

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

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

04/03/2017  
09:39 AM

DAVID H. YAMASAKI, Clerk of the Court  
**17CF0814**

6 THE PEOPLE OF THE STATE OF CALIFORNIA, ) FELONY COMPLAINT  
7 ) WARRANT  
8 Plaintiff, )  
9 )  
10 vs. ) No.  
11 HOWARD WALLACE OLIVER 02/07/47 ) OCDA WC16070011  
C6121764 ) OCDA WC15040015  
12 RAFAEL UBALDO CHAVEZ 02/08/64 ) OCDA HF12110001  
13 C0570539 )  
14 AKA RAFAEL UBALDO CHAVEZ RUELAS )  
15 Defendant(s))

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

18 COUNT 1: On or about and between February 14, 2014 and  
19 September 01, 2015, in violation of Section 550(a)(6) of the  
20 Penal Code (CONSPIRACY TO COMMIT MEDICAL INSURANCE FRAUD), a  
21 FELONY, HOWARD WALLACE OLIVER and RAFAEL UBALDO CHAVEZ did  
22 unlawfully conspire with Tanya Moreland King and Christopher  
23 King and other Unknown individuals., with the intent to defraud,  
24 to make a false and fraudulent claim to Workers' compensation  
25 Insurance Carriers in California for payment of a health care  
26 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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OVERT ACT 1

On or about 04/18/2013, Defendants Howard Oliver and Rafael Chavez M.D., entered into an agreement with King Medical Management Inc. and Monarch Medical Group Inc.

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 Howard Oliver M.D. and his Physician's Assistant, Rafael Chavez, at his Central Desert Industrial Medical Group.

OVERT ACT 3

Defendant Howard Oliver M.D. and Defendant Rafael Chavez, P.A., agreed to prescribe the transdermal compound creams manufactured by Steven's Pharmacy to Defendant Oliver's workers' compensation patients.

OVERT ACT 4

Defendant Howard Oliver, M.D. and Defendant Rafael Chavez, P.A., agreed to provide the billing information for each workers' compensation patient to King Medical Management Inc. to bill for the dispensing of these creams for their office.

OVERT ACT 5

In order to give the appearance of legitimacy of the compounded transdermal creams that Defendant Oliver prescribed to his patients, on 01/21/15, Defendant Oliver signed a letter that Monarch Medical Group provided to him and he did not prepare himself, purporting to give instructions to Steven's Pharmacy and customize the formula for the compound creams.

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OVERT ACT 6

King Medical Management Inc., agreed to give Defendant Howard Oliver, M.d. and Defendant Rafael Chavez, P.A. 90% of the profits from the amount collected from the workers' compensation carrier from the 3-day supply, as long as Defendants also wrote a prescription for the 30-day supply of transdermal compound creams which would be shipped to his workers' compensation patients by Steven's Pharmacy in Costa Mesa, located in the County of Orange.

OVERT ACT 7

Defendant Howard Oliver, M.D. and his Physician's Assistant entered into a contract with King Medical Management on 04/18/13, in which Monarch Medical Group agreed to purchase oral medications from NuCare Pharmaceuticals Inc., located in the County of Orange, to dispense to their workers' compensation patients at the defendants' Clinic Central Desert Industrial Medical Group.

OVERT ACT 8

Once the defendant distributed the medications to their workers' compensation patients, they provided the patients' demographics and billing information to Monarch Medical Group.

OVERT ACT 9

Monarch Medical Group then gave 80% of the profits received from workers' compensation carriers to the defendants.

OVERT ACT 10

Defendant Howard Oliver, M.D. and his Physician's Assistant Defendant Rafael Chavez, also entered into an agreement with Monarch Medical Group and One Source Labs Inc., in which they each agreed to prescribe Urine toxicology Drug testing to their workers' compensation patients in return for financial consideration.

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OVERT ACT 11

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 Howard Oliver, M.D. and Rafael Chavez, P.A. clinic, Central Desert Industrial Medical Group.

OVERT ACT 12

Defendant Howard Oliver, M.D. and Defendant Rafael Chavez, P.A., subjected their patients to a Urine Toxicology Test at their 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 13

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. Howard Oliver and Rafael Chavez.

OVERT ACT 14

In return for the payment on the "Point of Care" toxicology tests, Defendant Howard Oliver and Rafael Chavez then permitted One Source Labs to do qualitative tests on all Urine samples submitted by the workers compensation patients, regardless of medical necessity or test results.

OVERT ACT 15

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

OVERT ACT 16

Monarch Medical and King Medical paid Central Desert Industrial Medical Group in excess of \$94,000 between 07/08/13 and 08/12/15 with at least one payment being issued on 04/13/15 for \$1,609.86 with check number 6618.

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1 COUNT 2: On or about and between February 14, 2014 and  
2 September 01, 2015, in violation of Section 549 of the Penal  
3 Code (FALSE AND FRAUDULENT CLAIM), a FELONY, HOWARD WALLACE  
4 OLIVER and RAFAEL UBALDO CHAVEZ and his company Central Desert  
5 Industrial Medical Group did unlawfully solicit, accept, and  
6 refer business to and from King Medical Management Inc. and One  
7 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.

8 COUNT 3: On or about and between February 14, 2014 and  
9 September 01, 2015, in violation of Section 549 of the Penal  
10 Code (FALSE AND FRAUDULENT CLAIM), a FELONY, HOWARD WALLACE  
11 OLIVER and RAFAEL UBALDO CHAVEZ and his company Central Desert  
12 Industrial Medical Group did unlawfully solicit, accept, and  
13 refer business to and from King Medical Management Inc. and  
14 Monarch Medical Group Inc., with the knowledge that, and with  
reckless disregard for whether King Medical Management Inc. and  
Monarch Medical Group Inc. intended to violate Penal Code  
section 550 and Insurance Code section 1871.4.

15 COUNT 4: On or about and between May 06, 2014 and December 11,  
16 2014, in violation of Section 650 of the Business & Professions  
17 Code (REBATES FOR PATIENT REFERRALS), a FELONY, HOWARD WALLACE  
18 OLIVER and RAFAEL UBALDO CHAVEZ, a person licensed under the  
19 Healing Arts Division of this Code and the Chiropractic  
20 Initiative Act, did unlawfully offer, deliver, receive, and  
21 accept any rebate, refund, commission, preference, patronage  
22 dividend, discount, and other consideration as compensation and  
inducement for referring patients, clients, and customers to  
Tanya Moreland Kng and her Business One Source Labs and King  
Medical Management Inc.

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1 COUNT 5: 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 HOWARD WALLACE OLIVER and RAFAEL UBALDO CHAVEZ, a person  
5 licensed under the Healing Arts Division of this Code and the  
6 Chiropractic Initiative Act, did unlawfully offer, deliver,  
7 receive, and accept any rebate, refund, commission, preference,  
8 patronage dividend, discount, and other consideration as  
9 compensation and inducement for referring patients, clients, and  
10 customers to TANYA MORELAND KING AND HER BUSINESS ONE SOURCE  
11 LABS AND KING MEDICAL MANAGEMENT.

9 COUNT 6: On or about and between May 06, 2014 and December 11,  
2014, in violation of Section 650 of the Business & Professions  
10 Code (REBATES FOR PATIENT REFERRALS), a FELONY, HOWARD WALLACE  
11 OLIVER and RAFAEL UBALDO CHAVEZ, a person licensed under the  
12 Healing Arts Division of this Code and the Chiropractic  
13 Initiative Act, did unlawfully offer, deliver, receive, and  
14 accept any rebate, refund, commission, preference, patronage  
15 dividend, discount, and other consideration as compensation and  
16 inducement for referring patients, clients, and customers to  
17 STEVEN'S PHARMACY AND TANYA MORELAND KING AND HER BUSINESS  
18 MONARCH MEDICAL GROUP INC.

17 COUNT 7: On or about and between May 28, 2014 and August 12,  
2015, in violation of Section 650 of the Business & Professions  
18 Code (REBATES FOR PATIENT REFERRALS), a FELONY, HOWARD WALLACE  
19 OLIVER and RAFAEL UBALDO CHAVEZ, a person licensed under the  
20 Healing Arts Division of this Code and the Chiropractic  
21 Initiative Act, did unlawfully offer, deliver, receive, and  
22 accept any rebate, refund, commission, preference, patronage  
23 dividend, discount, and other consideration as compensation and  
24 inducement for referring patients, clients, and customers to  
25 STEVEN'S PHARMACY AND TANYA MORELAND KING AND HER BUSINESS  
26 MONARCH MEDICAL GROUP INC.

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1 COUNT 8: On or about and between May 28, 2014 and December 11,  
2 2014, in violation of Section 550(b)(3) of the Penal Code  
3 (INSURANCE FRAUD), a FELONY, HOWARD WALLACE OLIVER and RAFAEL  
4 UBALDO CHAVEZ, with the intent to defraud, did unlawfully  
5 conceal and knowingly fail to disclose, and did knowingly assist  
6 with another person to conceal and fail to disclose the  
7 occurrence of an event and a fact that affected the initial and  
8 continued material right and entitlement of FARMERS INSURANCE to  
9 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 IN AND RECEIVED FINANCIAL  
INCENTIVES TO PRESCRIBE COMPOUND CREAMS AND URINE TOXICOLOGY  
TESTS TO HIS WORKERS' COMPENSATION PATIENTS.

10 COUNT 9: On or about and between June 11, 2013 and October 15,  
11 2013, in violation of Section 550(b)(3) of the Penal Code  
12 (INSURANCE FRAUD), a FELONY, HOWARD WALLACE OLIVER and RAFAEL  
13 UBALDO CHAVEZ, with the intent to defraud, did unlawfully  
14 conceal and knowingly fail to disclose, and did knowingly assist  
15 with another person to conceal and fail to disclose the  
16 occurrence of an event and a fact that affected the initial and  
17 continued material right and entitlement of ICW to an insurance  
18 benefit and payment, and to the amount of a benefit and payment  
to which ICW 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.

19 COUNT 10: On or about and between May 21, 2013 and July 22,  
20 2015, in violation of Section 550(b)(3) of the Penal Code  
21 (INSURANCE FRAUD), a FELONY, HOWARD WALLACE OLIVER and RAFAEL  
22 UBALDO CHAVEZ, with the intent to defraud, did unlawfully  
23 conceal and knowingly fail to disclose, and did knowingly assist  
24 with another person to conceal and fail to disclose the  
25 occurrence of an event and a fact that affected the initial and  
26 continued material right and entitlement of Liberty Mutual  
27 Insurance to an insurance benefit and payment, and to the amount  
28 of a benefit and payment to which Liberty Mutual Insurance was  
entitled, namely: Defendant had a financial interest in and  
received financial incentives to prescribe Oral Medication and  
Urine Toxicology Tests, and that he did not author the reports  
billed on the healthcare claims to his workers' compensation  
patients.

1 COUNT 11: On or about and between October 21, 2013 and July 16,  
2 2015, in violation of Section 550(b)(3) of the Penal Code  
3 (INSURANCE FRAUD), a FELONY, HOWARD WALLACE OLIVER and RAFAEL  
4 UBALDO CHAVEZ, with the intent to defraud, did unlawfully  
5 conceal and knowingly fail to disclose, and did knowingly assist  
6 with another person to conceal and fail to disclose the  
7 occurrence of an event and a fact that affected the initial and  
8 continued material right and entitlement of State Compensation  
9 Insurance Fund to an insurance benefit and payment, and to the  
10 amount of a benefit and payment to which State Compensation  
11 Insurance Fund was entitled, namely: Defendant had a financial  
interest in and received financial incentives to order Urine  
Toxicology Tests and prescribe Oral Meds to his workers'  
compensation patients; Defendant also did not author the reports  
billed on the healthcare claims, to his workers compensation  
patients.

12 COUNT 12: On or about and between May 07, 2013 and December 29,  
13 2015, in violation of Section 550(b)(3) of the Penal Code  
14 (INSURANCE FRAUD), a FELONY, HOWARD WALLACE OLIVER and RAFAEL  
15 UBALDO CHAVEZ, with the intent to defraud, did unlawfully  
16 conceal and knowingly fail to disclose, and did knowingly assist  
17 with another person to conceal and fail to disclose the  
18 occurrence of an event and a fact that affected the initial and  
19 continued material right and entitlement of Travelers Insurance  
20 to an insurance benefit and payment, and to the amount of a  
21 benefit and payment to which Travelers Insurance was entitled,  
22 namely: Defendant had a financial interest in and received  
23 financial incentives to order Urine Toxicology Tests and  
24 prescribe Oral Meds to his workers' compensation patients;  
25 Defendant also did not author the reports which were billed on  
26 Healthcare Claims.

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1 COUNT 13: On or about and between May 20, 2013 and September  
2 25, 2015, in violation of Section 550(b)(3) of the Penal Code  
3 (INSURANCE FRAUD), a FELONY, HOWARD WALLACE OLIVER and RAFAEL  
4 UBALDO CHAVEZ, with the intent to defraud, did unlawfully  
5 conceal and knowingly fail to disclose, and did knowingly assist  
6 with another person to conceal and fail to disclose the  
7 occurrence of an event and a fact that affected the initial and  
8 continued material right and entitlement of Zurich Insurance to  
9 an insurance benefit and payment, and to the amount of a benefit  
10 and payment to which Zurich Insurance was entitled, namely:  
11 Defendant had a financial interest in and received financial  
12 incentives to order Urine Toxicology Tests, prescribe Compound  
13 Creams and oral medications to his workers' compensation  
14 patients; and Defendant did not author the reports which were  
15 billed in the Healthcare Claim Forms.

11 ENHANCEMENT(S)

12  
13 As to Count(s) 1, 2, 3, 4, 8, 10, 11, 12 and 13, it is further  
14 alleged pursuant to Penal Code section 12022.6(a)(1) (PROPERTY  
15 DAMAGE/LOSS OVER \$65,000), that HOWARD WALLACE OLIVER and RAFAEL  
16 UBALDO CHAVEZ intentionally took, damaged, and destroyed  
17 property valued in excess of sixty-five thousand dollars  
18 (\$65,000) during the commission and attempted commission of the  
19 above offense.

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/DM 17F00314

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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:

HOWARD WALLACE OLIVER - \$ 94,000.00  
RAFAEL UBALDO CHAVEZ - \$ 94,000.00

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.