

Department of Justice
U.S. Attorney's Office
Southern District of New York

FOR IMMEDIATE RELEASE

Tuesday, September 28, 2021

6 Physical Therapists And 2 Acupuncturists Charged In Over \$20 Million Health Care Fraud Scheme

Leader of Scheme Also Charged with Fraudulently Obtaining COVID-19 Unemployment Benefits

Audrey Strauss, the United States Attorney for the Southern District of New York, and Scott Lampert, Special Agent in Charge of the New York Office of the U.S. Department of Health and Human Services, Office of Inspector General (“HHS-OIG”), announced the unsealing today of an indictment charging acupuncturists JUNYI LIU, a/k/a “Jenny,” and HONGXING WANG, as well as physical therapists GLEEN ANCIRO, NOEMI ALGODON, MOHAMED ELMANDOUH, GERARD ESTRELLA, RAMON GARCIA III, and HENLER DATU TAHIL, and cashier ZIHAO CHEN with operating an over \$20 million health care fraud scheme at fraudulent medical offices in Manhattan, Brooklyn, and Queens. As part of the fraud scheme, CHEN and other of the defendants’ co-conspirators paid cash kickbacks to patients (the “Paid Patients”) who were insured by Medicare and/or other insurance providers (collectively, the “Insurance Providers”), and the defendants and their co-conspirators then billed Medicare and the insurance providers for physical therapy and acupuncture services related to the Paid Patients that were unnecessary or never performed. LIU was additionally charged with unlawfully enriching herself and a family member through a COVID-19 unemployment benefit scheme.

The defendants were arrested earlier today and will be presented this afternoon before U.S. Magistrate Judge Gabriel W. Gorenstein. The case is assigned to Chief U.S. District Judge Laura Taylor Swain.

U.S. Attorney Audrey Strauss said: “As alleged, the defendants perpetrated a multimillion-dollar health care fraud scheme in which they billed Medicare and other insurers for physical therapy and acupuncture services that were either not rendered in the manner purported or not rendered at all. Large-scale insurance frauds of the type alleged here impose hidden but very real costs on the public as well as insurers. Thanks to our partners in this case, the defendants are in custody and facing serious federal charges.”

HHS Special Agent in Charge Scott Lampert said: “These allegations describe a greed-fueled scheme that undermined our health care system and the people it serves. Health care providers participating in the Medicare program are trusted to furnish medically necessary services and to make beneficiaries collaborators in their care, not conspirators in fraud. HHS-OIG and our law enforcement partners proudly work to protect federal health care funds by identifying and quelling fraudulent billing of providers.”

According to the allegations contained in the Indictment^[1] and statements made during court proceedings:

Between 2018 and 2021, LIU, a licensed acupuncturist, operated medical offices (the “Offices”) from which LIU and her partners fraudulently billed the Insurance Providers for physical therapy and acupuncture services that were not rendered in the manner represented or not rendered at all. During the scheme, LIU partnered with other licensed medical professionals, including

ANCIRO, ALGODON, ELMANDOUH, ESTRELLA, GARCIA, and TAHIL, all of whom were licensed physical therapists, and WANG, who was a licensed acupuncturist (collectively, the “Partners”). The Partners’ roles in the scheme typically included: (i) allowing the Offices to use their enrollments with the Insurance Providers to submit to the Insurance Providers materially false and fraudulent claims for reimbursement for physical therapy and acupuncture services that were not rendered in the manner represented or were not rendered at all; (ii) creating materially false medical documentation, which stated that certain physical therapy and acupuncture services had been rendered, when such services in fact were not rendered in the manner represented or were not rendered at all; and (iii) contributing financing for the Offices, including for the payment of cash kickbacks to the Paid Patients to induce those patients to provide their insurance information and receive medically unnecessary and/or non-existent services at the Offices. LIU and certain of the Partners also agreed to give kickbacks, including cash and expensive wine, to employees of Insurance Providers to enable the scheme to continue.

In furtherance of the scheme, LIU employed receptionists, cashiers, marketers, financial and billing personnel, acupuncturists, massagists, and other personnel. The cashiers included CHEN, who on numerous occasions distributed tens of thousands of dollars in cash kickbacks to the Paid Patients. In some instances, these Paid Patients visited the Offices, signed in, and received unnecessary physical therapy and acupuncture services. In other instances, the Paid Patients visited the Offices, signed a sign-in sheet and other documents, and then left without receiving any services at all. In yet other instances, the Paid Patients did not visit the Offices at all and instead signed sign-in sheets and other documents brought to them elsewhere. Regardless of whether the Paid Patients received any services or even visited the Offices at all, the Partners used the Paid Patients’ insurance information to fraudulently bill the Insurance Providers for unnecessary and/or never rendered services.

While LIU and her Partners were defrauding the Insurance Providers of millions of dollars, from April 2020 through September 2021, LIU also engaged in a scheme to obtain COVID-19 unemployment benefits for herself and a family member (the “Family Member”) by fraudulently submitting and causing to be submitted to the New York Department of Labor materially false online applications and certifications for COVID-19 benefits. Among other things, the applications and/or certifications represented that LIU was unemployed when, in fact, she continued to operate the Offices for all or nearly all of this period, and that LIU’s Family Member was unable to work because of COVID-19 during a five-month period when the Family Member was in China.

* * *

JUNYI LIU, 67, of Great Neck, New York, GLEEN ANCIRO, 50, of Floral Park, New York, NOEMI ALGODON, 49, of Mineola, New York, MOHAMED ELMANDOUH, 48, of Staten Island, New York, GERARD ESTRELLA, 39, of West Hempstead, New York, RAMON GARCIA III, 39, of Merrick, New York, HENLER DATU TAHIL, 38, of East Meadow, New York, HONGXING WANG, 61, of Brooklyn, and ZIHAO CHEN, 20, of Queens, are each charged with: (1) conspiring to commit health care fraud, which carries a maximum sentence of 20 years in prison; (2) conspiring to violate the Anti-Kickback Statute, which has a maximum penalty of five years in prison; and (3) conspiring to commit money laundering, which carries a maximum sentence of 20 years in prison. LIU is also charged with wire fraud, which has a maximum penalty of 20 years in prison, and theft of Government funds, which has a maximum penalty of 10 years in prison.

The statutory maximum sentences are prescribed by Congress and provided here for informational purposes only, as any sentencing of the defendants would be determined by the judge.

Ms. Strauss praised the outstanding investigative work of HHS-OIG’s New York Office and the New York Field Office of the Internal Revenue Service, Criminal Investigation. Ms. Strauss also thanked

the New York State Attorney General's Medicaid Fraud Control Unit and the U.S. Department of Labor, Office of Inspector General, for their assistance.

The prosecution of this case is being handled by the Office's Complex Frauds and Cybercrime Unit. Assistant U.S. Attorney Timothy V. Capozzi is in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

[1] As the introductory phrase signifies, the entirety of the text of the Indictment and the description of the Indictment set forth in this release constitute only allegations, and every fact described should be treated as an allegation.

Attachment(s):

[Download U.S. v. Junyi Liu indictment \(21-cr-592\)](#)

Topic(s):

Coronavirus
Health Care Fraud

Component(s):

[USAO - New York, Southern](#)

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Press Release Number:

21-257