
16 who would made rambling statements unrelated to the interview and appeared unable to
17 comprehend the questions being asked. [REDACTED] documented this in her Audit Report.

18 [REDACTED] conducted exit interviews with New Beginnings employees and expressed her
19 concerns with the heavily sedated clients observed at the Western Ave. and Pomona offices, and
20 stated they seemed unable to receive counseling. [REDACTED] advised that if these clients did not meet
21 the criteria then services can be disallowed. [REDACTED] addressed the owner Tatyana Yakovenko
22 concerning client's charts found to have signatures not matching intake form signatures and she
23 did not respond.

24 **III. SURVEILLANCE**

25 On February 25, 2009, your affiant and Special Agent Steve Perez conducted surveillance
26 at the New Beginnings Western Ave. office from 8:20 a.m. to approximately 3:00 p.m.
27 Throughout the course of the surveillance, I observed two white vans each drop off seven to eight
28 clients in the morning and then again in the afternoon. On one occasion, every client that exited

1 the van had a walker, cane, or another movement disability. At approximately 2:00 p.m., Special
2 Agent Perez observed nine clients that were earlier dropped off by the white van standing outside
3 the front of the building and a New Beginnings employee gave each client a cigarette.

4 In addition, another twenty people arrived by personal cars, on foot, or by bus. The
5 majority of these clients remained in the building from fifteen minutes to an hour and a half. An
6 estimated sixty possible clients entered and exited the office, in addition to ten (10) employees.
7 Many employees and clients were often seen outside smoking hourly for ten to fifteen minutes at
8 a time. I later received verification from L.A. County ADP billing records that the New
9 Beginnings Western Ave. office billed for 180 client treatment services on this day.

10 **IV. SEARCH WARRANT**

11 On June 25, 2009, your affiant obtained a search warrant from Patrick J. Hegarty, Los
12 Angeles Superior Court, North Central District, Search Warrant number 3582. On June 30, 2009,
13 BMFEA Special Agents simultaneously served the search warrant at approximately 8:00 a.m. at
14 the four New Beginnings offices located at 5311 S. Western Ave. Los Angeles, 1137 W. 6th St.
15 Los Angeles, 1129-A N. Garey Ave. Pomona, and 7514 W. Sunset Blvd. Los Angeles.

16 The property seized at the four New Beginnings offices included computers, counselors'
17 notes, patient files, client sign-in sheet binders, employee time sheets, billing records, New
18 Beginnings payroll records, employee files, policy binders and other documentation indicative of
19 fraudulent practices and future fraudulent practices.

20 Your affiant served the search warrant on Wells Fargo Bank on July 1, 2009, for accounts
21 related to New Beginnings, specifically account # 617-3760254 and accounts over which
22 signatory authority is held by Tatyana Yakovenko, Alex Lisitsa, Mila Purman, the collective
23 account holders of New Beginnings and any documentation that includes these accounts signature
24 cards and account applications.

25 **A. Western Office**

26 **1. Patient Files**

27
28

1 Files for beneficiaries treated from 2005 through 2009 were seized; each of these
2 files contained Progress Notes, Client Activity Reports, Treatment Plans and Medical
3 Waiver Forms for each beneficiary.

4 **2. Volunteer Binders**

5 Two three ring binders were recovered in the front reception area. [REDACTED]
6 [REDACTED] community service hours were documented to show from 9/18/08 to 3/21/09 she attended
7 over 225 hours of community service which included janitorial work, washing vans, copying job
8 flyers, sorting papers, answering telephones etc.

9 These two binders included other volunteers that served community service hours at New
10 Beginnings. In comparison to the New Beginnings billing records and the dates community
11 service hours served, your affiant identified four additional volunteers that New Beginnings billed
12 for attending drug groups when they received credit for volunteer/ janitorial work.

13 **3. Falsified Documents**

14 On the desk of [REDACTED], I located three sets of ten group notes (30 group
15 notes) dated "6/30/09" for groups that took place at 4:30, 6:00 and 7:30 p.m., all signed by [REDACTED]
16 attached with unsigned group sign in sheets. Additional sets of group notes for the same clients
17 with the same group times with the dates 6/24, 6/25, 6/26, 6/29 were also found. Attached to all
18 these sets of group notes were unsigned group sign in sheets, all indicative of fraud.

19 On the desk of [REDACTED] I located two group sign in sheets for 6/26/09
20 and two group sign in sheets for 6/29/09. All four were complete with signatures, and the group
21 notes in correlation to those sign in sheets were all signed by [REDACTED]. The accompanying group
22 notes were dated with the client's name, but had no notes on what took place during the session.
23 There were no other notes around documenting the client's responses or notes for the said groups.
24 It appeared that [REDACTED] was in the process of fabricating the group notes for these four groups.
25 There were also blank group notes and sign in sheets in this same stack of papers with the date
26 June 30, 2009, the day the search warrant was executed.

27 In an interior office, I discovered eighteen blank "Medical Waiver" forms containing [REDACTED]
28 [REDACTED] signature and no other information. I also found completed (signed and dated) group

1 notes without client names listed on the forms for the following counselors: eleven group notes by
2 [REDACTED] for June 4-29, 2009; nine group notes by [REDACTED] for June 18-29,
3 2009; and eight group notes by an unidentified counselor for May 23 and June 10, 2009. All of
4 this documentation is indicative of fraud.

5 **B. 6th Street Office**

6 **1. Patient Files**

7 Files for beneficiaries treated from 2005 through 2009 were seized; each of these files
8 contained Progress Notes, Client Activity Reports, Treatment Plans and Medical Waiver Forms
9 for each beneficiary.

10 **2. [REDACTED]**

11 [REDACTED] I discovered seven treatment plans completed and
12 signed by [REDACTED] on 6/5/09, a supervisor (initials unknown) on 6/5/09, and
13 [REDACTED] on 6/9/09, with no client signatures. I also located forty-two (42) blank "Justification to
14 Continue Treatment" forms with [REDACTED] signature and no other information completed, and
15 four blank "Treatment Plans" with [REDACTED] signature with no other information completed.

16 Another item of relevance seized was a black binder labeled "Billing Activity Logs June
17 2009." This binder contained copies of Client Activity Records and billing for the Pomona
18 location for the entire month of June 2009. This included Client Activity Records and billing for
19 June 30, 2009 – the date the search warrant was executed. This is indicative of fraud, as those
20 services could not have been provided.

21 **3. Hollywood Walk-In Binder**

22 A black binder of group sign in sheets titled "Hollywood Walk-ins Adults ODF FY 2008-
23 2009" was seized. The binder included seventeen sign in sheets with 80 clients' signatures for
24 March 2009, and all sign in sheets indicated [REDACTED] provided the 9:30 to 11:00 groups.
25 The binder included eighteen sign in sheets with 86 client signatures for April 2009, and thirteen
26 of these sign in sheets indicated [REDACTED] provided the 9:30 to 11:00 groups and the
27 remaining five groups sign in sheets indicated [REDACTED] provided the drug group.
28

1 I later learned from two Sunset employees who were interviewed (Foktova and
2 Martynovich) that no treatment groups were being provided at the Sunset office. [REDACTED]
3 said she began working at the Sunset office during February 2009 and had not seen any
4 counseling provided at the Sunset office. [REDACTED] said she began working at the
5 Sunset office during April 2009 and also had not seen any treatment groups being performed. A
6 review of the Sunset location billing records for March and April 2009 showed New Beginnings
7 was paid for 160 drug services at the rate of \$31.45 for a total of \$5,032.

8 **C. Sunset Office**

9 **1. Patient Files**

10 Files for beneficiaries treated from 2007 through 2009 were seized; each of these files
11 contained Progress Notes, Client Activity Reports, Treatment Plans and Medical Waiver Forms
12 for each beneficiary.

13 **2. R.N.E. Billing Inc. and Quality Billing Inc.**

14 A contract dated 1/1/06 between New Beginnings and “Quality Billing, Inc.” The
15 contract indicates Quality Billing will handle billing services, chart documentation, and client
16 database maintenance for New Beginnings, and be paid five percent (5%) of collections. The
17 contract was signed by the president of Quality Billing, Natalya Zvereva, and Tatyana
18 Yakovenko. The contract was amended on 3/1/07 by Zvereva and Yakovenko, indicating that
19 Quality Billing was also a full service consulting firm. An additional amendment dated 6/1/07
20 indicates Quality Billing would be paid a fee of \$5,000 per month for consulting.

21 **3. [REDACTED]**

22 Numerous contracts between New Beginnings and [REDACTED] were seized. These
23 contracts were dated 12/10/01, 9/1/06, 8/1/07, and 11/1/08. The contract dated 11/1/08 includes
24 all four locations (as well as the thirteen satellite locations) and provides for [REDACTED]
25 availability. The contract indicates [REDACTED] would be paid \$1,500.00 per month, and describes
26 his job duties including, “client chart review and physical examination.”

27 **4. Payroll Records**

28 A white binder was seized titled “Payroll records FY 08-09 (Jan-June 09)”. The binder

1 included New Beginnings payroll information, up to the last pay period for the date range 6/1/09
2 to 6/15/09.

3 The payroll records show Tatyana Yakovenko received a bi-weekly salary of \$6,250 for 88
4 hours worked. The next highest earner was [REDACTED], who received a bi-weekly salary of
5 \$3,000 for 88 hours worked (as of 6/15/09, Wallace made \$28,512.28 for 2009). Additional
6 employee salaries during the 6/1/09 to 6/15/09 pay period were: Carlos Villanueva, \$1,833.33 for
7 88 hours; Aleksey Lisitsa, \$1,116 for 62 hours; and Romalis Conway, \$968 for 88 hours.

8 A second white binder titled "Payroll July- December FY 2008-2009" was reviewed. The
9 binder shows the final pay period of New Beginnings for 2008 (ending on 12/31/08). The year
10 end gross salary information for the following employees was as follows: Tatyana Yakovenko,
11 \$217,832.29; Jodee Wallace, \$38,493.07; Carlos Villanueva, \$39,833.29; Aleksey Lisitsa,
12 \$36,513.27; Romalis Conway, \$12,232.

13 **D. Pomona Office**

14 **1. Patient Files**

15 Files for 2007 to 2009 beneficiaries were seized, containing Progress Notes, Client Activity
16 Reports, Treatment Plans and Medical Waiver Forms for each beneficiary.

17 **2. Additional Evidence**

18 The following documents were found on the desk of Romalis Conway and appear to
19 support claims for services which could not have been rendered by New Beginnings:

20 **a. Thomas H.**

21 Several items were found related to beneficiary Thomas H: An orange folder containing a
22 Case Review Plan, identifying Conway as the primary counselor. The document was dated
23 7/1/09 (the day after the search warrant was executed) and detailed Thomas H.'s problem areas
24 and the Plan of Action. Progress/Case Notes for Thomas H., also dated 7/1/09, signed by
25 Conway, were also located in the orange folder stating he was present for a 60 minute individual
26 meeting. A Treatment Plan for Thomas H. was also found in the orange folder, signed by
27 Conway, dated 7/1/09.

28 **b. Treatment Plans**

1 Three blank Treatment Plans were found in Conway's office, signed by beneficiaries
2 David W., Teresa W. and Mike W. The Treatment Plan for Mike W. was signed by Conway,
3 while the plans for David W. and Teresa W. were both undated and not filled out.

4 Within the same group of documents was a Random Urinalysis Drug Testing Log. The
5 Log had been pre-signed by beneficiary Mike W., however the document was blank. Mike W.
6 signed on five separate lines under "Client Signature (IF POSITIVE)."

7 c. Group Notes

8 Twenty (20) patient files that contained Group Notes/Case Notes and Client Activity
9 Records dated 6/30/09 (the date of the search) were found. The documents were signed and
10 initialed by Conway described three separate 90 minute group sessions on 6/30/09.

11 According to these files, Conway had three different groups on 6/30/09. The records
12 reflected sessions starting at 9:00 a.m., 12:00 p.m., and 3:00 p.m., for a total of nineteen
13 beneficiaries. In each file there were group notes and a Client Activity Record that identified
14 treatment on 6/30/09. Additionally, each file contained a Medical Waiver Form signed by [REDACTED]
15 [REDACTED]

16 d. Sign-In Sheets

17 Special Agents located a black binder containing Sign In Sheets for May of 2009. Within
18 the binder there were twenty (20) blank group session sign-in sheets that had been pre-signed by
19 multiple beneficiaries. The twenty (20) documents did not identify a date, type of group or time.

20 Also, a blue binder was found containing three completed Group Session Sign-In sheets
21 dated 6/30/09 for the above nineteen beneficiaries, as well as additional sign in sheets for June
22 2009.

23 E. Bank Records

24 1. Tatyana Yakovenko

25 On August 17, 2009, your affiant received two boxes of bank account records including
26 bank statements, cancelled checks, cash withdrawals and wired transactions of New Beginnings
27 primary account 617-3760254. Your affiant found that the Los Angeles County Pay Warrants for
28

1 Drug Medi-Cal services were made payable to New Beginnings were deposited into account 617-
2 3760254.

3 A business account application for Wells Fargo Bank basic business checking account
4 number 617-3760254 was reviewed. This account application was dated August 30, 2002 and
5 signed by CEO Tatyana Yakovenko. The business name is New Beginnings Recovery Treatment
6 Center, Inc. The authorized signer is Tatyana Yakovenko.

7 **2. Aleksey Lisitsa**

8 A business account application for Wells Fargo Bank basic business checking account
9 number 9763458511 dated July 11, 2006, signed by Aleksey Lisitsa and Rafael Sarkisian was
10 reviewed. The business name is "OK Building Maintenance, Inc." The authorized signers are
11 Aleksey Lisitsa (DOB 10/13/1982) and Rafael Sarkisyan (DOB 10/7/1980).

12 After review of New Beginnings Wells Fargo Bank account 617-3760254, your affiant
13 found New Beginnings paid OK Building Maintenance Inc. a monthly check of four thousand
14 dollars for the cleaning and maintenance services. Aleksey Lisitsa was also paid by New
15 Beginnings by way of additional payroll checks from the same account.

16 **3. Natalya Zvereva**

17 After review of New Beginnings Wells Fargo Bank account #617-3760254, your affiant
18 found New Beginnings paid Quality Billings Inc. approximately \$8,500.00 per month for billing
19 services. Natalya Zvereva was also paid by New Beginnings by way of additional payroll checks
20 from the same account.

21 **V. INTERVIEWS**

22 **A. New Beginnings Employees**

23 **1. [REDACTED]**

24 On July 30, 2008, your affiant, along with members of the State ADP program compliance
25 unit, interviewed [REDACTED]. [REDACTED] worked as a counselor at the New Beginnings 6th St.
26 office on two occasions: May 2006 - October 2006 and March 2008 - September 2008.

27 [REDACTED] stated that while working in 2008, [REDACTED] did not provide any group counseling as all [REDACTED]
28 time was spent creating treatment notes for groups that did not take place. [REDACTED] was given these

1 directives by Tatyana Yakovenko and other supervisors. Tiscareno said the majority of treatment
2 and group notes were stored on computers, which made it easy to cut and paste and change the
3 names of the clients. [REDACTED] also stated [REDACTED] witnessed supervisor Carlos Villanueva forge clients
4 signatures on group sign in sheets. [REDACTED] stated that Natalya Zvereva and Villanueva instructed [REDACTED]
5 to produce 80 treatment notes per week for 12 to 15 juvenile clients at different satellite high
6 school locations. [REDACTED] was told to occasionally create a "crisis," which meant a dirty drug
7 test or a situation that warrants a client's continued drug treatment. [REDACTED] said she could
8 provide DOJ and State ADP with documentation of client names used to bill for fraudulent
9 services. [REDACTED]

10 Your affiant interviewed Tiscareno again on December 15, 2008 and May 19, 2009. During
11 those interviews, [REDACTED] identified [REDACTED] as the medical director for New
12 Beginnings. [REDACTED] was occasionally summoned to the 6th St. office to sign
13 both completed and blank treatment plans to keep clients in the drug program. [REDACTED] also
14 provided and identified juvenile client lists from El Rancho, Salazar and Belmont High Schools
15 with clients who were billed for services that were not provided. [REDACTED] was able to identify
16 specific sign in sheets which were falsified for the particular schools: El Rancho High School
17 (May 2008) Client Activity forms for Gary M., Rachel B., and Erik V; and Belmont High School
18 (July 2008) sign in sheets for Andy G., Natalie P., and Christian C.

19 [REDACTED] described the Client Activity Record as a monthly form used to show the
20 monthly treatment provided by the counselor to a specific client; the form required the counselor
21 to indicate the date and time of each group and to initial each session completed. The Client
22 Activity Record was also used for the monthly billing. [REDACTED] said Natalya Zvereva gave [REDACTED]
23 this form every month pre-initialed and pre-dated. [REDACTED] said this form was used to create
24 the fraudulent group notes. [REDACTED] also recalled that when an earthquake hit the Los Angeles area on
25 July 29th, 2008, the New Beginnings 6th St. office closed. The next day, Villanueva required
26 [REDACTED] and other counselors to create fake group notes for the previous day.

27 2. [REDACTED]

1 On July 30, 2008, Special Agent Supervisor Al Jordan and your affiant participated in an
2 interview with Ittner and members of the State ADP program compliance unit. At the time, [REDACTED]
3 was a counselor for New Beginnings (6th St.) and her primary job was to provide treatment
4 groups at El Rancho High School. [REDACTED] treatment group size averaged three to seven juvenile
5 clients. On several occasions when [REDACTED] groups were small, [REDACTED] observed [REDACTED] supervisor, Carlos
6 Villanueva, add additional participants to the sign in sheets and forge the client's signatures.

7 **3.** [REDACTED]

8 On December 13, 2008, Special Agent Robert Womack and your affiant interviewed
9 [REDACTED]. [REDACTED] was employed with New Beginnings from 2003 until October 2007. [REDACTED] was
10 hired as an outreach counselor for the Western Ave. office, and was later promoted to Program
11 Director. [REDACTED] worked at both the Western and 6th St. offices. [REDACTED] stated that the owner, Tatyana
12 Yakovenko, made it clear that all she wanted was to have the clients sign the intake waivers,
13 treatment plans and undated sign in sheets that could later be dated by counselors. Yakovenko
14 increased the amount of clients billed for services by "ghost writing," which involved counselors
15 writing notes for a counseling session that did not happen. Counselors were told to produce a
16 specific number of client group notes and to create fake treatment plans. New Beginnings had
17 many employees who created fake "crises" and dirty drug tests. It was common for a legit client
18 to have been discharged and have received a completion certificate only for New Beginnings to
19 continue to bill and produce fake notes and dirty drug tests.

20 [REDACTED] stated New Beginnings employees Alex Lisitsa and Macha Lisitsa used a USB
21 thumb drive which contained numerous fabricated treatment notes. [REDACTED] stated Alex Lisitsa did the
22 majority of the forging on the group sign in sheets, and Macha would create the fake "crisis" and
23 different treatment plans.

24 The medical director, [REDACTED] was present only twice a month in order to sign
25 stacks of treatment plans and "Justification to Continue Drug Treatment" forms. [REDACTED] never
26 examined or met any clients. On occasion, [REDACTED] observed Yakovenko forge [REDACTED]
27 signature.

28

1 [REDACTED] identified Romalis Conway as another employee who forged clients' signatures.
2 [REDACTED] also identified Natalya Zvereva, who he stated would review the Client Activity Reports and
3 act under the direction of Yakovenko. The average client might have four treatment groups per
4 month, and Zvereva would push the counselors to increase the documentation to 20 to 23
5 activities per month. These activities included both group and individual counseling. [REDACTED]
6 stated that Yakovenko wanted counselors to produce 120 client treatment notes when only 40
7 clients were actually receiving treatment. Yakovenko wanted ten clients billed for each
8 counseling group. [REDACTED] estimated more than 70% of the billing submitted by the Western
9 Ave. office was fraudulent.

10 [REDACTED] said the 6th St. office counselors provide treatment groups at thirteen Los Angeles
11 high schools known as satellite locations. [REDACTED] said these high schools are rarely visited and
12 the counselors write fake group notes and either forge the juvenile client's signatures or visit once
13 a month to gather the signatures on blank sign in sheets. [REDACTED] estimated more than 50% of
14 the 6th St. office is fraud.

15 4. [REDACTED] Medical Director

16 On March 2, 2009, Special Agents Jodie Hope and your affiant interviewed [REDACTED] at
17 [REDACTED] residence. [REDACTED] [REDACTED]

18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED] Yakovenko hired [REDACTED] to be the medical director for New Beginnings. [REDACTED]
23 was never provided any documents that describe what [REDACTED] is required to do as medical director.
24 New Beginnings calls [REDACTED] once or twice a month to come into the 6th St. and Western Ave.
25 offices, where [REDACTED] would review and sign medical waivers and treatment plans. [REDACTED] admitted that
26 [REDACTED] may have signed blank forms. [REDACTED] stated that a blonde female employee would meet with [REDACTED]
27 and give [REDACTED] the treatment plans and waiver forms to sign. [REDACTED] stated that [REDACTED] did not directly
28 evaluate any patients or review their medical records; instead [REDACTED] relies on the New Beginnings

1 staff for information regarding the patients' condition. [REDACTED] said [REDACTED] has never been involved in
2 any discussions regarding releasing a patient from drug treatment. [REDACTED] said it takes [REDACTED]
3 approximately 30 minutes to complete [REDACTED] tasks at New Beginnings.

4 [REDACTED] believed New Beginnings only treated adults; [REDACTED] did not know that juvenile
5 counseling services were also under [REDACTED] supervision. [REDACTED] only visited the Western and 6th St.
6 locations and had not been to or provided services for other offices. [REDACTED] stated he does not
7 know how much Medi-Cal is billed for the various services that New Beginnings provides. [REDACTED]
8 was unaware that his signature allows Medi-Cal to bill for services and thought "Medi-Cal
9 supervisors" regulate and determine who is to graduate from this program.

10 [REDACTED] stated he was paid once per month. He was initially paid \$600 a month, and now
11 receives \$1,200. [REDACTED] provided a copy of a New Beginnings canceled check, dated 12/22/08,
12 made payable to [REDACTED] in the amount of \$1,500. [REDACTED] said he forgot that New Beginnings
13 now pays him \$1,500 a month.

14 **5.** [REDACTED]

15 On May 21, 2009, Special Agent Steve Perez and your affiant interviewed [REDACTED]
16 [REDACTED] was employed with New Beginnings from August 2006 to August 2007. Hernandez
17 was assigned to provide counseling to the juvenile clients at Frontier Continuation High School.
18 She often heard other counselors complain about having to re-do treatment plans, create fake sign
19 in sheets and fake group notes. Many counselors refused to falsify documents and quit. She only
20 documented group notes of those clients that actually attended and did not create any false notes
21 or sign in sheets.

22 [REDACTED] said the counselors were required to have 15 juveniles in a group, and Tatyana
23 Yakovenko would threaten counselors during staff meetings that if they did not have enough
24 clients, they (the counselors) would get fewer hours or be fired. She remembered Yakovenko
25 stating she did not care about the kids and only cared about the paperwork. [REDACTED] left New
26 Beginnings because of the constant threat of decreased hours.

27 **6.** [REDACTED]
28

1 On May 21, 2009, Special Agent Steve Perez and your affiant interviewed Garcia. Garcia
2 was employed with New Beginnings on two occasions, working first as the Program Director for
3 a year in 2001. She was hired by Tatyana Yakovenko, who promised Garcia that she would be
4 able to create a juvenile counseling program. Garcia decided to leave because Yakovenko failed
5 to keep the promise. Yakovenko rehired her in 2004 and agreed to let Garcia create the juvenile
6 satellite High School program. Garcia coordinated the agreements and contracts with local area
7 high schools to provide drug counseling services to juvenile clients.

8 Garcia said Yakovenko hired Natalya Zvereva and the two then worked together to increase
9 the billings for New Beginnings. Zvereva ordered higher numbers of clients per drug group, and
10 both Zvereva and Yakovenko provided counselors with lists of juveniles to use when creating
11 group notes. Garcia said she witnessed staff meetings when Yakovenko threatened to withhold
12 paychecks if the work was not done. Counselors began having clients sign the group sign in
13 sheets although the groups were not being provided. Garcia said many counselors were
14 compelled to gather signatures because they needed to have 15 clients per group.

15 Garcia identified [REDACTED] as the medical director. He would sign treatment plans and
16 "Justification to Continue Treatment" forms. She said during her employment, no juvenile was
17 ever declined treatment or found not medically necessary. All juveniles were billed under Medi-
18 Cal and she knows of only two who paid cash for services. Garcia's last day with New
19 Beginnings was June 30, 2008.

20 **7. [REDACTED] Landin, former Counselor**

21 On May 26, 2009, Special Agent Steve Perez and your affiant interviewed Landin. Landin
22 was employed with New Beginnings for two years from September 2006 to December 2008 and
23 was hired as a youth drug counselor at Whittier High School. Landin was trained for one week
24 on how to prepare paperwork, and then began providing group counseling. She was given the
25 group topics by New Beginnings, but received no resources and had to research the topics on the
26 Internet.

27 She worked from 10:30 a.m. to 4:30 p.m. at Whittier High School, four days a week,
28 holding hour long groups. She also worked one day per week at the 6th St. office. She was

1 instructed to indicate on her time sheet that she worked a later shift, from 12:00 p.m. to 6:00 p.m.
2 On a couple of occasions, she said someone forged her name on her time sheet.

3 During December of 2007, she was asked by [REDACTED] Garcia to document drug tests that
4 were not performed. At that time she was also told by Carlos Villanueva to write notes for group
5 sessions that she did not provide; Villanueva told her that some paperwork was damaged in
6 storage and that she needed to recreate the paperwork. Later on, Villanueva asked her to redo and
7 revise client treatment plans. Landin stated that she was told by Villanueva to “write on” (create
8 false group notes) for 15 clients per group. Villanueva wanted her to sign an agreement to write
9 on 15 clients minimum or be subject to losing her job and she refused. Landin was dismissed
10 during December 2008 for her refusal to change treatment plans.

11 **8. Richard [REDACTED] former Counselor**

12 On June 10, 2009, Special Agent Jodie Hope and your affiant interviewed Richard
13 [REDACTED] Richard worked for New Beginnings as a counselor on two different occasions, first
14 from August 2004 - March 2005, and from January 2008 – November 2008. He initially
15 conducted groups three times per week and later provided groups four times per week. He was a
16 counselor at two schools and also at the 6th St office.

17 Richard stated a Russian employee named “Gary” or “Jerry” told him to “ghost write” for
18 adult groups on Fridays. According to Richard, he never counseled any adults, only juveniles.
19 All the notes he wrote for adult counseling was fabricated. He said this occurred during the
20 winter months of 2004. For the juvenile sessions, Richard was told to write up the group notes
21 and then get clients signatures later. He would “manipulate” the dates when the kids missed. He
22 was fired during March 2005.

23 Richard was rehired in 2008 and was assigned to provide counseling at Frontier High
24 School. He was required to have all his paperwork done within two days, and would be forced to
25 change the dates of service so that the group session would fall within the proper billing cycle.
26 Richard was told to “write on” clients and everyone knew that meant to create fake group notes.
27 He explained that if he did not get all the required paperwork done, he had to work late for no
28 extra pay.

1 Richard provided your affiant with documents, including treatment plans and completion
2 certificates that he kept from when he worked at New Beginnings. He identified the yellow post-it
3 notes that had writing that said, “redo” or told him to change the service dates. Richard identified
4 Natasha Zvereva and Inna Dorofeeva as the employees who would put the yellow post-it notes on
5 his paperwork. Richard said New Beginnings wanted him to have 17 clients per group or his
6 hours would be taken away. He said he never attained the required number of clients, as he
7 usually had only ten kids that would attend groups. He believes he was fired because he and his
8 mother [REDACTED] spoke out in disagreement with the practices at New Beginnings.

9 **9. [REDACTED] Foktova, Sunset Office employee**

10 During the execution of the search warrant at the Sunset office, Foktova agreed to be
11 interviewed by Special Agent John Dunn. Foktova said she was hired on February 2, 2009 and
12 works Monday through Friday 9:00 am to 6:00 p.m. Foktova said prior to her hiring date she
13 heard Carlos Villanueva provided drug counseling, but she saw no treatment groups take place at
14 the Sunset office. Foktova’s duties included helping with payroll, filing and handling employee
15 applications. She identified Natalya Zvereva as a supervisor for the 6th St. office, Carlos
16 Villanueva as a 6th St. supervisor and Program Administrator, and Jodee Wallace as the Western
17 Ave. supervisor.

18 **10. [REDACTED] Martynovich, Sunset Office receptionist**

19 During the execution of the search warrant at the Sunset office, Martynovich agreed to be
20 interviewed by Special Agent Salvador Rojas. Martynovich said she had been a volunteer for
21 New Beginnings for about a month and a half and works five days a week for two hours. Her
22 duties were to make copies, clean the office, and filing. She denied ever seeing any clients
23 attending counseling at the Sunset office.

24 **11. [REDACTED] Ramirez, Counselor**

25 During the execution of the search warrant at the 6th St. office, Ramirez agreed to be
26 interviewed by Special Agents (SA) Tony Lee and Jeff Sartoph. Ramirez had been employed
27 with New Beginnings for eight months and provided counseling at Salazar High School in Pico
28 Rivera. She works from 10:00 am to 6:00 p.m, but could not recall how many groups she had

1 each week. She usually has 10 clients in each group. She was asked if she was given directives
2 to create group notes or group sign in sheets for groups that did not take place and she declined to
3 answer. Ramirez had in her possession several sign in sheets and several Treatment Plans she was
4 to turn into Carlos Villanueva. SA Lee identified that on every sign in sheet there were signatures
5 missing, and Ramirez said some times clients forget to sign in and other clients had dropped out.
6 Ramirez said the Treatment Plans were also incomplete. Ramirez voluntarily gave SA Lee the
7 documents. Ramirez did not know who the medical director for New Beginnings was and has
8 never met him or her. She would turn these Treatment Plans into Villanueva and he revised them
9 prior to the medical director signing them.

10 She conducted random drug tests on clients, and when asked if she had ever been told to
11 create a drug test that never took place she declined to answer. She was asked if she had ever
12 been instructed to forge anything, and she also declined to respond. She identified Natalya
13 Zvereva as the person in charge of the Medi-Cal billings. She identified Carlos Villanueva as her
14 supervisor, and Jodee Wallace as the Supervisor at the Western Ave. office.

15 **a. Documents Provided**

16 Ramirez provided SA Lee with twelve group sign in sheets dated June 18, 2009 through
17 June 25, 2009 (one was undated) that had no counselor signature, group topic, or group time.
18 There were also several client signatures missing. She also provided twelve sets of group notes
19 with dates that range from June 17, 2009 through June 24, 2009. In addition, she had fifteen
20 group notes for clients that whose signatures were not on the corresponding group sign in sheets.
21 All of this documentation is indicative of fraud.

22 **12. ██████ Gaines, Counselor**

23 During the execution of the search warrant at the 6th St. office, Gaines agreed to be
24 interviewed by Special Agents Russell Chee and Yvette Vasquez. ██████ had been employed as a
25 counselor with New Beginnings for a month and a half and was hired by owner Tatyana
26 Yakovenko. His direct supervisor was Carlos Villanueva. Gaines described his job duties as
27 providing group counseling, recruiting, driving, and preparing group notes. He stated recruiting
28 included enticing clients by providing them food or cigarettes to attend groups. Gaines admitted

1 to passing out as many as ten cigarettes to one client in one visit. The number of cigarettes would
2 vary based on the amount New Beginnings had in stock and clients were conditioned to expect
3 something more than counseling when they came to the program.

4 Gaines had never met the medical director, but believed he had seen him once. Gaines had
5 a caseload of fourteen clients; however he never held a group with more than ten clients. Gaines
6 admitted that he added clients to the sign in sheets after Yakovenko said there were not enough
7 people attending his groups. Yakovenko told him “there are not enough people here,” and he
8 understood this meant to put people down that were not there. He stopped adding clients that did
9 not attend because he was not comfortable with it, and he was concerned that he would be
10 confronted by Yakovenko.

11 Gaines provided a list of seven clients from May 2009 that attended his groups. He said he
12 was the only counselor at the 6th St. office that provided services to adult clients. Only one of his
13 clients had been drug tested, but he was instructed by Yakovenko and Villanueva to create
14 paperwork showing that his other clients were drug tested when they were not.

15 **13. [REDACTED] Mintz, Community Service worker**

16 During the execution of the search warrant at the Western Ave. office, Mintz agreed to be
17 interviewed by Special Agents Rochelle Deroian and Craig Black. Mintz was serving a sentence
18 of 425 days of community service at New Beginnings, and had completed 225 days. Mintz
19 initially came to New Beginnings for drug counseling in 2007 and completed the program. Since
20 she graduated from the program, she had not received any drug treatment. Her community
21 service work involves talking to clients attending the groups. She identified Jodee Wallace as the
22 Program Administrator, and said Wallace signed for her community service hours.

23 Mintz stated she had not seen a medical director at the Western Ave. office during her
24 treatment in 2007 or her community service work. She said the treatment groups usually last two
25 and half hours and about thirty people attend. She also said that some clients are promised
26 Section 8 Housing after attending 90 days or six months.

27 **a. Patient File from Western Office**

1 During the search warrant of the Western Ave. office, two patient files for Mintz were
2 seized. According to the first file, she was admitted to New Beginnings on 1/15/08 and
3 discharged on 1/16/09. The file reflected that she used marijuana to challenge pain and arthritis.
4 The file contained a Medical Waiver Form signed and dated by [REDACTED] waiving a physical
5 examination and finding drug treatment medically necessary. According to Mintz's second
6 patient file, she was admitted on 2/17/09 and the last date of treatment was 5/29/09. According to
7 this file, she has a history of cocaine and pills/ marijuana. There was also a Medical Waiver
8 Form signed and dated by Dr. Pyne.

9 **b. Billing and Payment Information**

10 According to the Los Angeles County Alcohol Drug Program's billing records, New
11 Beginnings billed for 90 counseling sessions for Mintz from 1/16/08 to 6/26/08, totaling
12 \$3,057.02. New Beginnings billed for 165 counseling sessions from 7/1/08 to 5/29/09, totaling
13 \$5,537.57.

14 Your affiant also reviewed the volunteer records found at the Western Ave. office and
15 compared those to the dates of counseling attended by Mintz. On twenty occasions, Mintz was
16 documented as attending both drug groups and performing janitorial work. These same dates
17 were also found to have been billed for services rendered.

18 **14. [REDACTED] Rahh, Counselor**

19 During the execution of the search warrant at the Western office, Rahh agreed to be
20 interviewed by Special Agents Rochelle Deroian and Craig Black. Rahh had been a counselor for
21 New Beginnings since May 12, 2009, and was hired by Tatyana Yakovenko and Jodee Wallace.
22 Wallace was his supervisor, and Yakovenko supervised Wallace. Rahh said Yakovenko
23 pressured Wallace to have counselors turn in their notes by the end of the week or else they
24 would get fired, suspended, not get paid or would have to stay late and or finish them on the
25 weekend.

26 Rahh said he would counsel approximately 15 groups per week (about three groups per day)
27 and was paid \$10 an hour. He usually had 10-12 adult clients in his group. SA Deroian asked
28 about several sign in sheets found at Rahh's desk for juvenile clients, which included three groups

1 for June 29th and three for June 30, 2009. Rahh admitted that he did not give counseling to
2 minors; he stated that Wallace had him fabricate group notes for these minors. Wallace gave him
3 a master list of minors to create group notes for, as well as a sample sign in sheet for each group.
4 She instructed him to print the participants name on one side, and to leave the client's signature
5 side blank. He would write the group notes on computer and once they were completed, he
6 would give the sign in sheet (no client signatures) with the printed out group notes to Wallace.
7 Rahh had some of these notes in his possession, which were seized as evidence.

8 Rahh stated Wallace and Yakovenko each owned sober living homes. They would have the
9 clients of these sober living homes pass out flyers advertising that New Beginnings could qualify
10 people for Section 8 housing. Rahh stated clients that attended New Beginnings seeking
11 assistance were told that after a 90 day program, they could qualify for Section 8 housing. If
12 clients were Medi-Cal beneficiaries, Medi-Cal was billed; if not, they paid cash for enrollment.
13 Rahh showed SA Deroian a flyer advertising Section 8 housing qualification at New Beginnings
14 which was seized as evidence. Rahh stated that clients would pay \$160 believing that they would
15 be qualified in 90 days; many of his clients attended for the Section 8 and not because they had
16 drug problem.

17 Rahh also stated that many of the New Beginnings participants were from residential
18 facilities and were brought in for drug counseling. He said many of these clients were mentally
19 ill and barely able to participate in the group sessions.

20 On July 13, 2009, your affiant and Special Agent Steve Perez interviewed Rahh again.
21 Rahh was presented with a three ring binder seized at the Western Ave. office during the search
22 warrant, containing the May 2009 Outpatient Drug Free group sign in sheets. The binder showed
23 Rahh's first group was on May 18, 2009 and showed he performed a 9:00-10:30 a.m. group and a
24 3:00-4:30 p.m. group. Rahh said he was the only counselor who did 9:00-10:30 groups at the
25 Western office, and there were no 7:30 a.m. groups. The binder showed that from May 18 to
26 May 29, 2009, the following counselors provided group sessions at 9:00-10:30 a.m., with ten
27 clients in each group: [REDACTED]

28 [REDACTED] one group. Thus, according to Rahh, a total of 260 services were

1 not provided. The binder also showed that from May 18 to May 29, 2009, [REDACTED]
2 provided 10 group sessions at 7:30 a.m. for 10 clients each. According to Rahh, this would
3 constitute another 100 services which were not provided.

4 Rahh said counselors [REDACTED] Rovenno, [REDACTED] Fadley, and program director Jodee Wallace
5 did not provide drug counseling. The May 2009 binder contained sign in sheets which
6 documented from May 18 to May 29, Rovenno held twenty sessions and Fadley held seven
7 sessions (each group having 10 clients) for a total of 270 services which were not provided. The
8 binder also showed that Wallace performed twelve groups (with 10 clients per session) for a total
9 of 120 services not provided during the same period.

10 Rahh stated that Wallace was an expert at knowing each client's signature and he observed
11 her forge clients' signatures. Rahh also stated that he saw Carlos Villanueva change and revise
12 Rahh's submitted group notes and client sign in sheets.

13 Rahh was presented with his June 2009 employee time sheet found during the search
14 warrant at the Western office. The time sheet indicated he worked 8 hours per day, and had
15 Rahh's signature. I pointed out that the time sheet shows he worked from 10:30 a.m. - 6:30 p.m.
16 each day. Rahh said he got to work at 7:30 and left at 5:00 and he was unaware this was the time
17 on his time sheet and it was not accurate.

18 **15. [REDACTED] Bagley, Counselor**

19 On July 13, 2009, Special Agent Steve Perez and your affiant interviewed Bagley. Bagley
20 was hired as a counselor with New Beginnings on May 7, 2009. Her supervisor was Jodee
21 Wallace and Wallace's supervisor was Tatyana Yakovenko. Her duties were to conduct intakes at
22 the Western Ave. office, which consisted of an interview of prospective clients. During the
23 intake process, the client would be asked to state their substance of choice and many stated they
24 were there for the Section 8 housing applications as they had been promised. Bagley said during
25 her initial week of hire, Wallace asked her to write group notes for clients for days prior to her
26 hire date and she refused to do this.

27 Bagley said the Western Ave. office, under the direction of Yakovenko and Wallace, would
28 pass out flyers to recruit clients to attend New Beginnings for 90 days which would help them

1 qualify for Section 8 housing. Often the clients (many who were Medi-Cal beneficiaries) would
2 pay to enroll in the Section 8 groups. She did not know how much the clients paid, but Bagley
3 said they believed they would receive a Section 8 housing application. She said Wallace was in
4 charge of this Section 8 program, and clients came in from as far away as Lancaster.

5 Bagley said she thought that the medical director was supposed to meet with the clients and
6 review their treatment plan, but that did not happen at New Beginnings. Bagley said the medical
7 director at New Beginnings was an older black male who would come in, sign forms, then leave
8 with no counselor or client interaction. Bagley said she observed Yakovenko forge the medical
9 director's signature on treatment plans on occasion.

10 During intake interviews, Bagley said many clients did not claim to have a drug problem.
11 When this happened she would call Wallace, who would ask the client if they smoked cigarettes
12 or ever drank alcohol; if the client said they had, Wallace would tell Bagley to document the
13 diagnosis as alcohol addiction to qualify them. Everyone qualified with some form of addiction.

14 Bagley was presented with the May 2009 Outpatient Drug Free Group Sign in sheets binder
15 seized from the Western Ave. office. Bagley said Wallace did not provide any group counseling;
16 though she did observe Wallace forging client signatures on group sign in sheets. The binder
17 showed Wallace performed 16 groups from May 11 to May 29, 2009, with ten clients per group,
18 for a total of 160 services not provided. Bagley also stated that she never saw Joann Rovenko or
19 Tanya Fadley provide group counseling at the Western Ave. office. The binder showed Rovenko
20 conducted 35 group sessions and Fadley conducted 13 group sessions from May 11 to May 29,
21 2009. Each group had ten clients, for a total of 480 services not provided.

22 **16. [REDACTED] Torres, Counselor**

23 On July 21, 2009, Special Agent Supervisor Al Jordan and your affiant interviewed Torres.
24 Torres was an employee of the 6th St. office, hired as a drug counselor on April 24, 2006. Torres
25 said she conducted drug groups at Santa Fe High School for both the Outpatient Day Care (ODF)
26 and Day Care Habilitative (DCR) clients. "ODF" clients attend a 90 minute group session, and
27 "DCR" clients attend two groups for three hours total per day. Torres said the two groups at
28

1 Sante Fe were held from 3:00-4:30 p.m. and 4:30-6:00 p.m. Torres said she never make her DCR
2 kids stay for the three hours, she often let them leave at 5:00 p.m.

3 Torres said all her clients attended their groups with the exception of a couple who would
4 visit her during lunch for ten to fifteen minutes. Torres said Carlos Villanueva pushed for more
5 DCR clients because DCR paid more. Torres said both Villanueva and Natalya Zvereva told her
6 a client could visit for fifteen minutes and did not have to attend for the full three hours in order
7 for her to count their attendance on her sign in sheets.

8 I provided Torres with two large three ring binders recovered at the 6th St. office during the
9 search warrant. The first binder was labeled Santa Fe High School DCH FY 2007-2008. Torres
10 reviewed the binder and identified several clients who would visit her for ten minutes during
11 lunch and would only attend one group per week. Torres reviewed the second binder, labeled
12 Santa Fe High School DCH FY 2008-2009, identified another client who only visited her at lunch
13 and attended one group per week. Torres admitted on occasion she forged a client's signature.
14 Torres said there was a lot a pressure to produce group notes and if she fell short she would have
15 to find a way to produce a case note of an absent client.

16 Zvereva and Villanueva were expert manipulators at keeping counselors thinking they had
17 to produce a set number of group notes and only cared about the case notes and group sign in
18 sheets. Villanueva took orders from Zvereva and Yakovenko.

19 I presented Torres with a May 2009 "Client Activity Record" that listed the dates and times
20 of groups with her initials as the assigned counselor. Torres said she never initialed these, they
21 were already filled in when she saw them. Torres said Zvereva or another staff would fill these in
22 prior to her holding the groups. Torres was required to only provide completed group notes and
23 group sign in sheets. She stated it was made clear to all employees that if you could not produce
24 client group notes and sign in sheets then your hours would be cut. Zvereva would return
25 paperwork to her if it was not completed with the maximum amount of clients.

26 Torres was shown a list of the 6th St. satellite locations, which included the Sunset office.
27 Torres stated that Villanueva did not perform adult counseling at the Sunset location.

28 **17. [REDACTED] Jones, former Counselor**

1 On August 5, 2009, Special Agent Supervisor Al Jordan and your affiant interviewed
2 Jones. Jones was hired as a counselor by New Beginnings during December 2006 and was
3 terminated on October 19, 2007. She was told by Tatyana Yakovenko that she had to be let go
4 due to a lack of funding. Jones primarily worked at the Western Ave. office, and later moved to
5 the 6th St. office. Her supervisor at the 6th St. office was [REDACTED] Garcia, who instructed her to
6 write client group notes and not to sign them. She identified Natalya Zvereva as the manager at
7 6th St., who also told her to do group notes. A month later, Jones was fired by Yakovenko.

8 Jones' duties included intake interviews, drug counseling, referrals, and crisis/collateral
9 groups. Jones said she was provided a list of clients – usually 20 to 30 people – and told to create
10 group notes for them. When she got the list, Jones said she would create a group sign in sheet
11 and print the clients' names on the right side of the page, and the signatures would be gathered on
12 the left side. She said clients would arrive for counseling and would sign the sign in sheets for
13 that day and for other group sessions that did not take place. Jones said during her employment,
14 no counseling was done on Fridays yet the counselors still had to write group notes for those
15 services not rendered.

16 Jones said she was told by Yakovenko to create crisis and collateral notes. Jones explained
17 that a "crisis" was considered a traumatic event or occurrence that increased the client's chance to
18 relapse. Some crises were legitimate; however most were made up because of the directive from
19 Yakovenko to increase their numbers.

20 Due to Jones being the intake coordinator, she was aware of the agreements between New
21 Beginnings and several board and care homes. The homes would receive payment from New
22 Beginnings for each client they provided. Many of these clients did not have drug problems, and
23 would be heavily medicated. Jones identified "Serenity" as one of the board and care homes
24 whose residents were brought in by New Beginnings. Jones said New Beginnings would bill for
25 these clients unless they were jailed, dead, or in the hospital. She said there was an outreach
26 manager whose job was to research whether clients were in jail or in the hospital so New
27 Beginnings would not bill for a client who could be proven to not have received the services.
28

1 I provided Jones with the April-June 2007 ODF Western Ave. Sign In sheet logs seized
2 during the search warrant at the Sunset office. She randomly reviewed group sign in sheets and
3 identified the sign in sheets for April 2 and 3, 2007, 10:30 a.m. to 12:00 p.m. as group sessions
4 she did not provide. The sheets listed a total of seventeen clients, including beneficiary [REDACTED]
5 [REDACTED] stated that all the signatures on those two sheets were forged, and seven of the listed clients
6 she never met. Jones admitted she would occasionally forge signatures on the group sign in
7 sheets, as would Yakovenko and Alex Lisitsa. Both Yakovenko and Lisitsa used a compass like
8 device to forge clients' signatures.

9 Jones provided me with eight additional pages of group notes, case notes, treatment plans,
10 and a task list as examples of the repetitive paperwork New Beginnings required. Jones identified
11 two beneficiaries documented on this paperwork that she had never met. Jones also identified [REDACTED]
12 [REDACTED] as medical director, stating he would come in only to sign blank medical waiver forms. On
13 two occasions, Jones took treatment plans to him and he signed them without reading. Jones
14 provided me with a blank medical waiver form with [REDACTED] signature. She said this could be
15 used to put anyone's name on it.

16 **18. [REDACTED] Gonzalez, former Counselor**

17 On September 8 and 18, 2009, your affiant interviewed Gonzales. She was hired as a drug
18 counselor for the 6th St. office and worked at the El Rancho and Salazar High School satellite
19 locations. She was initially hired during November 2005 and subsequently left during 2006; she
20 returned to work a few months later. She continued to work at New Beginnings up until May
21 2008 when she went out on medical disability. Gonzales said she performed juvenile group
22 counseling and intake assessments. Before she was officially hired, Gonzalez volunteered for
23 New Beginnings during summer school (2005) at El Rancho High School. Gonzalez said she was
24 given a list of juvenile clients and told to practice writing group notes in order to see if her writing
25 was sufficient; she later found out New Beginnings used her notes to bill for services.

26 Gonzales said for the first year of her employment she did not have access to client files
27 and her job was to produce the group notes and group sign in sheets for that related group,
28 whether all the juveniles showed up or not. Yakovenko and Zvereva expected her to write group

1 notes on fifteen clients at a rate of three times per week. Yakovenko told her to pull juveniles out
2 of class and briefly go over the group topic and get the juveniles' signatures. Gonzales said she
3 was overwhelmed and she spent more time tracking kids down for signatures instead of providing
4 counseling. During Winter Vacation 2005, she said she was instructed by Yakovenko to have all
5 her clients attend one large group and have them sign in for multiple days.

6 Gonzalez said the fraud took place under the direction of the owner Tatyana Yakovenko,
7 [REDACTED] Garcia, and Natalya Zvereva. Gonzales said Yakovenko and Zvereva would tell the
8 counselors to bring signatures in (on group sign in sheets) and "do what you needed to do to get
9 these signatures." She said Yakovenko was the main person who wanted signatures. Yakovenko
10 gave directives to keep counselors' caseloads at fifteen clients or their hours would be cut or the
11 employee would be laid off.

12 Gonzales could not recall the medical doctor's name and had only seen him once. She
13 knew others would sign paperwork for him. She said Zvereva would sign the necessary treatment
14 forms and also had pre-signed treatment plans. Gonzales identified the Medical Waiver forms
15 were pre-signed and in the clients charts prior to the treatment plan being completed.

16 Gonzales was shown the client file of Gary M., seized at the 6th St. office during the search
17 warrant. We reviewed the Client Activity Record, used to track the billing for each client.
18 Gonzales said she never signed these forms, and the initials "AG" on Gary's chart were not hers.
19 Gonzales said Gary would come in periodically for a short period of time and attended some
20 groups. Gary told her he had a job and so she allowed him not to attend the required time. She
21 also reviewed the file of Erik V., also seized during the search warrant. Upon seeing her name on
22 the intake form of Erik V., Gonzales said it was not her handwriting. Gonzales said she
23 remembered Erik V. did not have a drug problem. Gonzalez also reviewed the file for Rachel B.,
24 another juvenile that did not go to her groups. She stated that the initials "AG" in the Client
25 Activity Record were not written by her. I also presented Gonzales with a binder seized from the
26 6th St. office during the search warrant containing Salazar May 2008 Client Activity Records for
27 thirteen clients. Each Client Activity Record had the initials "AG," which Gonzales said were not
28 written by her. Three of the thirteen clients were Gary M., Rachel B., and Erik V.

1 Gonzales also reviewed a three ring binder labeled "Salazar High School DCH group sign
2 in sheets FY 2006-2007" seized at the 6th St. office. Gonzales identified four clients that met her
3 once a week to sign the group sign in sheets. According to New Beginnings billing records,
4 services for these four juveniles were billed by New Beginnings as follows: Adam H., 39 services
5 from 6/11/07 to 8/30/07; Stacey M., 82 services from 3/12/07 to 7/25/07; Verence O., 56 services
6 from 5/14/07 to 8/30/07; and Lillian R., 64 services from 5/14/07 to 9/13/07. New Beginnings
7 billed DMC for a total of 241 services totalling \$16,279.55 for these four individuals who did not
8 receive counseling.

9 **B. Additional Witnesses**

10 **1. [REDACTED] Clemons, Serenity House Manager**

11 On February 2, 2009, your affiant interviewed Clemons. Clemons was a former Outreach
12 Coordinator of Cultural Bridges, another Drug Medi-Cal provider. Clemons was familiar with
13 New Beginnings employees and the owner, Tatyana Yakovenko. Clemons was the house
14 manager for seven sober living homes named "Serenity". The Serenity homes were mostly
15 located in South Los Angeles, with one house in Ontario, California. Clemons stated that New
16 Beginnings vans would pick up clients from Serenity House, most of whom psychiatric problems
17 and were previously homeless. The clients were taken to the Western Ave. office, and they
18 reported to Clemons that they were given burritos, cigarettes, and would watch bootleg DVD's.
19 The clients told Clemons they were often given a clipboard by the New Beginnings vans driver
20 and told to sign multiple group sign in sheets. On occasion, the driver paid a Serenity client \$40
21 to go into the house to collect signatures from those not attending groups.

22 Since October 2008 New Beginnings vans had stopped picking up the residents except at
23 the Ontario Serenity house, where clients were still taken to the New Beginnings Pomona office.
24 After October 2008 a different DMC provider picked up the Serenity clients but later complained
25 to Clemons that New Beginnings was still billing for these clients even though they no longer
26 attend.

27 **2. [REDACTED] Nguyen, El Rancho High School Counselor**

1 On June 10, 2009, your affiant contacted Nguyen, a Special Education Counselor at El
2 Rancho High School. She has been a Special Education Counselor at El Rancho for three years
3 and was the contact person for New Beginnings for the 2006/2007 and 2008/2009 school years.
4 New Beginnings had an agreement with El Rancho to provide students with drug counseling.
5 The program usually lasted three to six months and random drug tests are given to the juvenile
6 clients.

7 Nguyen explained that the dean would refer students for counseling based on a drug offense
8 or being caught with drug paraphernalia on campus. The referral would then be given to the New
9 Beginning counselor assigned to the school, who would then evaluate the client and accept them
10 into the program. Nguyen said all referred clients were accepted into the New Beginnings
11 program. New Beginnings also provided anger management groups. The treatment groups took
12 place in an assigned room on Tuesdays, Wednesdays, and Thursdays from 3:15 to 4:00 p.m.

13 I asked Nguyen about payment for the drug groups and she said the agreement was between
14 New Beginnings and the client's social worker. She believed all the kids could qualify for Medi-
15 Cal, but did not know how this worked.

16 Nguyen said there was little oversight by the school district, as New Beginnings did not
17 provide El Rancho with any client attendance logs. Nguyen said she had requested a log of the
18 juvenile clients from New Beginnings employees ██████████ Hernandez and Carlos Villanueva to
19 verify attendance, however had never received anything. Nguyen said during the 2006/2007
20 school year, she would often see counselors ██████████ Garcia and "Ana" performing group sessions,
21 but during the 2008/2009 school year she did not see counselors Hernandez or Villanueva as
22 often.

23 C. New Beginnings Beneficiaries

24 1. High School Schedules

25 During May of 2009, your affiant contacted Belmont, Salazar and El Rancho High
26 Schools. I attained each High School's 2007/2008 and 2008/2009 school year calendars and
27 determined each school's periods of holiday recess, and other school closure dates.

28 2. Gary M.

1 On May 12, 2009, your affiant and Special Agent Rochelle Deroian interviewed Gary at
2 his residence. Gary was eighteen years old and attended El Rancho High School. He attended
3 one hour drug counseling groups provided twice a week by New Beginnings at Salazar High
4 School during 2007. On many occasions, he would be pulled out of class and he would meet with
5 his counselor, "[REDACTED]" and she would have him sign numerous group sign in sheets. She told him
6 she needed him to sign additional group sign in sheets because she was behind. Gary said Lupe
7 would also have other kids sign the same group sign in sheets. Gary would sign up to eight sheets
8 at a time. Gary identified seven other juveniles that also were pulled out of class to sign the blank
9 sign in sheets, including Rachel B.

10 Gary only went to the groups after school and did not go on days El Rancho was closed (i.e.
11 holidays, winter break, spring break, and summer recess). Gary was randomly drug tested by the
12 counselor, and was always found to be negative as he was not using drugs. Gary did not know if
13 he completed the New Beginnings program. Gary did not identify a photo of [REDACTED] Tiscareno
14 as one his counselors.

15 **a. Patient File**

16 Gary's patient file was seized during the 6th St. search warrant. The file shows he was
17 admitted on 10/29/07 and discharged on 6/27/08. The intake paperwork shows Gary had a history
18 of marijuana abuse. The file contained a Medical Waiver Form signed and dated by [REDACTED]
19 waiving a physical examination and finding drug treatment medically necessary.

20 The file contained the Client Activity Record utilized to track the attendance and billing
21 records of Gary M., and included the initials of the counselors that provided the counseling. This
22 form listed [REDACTED] Gonzales, [REDACTED] Tiscareno, and Alex Lisitsa as Gary's counselors during the
23 following periods: Gonzales, from 10/29/07 to 5/14/08; Tiscareno, from 5/15/08 to 5/29/08 and
24 6/9/08 to 6/26/08; and Lisitsa from 6/2/08 to 6/5/08. All of these services are documented as
25 lasting 90 minutes.

26 **b. Billing & Payment**

27 According to the L.A. County ADP billing records, New Beginnings billed for beneficiary
28 Gary M. from October 29, 2007 through June 26, 2008 for a total of 126 counseling sessions,

1 averaging four sessions per week. The services were billed as DCH, with reimbursement from
2 DMC at \$67.55 per three hour session.

3 New Beginnings billed for Gary M. during El Rancho's winter recess (12/18/07 -12/30/07)
4 on three occasions, spring recess (3/25/08 – 3/27/08) on three occasions, and on four occasions
5 after the end of the school year (6/20/08) from June 23, 2008 to June 26, 2008.

6 Based on interviews with [REDACTED] Tiscareno, [REDACTED] Gonzalez, and Gary M., your affiant
7 believes New Beginnings fraudulently billed Medi-Cal for an additional 70 services that were not
8 rendered. I therefore believe New Beginnings fraudulently billed Medi-Cal for a grand total of
9 80 services that were not provided to beneficiary Gary M., for a total of \$5,404.00.

10 **3. Natalie P.**

11 On May 12, 2009, your affiant interviewed Natalie. Natalie was eighteen years old and
12 attended Belmont High School. She stated she attended counseling groups three times a week for
13 90 minutes after school beginning on February 21, 2008. She identified Carlos Villanueva as her
14 counselor until the beginning of summer school. Natalie later met her second “female counselor”
15 on two occasions and then heard she got fired. Natalie attended summer school at Belmont in
16 2008, and was removed before July 4, 2008. After her removal, she attended no more than two
17 groups per week at the 6th St. office until she completed counseling on September 29, 2008.

18 I presented Natalie with Belmont’s August 2008 groups sign sheets (provided by Audrey
19 Tiscareno), which included group sign in sheets from August 4, 2009 to August 28, 2008. She
20 could not identify if they were all her signatures but said they looked questionable. I asked her
21 why she signed the August 11 sign in sheet twice she said she does not remember signing it twice.

22 **a. Patient File**

23 Natalie’s patient file was seized during the 6th St. search warrant. The file shows that she
24 was admitted on 3/12/08 and discharged on 9/29/08. The intake paperwork in the file indicates
25 she experimented with Marijuana and alcohol. The file contained a Medical Waiver Form signed
26 and dated by [REDACTED]

27 The Client Activity Record (which tracks attendance and identifies the counselor
28 providing treatment) lists Carlos Villanueva, [REDACTED] Tiscareno and [REDACTED] Gatica as Natalie’s

1 counselors during the following periods: Villanueva, from 2/3/08 to 7/17/08; Tiscareno, from
2 7/21/08 to 9/10/08; and Gatica, from 9/11/08 to 9/29/08. All of these services are documented as
3 lasting 90 minutes.

4 **b. Billing & Payment**

5 LA County ADP billing records show New Beginnings billed for 118 Outpatient Drug
6 Free (ODF) counseling sessions for Natalie P. from 2/12/2008 to 9/26/2008. The 2008/2009
7 fiscal year reimbursement rate for ODF counseling was \$31.45.

8 Based on interviews with [REDACTED] Tiscareno and Natalie P., your affiant believes New
9 Beginnings had fraudulently billed for 50 services not provided, for a total amount of \$1,618.35.

10 **4. Christian C.**

11 On May 12, 2009, your affiant visited Christian C.'s residence and spoke with his father,
12 Romero C. On May 14, 2009, your affiant received a telephone call from Christian C., who
13 verified he was a juvenile and in Guatemala. Christian stated his father had instructed him to call
14 me. Christian said he attended Belmont High School, and during 2008 he attended counseling
15 groups twice a week (Wednesdays and Fridays) after school. He was ordered to do the program
16 after he was found with alcohol on school grounds. During the 2008 summer vacation, he
17 attended the 6th St. office twice a week (Wednesdays and Thursdays) for his group session from
18 4 to 5:00 p.m. Christian completed the drug program and was given a certificate prior to winter
19 recess.

20 **a. Patient Files 1 & 2**

21 During the 6th St. search warrant, two patient files for Christian C. were recovered. The
22 first file showed Christian was admitted as an ODF client on 6/2/08 and discharged on 9/29/08.
23 The intake paperwork indicated he recently began drinking and was referred by [REDACTED] The
24 file contained a Medical Waiver Form signed and dated by [REDACTED] The Client Activity Record
25 in the first file listed Carlos Villanueva, Audrey Tiscareno and Melissa Gatica as Christian's
26 counselors during the following periods: Villanueva, from 6/2/08 to 7/17/08; Tiscareno, from
27 7/21/08 to 9/10/08; and Gatica, from 9/11/08 to 9/29/08. All of these services are documented as
28

1 lasting 90 minutes. Christian C. was discharged due to his transfer from Belmont to Royal High
2 School.

3 A second file with a different identifier number showed Christian was admitted as a DCH
4 client on 10/1/08 and discharged on 1/02/09. This file also contained a Medical Waiver Form
5 signed and dated by Dr. Pyne. The Client Activity Record indicated [REDACTED] Gatica was
6 Christian's only counselor from 10/1/08 to 12/31/08. All of these services are documented as
7 lasting three hours and fifteen minutes.

8 **b. Billing & Payment**

9 LA County ADP billing records show New Beginnings billed for 107 counseling sessions
10 for client Christian C. from June 3, 2008 to December 31, 2008. Based on interviews with
11 [REDACTED] Tiscareno and Christian C., and my review of the school calendar for Belmont High
12 School, I believe New Beginnings billed Medi-Cal for 41 ODF services and 27 DCH services not
13 provided. The ODF services were billed at \$31.56 (with two individual sessions at \$74.99), and
14 DCH services were billed at \$67.96 each. I therefore believe that New Beginnings fraudulently
15 billed for a total of 68 services that were not provided to Christian C., for a total of \$3,136.96.

16 **5. Andy G.**

17 On May 19, 2009, your affiant interviewed Andy G. Andy was eighteen years old and
18 attended Belmont High School. He said he attended 60 minute counseling sessions from 2007 to
19 2008, four to five days a week. He said his first counselor was Carlos Villanueva. Andy did not
20 attend any counseling during the summer 2008 recess as he was volunteering at St. Vincent's
21 Hospital. New Beginnings had him go into the 6th St. office once a month during that time for
22 drug testing, and he was told to sign blank group sign in sheets.

23 I presented Andy with sixteen sign in sheets dated 8/2/08 – 8/28/08. He admitted the
24 sheets contained his signatures for group sessions he did not attend. Andy said after the summer
25 break he believes he completed the program but did not remember receiving a graduation
26 certificate. He did not attend any more counseling when school resumed in the fall of 2008.

27 **a. Patient Files 1 & 2**

28

1 During the 6th St. search warrant, two patient files for Andy G. were recovered. The first
2 file showed Andy was admitted on 2/12/08 and discharged on 9/30/08. The intake paperwork in
3 the file indicated he had been smoking marijuana since he was 12 years old. The file contained a
4 Medical Waiver Form signed and dated by [REDACTED] The Client Activity Record in the first file
5 listed Carlos Villanueva, [REDACTED] Tiscareno and [REDACTED] Gatica as Andy's counselors during the
6 following periods: Villanueva, from 2/12/08 to 7/17/08; Tiscareno, from 7/21/08 to 9/10/08; and
7 Gatica, from 9/11/08 to 9/29/08. All of these services are documented as lasting 90 minutes.
8 The file indicated Andy was discharged at his request.

9 A second file with a different identifier number showed Andy was admitted on 10/1/08
10 and discharged on 11/28/08. The intake paperwork in the file stated he had been smoking
11 marijuana since 12 years old. This file also contained a Medical Waiver Form signed and dated
12 by [REDACTED] The Client Activity Record indicated [REDACTED] Gatica and "ML" (unknown) were
13 Andy's counselors, and they provided 26 drug services from 10/8/08 to 11/28/08. All of these
14 services are documented as lasting 90 minutes.

15 **b. Billing & Payment**

16 LA County ADP billing records show New Beginnings billed for 153 counseling sessions
17 for Andy G. from 2/12/08 to 11/28/08. Of those, 29 sessions were billed in relation to the second
18 patient file by the Western Ave. office (10/1/08 to 11/28/08). Based on my interview with Andy
19 G., New Beginnings fraudulently billed for a total of 83 counseling sessions from June 23, 2008
20 to November 28, 2008. The 2007/2008 fiscal year reimbursement rate of Outpatient Drug Free
21 counseling was \$31.56, and 2008/2009 rate was \$31.45. Your affiant believes New Beginnings
22 fraudulently billed for 83 sessions not provided to Andy G., totaling \$2,733.49.

23 **6. Rachel B.**

24 On May 14 and May 21, 2009, your affiant contacted and interviewed Rachel B. Rachel
25 was eighteen years old and attended El Rancho High School. She said she entered the New
26 Beginnings program due to fighting on campus. From January 2008 until the end of the 2008
27 school year, Rachel's counselor "Ana" would pull her out of class to have her sign multiple group
28 sign in sheets. Rachel heard Ana did this to other students. On one occasion, Rachel saw her

1 own signature forged on another sign in sheet that she did not sign. Rachel did not go to 2008
2 summer school, and it was only after the new school year resumed on August 26, 2008 that she
3 again attended hour long counseling groups after school. Rachel said she received a new
4 counselor at that time, but could only remember her name began with an "M". She said she
5 attended groups on Monday through Thursday until January 2009. Rachel began adult school in
6 January 2009 and was only able to attend only one group per week because of class conflicts.

7 Rachel said she did not attend counseling during the 2008 winter recess, nor did she attend
8 counseling at the 6th St. office. She stated she never received a graduation certificate.

9 **a. Patient File**

10 Rachel's patient file was seized during the 6th St. search warrant. The file shows that
11 Rachel was admitted on 1/7/08 and discharged on 1/7/09. The intake paperwork in the file
12 indicated she experimented with alcohol and was referred by the dean for anger management.
13 The file contains a Medical Waiver Form signed and dated by Dr. Pyne.

14 The Client Activity Record lists ██████ Gonzales, ██████ Tiscareno, ██████ Ittner, Carlos
15 Villanueva and ██████ Ramirez as Rachel's counselors during the following periods: Gonzalez,
16 from 1/7/08 to 5/14/08; Tiscareno, from 5/15/08 to 7/9/08; Ittner, from 7/10/08 to 8/7/08;
17 Villanueva, from 8/11/08 to 10/7/08; and Ramirez, from 10/8/08 to 1/7/09. All of the services are
18 documented as lasting three hours and fifteen minutes.

19 **b. Billing & Payment**

20 LA County billing records show New Beginnings billed for 198 counseling sessions for
21 Rachel B. from January 7, 2008 to December 31, 2008. Based on interviews with ██████
22 Tiscareno, ██████ Gonzalez, Rachel B., and my review of the school calendar for El Rancho High
23 School, New Beginnings fraudulently billed for 163 sessions during this time period where
24 services were not provided. The 2007/2008 fiscal year reimbursement rate for DCH counseling
25 was \$67.55, and the 2008/2009 rate was \$67.96. Therefore, I believe New Beginnings received a
26 total of \$11,038.12 for the 163 services not provided to Rachel B.

27 **7. Erik V.**

1 On May 18 and 26, 2009, Special Agent Steve Perez and your affiant interviewed Erik V.
2 Erik was eighteen years old and attended El Rancho High School during the 2007/2008-school
3 year. He was placed in the New Beginnings drug program as a result of being arrested for
4 tagging; he said he had no prior drug use. He was assigned a counselor named Ana, who would
5 on occasion pull him out of class to have him sign multiple group sign in sheets. Erik mentioned
6 other students, including Gary M., who were also asked by Ana to sign these forms.

7 After El Rancho's 2008 school year ended, Erik attended continuation school at Salazar
8 High School beginning on June 20, 2008. Erik did not attend any counseling during the summer
9 break. At Salazar, he was assigned a new counselor, [REDACTED] Ittner. Ittner had him sign multiple
10 group sign in sheets and also did this with other students. [REDACTED] Ramirez was his third counselor,
11 and she was the only one who provided treatment groups. He could not remember the date she
12 started. The groups took place everyday except Fridays, from 3:00 to 4:30 p.m. During the 2008
13 winter break he did not attend any counseling. He said he completed his counseling on March 3,
14 2009, and he was given a discharged letter from Ramirez.

15 **a. Patient File**

16 Erik's patient file was seized during the 6th St. search warrant. The file shows that he was
17 admitted on 4/1/08 and discharged on 3/9/09. The intake paperwork indicated he experimented
18 with marijuana and alcohol. The file contained a Medical Waiver Form signed and dated by Dr.
19 Pyne.

20 The Client Activity Record lists [REDACTED] Gonzales, [REDACTED] Tiscareno, Alex Lisitsa, [REDACTED]
21 Ittner, Carlos Villanueva, and [REDACTED] Ramirez as Erik's counselors during the following periods:
22 Gonzalez, from 4/1/08 to 5/14/08; Tiscareno, from 5/15/08 to 7/9/08; Lisitsa, from 6/2/08 to
23 6/5/08; Ittner, from 7/10/08 to 8/7/08; Villanueva, from 8/11/08 to 10/7/08; and Ramirez, from
24 10/13/08 to 3/9/09. All of these services are documented as lasting three hours and fifteen
25 minutes.

26 **b. Billing & Payment**

27 LA County ADP billing records show New Beginnings billed for a total of 180 DCH
28 counseling sessions for Erik V from April 1, 2008 through March 6, 2009. Based on interviews

1 of Audrey Tiscareno, Ana Gonzalez, Erik V., and my review of the El Rancho and Salazar school
2 calendars, your affiant believes New Beginnings fraudulently billed Medi-Cal for 120 services
3 which Erik V. did not receive. The 2007/2008 fiscal year reimbursement rate for DCH
4 counseling was \$67.55, and 2008/2009 rate was \$67.96. Therefore, I believe New Beginnings
5 received a total of \$8,133.88 for the 120 services not provided to Erik V.

6 **8. David and Theresa W.**

7 On May 21, 2009, your affiant and Special Agent Steve Perez interviewed David W. and
8 Teresa W. at their apartment in Riverside, California. David and Teresa are husband and wife,
9 and both previously lived at the Ontario Serenity House. They moved to Riverside on April 14,
10 2008. They stated they had been attending drug counseling together at New Beginnings since
11 2003. In the beginning, they were driven to the Western Ave. office and attended 90 minute
12 sessions on Mondays, Wednesdays and Fridays. After the first year, they both graduated from the
13 program but continued to attend because they liked the counselors. Both stated they had not used
14 drugs for over ten years.

15 At some point, they stopped going to the Western Ave. office and attended counseling at
16 the Pomona office, however David did not remember when this occurred. They both said they
17 attended 90 minute sessions at the Pomona office on Mondays, Wednesdays and Fridays. Their
18 Pomona counselor was Romalis Conway and he would occasionally ask them to sign additional
19 group sign in sheets. They said they were drug tested and always were found negative.

20 During April 2008, David and Teresa moved to Riverside. After they moved, Conway
21 would pick them up and drive them to the Pomona office for counseling; this continued until July
22 2008. At that time, Conway stopped transporting them for counseling and instead came once a
23 month to get their signatures on sign-in sheets. They said Conway would bring about ten group
24 sign in sheets for them to sign, along with cigarettes for each of them. They identified a man
25 named "Alex" who ran the Pomona office as the person who would provide the cigarettes. Alex
26 also worked in the Western Ave. office. About five months ago (December 2008), Conway
27 stopped coming altogether

28 **a. Patient Files**

1 During the execution of the search warrants at the Western Ave. and Pomona offices,
2 three different files for both David W. and Teresa W. were seized. At the Western Ave. office, a
3 file for David showed he was admitted on 3/20/06 and discharged on 3/20/07. The file indicated
4 he had a history of alcohol abuse since the age of 22. It also contained a Medical Waiver Form
5 signed and dated by [REDACTED]. The second patient file for David W. was found at the Pomona
6 location. This file showed David W. was admitted on 4/4/07 and discharged on 4/29/08. The file
7 indicated that David drank alcohol daily and used cocaine. This file also contained a Medical
8 Waiver Form signed and dated by Dr. Pyne. The third patient file for David was also seized at
9 the Pomona location. According to this file, David was admitted on 6/4/08 and discharged on
10 5/8/09, and had been drinkin alcohol since the age of 13. This file also contained a Medical
11 Waiver Form signed and dated by [REDACTED].

12 The first file for Teresa W. was seized from the Western Ave. office. The file showed
13 Teresa was admitted on 3/20/06 and discharged on 3/20/07, with a history of alcohol abuse since
14 the age of 20. The file contained a Medical Waiver Form signed and dated by [REDACTED]. A
15 second patient file for Teresa was found at the Pomona location. This file showed she was
16 admitted on 4/3/07 and discharged on 4/18/08. The file indicated that Teresa drank alcohol and
17 used marijuana, and contained a Medical Waiver Form signed and dated by [REDACTED]. The third
18 patient file for Teresa was also seized at the Pomona location. According to this file Teresa was
19 admitted on 6/5/08, discharged on 5/15/09, and was an alcoholic. This file also contained a
20 Medical Waiver Form signed and dated by [REDACTED].

21 **b. Billing & Payment**

22 LA County ADP billing records show New Beginnings billed for 213 ODF counseling
23 sessions provided to David W. from 7/1/08 through 5/30/09. "Outpatient Drug Free" counseling
24 was billed at \$28.32 per group session for the fiscal year 2008/2009. Based on my interviews of
25 David W. and Teresa W., I believe New Beginnings submitted 213 false claims for service to
26 David W. totalling \$7,091.00. During the same period, New Beginnings billed for 219 sessions
27 which were not provided to Teresa W., totalling \$7,279.00.

28 **9. Christina C.**

1 On May 28, 2009, Special Agent Jodie Hope interviewed Christina C. at the Ontario
2 Serenity house. Christina was a client attending a group counseling session at New Beginnings
3 during the State ADP audit of the Pomona office during November 2008.

4 Christina told Agent Hope that she had not drank alcohol since her early twenties and does
5 not do drugs of any kind. She has hallucinations and takes medications for them. She said she
6 went to New Beginnings so that she could get her medication and cigarettes.

7 **10. Patricia M.**

8 During the execution of the search warrant at the Western Ave. office, Patricia M. agreed
9 to be interviewed by Special Agents Sam Richardson and Debbie Pogledich. Patricia said she
10 had been attending New Beginning for a month; she went for one hour groups with Counselor
11 Stacie (last name unknown). She could not remember the last time she used drugs and was
12 referred to New Beginnings by South Central Los Angeles Regional Center for Persons with
13 Developmental Disabilities, Inc. She had never seen a Doctor at New Beginnings, and had not
14 been drug tested. She had two personal physicians; a psychiatrist and another doctor. She took
15 medication for depression, but did not know the name of her medications. Patricia identified
16 Jodee Wallace as being the office manager of New Beginnings.

17 **11. Cynthia M.**

18 **a. Observations**

19 On April 30, 2009, your affiant interviewed Myshale Oliver of L.A. County ADP, who
20 performed an audit of New Beginnings in November 2008. On November 10, 2008, Oliver
21 visited the Pomona location and observed a treatment group which included five clients that
22 appeared heavily sedated. Oliver said none of the clients engaged in dialogue with the counselor,
23 and many sat with blank stares and had apparent mental health issues. Oliver identified Cynthia
24 M. as one of those clients. Oliver attempted to interview Cynthia, and noted she was unable to
25 answer or comprehend the questions being asked.

26 On May 28, 2009, Special Agents Richard Guerrero and Jodie Hope spoke with [REDACTED]
27 Dotson, the house manager of the Ontario Serenity House where Cynthia M. resides. Dotson said
28 Cynthia was not a drug addict and that she was "messed up" mentally. On July 30, 2009, Agent

1 Hope interviewed ██████ Skinner, Cynthia M.'s physician. Dr. Skinner told Agent Hope that
2 Cynthia was not suitable for drug or alcohol counseling because "she barely comprehends what is
3 going on." According to Skinner, Cynthia has significant mental disorders and she is difficult to
4 have a conversation with and would not benefit from counseling.

5 **b. Interview**

6 On September 29, 2009, Special Agents Bob Chatwin and Jodie Hope interviewed
7 Cynthia. She identified Romalis Conway by his California's driver's license. She said his name
8 was "Roe" and he was the Director of New Beginnings and he would have her sign papers.
9 Cynthia said she has never done drugs and that she had not drank alcohol in twelve years.
10 Cynthia then said that someone was giving everyone drugs at the house and that they had been
11 asleep for three days and had not seen daylight. Agent Hope reported Cynthia was then distracted
12 with the conversation and then appeared to have a momentary lapse of reality and the interview
13 ended.

14 On September 30, 2009, Agent Hope spoke with ██████ Bryant, Cynthia's mother.
15 According to Bryant, her daughter has had mental problems since she ingested LSD and did not
16 get immediate treatment in her twenties. Bryant said the doctors diagnosed her as schizophrenic.
17 Cynthia comes in and out of reality and has hallucinations. Bryant said she is thankful as her
18 daughter does not drink or do drugs but she does smoke cigarettes.

19 **c. Patient File & Sign-In Sheets**

20 Cynthia M.'s patient file was seized at the Pomona office during the search warrant.
21 According to the file, Cynthia was admitted on 2/27/08 and discharged on 12/4/08 and uses
22 cocaine and alcohol. The file also contained a Medical Waiver Form signed and dated by ██████
23 ██████ Also seized at the Pomona location was a black binder containing six blank sign in sheets
24 with Cynthia M.'s signature. There was no date, time or title of the Group topic on any of the
25 sign in sheets.

26 **d. Billing & Payment**

27 LA County ADP billing records show New Beginnings billed for 170 services for Cynthia
28 M. from February 27, 2008 to November 26, 2008. Based on the interviews of Cynthia M., her

1 mother, and her physician, your affiant believes New Beginnings fraudulently billed for all 170
2 services to Cynthia M., totaling \$5,703.00.

3 **12. Thomas H.**

4 On September 29, 2009, Special Agents Richard Guerrero and Jodie Hope interviewed
5 Thomas H. at Bell Gardens Manor, a board and care home. Thomas H. was cooperative but
6 seemed to have difficulty with his memory. After showing him Romalis Conway's California ID
7 photo, Thomas recalled him and said "That's Roe." He said Conway would come to the home
8 and give group talks. Thomas could not recall what the group talks were about, but thought they
9 lasted about 30 minutes. He said Conway would also have him sign four or five documents each
10 time he came to the home. Thomas said he did not know what the documents were for, but
11 assumed it had to do with attending the meeting. Thomas said Conway had not been to the home
12 in over two months. Agent Hope showed Thomas several sign in sheets that contained his name
13 and signature which had been seized from the Pomona office during the search warrant. He
14 confirmed they were his signatures. Thomas said he has never been to Pomona. Thomas said he
15 had been taken places in a van, but never with Conway. Thomas stated that he has not drunk
16 alcohol and for over two years and has never done drugs.

17 Agents Hope and Guerrero contacted Margo Negrete, an employee at Bell Gardens Manor.
18 She provided Thomas H.'s patient file, which contained his medication information as well as his
19 mental disorders and treatment. There was no indication of any problems with alcohol or drugs in
20 the file.

21 **a. Patient File & Sign-In Sheets**

22 Thomas H.'s patient file was seized during the search warrant at the Pomona office. The
23 file showed Thomas was admitted on 8/1/08, and that he had been drinking alcohol daily since the
24 age of 19. The intake form was signed by Romalis Conway, and a Medical Waiver Form was
25 signed and dated by [REDACTED]

26 Also seized at the Pomona location was a black binder that included 18 sign in sheets for
27 May 2009 containing Thomas H.'s name and signature. The binder also contained six blank sign
28 in sheets with Thomas H.'s signature.

1 A blue binder seized at the Pomona office also contained sign in sheets for Thomas H. for
2 June 2009. The title, time, date, and location of the group session as well as the names of the
3 clients were all printed on the forms. Thomas H.'s name was printed on these sheets; however
4 they did not contain his signature. It appeared Conway had filled out the paperwork, submitted it
5 for billing, but had not captured his signature yet. Thomas H.'s name was listed on sign in sheets
6 for 21 days from 6/1/09 to 6/30/09.

7 **b. Billing & Payment**

8 LA County ADP billing records show New Beginnings billed for 204 services for Thomas
9 H. from August 1, 2008 to May 29, 2009. Based on the interview of Thomas H. and the DMC
10 requirement that all services must be provided at a certified site location, your affiant believes
11 New Beginnings submitted false claims for 204 services to Thomas H. totaling \$6,764.00.

12 **13. Nichole F.**

13 On January 14, 2010, your affiant interviewed Nichole F. She said in April 2009 she was
14 approached by someone passing out flyers from New Beginnings which advertised Section 8
15 housing vouchers. She said she and several of her neighbors, including her nephew Demetris and
16 his friend Jason, attended groups at the Western office from May 2009 through June 2009. Each
17 person attending was asked for their Medi-Cal cards in order to enroll. Nichole said during the
18 first meeting, Jodee Wallace explained that after six months they (the participants) would qualify
19 for Section 8 housing vouchers.

20 She said she attended group sessions daily with both Demetris and Jason; the sessions were
21 held before noon and dealt with stress, self esteem, anger, and drug issues. Nichole had a
22 previous drug problem, but the reason she went was for the Section 8 housing and did not have a
23 drug problem at the time. Nichole said both Demetrius and Jason went to qualify for housing and
24 did not have drug problems.

25 Nichole estimated that most of the people at New Beginnings were there for Section 8
26 housing and not for drug counseling. She said she was never drug tested. When she noticed that
27 many people would arrive late and attend only half of the session, she brought it up to Wallace
28 and they got into an argument. Nichole said she was then kicked out of the program by Wallace.

1 She asked Wallace if she could get back into the program after a couple of weeks because she
2 really needed to get the Section 8 housing. She was allowed back into the program, but heard that
3 participants were not receiving Section 8 help and did not see anyone actually receive vouchers.
4 Because of this she stopped attending in June 2009.

5 **a. Patient File & Sign-In Sheets**

6 Nichole F.'s patient file was seized during the search warrant at the Western Ave. office.
7 The intake paperwork showed Nichole was "self referred" with a history of marijuana abuse, and
8 she was admitted on 4/27/09. The Medical Waiver Form was signed by Dr. Pyne and dated
9 4/28/09. The Client Activity Record showed Nichole had seven drug counselors from 4/27/09 to
10 5/25/09 including [REDACTED]

11 [REDACTED]. The file also shows future billing of dates on 6/1/09 with
12 [REDACTED] McGree as counselor, and on 6/2/09 with [REDACTED] Pointer as her counselor. The initials
13 on the Client Activity Record differ from the initials on the counselors' notes.

14 **b. Billing and Payment**

15 The LA County ADP billing records show New Beginnings billed for seventeen (17)
16 counseling sessions for Nichole F. from 4/27/09 to 5/25/09. Based on the interview with Nichole
17 F., your affiant believes all 17 of these claims for service were fraudulent. New Beginnings was
18 paid a total of \$841.88 for services to Nichole F.

19 **VI. ALLEGATIONS OF FRAUD**

20 **A. Services Not Rendered**

21 Based on the interviews, patient files and other documentary evidence, County and State
22 billing records, and bank records, I believe the owners and operators of New Beginnings have,
23 with intent to defraud, fraudulently billed the Medi-Cal Program for services not rendered and
24 they have received monies for which they are not entitled. The following is a summary of the
25 allegations of services that were billed for each beneficiary and not provided by New Beginnings:

- 26 1. Angelina M.: 255 claims for service for a total amount of \$8,594.59.
- 27 2. Gary M.: 80 claims for service for a total amount of \$5,404.
- 28 3. Natalie P.: 50 claims for service for a total amount of \$1,618.35.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- 4. Christian C.: 68 claims for service for a total amount of \$3,136.96.
- 5. Andy G.: 83 claims for service for a total amount of \$2,733.49.
- 6. Rachel B.: 163 claims for service for a total of amount of \$11,038.12.
- 7. Erik V.: 120 claims for service for a total amount of \$8,133.88.
- 8. David W.: 213 claims for service for a total amount of \$7,279.00.
- 9. Teresa W.: 219 claims for service for a total amount of \$7,091.00.
- 10. Cynthia M.: 170 claims for service occasions for a total amount of \$5,703.
- 11. Thomas H.: 204 claims for service for a total amount of \$6,764.
- 12. Nichole F.: 17 claims for service for a total amount of \$841.88.

Grand Total: One thousand six hundred and forty two (1,642) counts of fraudulent billing totaling \$68,338.27 from July 1, 2005, through May 30, 2009.

B. Payment Of False Claims

According to LA County ADP Fiscal Officer Robert Lucero, the State and County ADP billing records, and my review of Wells Fargo Bank account #617-3760254 records, I determined that LA County warrants made payable to New Beginnings were deposited into that account. Yakovenko authorized these payments by signing and completing monthly certification forms to receive reimbursement for services that were found not to be rendered.

C. Suspect Information

TATYANA YAKOVENKO (AKA TETYANA YAKOVENKO, TATYANA FOX)

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

NATALYA ZVEREVA (AKA NATASHA ZVEREVA)

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

1 CARLOS VILLANUEVA

2 [REDACTED]

3 [REDACTED]

4 [REDACTED] [REDACTED]

5 [REDACTED] SSN 609072015

6 ALEKSEY LISITSA (AKA ALEX LISITSA)

7 [REDACTED]

8 [REDACTED]

9 [REDACTED] [REDACTED]

10 [REDACTED] [REDACTED]

11 JODEE A. WALLACE

12 [REDACTED]

13 [REDACTED]

14 [REDACTED] [REDACTED]

15 [REDACTED] [REDACTED]

16 ROMALIS CONWAY

17 [REDACTED]

18 [REDACTED]

19 [REDACTED] [REDACTED]

20 [REDACTED] [REDACTED]

21
22 **VII. CONCLUSION**

23 Based upon my investigation and facts set forth in this declaration, I believe the owner and
24 operators of New Beginnings have committed felony violations of Section 14107 of the Welfare
25 and Institutions Code, Submitting False Claims, and section 487 of the Penal Code, Grand Theft.

26 The owner and operators have submitted claims for services which were not rendered to the
27 beneficiaries with the intent to defraud. Services were billed to Drug Medi-Cal when
28 beneficiaries did not receive the service or were not qualified. Beneficiaries were admitted into

1 the program without a medical evaluation or an informed waiver by the medical director. In
2 addition, beneficiaries were told to sign group sign in sheets for sessions they did not attend or
3 their signatures were forged to support fraudulent billings. Tatyana Yakovenko is the true owner
4 and operator of New Beginnings; the payments received for the alleged fraudulent billings were
5 deposited into a bank account under her control.

6 Therefore, I conclude that New Beginnings submitted one thousand six hundred and forty
7 two (1,642) counts of fraudulent billing and was paid a total of \$68,338.71 from July 1, 2005,
8 through May 30, 2009.

9 Based upon my training, experience, and the facts set forth in my investigation, I conclude
10 there is probable cause to believe the following: (1) Tatyana Yakovenko, (2) Natalya Zvereva,
11 (3) Carlos Villanueva, (4) Jodee Wallace, (5) Aleksey Lisitsa, and (6) Romalis Conway were
12 principals in a scheme to knowingly and willfully defraud the Medi-Cal program by the
13 preparation and/or presentation of fraudulent claims. This is a violation of Welfare and
14 Institutions Code Section 14107 (b)(1) and (b)(4), a felony (Submitting False Claims). The
15 aggregate monetary loss to the Medi-Cal program as a result of these false claims was in excess
16 of \$400. This is a violation of Penal Code section 487(a), a felony.

17 DECLARATION

18 I declare under penalty of perjury that the foregoing is true and correct. Executed on
19 this _____ day of March 2010, at Los Angeles County, California.

20
21 _____
22 Paul Ramirez
23 Special Agent
24 California Department of Justice
25 Office of the Attorney General
26 Bureau of Medi-Cal Fraud and Elder Abuse
27
28