

Jackie Lacey
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NEWS RELEASE

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**15 Indicted in \$150 Million Insurance Fraud,
Patient Scam Conspiracy**

Los Angeles County District Attorney Jackie Lacey announced today that two criminal Grand Jury indictments were unsealed charging an orthopedic surgeon, his personal attorney and a cadre of assistants with operating one of the largest insurance fraud scams in state history.

Dr. Munir Uwaydah, his personal lawyer and his former office manager were among the 15 named in two indictments totaling 132 felony counts. Uwaydah was arrested Wednesday in Germany and is awaiting extradition back to the United States.

“Today, we put an end to the illegal activities of an organized criminal enterprise that was responsible for one of the largest insurance fraud scams in California’s history,” District Attorney Lacey said.

“Although the patient victims sustained physical harm, we who pay higher premiums for health care suffer economic harm when scams are allowed to continue unchecked.

“With this case we send a clear message that we will continue our mission to protect the community by pursuing criminals who commit fraud in Los Angeles County,” District Attorney Lacey said.

Deputy District Attorneys Dayan Mathai, Catherine Chon, Karen Nishita and Kennes Ma are prosecuting the case.

The vast conspiracy outlined in the overt acts included fraudulently billing of more than \$150 million to insurance companies and paying attorneys and marketers up to \$10,000 a month each for illegal patient referrals, known as “capping.”

But the most serious charges outlined in the indictment involve Uwaydah and his staff deceiving nearly two dozen patients into having surgeries thinking they would be done by Uwaydah. In fact, the surgical procedures were performed by a physician’s assistant who never attended medical school, prosecutors said.

The physician's assistant operated on patients while they were under general anesthesia and without Uwaydah present in the operating room, the indictment alleges. Prosecutors said in addition all 21 patients sustained lasting scars and many required additional surgeries and suffered physical and psychological trauma as a result of their experience in Uwaydah's clinics.

The two Grand Jury indictments unsealed today are the result of a five-year investigation by the Los Angeles County District Attorney's Bureau of Investigation and the Organized Crime Division.

A total of 102 people testified during two separate Grand Jury proceedings, one in February and the second in August.

The 57-count indictment, BA425397, charges Uwaydah and 10 other defendants with one count each of conspiracy; 32 counts each of insurance fraud; 18 counts each of aggravated mayhem; and three counts each of capping or unlawful client referrals.

Uwaydah, the physician's assistant and three others are charged with three additional counts of aggravated mayhem involving patients.

The 57-count indictment alleges all the surgeries were billed to insurance companies as if Uwaydah had performed the surgeries.

As part of the fraud, the indictment alleges MRI and insurance authorization reports were routinely altered to justify surgeries, and some surgeries were performed with no medical justification.

The charged billing fraud counts are related to billings for prescription medications, office visits and surgeries.

In the 75-count indictment, BA435339, Uwaydah's personal lawyer and three others are charged as co-conspirators in Uwaydah's criminal enterprise. Charges include conspiracy to commit insurance fraud, money laundering, illegal patient referrals and filing false tax returns.

His personal attorney also is charged with one count of aggravated mayhem for her role in the alleged fraudulent surgery of a patient.

If convicted, Uwaydah and 11 others face up to life in state prison.

In BA425397, a 57-count indictment returned on Feb. 25, the 11 defendants are:

- Munir Uwaydah (dob 4/1/66): Mastermind of fraud and owner of Frontline Medical. Awaiting extradition from Germany.
- Paul Turley (dob 11/12/62) of Granada Hills: A chiropractor and Uwaydah's business partner.
- Maria Turley (dob 3/4/67) of Granada Hills: Uwaydah's director of surgery and Paul Turley's wife.
- Marisa Schermbeck-Nelson (dob 11/29/76) of Redondo Beach: Uwaydah's personal assistant.
- Peter Nelson (dob 8/1/71) of Redondo Beach: Uwaydah's physician assistant and Marisa Schermbeck-Nelson's husband.

- David Johnson (dob 11/7/34) of Corona: Doctor who worked for Frontline.
- Leticia Alvarez Lemus (dob 2/9/77) of Corona: Office manager for Frontline.
- Jeff Stevens (dob 4/4/51) of Playa Del Rey: Uwaydah's business associate.
- Wendee Luke (dob 7/2/74) of Brea: Uwaydah's office manager for several of his companies.
- Kelly Park (dob 10/10/65) of Thousand Oaks: Uwaydah's office manager and personal assistant.
- Ron Case (dob 4/11/76) of Camarillo: Billing manager for Frontline.

In BA435339, a 75-count indictment returned on Aug. 26, the four defendants are:

- Tatiana Torres Arnold (dob 1/6/70) of Encino. Uwaydah's personal attorney who held various positions for Uwaydah's companies.
- Terry Luke (dob 1/23/45) of Brea. Held various positions for Uwaydah's companies and defendant Wendee Luke's father.
- Tony Folgar (dob 11/24/57) of Sylmar: Paralegal for a law firm.
- Yolanda Groscost (dob 7/16/66) of Fountain Valley: Owner of YDG Marketing, a marketing firm.

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About the Los Angeles County District Attorney's Office

Los Angeles County District Attorney Jackie Lacey leads the largest local prosecutorial office in the nation. Her staff of nearly 1,000 attorneys, 300 investigators and 800 support staff members is dedicated to seeking justice for victims of crime and enhancing public safety. Last year, the [Los Angeles County District Attorney's Office](#) prosecuted more than 71,000 felony defendants and nearly 112,000 misdemeanor defendants.