

1 SUPERIOR COURT OF CALIFORNIA  
2 COUNTY OF ORANGE, CENTRAL JUSTICE CENTER

**ELECTRONICALLY FILED**  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE

04/03/2017  
08:00 AM

DAVID H. YAMASAKI, Clerk of the Court  
**17CF0800**

6 THE PEOPLE OF THE STATE OF CALIFORNIA, ) FELONY COMPLAINT  
7 ) WARRANT  
8 Plaintiff, )  
9 )  
10 vs. ) No.  
11 PAUL ANDREW STANTON 11/12/62 ) OCDA WC16070011  
D2397394 ) OCDA WC15040015  
12 ) OCDA HF12110001  
13 )  
Defendant(s))

14 The Orange County District Attorney charges that in Orange  
15 County, California, the law was violated as follows:

16 COUNT 1: On or about and between June 12, 2012 and August 12,  
17 2015, in violation of Section 550(a)(6) of the Penal Code  
18 (CONSPIRACY TO COMMIT MEDICAL INSURANCE FRAUD), a FELONY, PAUL  
19 ANDREW STANTON did unlawfully conspire with TANYA MORELAND KING  
20 AND CHRISTOPHER KING AND OTHER UNKNOWN INDIVIDUALS, with the  
21 intent to defraud, to make a false and fraudulent claim to  
22 WORKERS COMPENSATION INSURANCE CARRIERS IN CALIFORNIA for  
23 payment of a health care benefit in an amount exceeding nine  
hundred fifty dollars (\$950). It is further alleged that  
pursuant to and for the purpose of carrying out the objects and  
purposes of the conspiracy, one and more of the conspirators  
committed the following overt acts:

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25 OVERT ACT 1

26 On or about 6/12/12, Defendant PAUL STANTON, M.D., entered into  
27 an agreement with TANYA MORELAND KING, CHRISTOPHER KING and  
28 their companies, King Medical Management Inc. and Monarch  
Medical Group Inc.

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OVERT ACT 2

King Medical Management formulated and paid for a 3-day supply of the compound transdermal creams manufactured by Steven's Pharmacy, located in Costa Mesa, in the County of Orange, and arranged for Steven's Pharmacy to ship these creams to Defendant PAUL STANTON, M.D.

OVERT ACT 3

Defendant PAUL STANTON, M.D., prescribed the transdermal compound creams manufactured by Steven's Pharmacy to his workers' compensation patients.

OVERT ACT 4

Defendant PAUL STANTON, M.D., did not customize these compound transdermal creams to each workers' compensation patient and used the formula given to him by Monarch Medical Group.

OVERT ACT 5

Defendant PAUL STANTON, M.D., then provided the billing information for each workers' compensation patient to King Medical Management Inc. to bill for the dispensing of these creams from his office.

OVERT ACT 6

King Medical Management Inc. billed workers' compensation carriers in excess of \$190 per cream even though the cream only cost \$16.

OVERT ACT 7

From 6/12/12 to 5/13/15, King Medical Management Inc., paid Defendant PAUL STANTON, M.D., \$50 per compound cream dispensed to his workers' compensation patients.

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OVERT ACT 8

From 5/13/15 to 8/12/15, King Medical Management Inc., paid Defendant PAUL STANTON, M.D., 80% of the profits from the amount collected from the workers' compensation carrier for each of the 3-day of the compound creams he dispensed to his workers' compensation patients.

OVERT ACT 9

In return for the money he received from the billing on the 3-day supply of the transdermal creams, Defendant PAUL STANTON, M.D., was also required to write a prescription for the 30-day supply of transdermal compound creams which were shipped directly to his workers' compensation patients by Steven's Pharmacy in Costa Mesa, located in the County of Orange.

OVERT ACT 10

In order to give the appearance of legitimacy to the compounded transdermal creams that Defendant PAUL STANTON, M.D., prescribed to his patients, on 1/21/15 he signed a letter that Monarch Medical Group provided to him, which he did not prepare himself, purporting to give instructions to the pharmacy and customize the formula for the compound creams.

OVERT ACT 11

Monarch Medical Group then billed the workers compensation insurance carriers well in excess of \$700 for each compounded transdermal cream that was shipped by Steven's Pharmacy, located in Costa Mesa, to each of Defendant PAUL STANTON's patients, even though Monarch Medical Group only paid Steven's Pharmacy \$40 per compound cream to manufacture.

OVERT ACT 12

Between 6/12/12 and 8/12/15, Monarch Medical Group and King Medical Management paid Defendant PAUL STANTON, M.D., in excess of \$11,000 and at least one payment was issued in the amount of \$400 on 5/13/15 on Check #6679.

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1 COUNT 2: On or about and between March 30, 2014 and August 12,  
2 2015, in violation of Section 549 of the Penal Code (FALSE AND  
3 FRAUDULENT CLAIM), a FELONY, PAUL ANDREW STANTON did unlawfully  
4 solicit, accept, and refer business to and from KING MEDICAL  
5 MANAGEMENT INC. AND MONARCH MEDICAL GROUP INC, with the  
6 knowledge that, and with reckless disregard for whether KING  
7 MEDICAL MANAGEMENT INC. AND MONARCH MEDICAL GROUP INC intended  
8 to violate Penal Code section 550 and Insurance Code section  
9 1871.4. (COMPOUND TRANSDERMAL CREAMS FROM STEVEN'S PHARMACY)

10 COUNT 3: On or about and between March 30, 2014 and September  
11 01, 2015, in violation of Section 650 of the Business &  
12 Professions Code (REBATES FOR PATIENT REFERRALS), a FELONY, PAUL  
13 ANDREW STANTON, a person licensed under the Healing Arts  
14 Division of this Code and the Chiropractic Initiative Act, did  
15 unlawfully offer, deliver, receive, and accept any rebate,  
16 refund, commission, preference, patronage dividend, discount,  
17 and other consideration as compensation and inducement for  
18 referring patients, clients, and customers to STEVEN'S PHARMACY,  
19 TANYA MORELAND KING AND HER BUSINESS MONARCH MEDICAL GROUP INC..

20 COUNT 4: On or about and between April 04, 2013 and June 24,  
21 2014, in violation of Section 550(b)(3) of the Penal Code  
22 (INSURANCE FRAUD), a FELONY, PAUL ANDREW STANTON, with the  
23 intent to defraud, did unlawfully conceal and knowingly fail to  
24 disclose, and did knowingly assist with another person to  
25 conceal and fail to disclose the occurrence of an event and a  
26 fact that affected the initial and continued material right and  
27 entitlement of BERKSHIRE HATHAWAY HOMESTEAD COMPANIES to an  
28 insurance benefit and payment, and to the amount of a benefit  
and payment to which BERKSHIRE HATHAWAY HOMESTEAD COMPANIES was  
entitled, namely: DEFENDANT HAD A FINANCIAL INTEREST IN AND  
RECEIVED FINANCIAL INCENTIVES TO PRESCRIBE COMPOUND CREAMS TO  
HIS WORKERS' COMPENSATION PATIENTS.

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1 COUNT 5: On or about and between April 10, 2013 and July 22,  
2 2015, in violation of Section 550(b)(3) of the Penal Code  
3 (INSURANCE FRAUD), a FELONY, PAUL ANDREW STANTON, with the  
4 intent to defraud, did unlawfully conceal and knowingly fail to  
5 disclose, and did knowingly assist with another person to  
6 conceal and fail to disclose the occurrence of an event and a  
7 fact that affected the initial and continued material right and  
8 entitlement of ICW GROUP INSURANCE GROUP to an insurance benefit  
9 and payment, and to the amount of a benefit and payment to which  
10 ICW GROUP INSURANCE GROUP was entitled, namely: DEFENDANT HAD A  
11 FINANCIAL INTEREST IN AND RECEIVED FINANCIAL INCENTIVES TO  
12 PRESCRIBE COMPOUND CREAMS TO HIS WORKERS' COMPENSATION PATIENTS.

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10 COUNT 6: On or about and between July 10, 2013 and January 22,  
11 2014, in violation of Section 550(b)(3) of the Penal Code  
12 (INSURANCE FRAUD), a FELONY, PAUL ANDREW STANTON, with the  
13 intent to defraud, did unlawfully conceal and knowingly fail to  
14 disclose, and did knowingly assist with another person to  
15 conceal and fail to disclose the occurrence of an event and a  
16 fact that affected the initial and continued material right and  
17 entitlement of AIG to an insurance benefit and payment, and to  
18 the amount of a benefit and payment to which AIG was entitled,  
19 namely: DEFENDANT HAD A FINANCIAL INTEREST IN AND RECEIVED  
20 FINANCIAL INCENTIVES TO PRESCRIBE COMPOUND CREAMS TO HIS  
21 WORKERS' COMPENSATION PATIENTS.

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19 COUNT 7: On or about and between January 27, 2014 and February  
20 26, 2014, in violation of Section 550(b)(3) of the Penal Code  
21 (INSURANCE FRAUD), a FELONY, PAUL ANDREW STANTON, with the  
22 intent to defraud, did unlawfully conceal and knowingly fail to  
23 disclose, and did knowingly assist with another person to  
24 conceal and fail to disclose the occurrence of an event and a  
25 fact that affected the initial and continued material right and  
26 entitlement of STATE COMPENSATION INSURANCE FUND to an insurance  
27 benefit and payment, and to the amount of a benefit and payment  
28 to which STATE COMPENSATION INSURANCE FUND was entitled, namely:  
DEFENDANT HAD A FINANCIAL INTEREST IN AND RECEIVED FINANCIAL  
INCENTIVES TO PRESCRIBE COMPOUND CREAMS TO HIS WORKERS'  
COMPENSATION PATIENTS. (PATIENT HENRY Q.).

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1 COUNT 8: On or about and between June 12, 2013 and July 15,  
2 2015, in violation of Section 550(b)(3) of the Penal Code  
3 (INSURANCE FRAUD), a FELONY, PAUL ANDREW STANTON, with the  
4 intent to defraud, did unlawfully conceal and knowingly fail to  
5 disclose, and did knowingly assist with another person to  
6 conceal and fail to disclose the occurrence of an event and a  
7 fact that affected the initial and continued material right and  
8 entitlement of YORK RISK SERVICES GROUP to an insurance benefit  
9 and payment, and to the amount of a benefit and payment to which  
10 YORK RISK SERVICES GROUP was entitled, namely: DEFENDANT HAD A  
11 FINANCIAL INTEREST IN AND RECEIVED FINANCIAL INCENTIVES TO  
12 PRESCRIBE COMPOUND CREAMS TO HIS WORKERS' COMPENSATION PATIENTS.

9 COUNT 9: On or about and between August 14, 2013 and December  
10 23, 2014, in violation of Section 550(b)(3) of the Penal Code  
11 (INSURANCE FRAUD), a FELONY, PAUL ANDREW STANTON, with the  
12 intent to defraud, did unlawfully conceal and knowingly fail to  
13 disclose, and did knowingly assist with another person to  
14 conceal and fail to disclose the occurrence of an event and a  
15 fact that affected the initial and continued material right and  
16 entitlement of ZURICH to an insurance benefit and payment, and  
17 to the amount of a benefit and payment to which ZURICH was  
18 entitled, namely: DEFENDANT HAD A FINANCIAL INTEREST IN AND  
19 RECEIVED FINANCIAL INCENTIVES TO PRESCRIBE COMPOUND CREAMS TO  
20 HIS WORKERS' COMPENSATION PATIENTS.

18 I declare under penalty of perjury, on information and belief,  
19 that the foregoing is true and correct.

20 Dated 04-03-2017 at Orange County, California.

21 KS/AC 17F00360

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23 TONY RACKAUCKAS, DISTRICT ATTORNEY

24 by: /s/ SHADDI KAMIABIPOUR

25 SHADDI KAMIABIPOUR, Deputy District Attorney

26 RESTITUTION CLAIMED

27 [ ] None

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[ X ] To be determined

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BAIL RECOMMENDATION:

PAUL ANDREW STANTON - \$ 30,000.00

NOTICES:

The People request that defendant and counsel disclose, within 15 days, all of the materials and information described in Penal Code section 1054.3, and continue to provide any later-acquired materials and information subject to disclosure, and without further request or order.

Pursuant to Welfare & Institutions Code §827 and California Rule of Court 5.552, notice is hereby given that the People will seek a court order to disseminate the juvenile case file of the defendant/minor, if any exists, to all parties in this action, through their respective attorneys of record, in the prosecution of this case.