

PRESS RELEASE

U.S. Attorney Announces Charges Against Five Individuals For Over \$20 Million Health Care Fraud, Money Laundering, And Kickbacks Scheme

Wednesday, September 13, 2023

For Immediate Release

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

Damian Williams, the United States Attorney for the Southern District of New York, and Naomi Gruchacz, the 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 a Superseding Indictment charging acupuncturists JUNYI LIU, a/k/a “Jenny,” and HONGXING WANG, as well as physical therapists JONATHAN LAQUI and MITZY BALDOVINO and insurance company employee VICTOR MAN, a/k/a “Mr. Wen,” with operating an over \$20 million health care fraud scheme at medical offices in Manhattan, Brooklyn, and Queens (the “Offices”). As part of the fraud scheme, MAN referred patients to the Offices in exchange for kickbacks and also assisted in paying kickbacks to the patients (the “Paid Patients”), who were insured by Medicare and/or other insurance providers (collectively, the “Insurance Providers”). The defendants and their co-conspirators then billed the Insurance Providers for physical therapy and acupuncture services 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.

LIU and WANG were previously indicted and arrested on these charges in September 2021. LAQUI, BALDOVINO, and MAN were arrested earlier today and presented and arraigned this afternoon before U.S. Magistrate Judge Sarah L. Cave. The case is assigned to U.S. District Judge Laura Taylor Swain.

U.S. Attorney Damian Williams said: “The defendants allegedly perpetrated a lucrative scheme in which they fraudulently billed for physical therapy and acupuncture services that were never rendered. Thanks to our law enforcement partners and the dedicated work of the prosecutors of this Office, the defendants are now facing an array of serious charges in federal court.”

HHS-OIG Special Agent in Charge Naomi Gruchacz said: “Health care providers who submit fraudulent claims to federally funded insurance plans and bribe patients to participate in kickback schemes put health care benefits for older people and vulnerable populations at risk. HHS-OIG will continue to hold accountable individuals who exploit federal health care programs for their own greed.”

As alleged in the Indictment unsealed today in Manhattan federal court:[\[1\]](#)

Between 2018 and 2021, JUNYI LIU, a licensed acupuncturist, operated 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. LIU partnered with other licensed medical professionals, including JONATHAN LAQUI and MITZY BALDOVINO, both of whom were licensed physical therapists, and HONGXING 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; (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.

In furtherance of the scheme, LIU paid cash kickbacks to MAN and others in exchange for recruiting and referring the Paid Patients, all beneficiaries of the Insurance Providers, to the Offices. The beneficiaries also received cash kickbacks, paid by MAN and others, in exchange for their insurance information and their signatures on sign-in sheets and other documents. 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 by MAN and others. Regardless of whether the Paid Patients received any services or even visited the Offices at all, LIU and her co-conspirators used the Paid Patients' insurance information to fraudulently bill the Insurance Providers for unnecessary and/or never rendered services.

While LIU and her co-conspirators 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 the applications and/or certifications represented that the Family Member was unable to work because of COVID-19 during a five-month period when the Family Member was in China.

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JUNYI LIU, 69, of Great Neck, New York, JONATHAN LAQUI, 46, of Rahway, New Jersey, MITZY BALDOVINO, 46, of the Bronx, New York, HONGXING WANG, 63, of Brooklyn, New York, and VICTOR MAN, 60, of Queens, New York, are all charged with conspiring to commit health care fraud, which carries a maximum sentence of 20 years in prison, and conspiring to commit money laundering, which carries a maximum sentence of 20 years in prison. LIU, LAQUI, WANG, and MAN are also charged with conspiring to violate the Anti-Kickback Statute, which has a maximum penalty of five years in prison. LIU is additionally 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. MAN is further charged with violating the Anti-Kickback Statute, 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.

Mr. Williams 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. Mr. Williams 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 Superseding 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 constitutes only allegations, and every fact described herein should be treated as an allegation.

Contact

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Updated September 13, 2023

Attachment

[U.S. v. Liu et al Indictment](#) [PDF, 976 KB]

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