

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

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

04/03/2017  
09:37 AM

DAVID H. YAMASAKI, Clerk of the Court  
**17CF0805**

6 THE PEOPLE OF THE STATE OF CALIFORNIA, ) FELONY COMPLAINT  
7 ) WARRANT  
8 Plaintiff, )  
9 )  
10 vs. ) No.  
11 EDUARDO LIN 04/21/61 ) OCDA WC16070011  
A4758466 ) OCDA WC15040015  
12 AKA EDUARDO I TING LIN ) OCDA HF12110001  
13 EDUARDO I LIN )  
14 Defendant(s))

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

17 COUNT 1: On or about and between February 14, 2014 and  
18 September 01, 2015, in violation of Section 550(a)(6) of the  
19 Penal Code (CONSPIRACY TO COMMIT MEDICAL INSURANCE FRAUD), a  
20 FELONY, EDUARDO LIN did unlawfully conspire with TANYA MORELAND  
21 KING AND CHRISTOPHER KING AND OTHER UNKNOWN INDIVIDUALS, with  
22 the intent to defraud, to make a false and fraudulent claim to  
23 WORKERS' COMPENSATION INSURANCE CARRIERS IN CALIFORNIA for  
24 payment of a health care benefit in an amount exceeding nine  
25 hundred fifty dollars (\$950). It is further alleged that  
26 pursuant to and for the purpose of carrying out the objects and  
27 purposes of the conspiracy, one and more of the conspirators  
28 committed the following overt acts:

OVERT ACT 1

On or about February 14, 2014, Defendants Eduardo Lin M.D.,  
entered into an agreement with King Medical Management Inc. and  
Monarch Medical Group Inc.

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

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 Eduardo Lin, M.D., at his Clinic Oasis Pain and Wellness Center.

OVERT ACT 3

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

OVERT ACT 4

Defendant Eduardo Lin did not customize these compound transdermal creams to each workers compensation patient and used the formulas given to him by Monarch Medical Group.

OVERT ACT 5

Defendant Eduardo Lin, 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 \$200 per cream even though the cream only cost \$15.

OVERT ACT 7

King Medical Management Inc., gave Defendant Eduardo Lin, M.D. 90% of the profits from the amount collected from the workers compensation carrier for the 3-day supply.

/

/

/

/

/

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

OVERT ACT 8

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

OVERT ACT 9

In order to give the appearance of legitimacy of the compounded transdermal creams that he prescribed to his patients, on 1/26/15 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 10

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 Eduardo Lin's patients, and cost Monarch Medical Management only \$40 per compound cream to manufacture.

OVERT ACT 11

Defendant Eduardo Lin also entered into an agreement with Monarch Medical Group and One Source Labs Inc., in which he agreed to prescribe Urine toxicology Drug testing to his workers' compensation patients in return for financial consideration.

OVERT ACT 12

Monarch Medical Group purchased Active Medicated Specimen collection kits from NuCare Pharmaceuticals Inc., located in the City of Orange, County of Orange and shipped the kits to Defendant Eduardo Lin, M.D.

/

/

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

OVERT ACT 13

Defendant Eduardo Lin, subjected his patients to a Urine Toxicology Test at his clinic, and regardless of the "Point of Care" toxicology test results, referred the test for a quantitative test to One Source Labs per his agreement with Monarch Medical Group.

OVERT ACT 14

Monarch Medical Group then billed workers' compensation insurance carriers for the "Point of Care" toxicology test that was performed at the clinic, and gave 90% of the profit on the amounts collected to Dr. Eduardo Lin.

OVERT ACT 15

In return for the payment on the "Point of Care" toxicology tests, Defendant Eduardo Lin then permitted One Source Labs to do quantitative tests on all Urine samples submitted by the workers' compensation patients, regardless of medical necessity or test results.

OVERT ACT 16

One Source Labs then billed workers compensation carriers in excess of \$700 for these quantitative tests.

OVERT ACT 17

On and between 05-06-14 and 08-12-15, Monarch Medical Group and King Medical Management paid Defendant EDUARDO LIN, M.D., in excess of \$169,000.

COUNT 2: On or about and between April 14, 2014 and September 01, 2015, in violation of Section 549 of the Penal Code (FALSE AND FRAUDULENT CLAIM), a FELONY, EDUARDO LIN and his company Oasis Pain and Wellness Center did unlawfully solicit, accept, and refer business to and from KING MEDICAL MANAGEMENT INC. AND ONE SOURCE LABS INC., with the knowledge that, and with reckless disregard for whether KING MEDICAL MANAGEMENT INC. AND ONE SOURCE LABS INC. intended to violate Penal Code section 550 and Insurance Code section 1871.4. (URINE TOXICOLOGY)

1 COUNT 3: On or about and between April 14, 2014 and September  
2 01, 2015, in violation of Section 549 of the Penal Code (FALSE  
3 AND FRAUDULENT CLAIM), a FELONY, EDUARDO LIN and his company  
4 Oasis Pain and Wellness Center did unlawfully solicit, accept,  
5 and refer business to and from KING MEDICAL MANAGEMENT INC. AND  
6 ONE SOURCE LABS INC., with the knowledge that, and with reckless  
7 disregard for whether KING MEDICAL MANAGEMENT INC. AND ONE  
8 SOURCE LABS INC. intended to violate Penal Code section 550 and  
9 Insurance Code section 1871.4. (COMPOUND TRANSDERMAL CREAMS FROM  
10 STEVEN'S PHARMACY)

11 COUNT 4: On or about and between May 06, 2014 and December 11,  
12 2014, in violation of Section 650 of the Business & Professions  
13 Code (REBATES FOR PATIENT REFERRALS), a FELONY, EDUARDO LIN, a  
14 person licensed under the Healing Arts Division of this Code and  
15 the Chiropractic Initiative Act, did unlawfully offer, deliver,  
16 receive, and accept any rebate, refund, commission, preference,  
17 patronage dividend, discount, and other consideration as  
18 compensation and inducement for referring patients, clients, and  
19 customers to TANYA MORELAND KING AND HER BUSINESS ONE SOURCE  
20 LABS AND KING'S MEDICAL MANAGEMENT INC..

21 COUNT 5: On or about and between January 15, 2015 and August  
22 12, 2015, in violation of Section 650 of the Business &  
23 Professions Code (REBATES FOR PATIENT REFERRALS), a FELONY,  
24 EDUARDO LIN, a person licensed under the Healing Arts Division  
25 of this Code and the Chiropractic Initiative Act, did unlawfully  
26 offer, deliver, receive, and accept any rebate, refund,  
27 commission, preference, patronage dividend, discount, and other  
28 consideration as compensation and inducement for referring  
patients, clients, and customers to TANYA MORELAND KING AND HER  
BUSINESS ONE SOURCE LABS AND KING MEDICAL MANAGEMENT.

29 COUNT 6: On or about and between May 06, 2014 and December 11,  
30 2014, in violation of Section 650 of the Business & Professions  
31 Code (REBATES FOR PATIENT REFERRALS), a FELONY, EDUARDO LIN, a  
32 person licensed under the Healing Arts Division of this Code and  
33 the Chiropractic Initiative Act, did unlawfully offer, deliver,  
34 receive, and accept any rebate, refund, commission, preference,  
35 patronage dividend, discount, and other consideration as  
36 compensation and inducement for referring patients, clients, and  
37 customers to STEVEN'S PHARMACY AND TANYA MORELAND KING AND HER  
38 BUSINESS MONARCH MEDICAL GROUP INC..

1 COUNT 7: On or about and between January 15, 2015 and August  
2 12, 2015, in violation of Section 650 of the Business &  
3 Professions Code (REBATES FOR PATIENT REFERRALS), a FELONY,  
4 EDUARDO LIN, a person licensed under the Healing Arts Division  
5 of this Code and the Chiropractic Initiative Act, did unlawfully  
6 offer, deliver, receive, and accept any rebate, refund,  
7 commission, preference, patronage dividend, discount, and other  
consideration as compensation and inducement for referring  
patients, clients, and customers to STEVEN'S PHARMACY AND TANYA  
MORELAND KING AND HER BUSINESS MONARCH MEDICAL GROUP INC..

8 COUNT 8: On or about and between February 26, 2014 and May 15,  
9 2015, in violation of Section 550(b)(3) of the Penal Code  
10 (INSURANCE FRAUD), a FELONY, EDUARDO LIN, with the intent to  
11 defraud, did unlawfully conceal and knowingly fail to disclose,  
12 and did knowingly assist with another person to conceal and fail  
13 to disclose the occurrence of an event and a fact that affected  
14 the initial and continued material right and entitlement of  
15 BERKSHIRE HATHAWAY HOMESTEAD COMPANIES to an insurance benefit  
16 and payment, and to the amount of a benefit and payment to which  
17 BERKSHIRE HATHAWAY HOMESTEAD COMPANIES was entitled, namely:  
18 DEFENDANT HAD A FINANCIAL INTEREST IN AND RECEIVED FINANCIAL  
19 INCENTIVES TO PRESCRIBE COMPOUND CREAMS AND URINE TOXICOLOGY  
20 TESTS TO HIS WORKERS' COMPENSATION PATIENTS.

21 COUNT 9: On or about and between February 25, 2014 and October  
22 24, 2014, in violation of Section 550(b)(3) of the Penal Code  
23 (INSURANCE FRAUD), a FELONY, EDUARDO LIN, with the intent to  
24 defraud, did unlawfully conceal and knowingly fail to disclose,  
25 and did knowingly assist with another person to conceal and fail  
26 to disclose the occurrence of an event and a fact that affected  
27 the initial and continued material right and entitlement of  
28 FARMERS INSURANCE to an insurance benefit and payment, and to  
the amount of a benefit and payment to which FARMERS INSURANCE  
was entitled, namely: DEFENDANT HAD A FINANCIAL INTEREST AND  
RECEIVED FINANCIAL INCENTIVES TO ORDER THE URINE TOXICOLOGY  
TESTS GIVEN TO WORKERS' COMPENSATION PATIENTS.

26 /  
27 /  
28 /  
/  
/

1 COUNT 10: On or about and between March 06, 2014 and March 20,  
2 2015, in violation of Section 550(b)(3) of the Penal Code  
3 (INSURANCE FRAUD), a FELONY, EDUARDO LIN, with the intent to  
4 defraud, did unlawfully conceal and knowingly fail to disclose,  
5 and did knowingly assist with another person to conceal and fail  
6 to disclose the occurrence of an event and a fact that affected  
7 the initial and continued material right and entitlement of ICW  
8 to an insurance benefit and payment, and to the amount of a  
9 benefit and payment to which ICW was entitled, namely: DEFENDANT  
10 HAD A FINANCIAL INTEREST AND RECEIVED FINANCIAL INCENTIVES TO  
11 ORDER THE URINE TOXICOLOGY TESTS GIVEN TO WORKERS' COMPENSATION  
12 PATIENTS.

9  
10 COUNT 11: On or about and between February 24, 2014 and  
11 September 30, 2015, in violation of Section 550(b)(3) of the  
12 Penal Code (INSURANCE FRAUD), a FELONY, EDUARDO LIN, 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 LIBERTY MUTUAL INSURANCE to an insurance benefit  
18 and payment, and to the amount of a benefit and payment to which  
19 LIBERTY MUTUAL INSURANCE was entitled, namely: DEFENDANT HAD A  
20 FINANCIAL INTEREST AND RECEIVED FINANCIAL INCENTIVES TO ORDER  
21 THE URINE TOXICOLOGY TESTS GIVEN TO WORKERS' COMPENSATION  
22 PATIENTS.

19  
20 COUNT 12: On or about and between March 14, 2014 and September  
21 05, 2015, in violation of Section 550(b)(3) of the Penal Code  
22 (INSURANCE FRAUD), a FELONY, EDUARDO LIN, with the intent to  
23 defraud, did unlawfully conceal and knowingly fail to disclose,  
24 and did knowingly assist with another person to conceal and fail  
25 to disclose the occurrence of an event and a fact that affected  
26 the initial and continued material right and entitlement of  
27 MARKET (FIRST COMP) to an insurance benefit and payment, and to  
28 the amount of a benefit and payment to which MARKET (FIRST COMP)  
was entitled, namely: DEFENDANT HAD A FINANCIAL INTEREST IN AND  
RECEIVED FINANCIAL INCENTIVES TO PRESCRIBE COMPOUND CREAMS AND  
URINE TOXICOLOGY TESTS TO HIS WORKERS' COMPENSATION PATIENTS.

27 /  
28 /  
/  
/

1 COUNT 13: On or about and between February 26, 2014 and October  
2 01, 2014, in violation of Section 550(b)(3) of the Penal Code  
3 (INSURANCE FRAUD), a FELONY, EDUARDO LIN, with the intent to  
4 defraud, did unlawfully conceal and knowingly fail to disclose,  
5 and did knowingly assist with another person to conceal and fail  
6 to disclose the occurrence of an event and a fact that affected  
7 the initial and continued material right and entitlement of  
8 PACIFIC COMPENSATION INSURANCE CO. to an insurance benefit and  
9 payment, and to the amount of a benefit and payment to which  
10 PACIFIC COMPENSATION INSURANCE CO. was entitled, namely:  
11 DEFENDANT HAD A FINANCIAL INTEREST IN AND RECEIVED FINANCIAL  
12 INCENTIVES TO PRESCRIBE COMPOUND CREAMS AND URINE TOXICOLOGY  
13 TESTS TO HIS WORKERS' COMPENSATION PATIENTS.

14 COUNT 14: On or about and between March 01, 2014 and November  
15 10, 2015, in violation of Section 550(b)(3) of the Penal Code  
16 (INSURANCE FRAUD), a FELONY, EDUARDO LIN, with the intent to  
17 defraud, did unlawfully conceal and knowingly fail to disclose,  
18 and did knowingly assist with another person to conceal and fail  
19 to disclose the occurrence of an event and a fact that affected  
20 the initial and continued material right and entitlement of  
21 STATE COMPENSATION INSURANCE FUND to an insurance benefit and  
22 payment, and to the amount of a benefit and payment to which  
23 STATE COMPENSATION INSURANCE FUND was entitled, namely:  
24 DEFENDANT HAD A FINANCIAL INTEREST IN AND RECEIVED FINANCIAL  
25 INCENTIVES TO PRESCRIBE COMPOUND CREAMS AND URINE TOXICOLOGY  
26 TESTS TO HIS WORKERS' COMPENSATION PATIENTS.

27 COUNT 15: On or about and between February 25, 2014 and August  
28 20, 2015, in violation of Section 550(b)(3) of the Penal Code  
(INSURANCE FRAUD), a FELONY, EDUARDO LIN, with the intent to  
defraud, did unlawfully conceal and knowingly fail to disclose,  
and did knowingly assist with another person to conceal and fail  
to disclose the occurrence of an event and a fact that affected  
the initial and continued material right and entitlement of  
HARTFORD INSURANCE to an insurance benefit and payment, and to  
the amount of a benefit and payment to which HARTFORD INSURANCE  
was entitled, namely: DEFENDANT HAD A FINANCIAL INTEREST IN AND  
RECEIVED FINANCIAL INCENTIVES TO PRESCRIBE COMPOUND CREAMS AND  
URINE TOXICOLOGY TESTS TO HIS WORKERS' COMPENSATION PATIENTS.

28 /  
/  
/



1 COUNT 16: On or about and between December 05, 2014 and October  
2 27, 2015, in violation of Section 550(b)(3) of the Penal Code  
3 (INSURANCE FRAUD), a FELONY, EDUARDO LIN, with the intent to  
4 defraud, did unlawfully conceal and knowingly fail to disclose,  
5 and did knowingly assist with another person to conceal and fail  
6 to disclose the occurrence of an event and a fact that affected  
7 the initial and continued material right and entitlement of  
8 TOTAL HEALTH & PRODUCTIVITY MANAGEMENT to an insurance benefit  
9 and payment, and to the amount of a benefit and payment to which  
10 TOTAL HEALTH & PRODUCTIVITY MANAGEMENT was entitled, namely:  
11 DEFENDANT HAD A FINANCIAL INTEREST IN AND RECEIVED FINANCIAL  
12 INCENTIVES TO PRESCRIBE COMPOUND CREAMS AND URINE TOXICOLOGY  
13 TESTS TO HIS WORKERS' COMPENSATION PATIENTS.

14 COUNT 17: On or about and between February 24, 2014 and August  
15 31, 2015, in violation of Section 550(b)(3) of the Penal Code  
16 (INSURANCE FRAUD), a FELONY, EDUARDO LIN, with the intent to  
17 defraud, did unlawfully conceal and knowingly fail to disclose,  
18 and did knowingly assist with another person to conceal and fail  
19 to disclose the occurrence of an event and a fact that affected  
20 the initial and continued material right and entitlement of  
21 TRAVELERS INSURANCE to an insurance benefit and payment, and to  
22 the amount of a benefit and payment to which TRAVELERS INSURANCE  
23 was entitled, namely: DEFENDANT HAD A FINANCIAL INTEREST IN AND  
24 RECEIVED FINANCIAL INCENTIVES TO PRESCRIBE COMPOUND CREAMS AND  
25 URINE TOXICOLOGY TESTS TO HIS WORKERS' COMPENSATION PATIENTS.

26 COUNT 18: On or about and between March 14, 2014 and September  
27 05, 2015, in violation of Section 550(b)(3) of the Penal Code  
28 (INSURANCE FRAUD), a FELONY, EDUARDO LIN, with the intent to  
defraud, did unlawfully conceal and knowingly fail to disclose,  
and did knowingly assist with another person to conceal and fail  
to disclose the occurrence of an event and a fact that affected  
the initial and continued material right and entitlement of  
TRISTAR INSURANCE GROUP to an insurance benefit and payment, and  
to the amount of a benefit and payment to which TRISTAR  
INSURANCE GROUP was entitled, namely: DEFENDANT HAD A FINANCIAL  
INTEREST IN AND RECEIVED FINANCIAL INCENTIVES TO PRESCRIBE  
COMPOUND CREAMS AND URINE TOXICOLOGY TESTS TO HIS WORKERS'  
COMPENSATION PATIENTS.

28 /  
/  
/

1 COUNT 19: On or about and between January 29, 2014 and October  
2 20, 2015, in violation of Section 550(b)(3) of the Penal Code  
3 (INSURANCE FRAUD), a FELONY, EDUARDO LIN, with the intent to  
4 defraud, did unlawfully conceal and knowingly fail to disclose,  
5 and did knowingly assist with another person to conceal and fail  
6 to disclose the occurrence of an event and a fact that affected  
7 the initial and continued material right and entitlement of  
8 ZURICH INSURANCE to an insurance benefit and payment, and to the  
9 amount of a benefit and payment to which ZURICH INSURANCE was  
10 entitled, namely: DEFENDANT HAD A FINANCIAL INTEREST IN AND  
11 RECEIVED FINANCIAL INCENTIVES TO PRESCRIBE COMPOUND CREAMS AND  
12 URINE TOXICOLOGY TESTS TO HIS WORKERS' COMPENSATION PATIENTS.

9  
10 ENHANCEMENT(S)

11 As to Count(s) 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14,  
12 15, 16, 17, 18 and 19, it is further alleged pursuant to Penal  
13 Code section 12022.6(a)(2) (PROPERTY LOSS OVER \$200,000), that  
14 EDUARDO LIN intentionally took, damaged, and destroyed property  
15 valued in excess of two hundred thousand dollars (\$200,000)  
16 during the commission and attempted commission of the above  
17 offense.

18 It is further alleged pursuant to Penal Code section 186.11(a)  
19 (1)/(3) (AGGRAVATED WHITE COLLAR CRIME - OVER \$100,000), that as  
20 to counts 1, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 19,  
21 defendant EDUARDO LIN engaged in a pattern of related fraudulent  
22 felony conduct involving the taking of more than one hundred  
23 thousand dollars (\$100,000) but less than five hundred thousand  
24 dollars (\$500,000).

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

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

28 KS/AC 17F00353

TONY RACKAUCKAS, DISTRICT ATTORNEY

by: /s/ SHADDI KAMIABIPOUR

SHADDI KAMIABIPOUR, Deputy District Attorney

/

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

RESTITUTION CLAIMED

- None
- \$ \_\_\_\_\_
- To be determined

BAIL RECOMMENDATION:

EDUARDO LIN - \$ 200,000.00

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.