

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

Case:2:18-cr-20008
Judge: Berg, Terrence G.
MJ: Patti, Anthony P.
Filed: 01-04-2018 At 01:50 PM
INDI USA v. SEALED MATTER (SO)

VIO: 21 U.S.C. §§841(a)(1) and 846
18 U.S.S. § 1347

v.

- D-1 ZONGLI CHANG, M.D.,
 - D-2 DARRYL PARKER,
 - D-3 TYE CHANDLER,
 - D-4 KAREN HALL, aka "Smooth,"
 - D-5 DEANGELO GIVHAN, aka "Boo-Man"
and "Kirby,"
 - D-6 YOLANDA CANNON,
 - D-7 MELVIN MCGUIRE, and
 - D-8 KHARY TREMBLE, aka "Ree."
- Defendants.

INDICTMENT

THE GRAND JURY CHARGES:

General Allegations

1. Beginning in about January 2012, a scheme and pattern of illegal conduct involving the unlawful distribution of Schedule II, IV and V prescription drug controlled substances and fraudulent health care billing was formed.

2. The defendants, ZONGLI CHANG, M.D. (hereinafter “DR. CHANG”), DARRYL PARKER, TYE CHANDLER, KAREN HALL (aka “Smooth”), DEANGELO GIVHAN (aka “Boo-Man” and “Kirby”), YOLANDA CANNON, MELVIN MCGUIRE, and KHARY TREMBLE (aka “Ree”), and others, both known and unknown to the grand jury, joined at different times, played different roles and engaged in different aspects of the overall drug diversion scheme. Their primary diversion scheme was for DR. CHANG to write prescriptions for controlled substances, in exchange for cash payments, that could be filled at various pharmacies in the Eastern District of Michigan. Once filled, the controlled substances were sold at a substantial profit on the illegal street market in Michigan and elsewhere.

3. DR. CHANG was first licensed to practice medicine in the State of Michigan in May of 2006. He opened a practice under the name Metro Home Visiting Physicians in Livonia, Michigan. At all times relevant to this indictment, DR. CHANG was authorized by the DEA to prescribe controlled substances (DEA #FC0216475).

4. In August of 2007, DR. CHANG was assigned a Medicare number allowing him to bill services to Medicare when appropriate. Through his general practice, DR. ZONGLI CHANG fraudulently billed Medicare for physician services until September 10, 2014, when his Medicare enrollment was revoked.

5. After DR. CHANG's Medicare privileges were revoked, the primary focus of his medical practice turned to writing controlled substance prescriptions for cash. In order to generate "patients" for his cash-for-prescription practice, DR. CHANG employed the services of "patient recruiters." These recruiters would pay cash to various acquaintances to act as "patients" and visit DR. CHANG. The recruiters transported these "patients" to DR. CHANG's office. After a cursory examination or no examination at all, DR. CHANG would write multiple prescriptions, without medical necessity and outside the scope of professional medical practice. DR. CHANG commonly wrote prescriptions for controlled substances, to include Hydrocodone-Acetaminophen, Oxycodone HCl, Alprazolam, Carisoprodol and Promethazine/codeine syrup. The recruiters paid DR. CHANG cash for writing and delivering medically unnecessary controlled substance prescriptions. In addition to prescribing controlled substances, DR. ZONGLI CHANG also prescribed various unnecessary, high-priced medications – referred to as "maintenance medications" – in order to induce pharmacies to fill prescriptions that might otherwise appear suspicious on their face.

6. Defendants DARRYL PARKER, TYE CHANDLER, KAREN HALL, aka "Smooth," DEANGELO GIVHAN, aka "Boo-Man" and "Kirby," YOLANDA CANNON, MELVIN MCGUIRE, and KHARY TREMBLE, aka "Ree," were patient recruiters for DR. CHANG. They recruited and transported fake patients for

visits with DR. CHANG, and delivered cash to DR. CHANG in return for controlled substance prescriptions. These defendants also transported their fake patients to various pharmacies where the controlled substance and maintenance-medication prescriptions would be filled. The recruiters paid their fake patients cash, between \$100 and \$300, and took possession of the controlled substances for future illegal distribution.

7. During the course of the conspiracy, defendant DR. CHANG prescribed more than 2,700,000 unit dosages of Schedule II, III, and IV controlled substances. In particular, DR. CHANG prescribed more than 300,000 unit dosages of Oxycodone HCl a Schedule II controlled substance; more than 12,000 unit dosages of Oxycodone-Acetaminophen, a Schedule II controlled substance; more than 16,000 unit dosages of Oxymorphone HCl, a Schedule II controlled substance; more than 35,000 unit dosages of Oxycontin, a Schedule II controlled substance; more than 600,000 unit dosages of Hydrocodone-Acetaminophen, a Schedule II controlled substance; more than 300,000 unit dosages of Alprazolam, a Schedule IV controlled substance, more than 870,000 unit dosages of Carisoprodol, a Schedule IV controlled substance. In total, these controlled substances had a conservative street value of more than \$18,000,000.

8. Based upon data maintained in the Michigan Automated Prescription System (MAPS), DR. CHANG was one of the top two Michigan prescribers of

Carisoprodol in 2015 and for the first three quarters of 2016, and among the top six prescribers of Promethazine/codeine syrup during that same period.

These general allegations are adopted and incorporated in each count of this Indictment.

COUNT 1

(21 U.S.C. §§ 841(a)(1), 846 – Conspiracy to Distribute and Possess with Intent to Distribute Controlled Substances)

- D-1 ZONGLI CHANG, M.D.,**
- D-2 DARRYL PARKER,**
- D-3 TYE CHANDLER,**
- D-4 KAREN HALL, aka “Smooth,”**
- D-5 DEANGELO GIVHAN, aka “Boo-Man”
and “Kirby,”**
- D-6 YOLANDA CANNON,**
- D-7 MELVIN MCGUIRE, and**
- D-8 KHARY TREMBLE, aka “Ree.”**

1. Beginning on or about January 2012 and continuing up to and including May 5, 2017, defendants DR. CHANG; DARRYL PARKER; TYE CHANDLER; KAREN HALL, aka “Smooth;” DEANGELO GIVHAN, aka “Boo-Man” and “Kirby;” YOLANDA CANNON; MELVIN MCGUIRE; and KHARY TREMBLE, aka “Ree,” did knowingly, intentionally and unlawfully combine, conspire, confederate and agree with each other, as well as other persons not named in this Indictment, to commit offenses against the United States, that is, to knowingly, intentionally and unlawfully distribute and possess with the intent to

distribute controlled substances, including but not limited to, the Schedule II drugs Hydrocodone-Acetaminophen, Oxycodone HCl, and Oxycodone-Acetaminophen; the Schedule IV drugs Alprazolam and Carisoprodol; and the Schedule V drug Promethazine/codeine syrup.

2. All of these prescription drug controlled substances were distributed outside of the course of usual medical practice and for no legitimate medical purpose, all in violation of Title 21 United States Code, Sections 846, 841(a)(1).

COUNTS TWO TO SIX

(21 U.S.C. §841(a)(1) - Unlawful Distribution of Controlled Substances
18 U.S.C. § 2 Aiding and Abetting)

D-1 ZONGLI CHANG, M.D.

D-2 DARRYL PARKER

On or about each of the dates set forth below, in the Eastern District of Michigan, Southern Division, defendant DR. CHANG, aided and abetted knowingly and intentionally by defendant DARRYL PARKER, did knowingly, intentionally, and unlawfully distribute the identified prescription drug controlled substances by writing prescriptions outside the scope of usual professional practice, for no legitimate medical purpose, and transferring the prescriptions so they could be filled, in the names of individuals as follows:

COUNT	ON OR ABOUT DATE	PATIENT	CONTROLLED SUBSTANCE	DOSAGE UNIT
2	5/31/2016	A.P.	Hydrocodone Acetaminophen	60
3	11/21/2016	A.P.	Hydrocodone Acetaminophen	90
4	4/27/2017	A.P.	Hydrocodone Acetaminophen	90
5	3/27/2017	W.H.	Hydrocodone Acetaminophen	75
6	4/27/2017	W.H.	Hydrocodone Acetaminophen	90

COUNTS SEVEN TO ELEVEN

(21 U.S.C. §841(a)(1) - Unlawful Distribution of Controlled Substances
18 U.S.C. § 2 Aiding and Abetting)

D-1 ZONGLI CHANG, M.D.

D-3 TYE CHANDLER

On or about each of the dates set forth below, in the Eastern District of Michigan, Southern Division, defendant Dr. ZONGLI CHANG, aided and abetted knowingly and intentionally by defendant TYE CHANDLER, did knowingly, intentionally, and unlawfully distribute the identified prescription drug controlled substances by writing prescriptions outside the scope of usual professional practice, for no legitimate medical purpose, and transferring the prescriptions so they could be filled, in the names of individuals as follows:

COUNT	ON OR ABOUT DATE	PATIENT	CONTROLLED SUBSTANCE	DOSAGE UNIT
7	2/27/2015	K.M.	Hydrocodone Acetaminophen	60
8	5/26/2015	K.M.	Hydrocodone Acetaminophen	75
9	4/7/2017	J.V.	Hydrocodone Acetaminophen	75
10	3/6/2017	J.V.	Hydrocodone Acetaminophen	75
11.	5/29/2015	J.V.	Hydrocodone Acetaminophen	60

All in violation of Title 21, United States Code, Section 841(a)(1).

COUNTS TWELVE TO SIXTEEN

(21 U.S.C. §841(a)(1) - Unlawful Distribution of Controlled Substances
18 U.S.C. § 2 Aiding and Abetting)

D-1 ZONGLI CHANG, M.D.

D-4 KAREN HALL, aka "Smooth"

On or about each of the dates set forth below, in the Eastern District of Michigan, Southern Division, defendant DR. CHANG, aided and abetted knowingly and intentionally by defendant KAREN HALL, aka "Smooth," did knowingly, intentionally, and unlawfully distribute the identified prescription drug controlled substances by writing prescriptions outside the scope of usual professional practice, for no legitimate medical purpose, and transferring the prescriptions so they could be filled, in the names of individuals as follows:

COUNT	ON OR ABOUT DATE	PATIENT	CONTROLLED SUBSTANCE	DOSAGE UNIT
12	11/30/2015	W.B.	Oxycodone HCl 30 MG	90
13	3/27/2017	W.B.	Oxycodone HCl 30 MG	90
14	4/24/2017	W.B.	Oxycodone HCl 30 MG	90
15	11/30/2015	G.D.	Oxycodone HCl 30 MG	90
16	11/22/2016	G.D.	Oxycodone HCl 30 MG	90

All in violation of Title 21, United States Code, Section 841(a)(1).

COUNTS SEVENTEEN TO TWENTY-ONE
 (21 U.S.C. §841(a)(1) - Unlawful Distribution of Controlled Substances
 18 U.S.C. § 2 Aiding and Abetting)

D-1 ZONGLI CHANG, M.D.

D-5 DEANGELO GIVHAN, aka "Boo-Man" and "Kirby"

On or about each of the dates set forth below, in the Eastern District of Michigan, Southern Division, defendant DR. CHANG, aided and abetted knowingly and intentionally by defendant DEANGELO GIVHAN, aka "Boo-Man" and "Kirby," did knowingly, intentionally, and unlawfully distribute the identified prescription drug controlled substances by writing prescriptions outside the scope of usual professional practice, for no legitimate medical purpose, and transferring the prescriptions so they could be filled, in the names of individuals as

follows:

COUNT	ON OR ABOUT DATE	PATIENT	CONTROLLED SUBSTANCE	DOSAGE UNIT
17	5/23/2015	D.G.	Hydrocodone Acetaminophen	60
18	7/16/2015	T.K.	Hydrocodone Acetaminophen	60
19	12/11/2015	T.K.	Hydrocodone Acetaminophen	60
20	5/3/2016	T.K.	Hydrocodone Acetaminophen	60
21	5/3/2016	T.K.	Promethazine Codeine Syrup	360

All in violation of Title 21, United States Code, Section 841(a)(1).

COUNTS TWENTY-TWO TO TWENTY-SIX

(21 U.S.C. §841(a)(1) - Unlawful Distribution of Controlled Substances
18 U.S.C. § 2 Aiding and Abetting)

D-1 ZONGLI CHANG, M.D.

D-6 YOLANDA CANNON

On or about each of the dates set forth below, in the Eastern District of Michigan, Southern Division, defendant DR. CHANG, aided and abetted knowingly and intentionally by defendant YOLANDA CANNON, did knowingly, intentionally, and unlawfully distribute the identified prescription drug controlled substances by writing prescriptions outside the scope of usual professional practice, for no legitimate medical purpose, and transferring the prescriptions so they could be filled, in the names of individuals as follows:

COUNT	ON OR ABOUT DATE	PATIENT	CONTROLLED SUBSTANCE	DOSAGE UNIT
22	7/28/2015	M.P.	Oxycodone Acetaminophen 30 MG	90
23	7/28/2015	M.P.	Carisoprodol 350 MG	60
24	7/28/2015	M.P.	Promethazine Codeine Syrup	360
25	6/6/2015	C.M.	Carisoprodol 350 MG	60
26	6/6/2015	C.M.	Promethazine Codeine Syrup	360

All in violation of Title 21, United States Code, Section 841(a)(1).

COUNTS TWENTY-SEVEN TO THIRTY-ONE

(21 U.S.C. §841(a)(1) - Unlawful Distribution of Controlled Substances
18 U.S.C. § 2 Aiding and Abetting)

D-1 ZONGLI CHANG, M.D.

D-7 MELVIN MCGUIRE

On or about each of the dates set forth below, in the Eastern District of Michigan, Southern Division, defendant DR. CHANG, aided and abetted knowingly and intentionally by defendant MELVIN MCGUIRE, did knowingly, intentionally, and unlawfully distribute the identified prescription drug controlled substances by writing prescriptions outside the scope of usual professional practice, for no legitimate medical purpose, and transferring the prescriptions so they could be filled, in the names of individuals as follows:

COUNT	ON OR ABOUT DATE	PATIENT	CONTROLLED SUBSTANCE	DOSAGE UNIT
27	6/16/2015	K.W.	Hydrocodone Acetaminophen	60
28	7/14/2015	K.W.	Hydrocodone Acetaminophen	60
29	5/12/2015	G.M.	Hydrocodone Acetaminophen	60
30	4/18/2016	G.M.	Hydrocodone Acetaminophen	60
31	4/13/2017	G.M.	Hydrocodone Acetaminophen	60

All in violation of Title 21, United States Code, Section 841(a)(1).

COUNTS THIRTY-TWO TO THIRTY-SIX

(21 U.S.C. §841(a)(1) - Unlawful Distribution of Controlled Substances
18 U.S.C. § 2 Aiding and Abetting)

D-1 ZONGLI CHANG, M.D.

D-8 KHARY TREMBLE, aka "Ree"

On or about each of the dates set forth below, in the Eastern District of Michigan, Southern Division, defendant DR. CHANG, aided and abetted knowingly and intentionally by defendant KHARY TREMBLE, aka "Ree," did knowingly, intentionally, and unlawfully distribute the identified prescription drug controlled substances by writing prescriptions outside the scope of usual professional practice, for no legitimate medical purpose, and transferring the prescriptions so they could be filled, in the names of individuals as follows:

COUNT	ON OR ABOUT DATE	PATIENT	CONTROLLED SUBSTANCE	DOSAGE UNIT
32	8/17/2015	R.P.	Hydrocodone Acetaminophen	60
33	8/4/2016	R.P.	Hydrocodone Acetaminophen	75
34	5/2/2017	R.P.	Hydrocodone Acetaminophen	75
35	10/23/2015	I.L.	Hydrocodone Acetaminophen	60
36	4/10/2017	I.L.	Hydrocodone Acetaminophen	75

All in violation of Title 21, United States Code, Section 841(a)(1).

COUNTS THIRTY-SEVEN TO FORTY

(21 U.S.C. §841(a)(1) - Unlawful Distribution of Controlled Substances
18 U.S.C. § 2 Aiding and Abetting)

D-1 ZONGLI CHANG, M.D.

On or about each of the dates set forth below, in the Eastern District of Michigan, Southern Division, defendant DR. CHANG did knowingly, intentionally, and unlawfully cause the identified prescription drug controlled substances to be distributed by writing prescriptions outside the scope of usual professional practice, for no legitimate medical purpose, and transferring the prescriptions so they could be filled, in the names of individuals as follows:

COUNT	ON OR ABOUT DATE	PATIENT	CONTROLLED SUBSTANCE	DOSAGE UNIT
37	3/30/2013	C.H.	Hydrocodone Acetaminophen	60
38	3/30/2013	C.H.	Promethazine Codeine Syrup	360
39	7/29/2013	G.J.	Hydrocodone Acetaminophen	90
40	8/27/2013	G.J.	Hydrocodone Acetaminophen	90

All in violation of Title 21, United States Code, Section 841(a)(1).

COUNTS FORTY-ONE TO FORTY-THREE
(18 U.S.C. § 1347-Health Care Fraud)

D-1 ZONGLI CHANG, M.D.

On or about the dates specified as to each count below, in the Eastern District of Michigan, Southern Division, the defendant, DR. CHANG, in connection with the delivery of a payment for Medicare health care benefits, items, and services, did knowingly and willfully execute a scheme and artifice to defraud a health care benefit program affecting commerce, as defined by Title 18, United States Code, Section 24(b), that is, Medicare, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, said health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services.

It was the purpose of the scheme for the defendant to unlawfully enrich

himself by, among other things: (a) submitting false and fraudulent claims to Medicare for prescription medication and physician home visits; (b) concealing the submission of false and fraudulent claims to Medicare, as well as the receipt and transfer of the proceeds from the fraud; and (c) diverting proceeds of the fraud for the personal use and benefit of the defendant.

COUNT	ON OR ABOUT DATE	PATIENT	SERVICE BILLED	AMOUNT PAID
41	3/25/2013	C.H.	New patient home visit, typically 60 minutes	\$150.27
42	7/29/2013	G.J.	Established patient home visit, typically 60 minutes	\$143.73
43	8/27/2013	G.J.	Established patient home visit, typically 60 minutes	\$143.73

All in violation of Title 21, United States Code, Section 841(a)(1).

FORFEITURE ALLEGATION

(18 U.S.C. § 982(a)(7) and 21 U.S.C. § 853 – Criminal Forfeiture)

a. The allegations contained in Counts 1 through 43 of this Indictment are hereby incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 982(a)(7) and Title 21, United States Code, Section 853.

b. As a result of the violations of Title 18, United States Code, Section 1347, as alleged above, defendant DR. ZONGLI CHANG, shall forfeit to the United States any property, real or personal, constituting, or derived from, any

gross proceeds obtained, directly or indirectly, as a result of such violations, pursuant to Title 18, United States Code, Section 982(a)(7), including, but not limited to, \$603,136 of United States Currency seized from a residence in Novi, Michigan on or about June 12, 2017.

c. Pursuant to Title 21, United States Code, Section 853, upon conviction of the violations of Title 21, United States Code, Sections 841 and 846 as alleged above, Defendants shall forfeit to the United States: (a) any property constituting, or derived from, any proceeds obtained, directly or indirectly, as a result of such violations; and (b) any property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of such violations, including, but not limited to, \$603,136 of United States Currency seized from a residence in Novi, Michigan on or about June 12, 2017.

d. Substitute Assets: If the property described above as being subject to forfeiture, as a result of any act or omission of the Defendants:

- (a) Cannot be located upon the exercise of due diligence;
- (b) Has been transferred or sold to, or deposited with, a third party;
- (c) Has been placed beyond the jurisdiction of the Court;
- (d) Has been substantially diminished in value; or
- (e) Has been commingled with other property that cannot be subdivided without difficulty; it is the intent of the United States, pursuant to Title 21, United States

Code, Section 853(p), to seek to forfeit any other property of defendant up to the value of the above-described property subject to forfeiture.

THIS IS A TRUE BILL

s/GRAND JURY FOREPERSON

DANIEL L. LEMISCH
Acting United States Attorney

s/WAYNE F. PRATT
Chief, Health Care Fraud Unit

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Dated: January 4, 2018

ORIGINAL

United States District Court
Eastern District of Michigan

Criminal Case Cover

Case: 2:18-cr-20008
Judge: Berg, Terrence G.
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Filed: 01-04-2018 At 01:50 PM
INDI USA v. SEALED MATTER (SO)

NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to complete

[Redacted]	Companion Case Number:
This may be a companion case based upon LCrR 57.10 (b)(4) ¹ :	Judge Assigned:
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	AUSA's Initials: <i>JRE</i>

Case Title: USA v. ZONGLI CHANG, et al.

County where offense occurred : WAYNE

Check One: Felony Misdemeanor Petty

- Indictment/ Information --- no prior complaint.
- Indictment/ Information --- based upon prior complaint [Case number: _____]
- Indictment/ Information --- based upon LCrR 57.10 (d) [Complete Superseding section below].

Superseding Case Information

Superseding to Case No: _____ Judge: _____

- Corrects errors; no additional charges or defendants.
- Involves, for plea purposes, different charges or adds counts.
- Embraces same subject matter but adds the additional defendants or charges below:

<u>Defendant name</u>	<u>Charges</u>	<u>Prior Complaint (if applicable)</u>
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Please take notice that the below listed Assistant United States Attorney is the attorney of record for the above captioned case.

January 4, 2018
Date



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¹ Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, or (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.