

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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ALLSTATE INSURANCE COMPANY, ALLSTATE
INDEMNITY COMPANY, ALLSTATE PROPERTY &
CASUALTY INSURANCE COMPANY, AND
ALLSTATE FIRE & CASUALTY INSURANCE
COMPANY,

Docket No.: 1:24-cv-01698

COMPLAINT

Plaintiff(s),

Plaintiffs Demand a Trial by Jury

-against-

JOHN STROBECK, MD., INTEGRATED DIAGNOSTIC
IMAGING & CARDIOLOGY OF STATEN ISLAND,
P.C., HEART LUNG ASSOCIATES MEDICAL, P.C., JS
MARBLE MEDICAL CARE, P.C., JS RIVER MEDICAL
CARE, P.C., AND JOHN DOE DEFENDANTS 1-10,

Defendant(s).

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COMPLAINT

Plaintiffs Allstate Insurance Company, Allstate Indemnity Company, Allstate Property and Casualty Insurance Company, and Allstate Fire and Casualty Insurance Company (collectively, “Allstate” and/or “Plaintiffs”), by their attorneys, the Law Offices of Camille Nanni (hereinafter collectively referred to as the “Plaintiffs” or “Allstate”) as and for their Complaint against Defendants John Strobeck, MD (“Strobeck”), Integrated Diagnostic Imaging & Cardiology of Staten Island, P.C. (“Integrated Diagnostic”), Heart Lung Associates Medical, PC (“HLA”), JS Marble Medical Care, PC (“JS Marble”), JS River Medical Care, PC (“JS River”) (collectively referred to hereinafter as the “Strobeck PCs”), and John Doe Defendants 1-10 (“John Doe Defendants”) (together with Strobeck and the Strobeck PCs referred to hereinafter as the “Defendants”), alleges as follows:

INTRODUCTION

1. This case involves a medical doctor, unlicensed laypersons, and sham medical professional corporations who together systematically and repeatedly violated, and continue to violate, New York and Federal laws, as part of an elaborate scheme to defraud Allstate and other New York No-Fault insurers. In furtherance of this scheme, the Defendants utilized the U.S. Mail to submit, or cause to be submitted to Allstate, in excess of one thousand fraudulent medical claims, for services that were medically unnecessary, and were unlawfully rendered, to the extent that they were rendered at all (hereinafter referred to as the “Fraudulent Scheme”).

2. This egregious scheme was purposefully designed to deceive patients and insurers into believing that the medical services provided were being rendered by a licensed physician, acting in the best interest of the patients’ health.

3. In reality, the services, to the extent they were provided at all, were rendered by non-physicians and carried out as part of a complex web of deceit and unlawful activity, designed to maximize illicit profits with a complete disregard for the patient's well-being.

4. Beginning in July 2021 and continuing through the day of the filing of this Complaint, the Defendants billed Allstate in excess of \$1,115,998.37 for non-reimbursable, fraudulent health care claims ostensibly related to the treatment of Allstate No-Fault insured patients who were allegedly injured in motor vehicle accidents (hereinafter, the "Insureds").

5. The Fraudulent Scheme was carried out in the following manner:

- (i) The John Doe Defendants found a physician willing to participate in the Fraudulent Scheme in exchange for financial consideration;
- (ii) The physician's name and credentials were used to organize medical professional corporations under the guise that they were lawfully owned and operated by a licensed professional, when in fact, they were operated, managed, and controlled by the unlicensed John Doe Defendants;
- (iii) Improper and illegal kickback arrangements were entered into to procure a continuous flow of patients to the unlawfully controlled medical professional corporations;
- (iv) The medical professional corporations then purported to provide necessary treatments to victims of motor vehicle accidents when, in reality, to the extent provided at all, the services, were medically unnecessary and were rendered as part of a pre-determined treatment protocol designed solely to maximize reimbursement;
- (v) Billing and medical records were falsified to create the illusion that the medical services were necessary and being provided by licensed physicians, concealing that they were actually rendered by non-physician, independent contractors;
- (vi) The name, license and tax identification numbers of the fraudulent medical professional corporations were used as vehicles to submit, or cause to be submitted, through the U.S. Mail, numerous false and fraudulent invoices, bills, treatment records, and other insurance claim documentation to Allstate;
- (vii) Finally, insurance payments were layered through numerous bank accounts in order to conceal the John Doe Defendants' identities and the manner in which they profited from the Fraudulent Scheme.

6. To put the scheme in motion, the John Doe Defendants conspired with Strobeck, who was under personal financial crises and agreed, in exchange for monetary payment, to participate in the Fraudulent Scheme by selling his license and other credentials to the John Doe Defendants and falsely representing to insurers and New York State regulators that he was the owner and principal treating provider of the Strobeck PCs. In reality, he was a “paper” owner only and played no role in the rendering of medical services. The operation, management, and control of the Strobeck PCs rested with the John Doe Defendants.

7. In furtherance of the Fraudulent Scheme, the John Doe Defendants purposefully organized the Strobeck PCs in a rapid, systematic, and linear fashion. As each new entity began billing, the Defendants abandoned the use of the prior entity. This was designed to avoid detection by, among other things, preventing insurers from discovering their fraud through the verification processes permitted under the New York No-Fault law.

8. In perpetrating the scheme, The John Doe Defendants first assumed operation, management, and control of Integrated Diagnostic whose existence pre-dates the Fraudulent Scheme. Integrated Diagnostic was licensed with the New York State Office of the Professions from April 15, 2005 until March 31, 2020. Despite the entity no longer being licensed, it commenced billing as part of the Fraudulent Scheme in or around July 2021.

9. Shortly after Integrated Diagnostic commenced billing for the Fraudulent Services, the John Doe Defendants incorporated three additional sham medical professional corporations using Strobeck’s name, license and credentials: HLA on September 1, 2021; JS River on March 10, 2022; and JS Marble on March 15, 2022.

10. To obtain a steady stream of patients into the PCs, the Defendants entered into unlawful referral and kickback arrangements with various “No-Fault Clinics.”

11. Through the Strobeck PCs, Defendants billed Allstate almost exclusively for a single unproven treatment called musculoskeletal extracorporeal shock wave” (“Shockwave”).¹ The Defendants’ use of Shockwave in furtherance of the Fraudulent Scheme was intentional in both its timing and its form. On October 1, 2020, the New York State Department of Financial Services (“DFS”) adopted material changes to the New York Workers’ Compensation Fee Schedule (“Fee Schedule”), which were designed to eliminate areas of the Fee Schedule known to be the subject of fraud and abuse. In response to these changes, the Defendants searched and found new means to defraud insurers through the fraudulent use of Shockwave to bill surgical rates for a treatment that they rendered in a manner that was comparable in skill, cost and duration to simple physical therapy modalities, such as hot packs.

12. The Defendants billed Allstate for the Current Procedural Terminology (“CPT”) Code associated with Shockwave, in a fast and furious manner, at inflated rates, until it came under scrutiny by insurers. In response to this scrutiny, the Defendants deceptively changed the CPT Code they were billing under and purported to render other fraudulent treatments including “Laser Therapy” and “Percutaneous Electrical Nerve Stimulation” (“PENS”). However, this was a mere change in label only, and the Shockwave/PENS/Laser Therapy treatment (collectively, the “Fraudulent Services”) purportedly rendered to the Insureds and the fraudulent manner in which they were carried out remained the same.

13. In the submission of more than one thousand separate bills submitted to Allstate, the Defendants systematically misrepresented to Allstate that the Fraudulent Services were being rendered by Strobeck personally, when in fact, if they were actually rendered, they were being rendered by independent contractors who were non physicians. These undisclosed “providers”

¹ The Strobeck’s PCs interchangeably used the terms “Extracorporeal Shockwave Wave Treatment,” “Therapeutic Shockwave Treatment,” “Therapeutic Radial Pressure Wave Therapy” and “RPW.”

relied on pre-printed and falsified treatment records to carry out their role in the scheme and operated pursuant to the “treatment” directives of the John Doe Defendants.

14. Finally, the Defendants retained No-Fault attorneys to further the fraudulent scheme by submitting the fraudulent billing and acting as escrow agents of the Strobeck PCs. This arrangement allowed the John Doe Defendants to, among other things, unlawfully control the revenues of the Strobeck PCs while concealing their identities from insurers.

15. The John Doe Defendants, Strobeck, and the Strobeck PCs joined together in a purposeful and organized manner, with everyone fulfilling a specific and necessary role to facilitate this wide ranging, extensive healthcare fraud scheme. Within eighteen months, the Strobeck PCs grew from one inactive practice to at least four highly active practices, treating over 180 patients insured by Allstate alone, across twenty-six (26) offices located throughout New York City, Long Island, and the Mid-Hudson region.

16. At all relevant times discussed herein:

- (i) The John Doe Defendants operated, managed and controlled the Strobeck PCs, in violation of New York law;
- (ii) Strobeck intentionally misrepresented and concealed facts related to his ownership, control and/or management of the Strobeck PCs;
- (iii) The Defendants schemed to, and did subject Insureds to medically unnecessary and unproven treatment(s) designed for no other purpose other than to defraud Allstate and other insurers;
- (iv) The Defendants procured patients through unlawful referral arrangements;
- (v) The Defendants intentionally misrepresented that Strobeck performed the Fraudulent Services when in fact, to the extent they were provided, they were performed by non-physicians, who were never employed or supervised by Strobeck; and
- (vi) Through the U.S. Mail, the Defendants submitted, or caused to be submitted, to Allstate in excess of one thousand fraudulent claims.

17. The chart annexed as Exhibit 1 sets forth a representative sample of the fraudulent charges that the Defendants submitted, or caused to be submitted, to Allstate through the Strobeck PCs.

18. The chart annexed as Exhibit 2 sets forth representative examples of mail fraud arising from the Defendants use of the U.S. mail in furtherance of the Fraudulent Scheme.

19. Allstate brings this action pursuant to:

- (i) The United States Racketeer Influenced and Corrupt Organizations Act (“RICO”); 18 U.S.C. §§ 1961, 1962(c) and (d), and 1964(c);
- (ii) New York State common law claims of fraud and unjust enrichment; and
- (iii) The Federal Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202.

20. This action seeks actual damages currently in excess of \$137,731.05, the exact amount to be determined at trial, representing insurance payments that were wrongfully obtained from Allstate by, or on behalf of, the Strobeck PCs, as a direct result of the Defendants’ unlawful conduct and material misrepresentations.

21. Allstate also seeks a declaration pursuant to 28 U.S.C. §§2201-2202, that it is not legally obligated to pay or reimburse the Strobeck PCs (or their agents) in connection with any of the past medical claims, currently amounting to in excess of \$978,267.32, the exact amount to be determined at trial, or any future claims seeking payment under New York’s No-Fault laws because, at all relevant times:

- (i) Integrated Diagnostic, HLA, JS Marble, and JS River were unlawfully operated, managed, and controlled by the John Doe Defendants, in violation of the New York Business Corporation Law.
- (ii) The medical services provided by Integrated Diagnostic, HLA, JS Marble, and JS River to Allstate insureds, to the extent provided at all, were excessive, medically unnecessary, and rendered according to pre-determined treatment protocols that were not based on medical decision-making but were designed solely to financially enrich the Defendants.

- (iii) The claim forms submitted to Allstate by (or on behalf of) Integrated Diagnostic, HLA, JS Marble, and JS River, fraudulently and materially misrepresented the nature and extent of the healthcare services that were provided to Allstate insureds to wrongfully inflate charges.
- (iv) Integrated Diagnostic, HLA, JS Marble, and JS River procured Allstate insureds through unlawful referral arrangements.
- (v) Integrated Diagnostic, HLA, JS Marble, and JS River's claim forms fraudulently misrepresented that Strobeck provided the services when in fact, to the extent they were provided at all, the services were provided by non-physician independent contractors who were not employed by Strobeck, Integrated Diagnostic, HLA, JS Marble, or JS River.

THE PARTIES

I. Plaintiffs

22. Plaintiffs Allstate Insurance Company, Allstate Indemnity Company, Allstate Property & Casualty Insurance Company, and Allstate Fire & Casualty Insurance Company are corporations duly organized and existing under the laws of the State of Illinois.

23. Allstate Insurance Company, Allstate Indemnity Company, Allstate Property & Casualty Insurance Company, and Allstate Fire & Casualty Insurance Company each have their principal place of business in Northbrook, Illinois.

24. At all relevant times to the allegations contained in this Complaint, Allstate Insurance Company, Allstate Indemnity Company, Allstate Property & Casualty Insurance Company and Allstate Fire & Casualty Insurance Company were each authorized to conduct business in New York.

II. Defendants

A. John Strobeck

25. Strobeck resides in, and is, a citizen of New Jersey. Strobeck is a physician licensed to practice in the state of New York.

26. Strobeck is a listed owner of Integrated Diagnostic.

27. Strobeck is the listed sole owner of HLA, JS River, and JS Marble.

28. Strobeck permitted the John Doe Defendants to use his name, license and credentials to form and/or operate the Strobeck PCs as part of the Fraudulent Scheme to defraud Allstate and other New York automobile insurers.

B. Integrated Diagnostic Imaging & Cardiology of Staten Island, P.C.

29. Integrated Diagnostic is a New York professional corporation that was incorporated on April 15, 2005, with its principal place of business in New York.

30. Integrated Diagnostic was licensed with the New York State Office of the Professions from April 15, 2005 through March 31, 2020, but is not currently licensed and was not licensed at the time it purported to provide the Fraudulent Services.

31. From 2021 to present, billing submitted to Allstate on behalf of Integrated Diagnostic was submitted exclusively by No-fault attorneys. The same firm became its registered agent on November 4, 2021.

C. Heart Lung Associates Medical, PC

32. HLA is a New York professional corporation that was incorporated on September 1, 2021, with its principal place of business in New York.

D. JS Marble Medical Care, PC

33. JS Marble is a New York professional corporation that was incorporated on March 15, 2022, with its principal place of business in New York.

E. JS River Medical Care, PC

34. JS River is a New York professional corporation that was incorporated on March 10, 2022, with its principal place of business in New York.

F. John Doe Defendants

35. Upon information and belief, the John Doe Defendants are unlicensed, non-professional individuals and/or entities, presently not identifiable to Allstate, who knowingly conspired, participated, conducted, and assisted in the Fraudulent Scheme with Strobeck and the Strobeck PCs.

36. Upon information and belief, the John Doe Defendants exerted control over the day-to-day operations and management of the Strobeck PCs by, among other things, controlling their finances, patient referrals and treatments, and by referring the billing and collection work for the Fraudulent Services to the No-Fault attorneys.

37. These individuals will be added as Defendants when their names and the extent of their participation become known through discovery.

JURISDICTION AND VENUE

38. 28 U.S.C. §1331 grants this Court jurisdiction over claims brought under the Racketeer Influenced and Corrupt Organizations ACT (“RICO”) 18 U.S.C. §§ 1961 et seq., because they arise under the laws of the United States.

39. 28 U.S.C. § 1332(a)(1) confers subject matter jurisdiction upon this Court because the matter in controversy exceeds the sum or value of \$75,000.00, exclusive of interest and costs, and is a matter between citizens of different states.

40. This Court has supplemental jurisdiction over the claims arising under state law pursuant to 28 U.S.C. § 1367(a).

41. Pursuant to 18 U.S.C. § 1965, 28 U.S.C. § 1367, and New York CPRL §302(a), this Court has personal jurisdiction over any non-domiciliary Defendant.

42. Furthermore, 28 U.S.C. §1391 allows venue in this District to be appropriate, as the Eastern District of New York is the district where one or more of the Defendants reside and because this is the District in which a substantial part of the events giving rise to Allstate's claims against the Defendants occurred.

ALLEGATIONS COMMON TO ALL CLAIMS

43. Allstate underwrites automobile insurance in the State of New York.

I. Applicable Laws and Regulations

A. New York's Laws Pertaining to Medical Licensing and No-Fault Reimbursement

i. New York's No-Fault Insurance System

44. Under New York's Comprehensive Motor Vehicle Insurance Reparations Act (N.Y. Ins. Law §§ 5101, et seq.), and regulations promulgated pursuant thereto (11 N.Y.C.R.R. §§ 65, et seq.)(collectively, "the No-Fault Laws"), automobile insurers such as Allstate are required to pay first-party benefits to reimburse for basic economic loss ("No-Fault Benefits"), sustained by an eligible injured person on account of personal injuries caused by an accident arising out of the use or operation of a motor vehicle.

45. Basic economic loss is defined to include necessary expenses of medical and healthcare services up to \$50,000 per person.

46. The No-Fault Laws are designed to ensure that reasonable and necessary accident related medical and rehabilitation expenses, for victims of motor vehicle accidents, are paid promptly and in accordance with established fee schedules.

47. An Insured may assign their rights to No-Fault Benefits to providers of healthcare services in exchange for those services.

48. Following a duly executed assignment, a healthcare provider may submit claims directly to the insurance company and receive payments directly for the medical services using the claim form entitled “Verification of Treatment by Attending Physician or Other Provider of Health services,” (“NF-3 Claim Form”). In the alternative, healthcare providers sometimes submit claims using the Health Care Financing Administration Insurance Claim form (“HCFA-1500 Form”).

49. Pursuant to New York Insurance Law § 403, the NF-3 Claim Forms submitted by a healthcare provider to Allstate, and to all other automobile insurers, must be verified by the healthcare provider, subject to the following warning:

Any person who knowingly and with intent to defraud any insurance company or other persons files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act which is a crime.

ii. Business Corporation Law and Prohibitions of Lay Ownership of Medical Professional Corporations

50. In New York, only licensed physicians may organize, own, or control a professional medical corporation. See, e.g., New York Business Corporation Law §§ 1503 and 1508. Likewise, only licensed physicians may be a director or officer of a professional medical corporation. See New York Business Corporation Law §1508. A professional corporation’s certification of incorporation must state the names of all individuals who are to be the original shareholders, directors, and officers of such corporation. See New York Business Corporation Law § 1503.

51. Additionally, New York law requires that physician owners of a professional service corporation be engaged in the practice of medicine through the entity. See New York Business Corporation Law 1507(a).

52. The New York State Department of Education is charged to “administer the admission to and the practice of the professions” and is responsible for issuing a certificate of

authority to “qualified professional service corporations.” See New York Education Law §§ 6507 and 6507 (4)(c)(i).

53. Pursuant to the New York Education Law, it is professional misconduct to permit laypersons to share in the fees for professional medical services. See New York Education Law § 6530(19).

54. Thus, in New York, by statute, regulation, and the common law, the corporate form cannot be used as a device to allow nonphysicians to control the practice of medicine. See Andrew Carothers, M.D., P.C. v Progressive Ins. Co., 33 N.Y.3d 389, 393 (2019).

iii. Public Health Law and Prohibitions Against Improper Referrals

55. The New York Public Health Law and its corresponding regulations promulgated by the Department of Health prohibit a practitioner from ordering enumerated services, including pharmacy, imaging, and physical therapy services, when the referring provider has a financial relationship with the provider performing the service. See e.g., New York Public Health Law § 238(a)(1)(a) and 10 N.Y.C.R.R. § 34-1.3.

56. The same laws and regulations prohibit referrals for any other “health or health related items” where a financial relationship exists unless the financial relationship is disclosed to the patient and the patient is informed of their right to use alternative healthcare providers for the services. See e.g., New York Public Health Law § 238(d) and 10 NYCRR § 34-1.5.

57. Additionally, the New York Education Law prohibits physicians from requesting, agreeing to receive, or participating in payments or other forms of consideration, in exchange with the furnishing of professional care. See e.g. Education Law §§ 6509-and 6531(18); 8 N.Y.C.R.R. §29.1 (b)(3).

iv. Services Rendered in Violation of the Business Corporation Law and the Public Health Law are Not Reimbursable Under the No-Fault Laws

58. The No-Fault Laws expressly provide that, a healthcare provider is not eligible to receive No-Fault Benefits if it fails to meet *any* applicable New York State or local licensing requirements necessary to perform such services in New York. See 11 N.Y.C.R.R. §65-3.16(a)(12)(emphasis added).

59. In State Farm Mut. Auto. Ins. Co. v. Mallela, 4 N.Y.3d 313, 320 (2005), the New York Court of Appeals interpreted 11 N.Y.C.R.R. §65-3.16(a)(12) to prohibit medical professional corporations, that were owned and controlled by laypersons, from reimbursement for No-Fault Benefits.

60. More recently, in Andrew Carothers, MD, PC v. Progressive Ins. Co. 33 N.Y.3d 389, 406 (2019), the New York Court of Appeals reaffirmed *Mallela* ruling that a healthcare provider in “material breach of the foundation rule for professional corporation license – namely that it be controlled by licensed professionals – was enough to render [the healthcare provider] ineligible for reimbursement under 11 NYCRR 65-3.16(a)(12).”

61. In Fair Price Med. Supply Corp. v. ELRAC Inc., 12 Misc. 3d 119, 820 N.Y.S.2d 679 (App. Term, 2d & 11th Jud. Dists. 2006) the New York Appellate Term, Second Department interpreted 11 NYCRR §65-3.16(a)(12) to prohibit professional medical corporations who engage in improper referrals (e.g., kickbacks), in violation of the Public Health Law, from reimbursement for No-Fault Benefits.

62. Accordingly, under the No-Fault Laws, a healthcare provider is not eligible to receive No-Fault Benefits if it is fraudulently formed or incorporated, fraudulently controlled, engages in unlawful fee-splitting, engages in unlawful referrals, and/or fails to abide by any other state or local licensing requirement pertaining to medical professional corporations.

B. Services Provided by Independent Contractors Are Not Reimbursable Under the No-Fault Laws

63. It is well established under the No-Fault Laws that when services are provided by an independent contractor, the professional corporation is not the “licensed provider” authorized to bill for the services.

64. 11 N.Y.C.R.R. 65-3.11(a) of the No-Fault Law provides:

Direct Payments. (a) An insurer shall pay benefits for any element of loss, other than death benefits, *directly to the applicant*, or when appropriate, to the applicant’s parent or legal guardian, or to any person legally responsible for necessities, or *upon assignment by the applicant* or any of the aforementioned persons, shall *pay benefits directly to providers of health care services*. (*Emphasis added*)

65. The Department of Financial Services (formerly New York State Insurance Department) who is responsible for implementing the No-Fault Law and promulgated 11 N.Y.C.R.R. 35-65.311(a) has consistently opined that the regulation prohibits professional corporations from billing insurers directly for services rendered by an independent contractor. See DOI Opinion Letters, February 21, 2001, February 5, 2002, March 11, 2002, October 29, 2003, and March 21, 2005. The Opinion Letters are annexed as Exhibit 3.

66. New York Courts have held consistent with the Insurance Department’s interpretation holding that “an independent contractor...is not a provider of... services within the meaning of Section 65.15 (j)(1) (now 11 NYCRR 65.3.11(a) and is hence not entitled to recover direct payment of assigned No-Fault Benefits from the defendant insurer.” A.B. Med. Servs., PLLC v. Liberty Mut. Ins. Co., 9 Misc. 3d 36, 37-38, 801 NYS2d 690 (App. Term, 2d & 11th Jud. Dists. 2005); See also Metroscan Imaging, P.C. v. GEICO Ins. Co., 13 Misc. 3d 35, 823 NYS2d 818 (App. Term, 2d & 11th Jud. Dists. 2006); Rockaway Boulevard Medical P.C. v. Progressive Ins., 9 Misc3d 52, 54, 802 N.Y.S.2d 302 (App. Term, 2d & 11th Jud. Dists. 2005).

C. Laws Pertaining to Racketeer Influenced and Corrupt Organizations (“RICO”)

67. The Organized Crime Control Act of 1970 was established in order to prevent and punish racketeering activity. See 18 U.S.C. §1962.

68. Under 18 U.S.C. § 1962(c)-(d):

(c) it shall be unlawful for any person employed by or associated with any enterprise engaged in, or the activities of which affect, interstate or foreign commerce, to conduct or participate, directly or indirectly, in the conduct of such enterprise’s affairs through a pattern of racketeering activity or collection of unlawful debt.

(d) It shall be unlawful for any person to conspire to violate any provisions of subsection (a), (b), or (c) of this section.

69. An “enterprise,” under 18 U.S.C. § 1961(4), “includes any individual, partnership, corporation, association, or other legal entity, and any union or group of individuals associated in fact although not a legal entity[.]”

70. Under 18 U.S.C. §1964 (a) Civil Remedies:

The district courts of the United States shall have jurisdiction to prevent and restrain violations of section 1962 of this chapter by issuing appropriate orders, including, but not limited to: ordering any person to divest himself of any interest, direct or indirect, in any enterprise; imposing reasonable restrictions on the future activities or investments of any person, including, but not limited to, prohibiting any person from engaging in the same type of endeavor as the enterprise engaged in, the activities of which affect interstate or foreign commerce; or ordering dissolution or reorganization of any enterprise, making due provision for the rights of innocent persons.

71. In addition to providing a mechanism to counter criminal activities, the RICO statute also establishes and provides for a private enforcement scheme for violations of the RICO statute.

72. 18 U.S.C § 1964(c) states:

Any person injured in his business or property by reason of a violation of section 1962 of this chapter may sue therefor in any appropriate United States district court and shall recover threefold the damages he sustains and the cost of the suit, including a reasonable attorney’s fee, except that no person may rely upon any conduct that

would have been actionable as fraud in the purchase or sale of securities to establish a violation of section 1962.

73. “Racketeering activity” is defined in 18 U.S.C. § 1961 and includes any act which is indictable under 18 U.S.C. § 1341 (relating to mail fraud).

74. An individual or entity commits mail fraud when they:

having devised or intending to devise any scheme or artifice to defraud, or for obtaining money...by means of false or fraudulent pretenses, representations, or promises...for the purpose of executing such scheme or artifice or attempting so to do, places in any post office or authorized depository for mail matter, any matter or thing whatever to be sent or delivered by the Postal Service, or deposits or causes to be deposited any matter or thing whatever to be sent or delivered by any private or commercial interstate carrier, or takes or receives therefrom, any such matter or thing, or knowingly causes to be delivered by mail or such carrier according to the direction thereon, or at the place at which it is directed to be delivered by the person to whom it is addressed, any such matter or thing

II. The Fraudulent Scheme

A. Unlawful Lay Control, Management, and Operation of the Strobeck PCs

75. The John Doe Defendants’ unlawful control, management and operation of the Strobeck PCs is evidenced by: (i) the John Doe Defendants’ recruitment of Strobeck to the Fraudulent Scheme, (ii) the fraudulent organization of the Strobeck PCs; (iii) the Defendants’ use of shockwave to exploit changes to the Fee Schedule; (iv) the Strobeck PC’s failure to adhere to acceptable standards of medical care; (v) the Defendants’ use of false and fraudulent treatment records; (vi) the Defendants’ unbundled and inflated billing for the Fraudulent Services; and (vii) the fraudulent flow of funds.

i. John Strobeck, MD’s Recruitment to the Fraudulent Scheme

76. Strobeck has been licensed to practice medicine in the State of New York since 1977. He was previously licensed to practice medicine in multiple other states, but said licenses are no longer active.

77. Upon information and belief, Strobeck's LinkedIn profile reflects that he retired from the "active practice of medicine" as of August 2015.

78. Consistent with his retirement from the active practice of medicine, Strobeck's board certification in Internal Medicine and Cardiovascular Disease expired on September 22, 2015. Further, Integrated Diagnostic did not renew its license to practice medicine and is listed as inactive since March 20, 2020 with the New York State Office of Professions.

79. On or about January 10, 2018, a judgment by default was entered in favor of Wells Fargo against Strobeck in the amount of \$531,328.27 in connection with his alleged failure to make payments on a promissory note. Similarly, on or about November 9, 2018, a judgment by default was entered in favor of Synovus Financial against Strobeck in the amount of \$642,857.49.

80. Additionally, the State of New Jersey entered a personal tax lien against Strobeck for \$79,763.39.

81. Under this backdrop, Strobeck conspired with the John Doe Defendants and agreed in exchange for financial consideration, to participate in the Fraudulent Scheme. Strobeck agreed to falsely represent to insurers, including Allstate, and New York State regulators that he was the owner and principal treating provider of the Strobeck PCs, when, in fact, he played no legitimate role in their business management or in the rendering of medical services to patients.

ii. Fraudulent Organization of the Strobeck PCs

82. After securing Strobeck's participation to act as the "paper owner" of the Strobeck PCs, the John Doe Defendants set forth to operate, manage and control the practices in a manner that defied rationale business logic and was designed to perpetrate fraud, evade detection, and maximize unlawful profits.

83. Between approximately July 26, 2021 and May 1, 2023, the John Doe Defendants fraudulently operated, managed and controlled at least four medical professional corporations, which operated across twenty-six (26) locations, purported to treat over 180 patients, and submitted in excess of one thousand falsified and fraudulent NF-3 Claim Forms demanding in excess of \$1,115,998.37 from Allstate alone.

84. In or around July 2021, the No-Fault attorneys began submitting claims for the Fraudulent Services on behalf of Integrated Diagnostic. Prior to July 2021, Integrated Diagnostic had not submitted a single claim to Allstate in over ten years and had never previously billed Allstate for Shockwave.

85. Allstate continued to receive claims from Integrated Diagnostic for Shockwave from at least ten locations for approximately two months, ending on or around September 24, 2021.²

86. Three days later, on or around September 27, 2021, HLA stepped into Integrated Diagnostic's shoes and began submitting claims for Shockwave from at least eleven locations, until on or around March 24, 2022, a period of only six months.

87. Five days later, on or around March 29, 2022, JS Marble replaced HLA and billed Allstate for Shockwave from at least six locations until May 25, 2022, a period of less than two months.

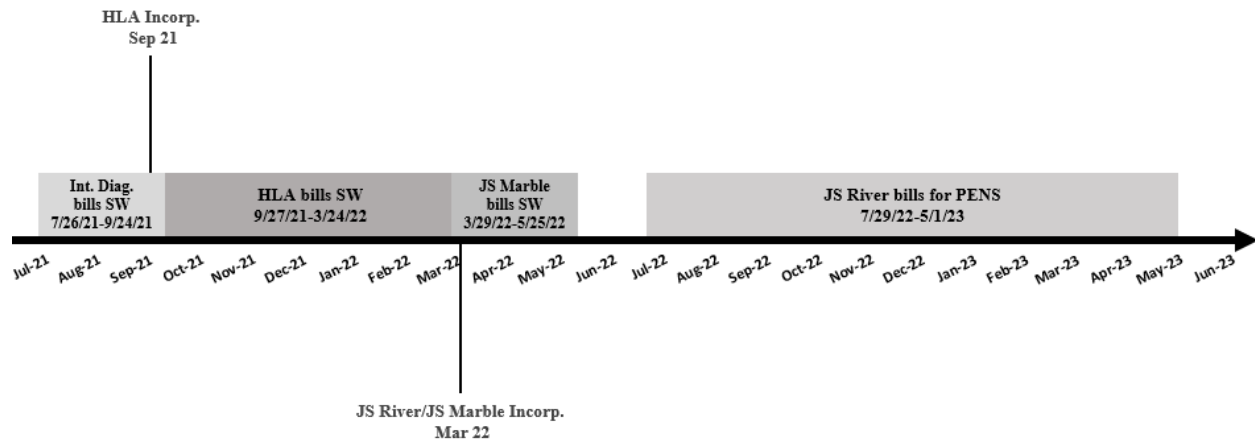
88. Finally, JS River commenced billing Allstate on or around July 29, 2022, from at least six locations, for treatment they interchangeably referred to as Shockwave and/or PENs.

89. Accordingly, in a little over two years, Strobeck purported to establish and then abandon the use of four facially thriving medical practices. The entities often-times operated at the

² Integrated Diagnostic submitted billing for services labeled as "Laser Therapy" to seven Insureds from February 2022 to April 2022.

same physical locations, provided the same services, and treated the same patients as its predecessor.

90. The chart below outlines the lineation of the above referenced timeline:



91. This fast-strike strategy was designed to disguise the existence of the Fraudulent Scheme, prevent the timely verification of claims by insurers, and increase the likelihood that it would go undetected by Allstate and other insurers.

92. Moreover, in addition to the above, Strobeck purported to simultaneously operate an unrelated physical therapy practice, “Physical Therapy Care and Rehab Office, PC (“PT Care”),”³ which billed Allstate \$239,216.17 in the same time period.

93. The Strobeck PCs were necessary in carrying out the Fraudulent Scheme as they served as the vehicles to submit false and fraudulent medical claims to Allstate and other insurers.

iii. Defendants’ Use of Shockwave to Exploit Changes to the Fee Schedule

94. The Defendants initial use of Shockwave was not based on the medical needs of the Insureds, but rather was purposely designed to exploit changes to the Fee Schedule.

³ From in or around January 2021 to present, PT Care submitted medical billing and tax documents to Allstate which reflect Strobeck as the owner of the practice. However, PT Care’s publicly filed corporate records state that the entity is organized to practice physical therapy and is owned by a physical therapist named Sylvia Pas.

95. On October 1, 2020, material changes to the Fee Schedule became effective which were designed, in part, to reduce fraud in the New York No-Fault Insurance System.

96. Prior to these changes, the CPT code associated with Shockwave, 0101T, was assigned a by-report (“BR”) designation. This designation requires a practitioner to justify the amount charged by providing pertinent information concerning the nature, extent, and need for the procedure or service, and the necessary time, skill and equipment needed to perform the procedure. After the Fee Schedule changes, Shockwave was assigned a specific value, thereby alleviating any requirement to justify the rate charged.

97. The Fee Schedule change created a golden opportunity for those seeking to defraud insurers, and within months Shockwave went from being virtually non-existent within No-Fault to being the sole treatment offered by numerous providers.

98. Shockwave’s efficacy is recognized in the field of urology for the treatment of urinary stones. The treatment involves a powerful “shockwave” which is sufficient enough in strength to mechanically break up urinary stones into smaller stones. The procedure is generally performed under anesthesia and other surgical conditions.

99. None of the treatment records that were submitted to Allstate by the Strobeck PCs, indicate that the Insureds suffered from a condition for which Shockwave is a conventional treatment. Instead, the records clearly reflect that Shockwave was used for the purposes of treating alleged musculoskeletal injuries.

100. The Centers for Medicare and Medicaid Services (“CMS”) in a local coverage determination found shockwave therapy for musculoskeletal treatment to be unproven. CMS has further explained that “the mechanism by which extracorporeal shockwave achieves a therapeutic

intervention in musculoskeletal conditions is not completely known” and it has described various possibilities as “hypotheses” at this point.

101. Following the change in the Fee Schedule and the corresponding surge in fraudulent billing, Shockwave came under intense scrutiny by insurers. Attempting to avoid this scrutiny, Defendants stopped using CPT 0101T in connection with the Fraudulent Services. Instead, Defendants submitted claims using CPT Codes 64999 and L8680 and changed the label on the NF-3 Claim Forms and treatment notes from “Shockwave” to “PENS”.

102. Notwithstanding the change of CPT Codes and the labeling on the treatment notes, the so-called PENS treatment purportedly rendered mirrored Shockwave. In fact, Strobeck assigned the acronym “PENS” to Shockwave giving the appearance that Strobeck himself was confused as to which treatment he was purportedly rendering on the Insureds.

103. For example, in the below referenced report, Strobeck states that the patient was referred for, “Therapeutic Radial Pressure Wave (PENS) therapy”, representing that Therapeutic Radial Pressure Wave (a/k/a Shockwave) is the same as PENS:

Indication:

Due to complaints of persistent pain following injuries sustained in an accident, the above-said patient was referred for Therapeutic Radial Pressure Wave (PENS) therapy. Based on the consultation, review of the patient's history and available medical records (see attached), patient's recovery is still at considerably less than Maximum Medical Improvement (MMI). (Excerpt from page 2 of the report on JS River patient GR on 12/22/2022).

104. Later in the same paragraph Strobeck again confused Shockwave with PENS stating “it is appropriate to proceed with a series of one to three therapeutic Radial Pressure Wave Shockwave therapy. Therapeutic PENS in a non-invasive physical agent....”

patient's VAS and pain diagram show the indication for the PENS procedure being done today. Considering that this patient is not a surgical candidate yet, patient has not achieved MMI from other aggressive and/or conservative treatment modalities, there is no other conservative medical intervention, other than PENS at this point in time to correct mal-alignments, joint stiffness, subluxation, fibrous adhesions and/or calcifications, it is appropriate to proceed with a series of one to three therapeutic Radial Pressure Wave Shockwave therapy. Therapeutic PENS is a non-invasive physical agent that influences the condition being treated through impulses of a sound waves that then becomes mechanical in (Excerpt from page 2 of the report on JS River Patient GR on 12/22/2022).

105. Further, in the treatment reports for PENS, Strobeck purports that the treatment used “*impulses of a sound wave that then becomes mechanical.*” (emphasis added). This is actually the description of the mechanism of Shockwave, not PENS. Conversely, PENS involves needle insertions over the patient’s spine that penetrate the skin.

iv. The Strobeck PCs’ Failure to Adhere to Acceptable Standards of Medical Care

106. As addressed above, Shockwave is a non-conventional and unproven treatment for musculoskeletal injuries. However, assuming *arguendo* that Strobeck genuinely “believed” in the efficacy of Shockwave for the treatment of musculoskeletal injuries, the manner in which the treatment was rendered by the Strobeck PCs grossly deviated from generally accepted standards of medical care.

107. The acceptable standard of care in the medical profession, before starting any unproven treatment such as Shockwave, is to first attempt conventional care. In the context of strains, sprains, whiplash, and other common musculoskeletal problems seen in patients involved in motor vehicle accidents, conventional treatment typically involves rest, medications, and/or physical therapy. These treatments are commonly prescribed for two to three months post motor vehicle accident to provide the patient the opportunity to respond to conservative regimens.

108. Defendants implicitly acknowledge this standard by including in virtually every “Pre-Procedure Evaluation” report, a statement that the Insured, “has not achieved MMI [maximum medical improvement] from other aggressive and/or conservative treatment modalities.” However, the Strobeck PCs deviated from this acknowledged standard of care and virtually always commenced Shockwave on the initial visit, without providing enough time to evaluate the efficacy of conservative treatments, to the extent any were even performed.

109. Below are representative examples in which “Strobeck” purportedly commenced Shockwave shortly after the accident and before any conventional treatment plan was given an opportunity to be helpful:

- (i) Insured EAG (Claim No. 0647727940) was allegedly in automobile accident on November 1, 2021. On November 2, 2021, EAG was evaluated by a chiropractor at a No-Fault Clinic. On November 3, 2021, Strobeck allegedly evaluated EAG at the same No-Fault Clinic and purportedly rendered Shockwave, for which Allstate was billed \$4,202.32. Strobeck’s templated reports state that Shockwave was being provided to the Insured due to the failure of other treatment options, yet eight days later, another physician evaluated EAG and recommended that EAG “*begin physical therapy.*” The Insured continued to receive a wide array of “aggressive and/or conservative treatment modalities” including, physical therapy, chiropractic treatment and injections until September 20, 2022.
- (ii) Insured KG (Claim No. 0645513938) was allegedly in automobile accident on October 15, 2021. On October 19, 2021, a physician evaluated KG at a No-Fault Clinic and advised her to start a six-to-eight-week physical therapy program. The next day, on October 20, 2021, Strobeck purportedly evaluated KG at this same No-Fault Clinic, and once again determined that Shockwave was the only treatment option since all other conservative treatment options had failed and proceeded to bill Allstate \$2,101.16 for the Shockwave. The Insured continued receiving a wide array of “aggressive and/or conservative treatment modalities” including physical therapy, chiropractic treatment, and injections through October 3, 2022.
- (iii) Insured JZ (Claim No. 0671316297) was allegedly in an automobile accident on May 18, 2022. On May 24, 2022, a pain management doctor evaluated her at a No-Fault Clinic and recommended trigger point injection therapy and noted that her “interim” treatment included pain medication and physical therapy. On the same day, Strobeck allegedly evaluated JZ, at that same No-Fault Clinic, and after reviewing JZ’s medical records, performed Shockwave, using the same templated language that this was the Insured’s only remaining conservative treatment option. Despite evaluating the same patient, at the same clinic, on the same day, Strobeck and the pain management physician did not reference one another and started the Insured on conflicting treatment plans. The Insured continued receiving a wide array of “aggressive and/or conservative treatment modalities” including physical therapy, chiropractic treatment, and surgeries until July 28, 2023.
- (iv) Insured YS (Claim No. 0665736344) was allegedly in an automobile accident on March 28, 2022. On March 29, 2022, YS purportedly began a regimen of physical therapy and chiropractic treatments at a No-Fault Clinic. A week later, on April 5, 2022, Strobeck and a pain management physician evaluated the Insured on the same day, at the same No-Fault Clinic. The pain

management doctor recommended, among other things, that the Insured continue with physical therapy and start trigger point injections. Strobeck, conversely, determined that the patient had failed to achieve maximum medical improvement from aggressive and conservative care and commenced Shockwave. The Insured continued receiving a wide array of “aggressive and/or conservative treatment modalities” including physical therapy, chiropractic treatment, and surgeries through September 27, 2023.

- (v) Insured RA (Claim No. 0645349036) was allegedly in an automobile accident on September 29, 2021. On October 4, 2021, RA began physical therapy at a No-Fault Clinic. On October 8, 2021, only 4 days later, Strobeck, the first physician to evaluate the Insured at the same No-Fault Clinic, determined that RA had failed to achieve maximum medical improvement after aggressive and/or conservative care and purportedly started Shockwave. The Insured continued receiving a wide array of “aggressive and/or conservative treatment modalities” including physical therapy, chiropractic treatment, and injections, through October 12, 2022.
- (vi) Insured LA (Claim No. 0637370156) was allegedly in an automobile accident on August 7, 2021. On August 11, 2021, a physician at a No-Fault Clinic recommended a laundry list of treatment options, never once referencing Shockwave. On August 14, 2021, five days later, Strobeck allegedly evaluated the patient at the same No-Fault Clinic and reported that LA had failed to reach maximum medical improvement after conservative care and commenced multiple episodes of Shockwave. The Insured continued receiving a wide array of “aggressive and/or conservative treatment modalities” including physical therapy, chiropractic treatment, injections, and surgeries through June 16, 2022.
- (vii) Insured ZH (Claim No. 0665882882) was allegedly in an automobile accident on March 27, 2022. On April 5, 2022, ZH was treated by a physical therapist, physician, and Strobeck at the same No-Fault Clinic. Contrary to the records provided by the contemporaneous providers, and despite the fact that ZH had started physical therapy that same day, Strobeck documented that she had failed to achieve maximum medical improvement from conservative care and her only remaining conservative treatment option was Shockwave. The Insured continued receiving a wide array of “aggressive and/or conservative treatment modalities” including physical therapy, chiropractic treatments, injections, and orthopedic surgeries through January 25, 2023.
- (viii) Insured MM (Claim No. 0637759424) was allegedly in an automobile accident on August 19, 2021. MM was evaluated by a physical therapist on September 6, 2021, at a No-Fault Clinic, who recommended six weeks of physical therapy. Two days later, on September 8, 2021, Strobeck purportedly examined the Insured at the same No-Fault Clinic and advised that the only conservative treatment available was Shockwave. The Insured continued receiving a wide array of “aggressive and/or conservative treatment

modalities” at the No-Fault Clinic including physical therapy, chiropractic treatment, injections, and orthopedic surgeries through December 1, 2022.

- (ix) Insured CKS (Claim No. 0633973986) was allegedly in an automobile accident on July 18, 2021. On July 21, 2021, CKS was evaluated by a chiropractor and a physical therapist at a No-Fault Clinic and immediately initiated treatment plans. On August 10, 2021, Strobeck started a regimen of Shockwave after purportedly evaluating the patient at the same No-Fault Clinic. The Insured continued receiving a wide array of “aggressive and/or conservative treatment modalities” including physical therapy, acupuncture, and chiropractic treatment, through July 1, 2022.
- (x) Insured GS (Claim No. 0647673052) was allegedly in an automobile accident on October 9, 2021. On October 13, 2021, GS purportedly began treating with a physical therapist and an orthopedic physician at a No-Fault Clinic. Five days later, on October 18, 2021, Strobeck purportedly commenced Shockwave on GS at the same Clinic. The Insured continued receiving a wide array of “aggressive and/or conservative treatment modalities including physical therapy, chiropractic treatment, injections, orthopedic surgeries through April 19, 2023.

110. In addition to performing Shockwave prematurely, the Strobeck PCs further deviated from acceptable standards of medical care by rendering Shockwave pursuant to a predetermined protocol, absent any meaningful medical assessment of the patient or diagnosis of their condition.

111. In virtually all treatment records, only generic statements were made regarding the Insureds’ condition such as, ‘shoulder pain’ or ‘back pain.’ Such statements are not a sufficient diagnosis or justification to begin Shockwave. There are many common causes for shoulder pain, such as rotator cuff tendonitis, impingement syndrome, shoulder separation, etc., and the treatment for each is different.

112. The treatment protocols pursuant to which the Defendants’ administered subsequent episodes of Shockwave also deviated from acceptable standards of medical care. When a patient undergoes a treatment such as Shockwave, it is appropriate to wait and see if the treatment is helpful over a period of at least a few weeks before it is repeated. The Strobeck PCs often

repeated Shockwave on Insureds every seven to fourteen days, thereby failing to provide sufficient time to evaluate whether the treatment was effective. Further, the corresponding treatment notes are void of any meaningful entries discussing how the patient tolerated the procedure or whether it was helping improve their condition.

113. Finally, practitioners who believe in the efficacy of Shockwave, individualize the treatment to the patient, their injuries, and their subjective response to the force of the “shockwave” applied.

114. The “shockwave” Strobeck purported to administer to the Insureds was virtually always administered under the same parameters, without consideration of the Insureds’ condition, their injuries, and/or their subjective response to the treatment. The Strobeck PCs virtually always administered Shockwave to each Insured at the following parameters:

- a. 1.0-1.1 bar pressure intensity.
- b. 2000 pulses.
- c. 16 Hz frequency.

v. False and Fraudulent Treatment Records

115. To carry out the fraudulent treatment protocols, the Defendants knowingly created and caused to be submitted through the U.S. Mail, thousands of phony treatment records to Allstate that did not accurately reflect the condition of the Insureds or the treatment that was allegedly rendered. Among other things, the templated nature of the records and the manner in which they were used, illustrate that the John Doe Defendants controlled the medical corporations and that the treatment protocols implemented were predetermined and designed without consideration of the condition or well-being of the patients.

116. In fact, The Strobeck PCs' treatment records contain virtually identical language regardless of the patient, gender, injuries, treatment performed, or the Strobeck PC that allegedly performed the service. Specifically, the "Pre-Procedure Evaluation", "Indications", and "Summary" sections of the reports are virtually identical regardless of the Insured treated, the service performed, or the entity rendering the service.

117. By way of example, the "Pre-Procedure Evaluation" section of the reports virtually always state that, "based on objective findings today, active, and passive ROM is decreased moderately... and patient reports at least 7/10 pain level in VAS and difficulty with ADLS of moderate severity. Based on these findings and the review of the available medical records, it is appropriate for this patient to proceed with initial [RPW/PENS] therapy."

Integrated Diagnostic Patient MG (Claim No. 0632201604)

Pre-Procedure Evaluation:

Based on the objective findings today, active, and passive ROM is decreased moderately, and palpation findings indicate at least mild to moderate pain and patient reports at least a 7/10 pain level in VAS and difficulty with ADLS of moderately severity. Based on these findings and the review of the available medical records, it is appropriate for this patient to proceed with initial RPW therapy.

HLA Patient EAG (Claim No. 0647727940)

Pre-Procedure Evaluation:

Based on the objective findings today, active, and passive ROM is decreased moderately, and palpation findings indicate at least mild to moderate pain and patient reports at least a 7/10 pain level in VAS and difficulty with ADLS of moderately severity. Based on these findings and the review of the available medical records, it is appropriate for this patient to proceed with initial RPW therapy.

JS Marble Patient ZH (Claim No. 0665882882)

Pre-Procedure Evaluation:

Based on the objective findings today, active, and passive ROM is decreased moderately, and palpation findings indicate at least mild to moderate pain and patient reports at least a 7/10 pain level in VAS and difficulty with ADLS of moderately severity. Based on these findings and the review of the available medical records, it is appropriate for this patient to proceed with initial RPW therapy.

JS River Patient GR (Claim No. 0695409417)

Pre-Procedure Evaluation:

Based on the objective findings today, active, and passive ROM is decreased moderately, and palpation findings indicate mild to moderate pain and patient reports 7/10 pain level in VAS and difficulty with ADLs of moderate severity. Based on these findings and the review of the available medical records, it is appropriate for this patient to proceed with initial (PENS) therapy.

118. Likewise, the following excerpts are from the “Indications” section of four different Insureds, each of whom purportedly treated with a different Strobeck PC. Among other identical findings, every Insured is diagnosed as suffering from “mal-alignments, joint stiffness, subluxation, fibrous adhesions and/or calcifications.”

Integrated Diagnostic Patient PNF (Claim No. 0633746805)

Indication:

Due to complaints of persistent pain following injuries sustained in an accident, the above-said patient was referred for Therapeutic Radial Pressure Wave (RPW) therapy. Based on the consultation, review of the patient's history and available medical records (see attached), patient's recovery is still at considerably less than Maximum Medical Improvement (MMI). On examination today, there remains a significant decrease in tested active and passive range of motion, significant end-range pain, various mal-alignments, myofascial tenderness, hypertonicity, trigger points and pain to palpation. The patient's VAS and pain diagram show the indication for the RPW procedure being done today. Considering that this patient is not a surgical candidate yet, patient has not achieved MMI from other aggressive and/or conservative treatment modalities, there is no other conservative medical intervention, other than RPW at this point in time to correct mal-alignments, joint stiffness, subluxation, fibrous adhesions and/or calcifications, it is appropriate to proceed with a series of one to three therapeutic Radial Pressure Wave Shockwave therapy. Therapeutic RPW is a non-invasive physical agent that influences the condition being treated through impulses of a sound waves that then becomes mechanical in nature when in contact with the body. Most treatment sessions last between 5 and 10 minutes of therapy for this application and are performed 1 to 2 times per week. Although many patients experience considerable relief in just one to three procedures, restoration to optimal function of a condition may take up to 8 treatments. Unlike more invasive procedures, shockwave application reduces pain and improves function while not affecting the other areas such as cognition and allows individuals to remain in limited activity or work. In addition, the improvements in a condition are also related to actual improvements in the tissue structure and function. This can also result in reduced loss of work time, decreases in the number of therapy sessions, reduced use over the counter or narcotic medication, further reducing comorbidities.

HLA Patient MD (Claim No. 0655187482)

Indication:

Due to complaints of persistent pain following injuries sustained in an accident, the above-said patient was referred for Therapeutic Radial Pressure Wave (RPW) therapy. Based on the consultation, review of the patient's history and available medical records (see attached), patient's recovery is still at considerably less than Maximum Medical Improvement (MMI). On examination today, there remains a significant decrease in tested active and passive range of motion, significant end-range pain, various mal-alignments, myofascial tenderness, hypertonicity, trigger points and pain to palpation. The patient's VAS and pain diagram show the indication for the RPW procedure being done today. Considering that this patient is not a surgical candidate yet, patient has not achieved MMI from other aggressive and/or conservative treatment modalities, there is no other conservative medical intervention, other than RPW at this point in time to correct mal-alignments, joint stiffness, subluxation, fibrous adhesions and/or calcifications, it is appropriate to proceed with a series of one to three therapeutic Radial Pressure Wave Shockwave therapy. Therapeutic RPW is a non-invasive physical agent that influences the condition being treated through impulses of a sound waves that then becomes mechanical in nature when in contact with the body. Most treatment sessions last between 5 and 10 minutes of therapy for this application and are performed 1 to 2 times per week. Although many patients experience considerable relief in just one to three procedures, restoration to optimal function of a condition may take up to 8 treatments. Unlike more invasive procedures, shockwave application reduces pain and improves function while not affecting the other areas such as cognition and allows individuals to remain in limited activity or work. In addition, the improvements in a condition are also related to actual improvements in the tissue structure and function. This can also result in reduced loss of work time, decreases in the number of therapy sessions, reduced use over the counter or narcotic medication, further reducing comorbidities.

JS Marble Patient AA (Claim No. 0628118861)

Indication:

Due to complaints of persistent pain following injuries sustained in an accident, the above-said patient was referred for Therapeutic Radial Pressure Wave (RPW) therapy. Based on the consultation, review of the patient's history and available medical records (see attached), patient's recovery is still at considerably less than Maximum Medical Improvement (MMI). On examination today, there remains a significant decrease in tested active and passive range of motion, significant end-range pain, various mal-alignments, myofascial tenderness, hypertonicity, trigger points and pain to palpation. The patient's VAS and pain diagram show the indication for the RPW procedure being done today. Considering that this patient is not a surgical candidate yet, patient has not achieved MMI from other aggressive and/or conservative treatment modalities, there is no other conservative medical intervention, other than RPW at this point in time to correct mal-alignments, joint stiffness, subluxation, fibrous adhesions and/or calcifications, it is appropriate to proceed with a series of one to three therapeutic Radial Pressure Wave Shockwave therapy. Therapeutic RPW is a non-invasive physical agent that influences the condition being treated through impulses of a sound waves that then becomes mechanical in nature when in contact with the body. Most treatment sessions last between 5 and 10 minutes of therapy for this application and are performed 1 to 2 times per week. Although many patients experience considerable relief in just one to three procedures, restoration to optimal function of a condition may take up to 8 treatments. Unlike more invasive procedures, shockwave application reduces pain and improves function while not affecting the other areas such as cognition and allows individuals to remain in limited activity or work. In addition, the improvements in a condition are also related to actual improvements in the tissue structure and function. This can also result in reduced loss of work time, decreases in the number of therapy sessions, reduced use over the counter or narcotic medication, further reducing comorbidities.

JS River Patient CBB (Claim No. 0626128300)

Indication:

Due to complaints of persistent pain following injuries sustained in an accident, the above-said patient was referred for Therapeutic Radial Pressure Wave (PENS) therapy. Based on the consultation, review of the patient's history and available medical records (see attached), patient's recovery is still at considerably less than Maximum Medical Improvement (MMI). On examination today, there remains a significant decrease in tested active and passive range of motion, significant end-range pain, various mal-alignments, myofascial tenderness, hypertonicity, trigger points and pain to palpation. The patient's VAS and pain diagram show the indication for the PENS procedure being done today. Considering that this patient is not a surgical candidate yet, patient has not achieved MMI from other aggressive and/or conservative treatment modalities, there is no other conservative medical intervention, other than PENS at this point in time to correct mal-alignments, joint stiffness, subluxation, fibrous adhesions and/or calcifications, it is appropriate to proceed with a series of one to three therapeutic Radial Pressure Wave Shockwave therapy. Therapeutic PENS is a non-invasive physical agent that influences the condition being treated through impulses of a sound waves that then becomes mechanical in nature when in contact with the body. Most treatment sessions last between 30 minutes of therapy for this application and are performed 1 to 3 times per week up to a total of 12 visits. Although many patients experience considerable relief in just one to three procedures, restoration to optimal function of a condition may take up to 8 treatments. Unlike more invasive procedures, shockwave application reduces pain and improves function while not affecting the other areas such as cognition and allows individuals to remain in limited activity or work. In addition, the improvements in a condition are also related to actual improvements in the tissue structure and function. This can also result in reduced loss of work time, decreases in the number of therapy sessions, reduced use over the counter or narcotic medication, further reducing comorbidities.

119. Further, the following excerpts are from the "Summary" section in connection with three different Insureds each of whom purportedly treated with a different Strobeck PC. The records purport to document the Insureds' tolerance and response to the treatment allegedly rendered. Notably, the reports are essentially identical even though each Insured purportedly received a different treatment.

Integrated Diagnostic Patient CBB (Claim No. 0626128300) report for purported Laser.

Summary:

The patient underwent Laser Therapy as described above. The patient tolerated the procedure well; there were no intra-procedure or post-procedure complications. To determine the effectiveness of the RPW and to assess for delayed side effects, days suitability and advisability of subsequent treatments, the patient will be re-evaluated 5 days following the procedure.

Patient will be evaluated objectively for changes in range of motion, ADLs and palpation findings. The patient was able to achieve increased motion post-treatment. The patient also showed decrease in trigger points and muscle spasm. With the improvement of range of motion it is medically reasonable to conclude that this patient's fibro-adhesive conditions were significantly impacted; increasing the potential for appropriate neuromuscular re-education of affected myofascial structures and before having reestablishment of collagen deposition during the healing phase. Also, the patient will be evaluated objectively for range of motion and muscle strength. This functional capacity examination will aid us in deciding whether to continue with the subsequent weekly treatments and determined the optimal total number of visits required for this patient.

HLA Patient GS (Claim No. 0654328434) report for purported Shockwave.

Summary:

The patient underwent RPW as described above. The patient tolerated the procedure well; there were no Intra-procedure or post-procedure complications. To determine the effectiveness of the RPW and to assess for delayed side effects, days suitability and advisability of subsequent treatments, the patient will be re-evaluated 5-7 days following the procedure. Prior to performing day two of the procedure the patient will complete a VAS and the patient will be evaluated objectively for changes in range of motion, ADLs and palpation findings. The patient was able to achieve increased motion post-RPW. The patient also showed decrease in trigger points and muscle spasm. With the improvement of range of motion it is medically reasonable to conclude that this patient's fibro-adhesive conditions were significantly impacted; increasing the potential for appropriate neuromuscular re-education of affected myofascial structures and before having reestablishment of collagen deposition during the healing phase. Also, the patient will be evaluated objectively for range of motion and muscle strength. This functional capacity examination will aid us in deciding whether to continue with the subsequent weekly treatments and determined the optimal total number of visits required for this patient.

JS River Patient FYR (Claim No. 0650861859) report for purported PENS.

SUMMARY:

The patient underwent PENS as described above. The patient tolerated the procedure well; there were no intra procedure or post-procedure complications. To determine the effectiveness of the PENS and to assess for delayed side effects, days suitability and advisability of subsequent treatments, the patient will be re-evaluated 5-7 days following the procedure. Prior to performing day two of the procedure the patient will complete a VAS and the patient will be evaluated objectively for changes in range of motion, ADLs and palpation findings. The patient was able to achieve increased motion post-PENS. The patient also showed decrease in trigger points and muscle spasm. With the improvement of range of motion it is medically reasonable to conclude that th is patient's fibro-adhesive conditions were significantly impacted; increasing the potential for appropriate neuromuscular re-education of affected myofascial structures and before having reestablishment of collagen deposition during the healing phase. Also, the patient will be evaluated objectively for range of motion and muscle strength. This functional capacity examination will aid us in deciding whether to continue with the subsequent weekly treatments and determined the optimal total number of visits required for this patient.

120. Further evidencing that the treatment notes associated with the fraudulent billing were phony and created by the John Doe Defendants as part of a wide-spread healthcare fraud scheme, Allstate received substantially similar, and at times identical, reports from other physicians associated with unrelated medical practices.

121. For example, below are excerpts from treatment reports submitted to Allstate by ostensibly unrelated medical practice owned by a different physician that contain the same “Pre-Procedure Evaluation,” “Indication,” and “Summary” sections and language as the Strobeck PCs:

Pre-Procedure Evaluation:

Based on the objective findings today, active, and passive ROM is decreased moderately, and palpation findings indicate mild to moderate pain and patient reports 7/10 pain level in VAS and difficulty with ADLs of moderately severity. Based on these findings and the review of the available medical records, it is appropriate for this patient to proceed with initial (PENS) therapy.

Indication:

Due to complaints of persistent pain following injuries sustained in an accident, the above-said patient was referred for Therapeutic Radial Pressure Wave (PENS) therapy. Based on the consultation, review of the patient's history and available medical records (see attached), patient's recovery is still at considerably less than Maximum Medical Improvement (MMI). On examination today, there remains a significant decrease in tested active and passive range of motion, significant end-range pain, various mal-alignments, myofascial tenderness, hypertonicity, trigger points and pain to palpation. The patient's VAS and pain diagram show the indication for the PENS procedure being done today. Considering that this patient is not a surgical candidate yet, patient has not achieved MMI from other aggressive and/or conservative treatment modalities, there is no other conservative medical intervention, other than PENS at this point in time to correct mal-alignments, joint stiffness, subluxation, fibrous adhesions and/or calcifications, it is appropriate to proceed with a series of one to three therapeutic Radial Pressure Wave Shockwave therapy. Therapeutic PENS is a non-invasive physical agent that influences the condition being treated through impulses of a sound waves that then becomes mechanical in nature when in contact with the body. Most treatment sessions last between 30 minutes of therapy for this application and are performed 1 to 3 times per week up to a total of 12 visits. Although many patients experience considerable relief in just one to three procedures, restoration to optimal function of a condition may take up to 8 treatments. Unlike more invasive procedures, shockwave application reduces pain and improves function while not affecting the other areas such as cognition and allows individuals to remain in limited activity or work. In addition, the improvements in a condition are also related to actual improvements in the tissue structure and function. This can also result in reduced loss of work time, decreases in the number of therapy sessions, reduced use over the counter or narcotic medication, further reducing comorbidities.

SUMMARY:

The patient underwent PENS as described above. The patient tolerated the procedure well; there were no intra-procedure or post-procedure complications. To determine the effectiveness of the PENS and to assess for delayed side effects, days suitability and advisability of subsequent treatments, the patient will be re-evaluated 5-7 days following the procedure. Prior to performing day two of the procedure the patient will complete a VAS and the patient will be evaluated objectively for changes in range of motion, ADLs and palpation findings. The patient was able to achieve increased motion post-PENS. The patient also showed decrease in trigger points and muscle spasm. With the improvement of range of motion it is medically reasonable to conclude that this patient's fibro-adhesive conditions were significantly impacted; increasing the potential for appropriate neuromuscular re-education of affected myofascial structures and before having reestablishment of collagen deposition during the healing phase. Also, the patient will be evaluated objectively for range of motion and muscle strength. This functional capacity examination will aid us in deciding whether to continue with the subsequent weekly treatments and determine the optimal total number of visits required for this patient.

Sincerely,



122. Similar treatment records were also submitted to Allstate by at least ten other medical practices purportedly owned by various physicians that billed Allstate for Shockwave and have no lawful relationship to the Strobeck PCs.

vi. Inflated and Unbundled Billing for the Fraudulent Services

123. Demonstrating that the Strobeck PCs were utilized simply as a means to defraud insurers and maximize unlawful profits, the John Doe Defendants caused the Strobeck PCs to regularly inflate charges and engage in deceptive measures to conceal their fraudulent billing

patterns. This was done to induce Allstate to pay grossly above the Fee Schedule rate for the Fraudulent Services.

124. The billing for the Fraudulent Services is non-reimbursable because, for among other reasons discussed throughout this Complaint, the services were performed by independent contractors and/or unlicensed “technicians” not entitled to reimbursement. However, assuming *arguendo* the services were lawfully rendered, and the treating providers were employees of the Strobeck PCs entitled to reimbursement, the Defendants billed Allstate grossly above the applicable Fee Schedule rates.

a. Fraudulently Charging the Physician Rate for the Services Performed by Non-Physicians

125. The Fee Schedule requires that the individual performing the service be listed on the NF-3 Claim Form. The appropriate compensation rate is determined by the treating provider’s credentials (e.g. a physician is reimbursed at a higher rate than a physicians’ assistant). The Strobeck PCs charged Allstate the physician rate even though the services were performed by non-physicians.

126. In virtually every NF-3 Claim Form submitted to Allstate, the Defendants designated the treating provider (always Strobeck) with the “title” of “MD”:

| 16. IF TREATING PROVIDER IS DIFFERENT THAN BILLING PROVIDER COMPLETE THE FOLLOWING: | | | | | |
|---|-------|------------------------------|--|--|--------------------------|
| TREATING PROVIDER'S NAME | TITLE | LICENSE OR CERTIFICATION NO. | BUSINESS RELATIONSHIP CHECK APPLICABLE BOX | | |
| STROBECK, JOHN E | MD | 130683-01 | EMPLOYEE | INDEPENDENT CONTRACTOR <input type="checkbox"/> | OTHER (SPECIFY) Owner |

17. IF THE PROVIDER OF SERVICE IS A PROFESSIONAL SERVICE CORPORATION OR DOING BUSINESS UNDER AN ASSUMED NAME (DBA), LIST THE OWNER AND PROFESSIONAL LICENSING CREDENTIALS OF ALL OWNERS (Provide an additional attachment if necessary).

JOHN E STROBECK, LIC# 130683-01

127. Strobeck, however, did not perform the alleged treatment. To the extent the Insureds had any recollection of receiving the Fraudulent Services, they routinely testified under oath that they had no knowledge of Strobeck or any of the Strobeck PCs.

128. Instead, the treatment was performed, to the extent it was performed at all, by non-physicians and/or unlicensed technicians.

129. Numerous New York No-Fault Insurance arbitrators have consistently held that Shockwave rendered by technicians is not reimbursable. Copies of the Awards are annexed as Exhibit 4. Alternatively, physicians' assistants are entitled to a lesser rate than physicians for Shockwave.

b. Fraudulent Unbundling of CPT Code 0101T

130. The Strobeck PCs routinely billed Allstate in excess of three times the permissible Fee Schedule physician rate for CPT Code 0101T.

131. Under the Fee Schedule, based on the geographic regions where the Strobeck PCs purported to provide the services, they would have been entitled to a maximum daily rate between \$644.35 and \$700.39. In contrast, Allstate routinely received billing from the Strobeck PCs for Shockwave in amounts in excess of \$3,000.00 per treatment day.

132. Assuming the treatment was otherwise lawfully rendered, by the plain terms of the Fee Schedule, a provider is limited to billing CPT Code 0101T for one unit per day for the entire musculoskeletal system.

133. Conversely, the Strobeck PCs routinely unbundled CPT Code 0101T charging for multiple units per day premised on performing Shockwave on individual segments of the musculoskeletal system (e.g., left shoulder, right shoulder, lumbar spine, cervical spine etc.).⁴

⁴ Assuming PENS actually rendered, it was similarly inflated.

c. Duplicative Reimbursement Demands

134. Defendants knew that the charges submitted by the Strobeck PCs were unbundled and grossly over the maximum amount permitted under the Fee Schedule. In an attempt to conceal this fact from Allstate, the Defendants manipulated the NF-3 Claim Forms to make it appear that the charges were in conformity with the Fee Schedule.

135. For example, in connection with the Shockwave services ostensibly rendered to Insured RA (Claim No. 0645349036) on October 22, 2021, HLA charged Allstate a total of \$2,169.99, for three units of Shockwave, and an office consultation.

136. To conceal the unbundled billing, rather than submitting one NF-3 Claim Form that reflected that HLA was seeking \$2,169.99 for three units of Shockwave, HLA submitted three separate NF-3 Claim Forms, each for one unit of Shockwave at the physician Fee Schedule rate, as follows:

| 15. REPORT OF SERVICES RENDERED -- ATTACH ADDITIONAL SHEETS IF NECESSARY | | | | |
|--|--------------------------------------|---|-----------------------------|-----------|
| DATE OF SERVICE | PLACE OF SERVICE INCLUDING ZIP CODE | DESCRIPTION OF TREATMENT OR HEALTH SERVICE RENDERED | FEE SCHEDULE TREATMENT CODE | CHARGES |
| 10/22/21 | 900 ROUTE 109 N Lindenhurst NY 11757 | SHOCKWAVE THERAPY C/SP | 0101T | 700.39 |
| 10/22/21 | 900 ROUTE 109 N Lindenhurst NY 11757 | OFFICE/OUTPAT VISIT, EST PAT 10 MINS | 99212 - 25 | 68.82 |
| TOTAL CHARGES TO DATES | | | | \$ 769.21 |

| 15. REPORT OF SERVICES RENDERED -- ATTACH ADDITIONAL SHEETS IF NECESSARY | | | | |
|--|--------------------------------------|---|-----------------------------|-----------|
| DATE OF SERVICE | PLACE OF SERVICE INCLUDING ZIP CODE | DESCRIPTION OF TREATMENT OR HEALTH SERVICE RENDERED | FEE SCHEDULE TREATMENT CODE | CHARGES |
| 10/22/21 | 900 ROUTE 109 N Lindenhurst NY 11757 | SHOCKWAVE THERAPY T/SP | 0101T | 700.39 |
| TOTAL CHARGES TO DATES | | | | \$ 700.39 |

| 15. REPORT OF SERVICES RENDERED -- ATTACH ADDITIONAL SHEETS IF NECESSARY | | | | |
|--|--------------------------------------|---|-----------------------------|-----------|
| DATE OF SERVICE | PLACE OF SERVICE INCLUDING ZIP CODE | DESCRIPTION OF TREATMENT OR HEALTH SERVICE RENDERED | FEE SCHEDULE TREATMENT CODE | CHARGES |
| 10/22/21 | 900 ROUTE 109 N Lindenhurst NY 11757 | SHOCKWAVE THERAPY L/SP | 0101T | 700.38 |
| TOTAL CHARGES TO DATES | | | | \$ 700.38 |

137. In further attempts to conceal the fraudulent billing patterns and confuse Allstate, the three NF-3 Claim Forms were mailed to Allstate in separate envelopes, each of which contained a demand letter in which a separate file number was assigned to each NF-3 Claim Form.

11/04/2021

GM21-371084
ALLSTATE INSURANCE COMPANY
P.O. BOX 2874
CLINTON, IA 52733

Re: Health Provider: HEART LUNG ASSOCIATES MEDICAL, PC @@@
Date of Accident: 09/28/2021
Policy Number:
Injured Person: R■■■■ A■■■■■■■■■■
Claim Number: 0644495986
Dates of Service: 10/22/2021 To 10/22/2021
Amount in Dispute: \$769.21
File Number: GM21-371084

Dear Sir/Madam:

We represent the above referenced health provider in the collection of the above referenced matter.

Enclosed please find the health provider's proof of claim, including all bills, medical records, and a duly executed assignment of benefits form signed by R■■■■ A■■■■■■■■■■. All documents attached to this cover letter were prepared by the health provider. However this cover letter fully incorporates all relevant information obtained from the health care provider's claim forms.

Kindly forward to our office a draft made payable to the health provider c/o Law Offices of Gabriel & Moroff, P.C. pursuant to the no-fault provisions of the insurance policy. Please be advised a copy of any and all other correspondence relating to this claim should be forwarded to this office. However, this is not a waiver of any requirement that must be complied with under the regulations pertaining to requests directed to the provider or injured party. Failure to provide this office with correspondence including verification requests or denials will result in prejudice to our clients and we will object to the document being proper at any subsequent arbitration or litigation. Please give this matter your immediate attention.

11/04/2021

GM21-371086
ALLSTATE INSURANCE COMPANY
P.O. BOX 2874
CLINTON, IA 52733

Re: Health Provider: HEART LUNG ASSOCIATES MEDICAL, PC @@@
Date of Accident: 09/28/2021
Policy Number:
Injured Person: R ■ A ■
Claim Number: 0644495986
Dates of Service: 10/22/2021 To 10/22/2021
Amount in Dispute: \$700.39
File Number: GM21-371086

Dear Sir/Madam:

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Enclosed please find the health provider's proof of claim, including all bills, medical records, and a duly executed assignment of benefits form signed by R ■ A ■. All documents attached to this cover letter were prepared by the health provider. However this cover letter fully incorporates all relevant information obtained from the health care provider's claim forms.

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11/04/2021

GM21-371087
ALLSTATE INSURANCE COMPANY
P.O. BOX 2874
CLINTON, IA 52733

Re: Health Provider: HEART LUNG ASSOCIATES MEDICAL, PC @@@
Date of Accident: 09/28/2021
Policy Number:
Injured Person: R ■ A ■
Claim Number: 0644495986
Dates of Service: 10/22/2021 To 10/22/2021
Amount in Dispute: \$700.38
File Number: GM21-371087

Dear Sir/Madam:

We represent the above referenced health provider in the collection of the above referenced matter.

Enclosed please find the health provider's proof of claim, including all bills, medical records, and a duly executed assignment of benefits form signed by R ■ A ■. All documents attached to this cover letter were prepared by the health provider. However this cover letter fully incorporates all relevant information obtained from the health care provider's claim forms.

Kindly forward to our office a draft made payable to the health provider c/o Law Offices of Gabriel & Moroff, P.C. pursuant to the no-fault provisions of the insurance policy. Please be advised a copy of any and all other correspondence relating to this claim should be forwarded to this office. However, this is not a waiver of any requirement that must be complied with under the regulations pertaining to requests directed to the provider or injured party. Failure to provide this office with correspondence including verification requests or denials will result in prejudice to our clients and we will object to the document being proper at any subsequent arbitration or litigation. Please give this matter your immediate attention.

138. The Defendants purposefully manipulated their billing to inundate and deceive Allstate to pay above the Fee Schedule rate for services that were unbundled, overbilled and otherwise not entitled to reimbursement.

vii. Fraudulent Flow of Funds

139. The John Doe Defendants retained No-Fault attorneys to handle the billing and act as the escrow agent for the Strobeck PCs.

140. The NF-3 Claim Forms submitted by the Strobeck PCs listed the No-Fault attorneys' address in the field designated for the providers address and virtually always were accompanied by an attorney correspondence directing that payment of the claims be "made payable to the health provider c/o [the No-Fault attorney]."

141. As a result of these directives, Allstate's payments to the Strobeck PCs were deposited and cleared through the No-Fault attorney's IOLA/Attorney Trust Account, even though the payments were issued pursuant to ordinary claims processing and not in connection with litigation. Upon information and belief, the funds were then dispersed to the John Doe Defendants from the IOLA/Attorney Trust Account

142. The No-Fault attorneys' correspondence to Allstate further demanded that any questions related to the billing be submitted directly to the No-Fault attorneys. This was designed to prevent Allstate from obtaining claims verification from the Strobeck PCs through ordinary No-Fault claims verification processes.

143. Finally, the No-Fault attorneys filed numerous time-consuming and costly arbitrations and litigations against Allstate in a piecemeal fashion across various venues for the payment of the Fraudulent Services. These actions were commenced against Allstate even in

instances where Allstate had paid the claim fee schedule amount in full. As of the date of the filing of this Complaint, the Strobeck PCs have perused at least 183 such legal action against Allstate.

Geico et. al. v. Strobeck, et al

144. In another matter pending before the United States District Court for the Eastern District of New York, a similarly situated New York no-fault insurer, Government Employees Insurance Company (“GEICO”) set forth, among other allegations, that in exchange for a periodic salary, Strobeck allowed unlicensed individuals (the “John Doe Defendants”) to use his name, medical license, stamped signature and the tax identification numbers for Integrated Diagnostic, HLA, and JS Marble, to generate mass quantities of false and fraudulent documents to bill GEICO.⁵ Strobeck, Integrated Diagnostic, HLA and JS Marble are in default and GEICO was granted permission by the court to issue subpoenas on the bank accounts associated with Strobeck, Integrated Diagnostic, HLA and JS Marble.⁶

145. GEICO’s review of the relevant financial documentation outlined how the Defendants “effectuated the fraudulent scheme” and “allowed the John Doe Defendants to pay themselves despite having no legitimate relationship with the medical practices.”⁷ Specifically, GEICO set forth that:

- (i) Strobeck and [Integrated Diagnostic, HLA and JS Marble] entered a series of funding arrangements with New Pacific, Inc. (“New Pacific”). Pursuant to these agreements, Strobeck received approximately \$1.4 million in funding advances from New Pacific against account receivables for the Integrated Diagnostic, HLA and JS Marble, which were deposited into the medical practices’ bank accounts.
- (ii) \$950,000.00 of the \$1.4 million funded by New Pacific was transferred from [Integrated Diagnostic, HLA and JS Marble] bank accounts to a personal account belonging to Strobeck.

⁵ Gov’t Emples. Co. et al. v. Strobeck, M.D., et al., 2:22-cv-7477 (E.D.N.Y); Dkt., 19, ¶¶ 1-4, 47

⁶ Gov’t Emples. Co. et al. v. Strobeck, M.D., et al., 2:22-cv-7477 (E.D.N.Y); at Dkt., 32 and Order Dated April 26, 2023.

⁷ Gov’t Emples Co. et al. v. Strobeck, M.D., et al., 2:22-cv-7477 (E.D.N.Y); Dkt., 35 and 40

- (iii) On or about the same day, the funds were then transferred from Strobeck's personal account to a bank account belonging to Heart Lung Center Consultants, Inc.⁸
- (iv) From HLC Consultants' account, the funds were distributed to numerous entities and/or individuals...none of the entities or individuals who received these funds appear to have any legitimate relationship with Strobeck or [Integrated Diagnostic, HLA and JS Marble] or any legitimate business purpose.
- (v) John F. Bulger and Joseph Gassoso were authorized signatories to the bank accounts belonging to the [Integrated Diagnostic, HLA and JS Marble], but not listed as record owners of the medical practice because they are not physicians.

146. GEICO further set forth that Integrated Diagnostic, HLA and JS Marble had “funneled at least \$2.3 million to various offshore accounts belonging to other entities and/or individuals, thereby, dissipating their assets.”⁹

147. The series of large and complex financial transactions over a short period of time through various bank accounts associated with Strobeck and then ultimately dispersed to offshore accounts connected with individuals and entities that have no legitimate relationship to the Strobeck PCs, is not consistent with the operations of a sole proprietor medical practitioner. This process of layering money, is further evidence that the Strobeck PCs are controlled, managed, and operated by unlicensed laypersons deliberately engaged in a labyrinth of sophisticated measures to conceal their identities.

B. Unlawful Kickbacks

148. To perpetuate the Fraudulent Scheme, the Defendants entered into unlawful referral arrangements with various “No-Fault Clinics” to obtain a steady stream of Insureds. In exchange for payment, the No-Fault Clinics steered Insureds to the Strobeck PCs, and in turn, the Defendants

⁸, Strobeck's LinkedIn resume states that Strobeck that he was employed as a “consultant” for Heart-Lung Consultant Inc. until October 2017.

⁹ Gov't Emples. et al., v. Strobeck, M.D., et al., 2:22-cv-7477 (E.D.N.Y); Dkt., 40

submitted fraudulent bills to Allstate for the Fraudulent Services. The Fraudulent Scheme could not have been carried out without these unlawful referral arrangements.

149. At all relevant times discussed in this Complaint, the Strobeck PCs purported to operate exclusively on an itinerant basis within the physical spaces of other healthcare providers who operated as part of “No-Fault Clinics.”

150. The “No-Fault Clinics” were designed to appear as a single healthcare practice offering a wide range of services (e.g., chiropractic, physical therapy, mental health) to victims of motor vehicle accidents. In reality, these clinics, were medical mills which were established for the sole purpose of submitting inflated, fraudulent billing to Allstate and other insurers. Clinics similar in nature were identified by the Insurance Information Institute as the engine that drives no-fault fraud and operate solely for the pecuniary benefit of their unlicensed layowners.¹⁰

151. Numerous factors demonstrate that the Strobeck PCs never developed their own patient base or a genuine doctor patient relationship with any Insured, but instead, virtually all of their patients were obtained through unlawful kickback arrangements. Evidence of the kickbacks is demonstrated by: (i) the inexplicable growth of the Strobeck PCs practice locations absent any indicia of a legitimate medical practice; (ii) the Strobeck PCs operation at numerous locations that have been implicated in kickback schemes; (iii) Insureds’ testimonies regarding the nature of their purported treatment and referrals; (iv) the Strobeck PCs sharing space with other “providers” who bill for the same Fraudulent Services, and (v) the Strobeck PCs failure to produce any documentation to Allstate that would indicate that they were a party in a legitimate arm’s length transaction for the office space at any location.

¹⁰ <https://www.iii.org/article/no-fault-insurance-fraud-new-york-state-ramping-premiums>

152. From 2005 to 2020, Allstate received billing from Integrated Diagnostic nearly exclusively from one location, and never for the Fraudulent Services. From 2021 to 2023, the Strobeck PCs treated over 180 Insureds exclusively for the Fraudulent Services from the twenty-six (26) different office locations listed below:

| Clinic - Street Address | County | ZIP | Strobeck PC |
|------------------------------|---------|-------|--|
| 1647 Macombs Road | Bronx | 10453 | Integrated Diagnostic |
| 1065 Old Country Road | Nassau | 11590 | Integrated Diagnostic |
| 179 Great East Neck | Suffolk | 11704 | Integrated Diagnostic |
| 1800 A New York Ave | Suffolk | 11746 | Integrated Diagnostic |
| 535 Broad Hollow Road | Suffolk | 11747 | Integrated Diagnostic |
| 1050 Old Nichols Road | Suffolk | 11749 | Integrated Diagnostic |
| 1308 Grand Ave | Nassau | 11510 | Integrated Diagnostic, HLA |
| 139 N. Central Ave | Nassau | 11580 | Integrated Diagnostic, HLA |
| 1799 Brentwood Road | Nassau | 11717 | Integrated Diagnostic, HLA |
| 21 Washington Ave | Nassau | 11717 | Integrated Diagnostic, HLA |
| 900 Route 109 | Suffolk | 11757 | Integrated Diagnostic, HLA |
| 2799-5 Route 112 | Suffolk | 11763 | Integrated Diagnostic, HLA |
| 1026 Little E Neck Road | Suffolk | 11704 | Integrated Diagnostic, JS Marble, JS River |
| 513 Church Ave | Kings | 11218 | HLA |
| 2098 Rockway Pkwy | Kings | 11236 | HLA |
| 3703 92 nd Street | Queens | 11372 | HLA |
| 164-06 Northern Blvd | Queens | 11358 | HLA, JS Marble |
| 3060 E Tremont Road | Bronx | 10461 | JS Marble |
| 3407 White Plains Road | Bronx | 10467 | JS Marble |
| 2426 Eastchester Road | Bronx | 10469 | JS Marble |
| 30 S Ocean Ave | Nassau | 11520 | JS Marble |
| 2354 Westchester Ave | Bronx | 10462 | JS River |
| 381 Rockaway Ave | Kings | 11212 | JS River |
| 2422 Knapp St | Kings | 11235 | JS River |
| 79-45 Metropolitan Ave | Queens | 11379 | JS River |
| 97-08 Springfield Blvd | Queens | 11429 | JS River |

153. This exponential expansion of practice locations occurred absent any indicia of a legitimate medical practice. For example:

- a. The Strobeck PCs did not maintain standalone offices, did not display any signage or other information at the No-Fault Clinics, nor did they list a phone number on any of their treatment records.
- b. The Strobeck PCs treatment records do not list any of the above-referenced locations on their letterhead. To the extent any addresses are listed, they are not medical offices and are not the locations where the Insureds received the purported treatment.¹¹
- c. The Strobeck PCs do not advertise or market their existence. Even though Strobeck maintains a strong online presence his online profile does not make any reference to the Strobeck PCs. In fact, a website in Strobeck's name, current as of the date of this Complaint, www.drjohnstrobeck.com, describes him as a "highly accomplished cardiologist...well known for his expertise in diagnosing and treating complex cardiac conditions... with a focus on prevention and management of cardiac conditions." This website is void of any reference to the Strobeck PCs or that he specializes in, or even treats, musculoskeletal conditions or any injuries commonly associated with motor vehicle accidents.
- d. Upon information and belief, Strobeck's LinkedIn profile states that since 2017 his sole occupation has been with non-medical Swiss-based companies engaged in the financial technology sector.

154. In addition, many of the twenty-six locations where the Strobeck PCs allegedly provided the Fraudulent Services have been implicated in criminal or civil matters for their involvement in kickback schemes. Representative samples include:

- (i) The No-Fault Clinics located at 139 N. Central Avenue, Valley Stream, NY and 2426 Eastchester Rd., Bronx, NY were both subjects of a recent indictment by the Federal government involving a large and fraudulent no-fault insurance referral ring.¹² In that indictment, numerous individuals bribed hospital employees and NYPD employees for confidential patient information, which was then provided to other co-conspirators, who steered these patients to obtain medical treatment at certain clinics and to obtain legal services from certain law firms.
- (ii) The No-Fault Clinics located at 1799 Brentwood Rd, 179 Great Neck Rd, 900 Route 109, 1026 Little Neck E. Rd, 1065 Old County Rd, 1647 Macombs Rd, 2426 Eastchester Rd, and 30 S. Ocean Ave were identified in a healthcare fraud action brought by GEICO involving a similar scheme to that described in this Complaint.¹³ Specifically, GEICO alleged that the lay owners of fraudulently incorporated healthcare entities paper owned by Jean-Pierre

¹¹ Integrated and HLA list "2052 Richmond Rd, Staten Island, NY 10306," while JS Marble and JS River list "20 Marble Loop, Staten Island NY 10309."

¹² See United States of America v. Anthony Rose, et al. 19-cr-00789 (S.D.N.Y).

¹³ Gov't Emples. Co., et al v. Barakat, MD, et al v. Jean-Pierre Barakat, et al, 1:22-cv-07532 (E.D.N.Y).

Barakat, MD, entered into illegal referral arrangements with unlicensed laypersons who controlled the No-Fault Clinics in order to bill fraudulent services that included Shockwave. Notably, Barakat has submitted virtually identical treatment notes to Allstate as the Strobeck PCs.

- (iii) The No-Fault Clinics located at 3407 White Plains Road and 79-45 Metropolitan were implicated in a healthcare fraud action brought by Liberty Mutual Insurance Company (“Liberty Mutual”).¹⁴ Liberty Mutual alleged that the Defendant Chiropractor purported to perform medically unnecessary testing on a transient basis gaining access to patients through kickback relationships with the lay owners of the No-Fault Clinics.
- (iv) The No-Fault Clinic located at 3060 East Tremont Avenue, Bronx NY, was implicated in a recent healthcare fraud action initiated by Allstate.¹⁵ Allstate maintains in the action that managers, owners, and/or controllers of the No-Fault Clinics entered into kickback relationships with medical equipment companies to dispense medically unnecessary equipment to Insureds.
- (v) The No-Fault Clinics located at 1050 Old Nichols Road, 2426 Eastchester Rd, 535 Broad Hollow Rd, 1065 Old County Rd, 179 Great East Neck, 1050 Old Nichols Rd, and 1647 Macombs Rd were implicated in a GEICO healthcare fraud action.¹⁶ Specifically, GEICO alleged that the lay owners of fraudulently incorporated healthcare entities associated with Denny Rodriguez, MD, entered into illegal referral arrangements with unlicensed laypersons who controlled the No-Fault Clinics in order to bill fraudulent services that included Shockwave. Notably, Denny Rodriguez also submitted billing to Allstate for Shockwave.

155. Billing submissions and Insured testimony support that the Strobeck PCs virtually never treated an Insured independent of the No-Fault Clinics. The Strobeck PCs appeared at the No-Fault Clinics on a transient basis and Insureds who happened to be present at the Clinic would be arbitrarily directed to the Strobeck PCs. The below referenced testimony from Insureds regarding the nature of their referrals for Shockwave illustrates that they lacked independent knowledge of the Strobeck PCs, Strobeck personally, the qualifications of the treating provider, and/or the nature of the Fraudulent Services.

¹⁴ Liberty Mutual v. Vavikova, et al., 1:23-cv-05867 (E.D.N.Y.).

¹⁵ Allstate Ins. Co., et al. v. Jefferson Healthcare Supplies LLC, et al., 1:23-cv-05912(E.D.N.Y.).

¹⁶ Gov’t Emplees Co, et al v. Rodriguez MD, et al. 1:22-cv-03475- (E.D.N.Y.).

Insured EC (Claim No. 0638843037) testified:

A. That was therapy people. They come in and they come in and they -- they just -- they recommend -- they ask you, "would you like to see this person?" The front desk asks you that.

Q. Can you repeat the last part, I'm sorry?

A. The front desk asks you if you would like to see this person today or this doctor today.

Insured GS (Claim No. 0654328434) testified:

Q. Did you know the people who did the shock-wave, were they doctors?

A. They should be doctors.

Q. Do you know?

A. They claimed that they are doctors from the outside.

Q. What does that mean?

A. I was told by the Apple people they would hire doctors from the outside. I really do not know. I don't know.

Insured JW (Claim No. 0633935993) testified:

THE WITNESS: No, not to my knowledge. They normally, like week to week they will tell me, "oh, you got to see the orthopedic Wednesday or you got shock treatment Tuesday," or something like that.

Q. And who usually tells you where you are going?

A. The -- I'm not sure of his name, but the -- sometimes a man, sometimes a lady, but the receptionist will tell me what I have to do for the day.

Insured AD (Claim No. 0672729621) testified:

Q. The names that I am seeing, or individuals identified on the billing, one was John Strobeck, and the other was Omar Ahmed, and where they practice, it also sounds like that you are saying the doctors go into the chiropractor's office --

A. Mhm.

Q. -- pursuant to some kind of arrangement that you are not familiar with; is that fair to say?

A. Yes.

Q. And the chiropractor, is he the one recommending that you go to these transient providers who come there?

A. Yes.

Insured MD (Claim No. 0655187482) testified:

Q. What is your understanding why you went for this type of treatment?

A. I did not understand it very well. It appears to me to be like a massage.

Q. Who told you to go for this treatment?

A. The people that work there, in the office. In the office in the building.

Q. Medical people or other staff?

A. The staff.

Insured BL (Claim No. 0645970682) testified:

A. That doctor comes in the office for people, it's not just like an appointment, he's just there on a certain day and it was Wednesdays.

Insured CBB (Claim No. 0626128300) testified:

A. They just say, "Are we gonna see you next time for another treatment?" The -- the shockwave treatment is not like for the treatment. Like for -- for -- for -- for enhancement and treatment. The shockwave therapy is the enhancement treatment for the -- for the stim. For the stim, so. For the stim I get 15 minutes from the shock therapy instead on -- on Wednesday.

Insured PM (Claim No. 0640270954) testified:

Q No. The actual treatment that we're discussing, the shockwave, who in the therapy office recommended that you get that done?

A In the therapy place they told me to go to that room, that they are going to do something.

Q And the person who did that treatment to you, do you know their name?

A I don't remember.

Insured JB (Claim No. 0623291242) testified:

Q. Who told you that you would be undergoing this treatment?

A. Just the secretary told us that we had to go to room number five and they were already there.

Insured AZ (Claim No. 0689186252) testified:

Q. Does the name John Strobeck, S-T-R-O-B-E-C-K, sound familiar?

A. No. I never asked for names when I would come to test, I was referred to test and I would go, but who did what there, I don't know.

156. Further illustrating that the Strobeck PCs were part a fraudulent kickback scheme in which the patients were unwitting pawns, Allstate routinely received billing related to the same Insureds from numerous providers at the same No-Fault Clinics, who purported to perform the identical Fraudulent Services.

- (i) Insured FM (Claim No. 0649864484) purportedly received Shockwave administered by (i) Patriot Medical Care (“Patriot”) from December 1, 2021,

until February 16, 2022 (ii) Integrated Diagnostic from February 16, 2022 until February 23, 2022 (iii) JPB Todt Hill Medical Care (“JPB”) from March 16, 2022 until April 27, 2022 (iv) JS Marble from May 4, 2022 until May 18, 2022, and (v) JPB, from June 17, 2022 until August 31, 2022.

- (ii) Insured CBB (Claim No. 0626128300) purportedly received Shockwave by (i) Patriot Medical Care from September 15, 2021 - December 15, 2021; (ii) Integrated Diagnostic from February 9, 2022 - March 9, 2022; (iii) JPBT from March 16, 2022, through April 20, 2022; (iv) JS Marble from May 4, 2022, and May 18, 2022; (v) then JPB again from July 27, 2022, through February 1, 2023.
- (iii) Insured AD (Claim No. 0628118861) purportedly received Shockwave by (i) Patriot from January 5, 2022, until January 26, 2022; (ii) JPB from March 30, 2022, until December 7, 2022, and (iii) JS Marble on May 11, 2022.
- (iv) Insured BL (Claim No. 0645970682) purportedly received Shockwave by (i) JPB on March 16, 2022; (ii) JS Marble from May 4, 2022, until May 25, 2022, and (iii) Rockwell on February 15, 2023.
- (v) Insured FYR (Claim No. 0650861859) purportedly received Shockwave by (i) Patriot from December 15, 2021, until February 16, 2022; (ii) JBP from March 23, 2022, until January 4, 2023; (iii) JS Marble on May 4, 2022, and (iv) Rockwell on March 15, 2023.
- (vi) Insured GS (Claim No. 0654328434) purportedly received Shockwave by (i) Dinesh Verma on February 1, 2022; (ii) HLA on March 9, 2022, and (iii) JS Marble from March 29, 2022, until April 6, 2022.
- (vii) Insured JL (Claim No. 0655713329) purportedly received Shockwave by (i) Dinesh Verma from December 28, 2021, until January 5, 2022; (ii) HLA from March 2, 2022, until March 15, 2022, and (iii) JS Marble from March 30, 2022, until May 17, 2022.
- (viii) Insured MD (Claim No. 0633145446) purportedly received Shockwave by (i) Integrated Diagnostic from September 9, 2021, until September 16, 2021; (ii) HLA from October 7, 2021, until March 24, 2022, and (iii) MAGA from March 31, 2022, until June 16, 2022.

157. Despite repeated requests through claims’ verification, each of the Strobeck PCs failed to produce to Allstate any documentation (space leases, license agreements, purchase agreements, mortgages, utility bill, etc.) that would indicate it was a party in a legitimate arm’s length transaction for the office space at any of the twenty-six locations.

158. Unlawful referral relationships between the Defendants and the No-Fault Clinics played an integral role in carrying out the Fraudulent Scheme against Allstate.

C. Billing for Services Rendered by Independent Contractors

159. The individuals who provided the Fraudulent Services on behalf of the Strobeck PCs, to the extent they were performed at all, were under the control of the John Doe Defendants and were not employees of Strobeck or the Strobeck PCs. Defendants knowingly concealed this fact from Allstate knowing that if the actual treating provider(s) and their “business relationship” was disclosed, the services would have been non-reimbursable.

160. On each and every NF-3 Claim Form submitted to Allstate through the U.S. mail, the Defendants fraudulently represented that the services were performed by Strobeck as the “Owner” of the Strobeck PCs. No other individual is disclosed as the treating provider and the “employee”, and “independent contractor” sections are left blank. Below are representative examples.

Integrated Diagnostic Patient MD (Claim No. 0633145446)

| 16. IF TREATING PROVIDER IS DIFFERENT THAN BILLING PROVIDER COMPLETE THE FOLLOWING: | | | | | |
|---|-------|------------------------------|--|--|--------------------------|
| TREATING PROVIDER'S NAME | TITLE | LICENSE OR CERTIFICATION NO. | BUSINESS RELATIONSHIP CHECK APPLICABLE BOX | | |
| STROBECK, JOHN E | MD | 130683-01 | EMPLOYEE | INDEPENDENT CONTRACTOR <input type="checkbox"/> | OTHER (SPECIFY) Owner |

17. IF THE PROVIDER OF SERVICE IS A PROFESSIONAL SERVICE CORPORATION OR DOING BUSINESS UNDER AN ASSUMED NAME (DBA), LIST THE OWNER AND PROFESSIONAL LICENSING CREDENTIALS OF ALL OWNERS (Provide an additional attachment if necessary).

JOHN E STROBECK, LIC# 130683-01

HLA Patient WC (Claim No. 0656462751)

| 16. IF TREATING PROVIDER IS DIFFERENT THAN BILLING PROVIDER COMPLETE THE FOLLOWING: | | | | | |
|---|-------|------------------------------|--|--|--------------------------|
| TREATING PROVIDER'S NAME | TITLE | LICENSE OR CERTIFICATION NO. | BUSINESS RELATIONSHIP CHECK APPLICABLE BOX | | |
| STROBECK, JOHN E | MD | 130683-01 | EMPLOYEE | INDEPENDENT CONTRACTOR <input type="checkbox"/> | OTHER (SPECIFY) Owner |

17. IF THE PROVIDER OF SERVICE IS A PROFESSIONAL SERVICE CORPORATION OR DOING BUSINESS UNDER AN ASSUMED NAME (DBA), LIST THE OWNER AND PROFESSIONAL LICENSING CREDENTIALS OF ALL OWNERS (Provide an additional attachment if necessary).

JOHN STROBECK, LIC# 130683-01

JS Marble Patient BL (Claim No. 0645970682)

16. IF TREATING PROVIDER IS DIFFERENT THAN BILLING PROVIDER COMPLETE THE FOLLOWING:

| TREATING PROVIDER'S NAME | TITLE | LICENSE OR CERTIFICATION NO. | BUSINESS RELATIONSHIP CHECK APPLICABLE BOX | | |
|--------------------------|-------|------------------------------|--|--------------------------|-----------------|
| | | | EMPLOYEE | INDEPENDENT CONTRACTOR | OTHER (SPECIFY) |
| STROBECK, JOHN E | MD | 130683-01 | | <input type="checkbox"/> | Owner |

17. IF THE PROVIDER OF SERVICE IS A PROFESSIONAL SERVICE CORPORATION OR DOING BUSINESS UNDER AN ASSUMED NAME (DBA), LIST THE OWNER AND PROFESSIONAL LICENSING CREDENTIALS OF ALL OWNERS (Provide an additional attachment if necessary).

JOHN E STROBECK, LIC# 130683

JS River Patient CM (Claim No. 0699776737)

16. IF TREATING PROVIDER IS DIFFERENT THAN BILLING PROVIDER COMPLETE THE FOLLOWING:

| TREATING PROVIDER'S NAME | TITLE | LICENSE OR CERTIFICATION NO. | BUSINESS RELATIONSHIP CHECK APPLICABLE BOX | | |
|--------------------------|-------|------------------------------|--|------------------------|-----------------|
| | | | EMPLOYEE | INDEPENDENT CONTRACTOR | OTHER (SPECIFY) |
| Strobeck John E, MD | | 130683-01 | | | OWNER |


17. IF THE PROVIDER OF SERVICE IS A PROFESSIONAL SERVICE CORPORATION OR DOING BUSINESS UNDER AN ASSUMED NAME (DBA), LIST THE OWNER AND PROFESSIONAL LICENSING CREDENTIALS OF ALL OWNERS (Provide an additional attachment if necessary)

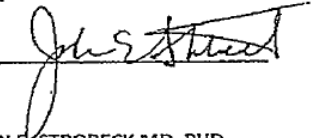
Strobeck John E, MD Lic#130683.01

161. Contrary to the representations on the NF-3 Claim Forms, Strobeck did not perform the services. This fact is plainly evidenced by the presence of the signature of an "NP/PA" on the treatment notes associated with virtually every Insured. Below are representative examples:

Integrated Diagnostic Patient EC (Claim No. 0638843037)

I certify the above RPW/Shockwave Treatment plan as medically necessary and approved by me.

NP/PA Signature:  Date: 9-24-21

Physician's Signature:  Date: 9-24-21

Physician Name: JOHN E. STROBECK MD, PHD

HLA Patient RS (Claim No. 0646516575)

I CERTIFY THAT THE ABOVE RPW/SHOCKWAVE TREATMENT PLAN IS MEDICALLY NECESSARY AND APPROVED BY ME.

NP/PA Signature: [Signature] Date: 3.16.22

Physician's Signature: [Signature] Date: 3.16.22

Physician Name: JOHN E. STROBECK MD, PHD

JS Marble Patient AD (Claim No. 0628118861)

I CERTIFY THAT THE ABOVE RPW/SHOCKWAVE TREATMENT PLAN IS MEDICALLY NECESSARY AND APPROVED BY ME.

NP/PA Signature: [Signature] Date: 5.11.22

Physician's Signature: [Signature] Date: 5.11.22

Physician Name: JOHN E. STROBECK MD, PHD

JS River Patient CM (Claim No. 0699776737)

I certify the above Implantable Percutaneous Electrical Nerve Stimulation Treatment plan as medically necessary and approved by me

NP/PA Signature: [Signature] Date: 3/8/23

Physician's Signature: [Signature] Date: 3/8/23

Physician Name: Dr. John Strobeck MD

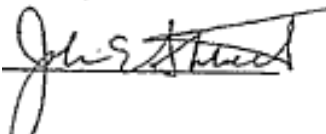
NPI: 1215936299

162. Further, Strobeck's signature that appears on the treatment notes accompanying the "NP/PA." and was purportedly affixed on the date of the service, is a stamp and/or copy.

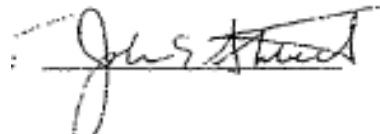
163. For example, the below referenced stamps and/or copies are found hundreds of times across the Strobeck PC's submissions for Integrated, HLA, and JS Marble.

Stamped Signature #1

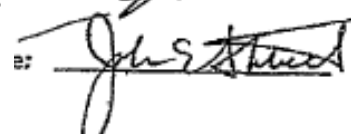
Integrated Diagnostic


JOHN E. STROBECK MD, PHD

HLA

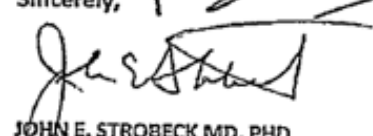

JOHN E. STROBECK MD, PHD

JS Marble

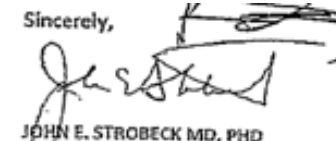

JOHN E. STROBECK MD, PHD

Stamped Signature #2

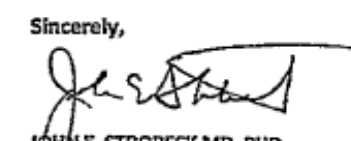
Integrated Diagnostic

Sincerely,

JOHN E. STROBECK MD, PHD

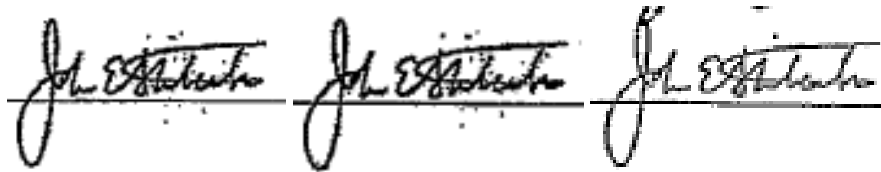
HLA

Sincerely,

JOHN E. STROBECK MD, PHD

JS Marble

Sincerely,

JOHN E. STROBECK MD, PHD

164. Likewise, Strobeck’s signature on the JS River submissions virtually always appears as the same stamp and/or copy. Below are examples of this signature on three treatment reports.



165. In further support that the services were performed by someone other than Strobeck, the treatment reports contain a section designated “TECHNICIAN USE ONLY” or “technician use” wherein the parameters of the “shockwave” are inputted. Despite this, the Defendants fail to reference a technician on the NF-3 Claim Forms.

Integrated Diagnostic Patient LA (Claim No. 0637370156)

Parameters (technician use):

- Pressure Intensity 1.0-1.1 BAR (1.0 to 10)
- Pulses 2000 (500 to 3000)
- Frequency 10 Hz (3 to 16)
- Type of Transmitter (Red R40) (Black D20) (Other)

Procedure Dx Code: Patient is 54 y/o female, SF MVA, 8/12/21, c/o moderate to severe neck, mid and

Complications: No Complications noted. lower back pain and spasms

Instructions & Post Treatment Care: Continue therapy as indicated above.

HLA Patient JL (Claim No. 0655713329)

(TECHNICIAN USE ONLY)

PARAMETERS

- 1 PRESSURE INTENSITY 1.0-1.1 BAR (1.0 TO 10)
- 1 PULSES APPLIED 2000 (500-3000)
- 1 FREQUENCY 10 (Hz 3-16)
- 1 TYPE OF TRANSMITTER (RED R40) (BLACK D20) (OTHER)

PROCEDURE DIAGNOSTIC CODE: 20 y/o female patient, SF MVA 10/15/21, c/o moderate to severe neck, mi

COMPLICATIONS (IF ANY): No complications noted. lower back pain and spasms

INSTRUCTIONS & POST TREATMENT CARE: Continue therapy as indicated above.

JS Marble Patient JZ (Claim No. 0671319297)

(TECHNICIAN USE ONLY)

PARAMETERS

- PRESSURE INTENSITY 1.0-1.2 BAR (1.0 TO 10)
- PULSES APPLIED 2000 (500 - 3000)
- FREQUENCY 10 (Hz 3-16)
- TYPE OF TRANSMITTER (RED R40) (BLACK D20) (OTHER)

PROCEDURE DIAGNOSTIC CODE: 38 y/o female patient, SF MVA, 5/18/22 c/o moderate to severe neck,

COMPLICATIONS (IF ANY): No complications noted. lower back and shoulder pain

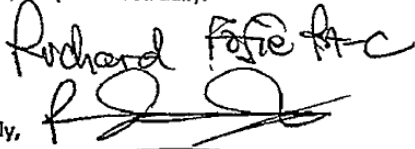
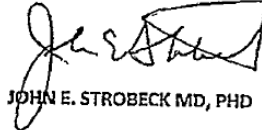
INSTRUCTIONS & POST TREATMENT CARE: Continue therapy as indicated above.

166. As a direct result of Defendants intentional acts to defraud, conceal, and withhold information from Allstate concerning the identity and employment status of the individuals who purportedly treated the Insureds, Allstate is only able to identify the names of two individuals that appear on the treatment records with a "NP/PA" designation: Richard Fofie, PA ("Fofie") and Waqas Nazar, PA ("Nazar"). The rest of the signatures and names are illegible.

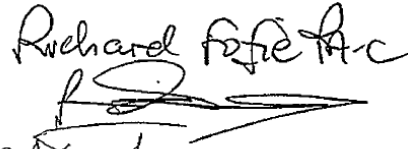
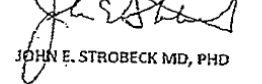
167. In keeping with the fact that the “NP/PA” performed the Fraudulent Services under the operation and control of the John Doe Defendants, at all relevant times discussed in this Complaint, Fofie and Nazar appeared simultaneously on the treatment records for various physicians purporting to perform Shockwave, oftentimes at the same No-Fault Clinics as the Strobeck PCs

168. Below are representative samples of Fofie’s signature on the Strobeck PCs treatment notes, and the date the services were purportedly performed:


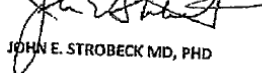
Integrated Diagnostic Patient MG (Claim No. 0632201604), September 23, 2021

Richard Fofie M.D.
Sincerely, 

JOHN E. STROBECK MD, PHD

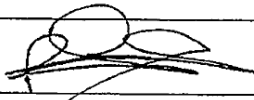
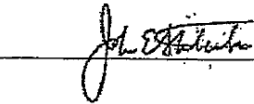
HLA Patient KG (Claim No. 0645513938), October 20, 2021

Richard Fofie M.D.
Sincerely, 

JOHN E. STROBECK MD, PHD

JS Marble Patient YS (Claim No. 0665736344), April 5, 2022

Richard Fofie M.D.
Sincerely, 

JOHN E. STROBECK MD, PHD


JS River Patient GR (Claim No. 0695409417), January 30, 2023

MD - NP - PA Signature: 
MD John Strobeck: 

169. Below are representative examples of Fofie's signature submitted to Allstate on the treatment notes of different medical practices purportedly owned by various physicians, and the date the service was purportedly rendered.

East Coast Medical Care PC Patient MZ (Claim No. 0607567625), December 2, 2020


Sincerely, 
Richard Fofie R.PAC

Dr. Omar Ahmed, M.D. 

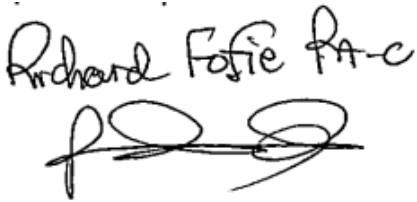
Town Medical Care PC Patient JP (Claim No. 0609600209), March 15, 2021


Richard Fofie PA-C

Sincerely, PA-C

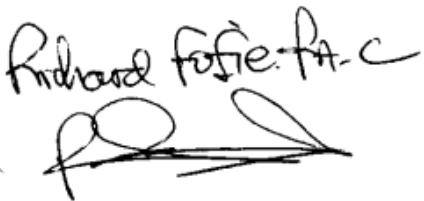


Dr. Phyllis Gelb, M.D.

Garden Medical Care PC Patient AB (Claim No. 0636153363), August 27, 2021

Sincerely,


Dr. Omar Ahmed, M.D. 

Patriot Medical Care PC Patient MH (Claim No. 0580625275), September 24, 2021


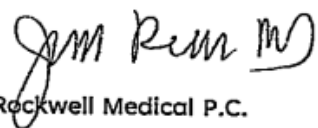
Sincerely,


Dr. Jean Pierre Barakat, M.D.

JPB Todt Hill Medical Care PC Patient DT (Claim No. 0637986316), April 18, 2022

Sincerely,


Dr Jean Pierre Barakat

Rockwell Medical PC Patient JH (Claim No. 0710823683), May 31, 2023

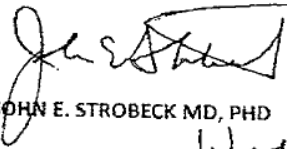
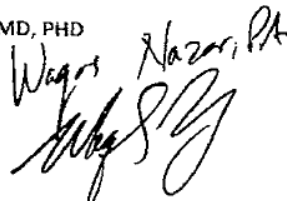

Regards,

Rockwell Medical P.C.
License # 220017
NPI #1518978634
Dr. Jeremie Rachunow MD

170. Interestingly, upon information and belief, Fofie has a LinkedIn profile that states that his sole employer since 2015 is Laconia Nursing Home, Inc. Absent is any reference of being employed by Strobeck, or any medical practice that billed Allstate for Shockwave.

171. Similarly, below are representative samples of Nazar's signature on the Strobeck PC's treatment notes, and the date the services were purportedly performed:

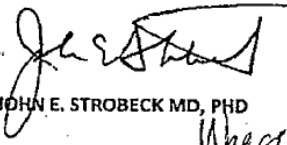
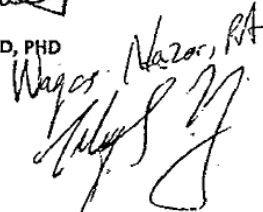
Integrated Diagnostic Patient SA (Claim No. 0637370156), 09/20/2021

Sincerely,


JOHN E. STROBECK MD, PHD
Wagers Nazar, PA


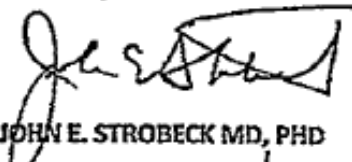
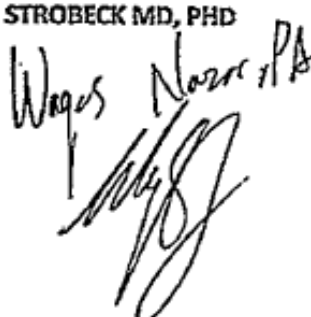
HLA Patient RA (Claim No. 0645349036), 10/08/2021

Sincerely,

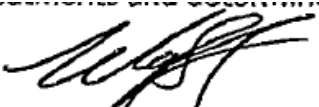
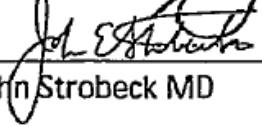

JOHN E. STROBECK MD, PHD
Wagers Nazar, PA


JS Marble Patient AD (Claim No. 0628118861), 05/11/2022

Sincerely,


JOHN E. STROBECK MD, PHD
Wagers Nazar, PA


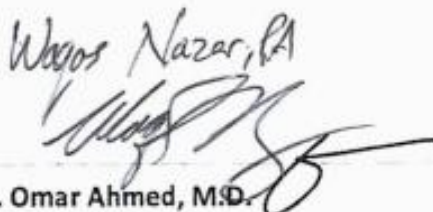
JS River Patient FY (Claim No. 0650861859), 01/04/2023

Sincerely, 


Dr. John Strobeck MD


172. Below are representative examples of Nazar's signature submitted to Allstate on the treatment notes of different medical practices purportedly owned by various physicians, and the date the service was purportedly rendered.

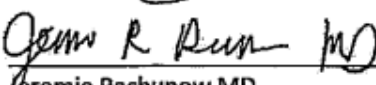
Garden Medical Care PC Patient JRA (Claim No. 0632188223), 06/30/2021

Sincerely,


Dr. Omar Ahmed, M.D.

Rockwell Medical PC Patient KS (Claim No. 0716411277), 06/08/2023



Provider Signature


Jeremie Rachunow MD
Rockwell Medical PC
License # 220017
NPI #1518978634

173. Despite repeated requests, the Strobeck PCs have failed to produce any documentation to Allstate establishing that Fofie, Nazar, or any other individual was an employee of Strobeck or any of the Strobeck PCs.

174. By falsely representing Strobeck as the treating provider, the Defendants intentionally, knowingly, and fraudulently concealed from Allstate that the underlying services were performed by independent contracts and were thus non-reimbursable.

III. The Fraudulent Charges the Defendants Submitted or Caused to be Submitted to Allstate

175. To support their fraudulent charges, the Defendants systematically submitted, or caused to be submitted, to Allstate, documentation that consisted of NF-3 Claim Forms, HCFA-1500 Claim Forms, medical records, Assignments of Benefits, referrals, correspondences, and other supporting documentation (hereinafter, the “Claims Submissions”), which were materially false and/or misleading, to obtain payment for services they were never entitled to receive. The Claims Submissions consistently misrepresented that Strobeck had performed the Fraudulent Services. In addition, the Claims Submissions consistently misrepresented that Strobeck’s name and license, as well as the tax identification numbers of the Strobeck PCs, were being legitimately used to bill for the Fraudulent Services, making them eligible for payment pursuant to 11 N.Y.C.R.R. §65-3.16(a)(12).

176. In reality, Strobeck never performed these services, and the Strobeck PCs were unlawfully and secretly controlled, operated and managed by the John Doe Defendants.

177. Furthermore, the services were rendered, to the extent that they were rendered at all, by unlicensed individuals and/or non-physicians that were not employed by Strobeck or any of the Strobeck PCs, thereby rendering them ineligible for payment pursuant to Insurance Law § 5102(a)(1) and 11 N.Y.C.R.R. §65-3.11.

178. The Claims Submissions that Defendants submitted to Allstate uniformly falsified patients’ conditions and materially misrepresented that the Fraudulent Services were medically necessary and rendered in accordance with generally accepted standards of medical care. Instead,

the services that were provided, to the extent they were provided at all, were not based upon legitimate medical decision-making by licensed healthcare professionals.

179. Furthermore, the Claims Submissions that were submitted, or caused to be submitted to Allstate, concealed that the services were provided, to the extent provided at all, pursuant to illegal kickback and referral arrangements that the John Doe Defendants orchestrated with third parties.

180. Finally, Defendants materially misrepresented that the Strobeck PCs were in compliance with pertinent laws and regulations and therefore were eligible to collect No-Fault Benefits, when in fact they were not.

IV. Defendants' Fraudulent Concealment and Allstate's Justifiable Reliance

181. The Defendants were under a legal and ethical obligation to act with honesty and integrity. Furthermore, Strobeck, as a duly licensed physician, is required to act in accordance with his oath as a licensed medical professional.

182. The Defendants participated in a complex and systematic plan under which they knowingly misrepresented and concealed facts related to the Fraudulent Scheme in order to evade detection and induce Allstate to make payments to the Strobeck PCs which Allstate was never required to make, and Defendants were never entitled to receive.

183. The Defendants knowingly misrepresented and concealed facts related to Strobeck's ownership, control and/or management of the Strobeck PCs, from Allstate. Documents submitted to Allstate and filed with the State of New York falsely reflect that Strobeck solely owns, controls and/or manages the Strobeck PCs.

184. The Defendants knowingly misrepresented and concealed facts related to Strobeck's lack of participation in the performance of the Fraudulent Services, that the services

were medically unnecessary, and were rendered pursuant to predetermined treatment protocols not based on the conditions of the Insureds.

185. Defendants further knowingly misrepresented and concealed facts related to the employment status of the individuals who performed the Fraudulent Services to prevent Allstate from discovering that these services were non-reimbursable, as they were performed by independent contractors.

186. Further, the Defendants concealed the fact that Allstate insureds were procured by the Defendants pursuant unlawful financial arrangements entered into with third parties.

187. Pursuant to the No-Fault Laws, Allstate has a contractual obligation to verify and/or process claims in a prompt and fair manner, within thirty days. Defendants' conduct described herein was done intentionally and with purpose to evade detection and induce Allstate to make payments for the Fraudulent Services. When making payments to the Strobeck PCs, Allstate justifiably relied on the documents submitted because Defendants went through great lengths to ensure that the Claims Submissions appeared facially valid.

188. Due to the great lengths that the Defendants took to misrepresent and conceal their fraudulent acts, Allstate did not discover, and could not have reasonably discovered, that their damages were the result of Defendants' intentional conduct, until shortly before the filing of this Complaint.

189. As a result of the Defendants' unlawful conduct, which violated New York and Federal laws, Allstate was injured in their business and property, in the amount of \$137,731.05.

AS AND FOR A FIRST CAUSE OF ACTION

Strobeck Enterprise

Against John Doe Defendants and Strobeck

(Violation of RICO, 18 U.S.C. § 1962(c))

190. Allstate re-alleges, re-pleads and incorporates by reference, each and every allegation in the paragraphs above, as if set forth fully herein.

191. Integrated Diagnostic, HLA, JS Marble and JS River, together constitute an association-in-fact enterprise (hereinafter, the “Strobeck Enterprise”), as defined by 18 U.S.C. § 1961(4), which engages in activities that affect interstate commerce.

192. The members of the Strobeck Enterprise are separate business entities, with different names and tax identifications numbers, who associated together as an ongoing and continuing unit, sharing the same common purpose of furthering a healthcare fraud scheme against Allstate, and other insurers. Integrated Diagnostic, HLA, JS Marble and JS River, each operated in a materially identical fraudulent manner, and jointly and purposefully orchestrated their submission of fraudulent claims to Allstate and other insurers to minimize the duration of time and volume of billing submitted through any single member in an attempt to avoid attracting the attention and scrutiny of Allstate and other insurers to the volume of billing and the pattern of fraudulent charges originating from any individual name. As such, the carrying out of this scheme would be beyond the capacity of each member of the Strobeck Enterprise acting individually or without the aid of each other.

193. At all times relevant to this Complaint, Strobeck and the John Doe Defendants were “persons” employed by and/or associated with the Strobeck Enterprise within the meaning of 18 U.S.C § 1961(3).

194. Strobeck and the John Defendants knowingly conducted and/or participated, directly or indirectly, in the conduct of the Strobeck Enterprise's affairs through a pattern of racketeering activity as defined in 18 U.S.C. § 1962(c) consisting of repeated violations of the federal mail fraud statute, 18 U.S.C. § 1341, by submitting, or causing to be submitted, through the U.S. Mail, hundreds of fraudulent claims to Allstate seeking payments for services on behalf of Integrated Diagnostic, HLA, JS Marble, and JS River knowing that they were not reimbursable under the No-Fault Law. The scheme included:

- (i) Submitting false and fraudulent claims attesting that Integrated Diagnostic, HLA, JS Marble, and JS River, were lawfully owned, managed and controlled by a licensed physician, when in fact they were being operated, managed and controlled by the unlicensed John Doe Defendants for purposes of effectuating a large-scale health insurance fraud scheme against Allstate, and other New York automobile insurers.
- (ii) Submitting false and fraudulent claims that concealed from Allstate that the medical services provided by Integrated Diagnostic, HLA, JS Marble, and JS River, to the extent provided at all, were excessive, not medically necessary, and rendered according to a pre-determined treatment protocol that is not based on medical decision-making.
- (iii) Submitting false and fraudulent claims that misrepresented the nature and extent of the healthcare services that were actually provided to Allstate's insureds by Integrated Diagnostic, HLA, JS River, and JS Marble.
- (iv) Submitting false and fraudulent claims that concealed from Allstate that Allstate's insureds were procured through unlawful referral arrangements.
- (v) Submitting false and fraudulent claims that misrepresented that Strobeck performed the services when in fact the services were administered by independent contractors or had not been administered at all.

195. The Strobeck Enterprise has been engaged in the scheme since no later than July 2021. The pattern of racketeering activity poses a specific threat of repetition extending indefinitely into the future as the members of the Strobeck Enterprise continue to attempt collection on the fraudulent billing submitted through them until the present day. The Strobeck Enterprise members were unlawfully organized, never performed any legitimate medical treatments, never conducted any legitimate business activities; and never have been eligible to bill

for No-Fault Benefits. The Strobeck Enterprise exists for purposes of racketeering activity inasmuch as acts of mail fraud are essential for it to function. Furthermore, the intricate planning required to carry out and conceal the predicate acts of mail fraud implies a threat of continued criminal activity.

196. A representative sample of the fraudulent charges submitted to Allstate that comprise, in part, the pattern of racketeering activities identified through the date of this Complaint are described, in part, in the chart annexed hereto as Exhibit 1. All of the fraudulent charges identified in Exhibit 1 were submitted to Allstate through the U.S. Mail.

197. The Defendants knew that two or more mailings would be sent to demand and receive payment from Allstate on certain dates, including, but not limited to those mailings identified in the chart annexed hereto as Exhibit 2.

198. The Strobeck Enterprise is distinct from, and has an existence beyond, the pattern of racketeering that is described herein, namely by recruiting, overseeing, and coordinating many professionals and non-professionals who have been responsible for facilitating and performing a variety of administrative and professional functions beyond the acts of mail fraud (i.e. the submission of the fraudulent bills to Allstate and other insurers), by creating and maintaining patient files and other records, and by negotiating and executing various contracts and/or verbal agreements, by maintaining the bookkeeping and accounting functions necessary to manage the receipt and distribution of the insurance proceeds, and by retaining collection lawyers whose services were also used to generate payments from insurance companies to support all of the aforesaid functions.

199. Allstate has been injured in its business and property by reason of the above-described conduct in that it has paid at least \$137,731.05 pursuant to the fraudulent bills submitted by Strobeck and the John Doe Defendants through the Strobeck Enterprise.

200. By reason of its injury, Allstate is entitled to treble damages, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c), and any other relief the Court deems just and proper.

AS AND FOR A SECOND CAUSE OF ACTION

Strobeck Enterprise

Against John Doe Defendants and Strobeck

(Violation of RICO, 18 U.S.C. § 1962(d))

201. Allstate re-alleges, re-pleads and incorporates by reference, each and every allegation in the paragraphs above, as if set forth fully herein.

202. The Strobeck Enterprise is an association-in-fact enterprise, as defined by 18 U.S.C. § 1961(4), which engages in activities that affect interstate commerce.

203. At all times relevant to this Complaint, Strobeck and the John Doe Defendants were “persons” employed by and/or associated with the Strobeck Enterprise within the meaning of 18 U.S.C § 1961(3).

204. Strobeck and the John Doe Defendants knowingly have agreed, combined, and conspired to conduct and/or participate, directly or indirectly, in the conduct of the Strobeck Enterprise affairs through a pattern of racketeering activity as defined in 18 U.S.C. § 1962(c) consisting of repeated violations of the federal mail fraud statute, 18 U.S.C. § 1341, by submitting, or causing to be submitted, through the U.S. Mail, hundreds of fraudulent claims to Allstate

seeking payments for services on behalf of Integrated Diagnostic, HLA, JS Marble, and JS River knowing that they were not reimbursable under the No-Fault Law. The scheme included:

- (i) Submitting false and fraudulent claims attesting that Integrated Diagnostic, HLA, JS Marble, and JS River, were lawfully owned, managed and controlled by a licensed physician, when in fact they were being operated, managed and controlled by the unlicensed John Doe Defendants for purposes of effectuating a large-scale health insurance fraud scheme against Allstate, and other New York automobile insurers.
- (ii) Submitting false and fraudulent claims that concealed from Allstate that the medical services provided by Integrated Diagnostic, HLA, JS Marble, and JS River, to the extent provided at all, were excessive, not medically necessary, and rendered according to a pre-determined treatment protocol that is not based on medical decision-making.
- (iii) Submitting false and fraudulent claims that misrepresented the nature and extent of the healthcare services that were actually provided to Allstate's insureds by Integrated Diagnostic, HLA, JS River, and JS Marble.
- (iv) Submitting false and fraudulent claims that concealed from Allstate that the Allstate's insureds were procured through unlawful referral arrangements.
- (v) Submitting false and fraudulent claims that misrepresented that Strobeck performed the services when in fact the services were administered by independent contractors or had not been administered at all.

205. A representative sample of the fraudulent charges submitted to Allstate that comprise, in part, the pattern of racketeering activities identified through the date of this Complaint are described, in part, in the chart annexed hereto as Exhibit 1.

206. Strobeck and the John Doe Defendants knew of, agreed to and acted in furtherance of the common overall objective (i.e. to defraud Allstate and other insurers of money) by submitting or facilitating the submission of fraudulent charges to Allstate.

207. Allstate has been injured in its business and property by reason of the above-described conduct in that it has paid at least \$137,731.05 pursuant to the fraudulent bills submitted by Strobeck and the John Doe Defendants through the Strobeck Enterprise.

208. By reason of its injury, Allstate is entitled to treble damages, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c), and any other relief the Court deems just and proper.

AS AND FOR A THIRD CAUSE OF ACTION

Integrated Diagnostic Enterprise

Against John Doe Defendants and Strobeck

(Violation of RICO, 18 U.S.C. § 1962(c))

209. Allstate re-alleges, re-pleads and incorporates by reference, each and every allegation in the paragraphs above, as if set forth fully herein.

210. Integrated Diagnostic is an ongoing "enterprise", as defined by 18 U.S.C. § 1961(4), which engages in activities that affect interstate commerce.

211. At all times relevant to this Complaint, Strobeck and the John Doe Defendants were "persons" employed by and/or associated with Integrated Diagnostic within the meaning of 18 U.S.C § 1961(3).

212. Strobeck and the John Doe Defendants knowingly conducted and/or participated, directly or indirectly, in the conduct of Integrated Diagnostic's affairs through a pattern of racketeering activity as defined in 18 U.S.C. § 1962(c) consisting of repeated violations of the federal mail fraud statute, 18 U.S.C. § 1341, by submitting, or causing to be submitted, through the U.S. Mail, hundreds of fraudulent claims to Allstate seeking payments for services on behalf of Integrated Diagnostic knowing that it was not reimbursable under the No- Fault Law. The scheme included:

- (i) Submitting false and fraudulent claims attesting that Integrated Diagnostic was lawfully owned, managed and controlled by a licensed physician, when in fact it was being operated, managed and controlled by the unlicensed John

Doe Defendants for purposes of effectuating a large-scale health insurance fraud scheme against Allstate, and other New York automobile insurers.

- (ii) Submitting false and fraudulent claims that concealed from Allstate that the medical services provided by Integrated Diagnostic, to the extent provided at all, were excessive, not medically necessary, and rendered according to a pre-determined treatment protocol that is not based on medical decision-making.
- (iii) Submitting false and fraudulent claims that misrepresented the nature and extent of the healthcare services that were actually provided to Allstate's insureds by Integrated Diagnostic.
- (iv) Submitting false and fraudulent claims that concealed from Allstate that the Allstate's insureds were procured through unlawful referral arrangements.
- (v) Submitting false and fraudulent claims that misrepresented that Strobeck performed the services when in fact the services were administered by independent contractors or had not been administered at all.

213. A representative sample of the fraudulent charges submitted to Allstate that comprise, in part, the pattern of racketeering activities identified through the date of this Complaint are described, in part, in the chart annexed hereto as Exhibit 1. All of the fraudulent charges identified in Exhibit 1 were submitted to Allstate through the U.S. Mail.

214. The Defendants knew that two or more mailings would be sent to demand and receive payment from Allstate on certain dates, including, but not limited to those mailings identified in the chart annexed hereto as Exhibit 2.

215. The pattern of racketeering activity poses a specific threat of repetition extending indefinitely into the future as Integrated Diagnostic continues to attempt collection on the fraudulent billing submitted through them until the present day. Integrated Diagnostic was unlawfully organized, never performed any legitimate medical treatments, never conducted any legitimate business activities, and never has been eligible to bill for No-Fault Benefits. Integrated Diagnostic exists for purposes of racketeering activity inasmuch as acts of mail fraud are essential for it to function. Furthermore, the intricate planning required to carry out and conceal the predicate acts of mail fraud implies a threat of continued criminal activity.

216. Allstate has been injured in its business and property by reason of the above-described conduct in that it has paid at least \$34,278.77 pursuant to the fraudulent bills submitted by Strobeck and the John Doe Defendants through Integrated Diagnostic.

217. By reason of its injury, Allstate is entitled to treble damages, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c), and any other relief the Court deems just and proper.

AS AND FOR A FOURTH CAUSE OF ACTION

**Integrated Diagnostic Enterprise
Against John Doe Defendants and Strobeck
(Violation of RICO, 18 U.S.C. § 1962(d))**

218. Allstate re-alleges, re-pleads and incorporates by reference, each and every allegation in the paragraphs above, as if set forth fully herein.

219. Integrated Diagnostic is an ongoing "enterprise", as defined by 18 U.S.C. § 1961(4), which engages in activities that affect interstate commerce.

220. At all times relevant to this Complaint, Strobeck and the John Doe Defendants were "persons" employed by and/or associated with Integrated Diagnostic within the meaning of 18 U.S.C § 1961(3).

221. Strobeck and the John Doe Defendants knowingly have agreed, combined, and conspired to conduct and/or participate, directly or indirectly, in the conduct of Integrated Diagnostic's affairs through a pattern of racketeering activity as defined in 18 U.S.C. § 1962(c) consisting of repeated violations of the federal mail fraud statute, 18 U.S.C. § 1341, by submitting, or causing to be submitted, through the U.S. Mail, hundreds of fraudulent claims to Allstate seeking payments for services on behalf of Integrated Diagnostic knowing that they were not reimbursable under the No-Fault Law. The scheme included:

- (i) Submitting false and fraudulent claims attesting that Integrated Diagnostic was lawfully owned, managed and controlled by a licensed physician, when in fact they were being operated, managed and controlled by the unlicensed John Doe Defendants for purposes of effectuating a large-scale health insurance fraud scheme against Allstate, and other New York automobile insurers.
- (ii) Submitting false and fraudulent claims that concealed from Allstate that the medical services provided by Integrated Diagnostic to the extent provided at all, were excessive, not medically necessary, and rendered according to a pre-determined treatment protocol that is not based on medical decision-making.
- (iii) Submitting false and fraudulent claims that misrepresented the nature and extent of the healthcare services that were actually provided to Allstate's insureds by Integrated Diagnostic.
- (iv) Submitting false and fraudulent claims that concealed from Allstate that the Allstate's insureds were procured through unlawful referral arrangements.
- (v) Submitting false and fraudulent claims that misrepresented that Strobeck performed the services when in fact the services were administered by independent contractors or had not been administered at all.

222. A representative sample of the fraudulent charges submitted to Allstate that comprise, in part, the pattern of racketeering activities identified through the date of this Complaint are described, in part, in the chart annexed hereto as Exhibit 1.

223. Strobeck and the John Doe Defendants knew of, agreed to and acted in furtherance of the common overall objective (i.e. to defraud Allstate and other insurers of money) by submitting or facilitating the submission of fraudulent charges to Allstate.

224. Allstate has been injured in its business and property by reason of the above-described conduct in that it has paid at least \$34,278.77 pursuant to the fraudulent bills submitted by Strobeck and the John Doe Defendants through Integrated Diagnostic.

225. By reason of its injury, Allstate is entitled to treble damages, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c), and any other relief the Court deems just and proper.

AS AND FOR A FIFTH CAUSE OF ACTION

Against Integrated Diagnostic, Strobeck and John Doe Defendants

(Common Law Fraud)

226. Allstate re-alleges, re-pleads and incorporates by reference, each and every allegation in the paragraphs above, as if set forth fully herein.

227. As described herein, the John Doe Defendants, Strobeck and Integrated Diagnostic, schemed to defraud and defrauded Allstate by intentionally and knowingly making material misrepresentations of fact and concealing material facts from Allstate in the submissions of hundreds of fraudulent claims on behalf of Integrated Diagnostic, in which they seek payment for the Fraudulent Services.

228. These fraudulent and material misrepresentations of fact and acts of concealment, starting no later than July 2021, include, but are not limited to: (i) that Integrated Diagnostic is lawfully owned, managed and controlled by Strobeck, thereby making it eligible for payment pursuant to 11 N.Y.C.R.R. §65-3.16(a)(12), when in reality Integrated Diagnostic was secretly and unlawfully operated, managed and controlled by the John Doe Defendants, rendering it ineligible for No-Fault reimbursement; (ii) that Strobeck performed the Fraudulent Services, when in fact he virtually never practiced through Integrated Diagnostic; (iii) that the services billed for by Integrated Diagnostic, were medically necessary and warranted by the condition of the Allstate insured, when in fact the Fraudulent Services were excessive, not medically necessary, and were rendered pursuant to predetermined treatment protocols designed to unjustly enrich Integrated Diagnostic, Strobeck, and the John Doe Defendants; (iv) that the Fraudulent Services were coded and charged in accordance with the Fee Schedule, when in fact the charges were unbundled, inflated, overcharged, and did not accurately reflect the underlying services rendered to the Allstate insureds; (v) that Integrated Diagnostic obtained its patients in a legitimate manner, when in fact,

patients were steered to it as part of an illegal financial arrangement; (vi) that the services were performed by Strobeck, when in fact they were performed by non-physician independent contractors, to the extent performed at all; (vii) that the Fraudulent Services were actually provided, when in fact they were not; and (viii) that Integrated Diagnostic was otherwise in compliance with pertinent laws and regulations and therefore eligible to collect No-Fault Benefits, when in fact it was not.

229. The John Doe Defendants, Strobeck and Integrated Diagnostic intentionally and knowingly made the above-referenced material misrepresentations and concealed material facts in a contrived, calculated effort to give the services a false appearance of validity when they knew the services were not reimbursable under the No-Fault Laws. John Doe Defendants, Strobeck and Integrated Diagnostic's conduct induced Allstate to pay charges submitted by, or on behalf of Integrated Diagnostic that it was never entitled to receive.

230. Allstate did in fact reasonably and justifiably rely, to its detriment, upon the facially valid claims submissions by Integrated Diagnostic. As a proximate result of the false and fraudulent claim submissions submitted by Integrated Diagnostic, Allstate has been injured in its business and property, in that it has paid at least \$34,278.77.

231. Allstate would not have issued payment, or have been obligated to issue payment, to Integrated Diagnostic for the Fraudulent Services but for the concealment and intentional and material misrepresentations made by the John Doe Defendants, Strobeck, and Integrated Diagnostic.

232. The John Doe Defendants, Strobeck and Integrated Diagnostic's extensive fraudulent conduct demonstrates a high degree of moral turpitude and wanton dishonesty that entitles Allstate to recover punitive damages.

233. Accordingly, by virtue of the foregoing, Allstate is entitled to compensatory and punitive damages, together with interest and costs, and any other relief the Court deems just and proper.

AS AND FOR A SIXTH CAUSE OF ACTION

Against Integrated Diagnostic, Strobeck and John Doe Defendants

(Unjust Enrichment)

234. Allstate re-alleges, re-pleads and incorporates by reference, each and every allegation in the paragraphs above, as if set forth fully herein.

235. As set forth above, the John Doe Defendants, Strobeck and Integrated Diagnostic have engaged in unjust, improper, and/or unlawful acts, all to the detriment and harm of Allstate.

236. When Allstate reimbursed Integrated Diagnostic, by paying the bills and charges submitted by or on behalf of Integrated Diagnostic, it reasonably believed that it was legally obligated to make such payments based on the unjust, improper and/or unlawful acts of the John Doe Defendants, Strobeck and Integrated Diagnostic.

237. Integrated Diagnostic, Strobeck and John Doe Defendants' retention of Allstate's payments violates the fundamental principles of justice, equity and good conscience.

238. By reason of the acts described above, Integrated Diagnostic, Strobeck and the John Doe Defendants' have been unjustly enriched in the amount to be determined at trial, but at a minimum, the sum of \$34,278.77.

AS AND FOR A SEVENTH CAUSE OF ACTION

HLA Enterprise

Against Strobeck and John Doe Defendants

(Violation of RICO, 18 U.S.C. § 1962(c))

239. Allstate re-alleges, re-pleads and incorporates by reference, each and every allegation in the paragraphs above, as if set forth fully herein.

240. HLA is an ongoing “enterprise”, as defined by 18 U.S.C. § 1961(4), which engages in activities that affect interstate commerce.

241. At all times relevant to this Complaint, Strobeck and the John Doe Defendants were “persons” employed by and/or associated with HLA within the meaning of 18 U.S.C § 1961(3).

242. Strobeck and the John Defendants knowingly conducted and/or participated, directly or indirectly, in the conduct of HLA’s affairs through a pattern of racketeering activity as defined in 18 U.S.C. § 1962(c) consisting of repeated violations of the federal mail fraud statute, 18 U.S.C. § 1341, by submitting, or causing to be submitted, through the U.S. Mail, hundreds of fraudulent claims to Allstate seeking payments for services on behalf of HLA knowing that it was not reimbursable under the No- Fault Law. The scheme included:

- (i) Submitting false and fraudulent claims attesting that HLA was lawfully owned, managed and controlled by a licensed physician, when in fact it was being operated, managed and controlled by the unlicensed John Doe Defendants for purposes of effectuating a large-scale health insurance fraud scheme against Allstate, and other New York automobile insurers.
- (ii) Submitting false and fraudulent claims that concealed from Allstate that the medical services provided by HLA, to the extent provided at all, were excessive, not medically necessary, and rendered according to a pre-determined treatment protocol that is not based on medical decision-making.
- (iii) Submitting false and fraudulent claims that misrepresented the nature and extent of the healthcare services that were actually provided to Allstate’s insureds by HLA.

- (iv) Submitting false and fraudulent claims that concealed from Allstate that the Allstate's insureds were procured through unlawful referral arrangements.
- (v) Submitting false and fraudulent claims that misrepresented that Strobeck performed the services when in fact the services were administered by independent contractors or had not been administered at all.

243. A representative sample of the fraudulent charges submitted to Allstate that comprise, in part, the pattern of racketeering activities identified through the date of this Complaint are described, in part, in the chart annexed hereto as Exhibit 1. All of the fraudulent charges identified in Exhibit 1 were submitted to Allstate through the U.S. Mail.

244. The Defendants knew that two or more mailings would be sent to demand and receive payment from Allstate on certain dates, including, but not limited to those mailings identified in the chart annexed hereto as Exhibit 2.

245. The pattern of racketeering activity poses a specific threat of repetition extending indefinitely into the future as HLA continues to attempt collection on the fraudulent billing submitted through them until the present day. HLA was unlawfully organized, never performed any legitimate medical treatments, never conducted any legitimate business activities, and never has been eligible to bill for No-Fault Benefits. HLA exists for purposes of racketeering activity inasmuch as acts of mail fraud are essential for it to function. Furthermore, the intricate planning required to carry out and conceal the predicate acts of mail fraud implies a threat of continued criminal activity.

246. Allstate has been injured in its business and property by reason of the above-described conduct in that it has paid at least \$91,200.40 pursuant to the fraudulent bills submitted by Strobeck and the John Doe Defendants through HLA.

247. By reason of its injury, Allstate is entitled to treble damages, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c), and any other relief the Court deems just and proper.

AS AND FOR AN EIGHTH CAUSE OF ACTION

HLA Enterprise

Against John Doe Defendants and Strobeck

(Violation of RICO, 18 U.S.C. § 1962(d))

248. Allstate re-alleges, re-pleads and incorporates by reference, each and every allegation in the paragraphs above, as if set forth fully herein.

249. HLA is an ongoing "enterprise", as defined by 18 U.S.C. § 1961(4), which engages in activities that affect interstate commerce.

250. At all times relevant to this Complaint, Strobeck and the John Doe Defendants were "persons" employed by and/or associated with HLA within the meaning of 18 U.S.C § 1961(3).

251. Strobeck and the John Doe Defendants knowingly have agreed, combined, and conspired to conduct and/or participate, directly or indirectly, in the conduct of HLA's affairs through a pattern of racketeering activity as defined in 18 U.S.C. § 1962(c) consisting of repeated violations of the federal mail fraud statute, 18 U.S.C. § 1341, by submitting, or causing to be submitted, through the U.S. Mail, hundreds of fraudulent claims to Allstate seeking payments for services on behalf of HLA knowing that they were not reimbursable under the No-Fault Law. The scheme included:

- (i) Submitting false and fraudulent claims attesting that HLA was lawfully owned, managed and controlled by a licensed physician, when in fact they were being operated, managed and controlled by the unlicensed John Doe Defendants for purposes of effectuating a large-scale health insurance fraud scheme against Allstate, and other New York automobile insurers.

- (ii) Submitting false and fraudulent claims that concealed from Allstate that the medical services provided by HLA to the extent provided at all, were excessive, not medically necessary, and rendered according to a pre-determined treatment protocol that is not based on medical decision-making.
- (iii) Submitting false and fraudulent claims that misrepresented the nature and extent of the healthcare services that were actually provided to Allstate's insureds by HLA.
- (iv) Submitting false and fraudulent claims that concealed from Allstate that the Allstate's insureds were procured through unlawful referral arrangements.
- (v) Submitting false and fraudulent claims that misrepresented that Strobeck performed the services when in fact the services were administered by independent contractors or had not been administered at all.

252. A representative sample of the fraudulent charges submitted to Allstate that comprise, in part, the pattern of racketeering activities identified through the date of this Complaint are described, in part, in the chart annexed hereto as Exhibit 1.

253. Strobeck and the John Doe Defendants knew of, agreed to and acted in furtherance of the common overall objective (i.e. to defraud Allstate and other insurers of money) by submitting or facilitating the submission of fraudulent charges to Allstate.

254. Allstate has been injured in its business and property by reason of the above-described conduct in that it has paid at least \$91,200.40 pursuant to the fraudulent bills submitted by Strobeck and the John Doe Defendants through HLA.

255. By reason of its injury, Allstate is entitled to treble damages, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c), and any other relief the Court deems just and proper.

AS AND FOR A NINETH CAUSE OF ACTION

Against HLA, Strobeck and John Doe Defendants

(Common Law Fraud)

256. Allstate re-alleges, re-pleads and incorporates by reference, each and every allegation in the paragraphs above, as if set forth fully herein.

257. As described herein, the John Doe Defendants, Strobeck and HLA, schemed to defraud and defrauded Allstate by intentionally and knowingly making material misrepresentations of fact and concealing material facts from Allstate in the submissions of hundreds of fraudulent claims on behalf of HLA, in which they seek payment for the Fraudulent Services.

258. These fraudulent and material misrepresentations of fact and acts of concealment include, but are not limited to: (i) that HLA is lawfully owned, managed and controlled by Strobeck, thereby making it eligible for payment pursuant to 11 N.Y.C.R.R. §65-3.16(a)(12), when in reality HLA was secretly and unlawfully operated, managed and controlled by the John Doe Defendants, rendering it ineligible for No-Fault reimbursement; (ii) that Strobeck performed the Fraudulent Services, when in fact he virtually never practiced through HLA; (iii) that the services billed for by HLA, were medically necessary and warranted by the condition of the Allstate insured, when in fact the Fraudulent Services were excessive, not medically necessary, and were rendered pursuant to predetermined treatment protocols designed to unjustly enrich HLA, Strobeck, and the John Doe Defendants; (iv) that the Fraudulent Services were coded and charged in accordance with the Fee Schedule, when in fact the charges were unbundled, inflated, overcharged, and did not accurately reflect the underlying services rendered to the Allstate insureds; (v) that HLA obtained its patients in a legitimate manner, when in fact, patients were steered to it as part of an illegal financial arrangement; (vi) that the services were performed by

Strobeck, when in fact they were performed by non-physician independent contractors, to the extent performed at all; (vii) that the Fraudulent Services were actually provided, when in fact they were not; and (viii) that HLA was otherwise in compliance with pertinent laws and regulations and therefore eligible to collect No-Fault Benefits, when it fact it was not.

259. The John Doe Defendants, Strobeck and HLA intentionally and knowingly made the above-referenced material misrepresentations and concealed material facts in a contrived, calculated effort to give the services a false appearance of validity when they knew the services were not reimbursable under the No-Fault Laws. John Doe Defendants, Strobeck and HLA's conduct induced Allstate to pay charges submitted by, or on behalf of HLA that it was never entitled to receive.

260. Allstate did in fact reasonably and justifiably rely, to its detriment, upon the facially valid claims submissions by HLA. As a proximate result of the false and fraudulent claim submissions submitted by HLA, Allstate has been injured in its business and property, in that it has paid at least \$91,200.40.

261. Allstate would not have issued payment, or have been obligated to issue payment, to HLA for the Fraudulent Services but for the concealment and intentional and material misrepresentations made by the John Doe Defendants, Strobeck, and HLA.

262. The John Doe Defendants, Strobeck and HLA's extensive fraudulent conduct demonstrates a high degree of moral turpitude and wanton dishonesty that entitles Allstate to recover punitive damages.

263. Accordingly, by virtue of the foregoing, Allstate is entitled to compensatory and punitive damages, together with interest and costs, and any other relief the Court deems just and proper.

AS AND FOR A TENTH CAUSE OF ACTION

Against HLA, Strobeck and John Doe Defendants

(Unjust Enrichment)

264. Allstate re-alleges, re-pleads and incorporates by reference, each and every allegation in the paragraphs above, as if set forth fully herein.

265. As set forth above, the John Doe Defendants, Strobeck and HLA have engaged in unjust, improper, and/or unlawful acts, all to the detriment and harm of Allstate.

266. When Allstate reimbursed HLA, by paying the bills and charges submitted by or on behalf of HLA, it reasonably believed that it was legally obligated to make such payments based on the unjust, improper and/or unlawful acts of the John Doe Defendants, Strobeck and HLA.

267. HLA, Strobeck and John Doe Defendants' retention of Allstate's payments violates the fundamental principles of justice, equity and good conscience.

268. By reason of the acts described above, HLA, Strobeck and John Doe Defendants have been unjustly enriched in the amount to be determined at trial, but at a minimum, the sum of \$91,200.40.

AS AND FOR AN ELEVENTH CAUSE OF ACTION

JS Marble Enterprise

Against John Doe Defendants and Strobeck

(Violation of RICO, 18 U.S.C. § 1962(c))

269. Allstate re-alleges, re-pleads and incorporates by reference, each and every allegation in the paragraphs above, as if set forth fully herein.

270. JS Marble is an ongoing "enterprise", as defined by 18 U.S.C. § 1961(4), which engages in activities that affect interstate commerce.

271. At all times relevant to this Complaint, Strobeck and the John Doe Defendants were “persons” employed by and/or associated with JS Marble within the meaning of 18 U.S.C § 1961(3).

272. Strobeck and the John Doe Defendants knowingly conducted and/or participated, directly or indirectly, in the conduct of JS Marble’s affairs through a pattern of racketeering activity as defined in 18 U.S.C. § 1962(c) consisting of repeated violations of the federal mail fraud statute, 18 U.S.C. § 1341, by submitting, or causing to be submitted, through the U.S. Mail, hundreds of fraudulent claims to Allstate seeking payments for services on behalf of JS Marble knowing that it was not reimbursable under the No- Fault Law. The scheme included:

- (i) Submitting false and fraudulent claims attesting that JS Marble was lawfully owned, managed and controlled by a licensed physician, when in fact it was being operated, managed and controlled by the unlicensed John Doe Defendants for purposes of effectuating a large-scale health insurance fraud scheme against Allstate, and other New York automobile insurers.
- (ii) Submitting false and fraudulent claims that concealed from Allstate that the medical services provided by JS Marble, to the extent provided at all, were excessive, not medically necessary, and rendered according to a pre-determined treatment protocol that is not based on medical decision-making.
- (iii) Submitting false and fraudulent claims that misrepresented the nature and extent of the healthcare services that were actually provided to Allstate’s insureds by JS Marble.
- (iv) Submitting false and fraudulent claims that concealed from Allstate that the Allstate’s insureds were procured through unlawful referral arrangements.
- (v) Submitting false and fraudulent claims that misrepresented that Strobeck performed the services when in fact the services were administered by independent contractors or had not been administered at all.

273. A representative sample of the fraudulent charges submitted to Allstate that comprise, in part, the pattern of racketeering activities identified through the date of this Complaint are described, in part, in the chart annexed hereto as Exhibit 1. All of the fraudulent charges identified in Exhibit 1 were submitted to Allstate through the U.S. Mail.

274. The Defendants knew that two or more mailings would be sent to demand and receive payment from Allstate on certain dates, including, but not limited to those mailings identified in the chart annexed hereto as Exhibit 2.

275. The pattern of racketeering activity poses a specific threat of repetition extending indefinitely into the future as JS Marble continues to attempt collection on the fraudulent billing submitted through them until the present day. JS Marble was unlawfully organized, never performed any legitimate medical treatments, never conducted any legitimate business activities, and never has been eligible to bill for No-Fault Benefits. JS Marble exists for purposes of racketeering activity inasmuch as acts of mail fraud are essential for it to function. Furthermore, the intricate planning required to carry out and conceal the predicate acts of mail fraud implies a threat of continued criminal activity.

276. Allstate has been injured in its business and property by reason of the above-described conduct in that it has paid at least \$7,211.91 pursuant to the fraudulent bills submitted by Strobeck and the John Doe Defendants through JS Marble.

277. By reason of its injury, Allstate is entitled to treble damages, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c), and any other relief the Court deems just and proper.

AS AND FOR A TWELFTH CAUSE OF ACTION

JS Marble Enterprise

Against John Doe Defendants and Strobeck

(Violation of RICO, 18 U.S.C. § 1962(d))

278. Allstate re-alleges, re-pleads and incorporates by reference, each and every allegation in the paragraphs above, as if set forth fully herein.

279. JS Marble is an ongoing “enterprise”, as defined by 18 U.S.C. § 1961(4), which engages in activities that affect interstate commerce.

280. At all times relevant to this Complaint, Strobeck and the John Doe Defendants were “persons” employed by and/or associated with JS Marble within the meaning of 18 U.S.C § 1961(3).

281. Strobeck and the John Defendants knowingly have agreed, combined, and conspired to conduct and/or participate, directly or indirectly, in the conduct of JS Marble’s affairs through a pattern of racketeering activity as defined in 18 U.S.C. § 1962(c) consisting of repeated violations of the federal mail fraud statute, 18 U.S.C. § 1341, by submitting, or causing to be submitted, through the U.S. Mail, hundreds of fraudulent claims to Allstate seeking payments for services on behalf of JS Marble knowing that they were not reimbursable under the No- Fault Law.

The scheme included:

- (i) Submitting false and fraudulent claims attesting that JS Marble was lawfully owned, managed and controlled by a licensed physician, when in fact they were being operated, managed and controlled by the unlicensed John Doe Defendants for purposes of effectuating a large-scale health insurance fraud scheme against Allstate, and other New York automobile insurers.
- (ii) Submitting false and fraudulent claims that concealed from Allstate that the medical services provided by JS Marble to the extent provided at all, were excessive, not medically necessary, and rendered according to a pre-determined treatment protocol that is not based on medical decision-making.
- (iii) Submitting false and fraudulent claims that misrepresented the nature and extent of the healthcare services that were actually provided to Allstate’s insureds by JS Marble.
- (iv) Submitting false and fraudulent claims that concealed from Allstate that the Allstate’s insureds were procured through unlawful referral arrangements.
- (v) Submitting false and fraudulent claims that misrepresented that Strobeck performed the services when in fact the services were administered by independent contractors or had not been administered at all.

282. A representative sample of the fraudulent charges submitted to Allstate that comprise, in part, the pattern of racketeering activities identified through the date of this Complaint are described, in part, in the chart annexed hereto as Exhibit 1.

283. Strobeck and the John Doe Defendants knew of, agreed to and acted in furtherance of the common overall objective (i.e. to defraud Allstate and other insurers of money) by submitting or facilitating the submission of fraudulent charges to Allstate.

284. Allstate has been injured in its business and property by reason of the above-described conduct in that it has paid at least \$7,211.91 pursuant to the fraudulent bills submitted by Strobeck and the John Doe Defendants through JS Marble.

285. By reason of its injury, Allstate is entitled to treble damages, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c), and any other relief the Court deems just and proper.

AS AND FOR A THIRTEENTH CAUSE OF ACTION

Against JS Marble, Strobeck and John Doe Defendants

(Common Law Fraud)

286. Allstate re-alleges, re-pleads and incorporates by reference, each and every allegation in the paragraphs above, as if set forth fully herein.

287. As described herein, the John Doe Defendants, Strobeck and JS Marble, schemed to defraud and defrauded Allstate by intentionally and knowingly making material misrepresentations of fact and concealing material facts from Allstate in the submissions of hundreds of fraudulent claims on behalf of JS Marble, in which they seek payment for the Fraudulent Services.

288. These fraudulent and material misrepresentations of fact and acts of concealment include, but are not limited to: (i) that JS Marble is lawfully owned, managed and controlled by Strobeck, thereby making it eligible for payment pursuant to 11 N.Y.C.R.R. §65-3.16(a)(12), when in reality JS Marble was secretly and unlawfully operated, managed and controlled by the John Doe Defendants, rendering it ineligible for No-Fault reimbursement; (ii) that Strobeck performed the Fraudulent Services, when in fact he virtually never practiced through JS Marble; (iii) that the services billed for by JS Marble, were medically necessary and warranted by the condition of the Allstate insured, when in fact the Fraudulent Services were excessive, not medically necessary, and were rendered pursuant to predetermined treatment protocols designed to unjustly enrich JS Marble, Strobeck and John Doe Defendants; (iv) that the Fraudulent Services were coded and charged in accordance with the Fee Schedule, when in fact the charges were unbundled, inflated, overcharged, and did not accurately reflect the underlying services rendered to the Allstate insureds; (v) that JS Marble obtained its patients in a legitimate manner, when in fact, patients were steered to it as part of an illegal financial arrangement; (vi) that the services were performed by Strobeck, when in fact they were performed by non-physician independent contractors, to the extent performed at all; (vii) that the Fraudulent Services were actually provided, when in fact they were not; and (viii) that JS Marble was otherwise in compliance with pertinent laws and regulations and therefore eligible to collect No-Fault Benefits, when in fact it was not.

289. The John Doe Defendants, Strobeck and JS Marble intentionally and knowingly made the above-referenced material misrepresentations and concealed material facts in a contrived, calculated effort to give the services a false appearance of validity when they knew the services were not reimbursable under the No-Fault Laws. John Doe Defendants, Strobeck and JS

Marble's conduct induced Allstate to pay charges submitted by, or on behalf of JS Marble, that it was never entitled to receive.

290. Allstate did in fact reasonably and justifiably rely, to its detriment, upon the facially valid claims submissions by JS Marble. As a proximate result of the false and fraudulent claim submissions submitted by JS Marble, Allstate has been injured in its business and property, in that it has paid at least \$7,211.91.

291. Allstate would not have issued payment, or have been obligated to issue payment, to JS Marble for the Fraudulent Services but for the concealment and intentional and material misrepresentations made by the John Doe Defendants, Strobeck, and JS Marble.

292. The John Doe Defendants, Strobeck and JS Marble's extensive fraudulent conduct demonstrates a high degree of moral turpitude and wanton dishonesty that entitles Allstate to recover punitive damages.

293. Accordingly, by virtue of the foregoing, Allstate is entitled to compensatory and punitive damages, together with interest and costs, and any other relief the Court deems just and proper.

AS AND FOR A FOURTEENTH CAUSE OF ACTION

Against JS Marble, Strobeck and John Doe Defendants

(Unjust Enrichment)

294. Allstate re-alleges, re-pleads and incorporates by reference, each and every allegation in the paragraphs above, as if set forth fully herein.

295. As set forth above, the John Doe Defendants, Strobeck and JS Marble have engaged in unjust, improper, and/or unlawful acts, all to the detriment and harm of Allstate.

296. When Allstate reimbursed JS Marble, by paying the bills and charges submitted by or on behalf of JS Marble, it reasonably believed that it was legally obligated to make such payments based on the unjust, improper and/or unlawful acts of the John Doe Defendants, Strobeck and JS Marble.

297. JS Marble, Strobeck and John Doe Defendants' retention of Allstate's payments violates the fundamental principles of justice, equity and good conscience.

298. By reason of the acts described above, JS Marble, Strobeck and the John Doe Defendants have been unjustly enriched in the amount to be determined at trial, but at a minimum, the sum of \$7,211.91.

AS AND FOR A FIFTEENTH CAUSE OF ACTION

JS River Enterprise

Against John Doe Defendants and Strobeck

(Violation of RICO, 18 U.S.C. § 1962(c))

299. Allstate re-alleges, re-pleads and incorporates by reference, each and every allegation in the paragraphs above, as if set forth fully herein.

300. JS River is an ongoing "enterprise", as defined by 18 U.S.C. § 1961(4), which engages in activities that affect interstate commerce.

301. At all times relevant to this Complaint, Strobeck and the John Doe Defendants were "persons" employed by and/or associated with JS River within the meaning of 18 U.S.C § 1961(3).

302. Strobeck and the John Doe Defendants knowingly conducted and/or participated, directly or indirectly, in the conduct of JS River's affairs through a pattern of racketeering activity as defined in 18 U.S.C. § 1962(c) consisting of repeated violations of the federal mail fraud statute, 18 U.S.C. § 1341, by submitting, or causing to be submitted, through the U.S. Mail, hundreds of

fraudulent claims to Allstate seeking payments for services on behalf of JS River knowing that it was not reimbursable under the No- Fault Law. The scheme included:

- (i) Submitting false and fraudulent claims attesting that JS River was lawfully owned, managed and controlled by a licensed physician, when in fact it was being operated, managed and controlled by the unlicensed John Doe Defendants for purposes of effectuating a large-scale health insurance fraud scheme against Allstate, and other New York automobile insurers.
- (ii) Submitting false and fraudulent claims that concealed from Allstate that the medical services provided by JS River, to the extent provided at all, were excessive, not medically necessary, and rendered according to a pre-determined treatment protocol that is not based on medical decision-making.
- (iii) Submitting false and fraudulent claims that misrepresented the nature and extent of the healthcare services that were actually provided to Allstate's insureds by JS River.
- (iv) Submitting false and fraudulent claims that concealed from Allstate that the Allstate's insureds were procured through unlawful referral arrangements.
- (v) Submitting false and fraudulent claims that misrepresented that Strobeck performed the services when in fact the services were administered by independent contractors or had not been administered at all.

303. A representative sample of the fraudulent charges submitted to Allstate that comprise, in part, the pattern of racketeering activities identified through the date of this Complaint are described, in part, in the chart annexed hereto as Exhibit 1. All of the fraudulent charges identified in Exhibit 1 were submitted to Allstate through the U.S. Mail.

304. The Defendants knew that two or more mailings would be sent to demand and receive payment from Allstate on certain dates, including, but not limited to those mailings identified in the chart annexed hereto as Exhibit 2.

305. The pattern of racketeering activity poses a specific threat of repetition extending indefinitely into the future as JS River continues to attempt collection on the fraudulent billing submitted through them until the present day. JS River was unlawfully organized, never performed any legitimate medical treatments, never conducted any legitimate business activities; and never has been eligible to bill for No-Fault Benefits. JS River exists for purposes of racketeering activity

inasmuch as acts of mail fraud are essential for it to function. Furthermore, the intricate planning required to carry out and conceal the predicate acts of mail fraud implies a threat of continued criminal activity.

306. Allstate has been injured in its business and property by reason of the above-described conduct in that it has paid at least \$5,039.97 pursuant to the fraudulent bills submitted by Strobeck and the John Doe Defendants through JS River.

307. By reason of its injury, Allstate is entitled to treble damages, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c), and any other relief the Court deems just and proper.

AS AND FOR A SIXTEENTH CAUSE OF ACTION

JS River Enterprise

Against John Doe Defendants and Strobeck

(Violation of RICO, 18 U.S.C. § 1962(d))

308. Allstate re-alleges, re-pleads and incorporates by reference, each and every allegation in the paragraphs above, as if set forth fully herein.

309. JS River is an ongoing "enterprise", as defined by 18 U.S.C. § 1961(4), which engages in activities that affect interstate commerce.

310. At all times relevant to this Complaint, Strobeck and the John Doe Defendants were "persons" employed by and/or associated with JS River within the meaning of 18 U.S.C § 1961(3).

311. Strobeck and the John Doe Defendants knowingly have agreed, combined, and conspired to conduct and/or participate, directly or indirectly, in the conduct of JS River's affairs through a pattern of racketeering activity as defined in 18 U.S.C. § 1962(c) consisting of repeated violations of the federal mail fraud statute, 18 U.S.C. § 1341, by submitting, or causing to be

submitted, through the U.S. Mail, hundreds of fraudulent claims to Allstate seeking payments for services on behalf of JS River knowing that they were not reimbursable under the No-Fault Law.

The scheme included:

- (i) Submitting false and fraudulent claims attesting that JS River was lawfully owned, managed and controlled by a licensed physician, when in fact they were being operated, managed and controlled by the unlicensed John Doe Defendants for purposes of effectuating a large-scale health insurance fraud scheme against Allstate, and other New York automobile insurers.
- (ii) Submitting false and fraudulent claims that concealed from Allstate that the medical services provided by JS River to the extent provided at all, were excessive, not medically necessary, and rendered according to a pre-determined treatment protocol that is not based on medical decision-making.
- (iii) Submitting false and fraudulent claims that misrepresented the nature and extent of the healthcare services that were actually provided to Allstate's insureds by JS River.
- (iv) Submitting false and fraudulent claims that concealed from Allstate that the Allstate's insureds were procured through unlawful referral arrangements.
- (v) Submitting false and fraudulent claims that misrepresented that Strobeck performed the services when in fact the services were administered by independent contractors or had not been administered at all.

312. A representative sample of the fraudulent charges submitted to Allstate that comprise, in part, the pattern of racketeering activities identified through the date of this Complaint are described, in part, in the chart annexed hereto as Exhibit 1.

313. Strobeck and the John Doe Defendants knew of, agreed to and acted in furtherance of the common overall objective (i.e. to defraud Allstate and other insurers of money) by submitting or facilitating the submission of fraudulent charges to Allstate.

314. Allstate has been injured in its business and property by reason of the above-described conduct in that it has paid at least \$5,039.97 pursuant to the fraudulent bills submitted by Strobeck and the John Doe Defendants through JS River.

315. By reason of its injury, Allstate is entitled to treble damages, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c), and any other relief the Court deems just and proper.

AS AND FOR A SEVENTEENTH CAUSE OF ACTION

Against JS River, Strobeck and John Doe Defendants

(Common Law Fraud)

316. Allstate re-alleges, re-pleads and incorporates by reference, each and every allegation in the paragraphs above, as if set forth fully herein.

317. As described herein, the John Doe Defendants, Strobeck and JS River, schemed to defraud and defrauded Allstate by intentionally and knowingly making material misrepresentations of fact and concealing material facts from Allstate in the submissions of hundreds of fraudulent claims on behalf of JS River, in which they seek payment for the Fraudulent Services.

318. These fraudulent and material misrepresentations of fact and acts of concealment include, but are not limited to: (i) that JS River is lawfully owned, managed and controlled by Strobeck, thereby making it eligible for payment pursuant to 11 N.Y.C.R.R. §65-3.16(a)(12), when in reality JS River was secretly and unlawfully operated, managed and controlled by the John Doe Defendants, rendering it ineligible for No-Fault reimbursement; (ii) that Strobeck performed the Fraudulent Services, when in fact he virtually never practiced through JS River; (iii) that the services billed for by JS River, were medically necessary and warranted by the condition of the Allstate insured, when in fact the Fraudulent Services were excessive, not medically necessary, and were rendered pursuant to predetermined treatment protocols designed to unjustly enrich JS River, Strobeck and the John Doe Defendants; (iv) that the Fraudulent Services were coded and

charged in accordance with the Fee Schedule, when in fact the charges were unbundled, inflated, overcharged, and did not accurately reflect the underlying services rendered to the Allstate insureds; (v) that JS River obtained its patients in a legitimate manner, when in fact, patients were steered to it as part of an illegal financial arrangement; (vi) that the services were performed by Strobeck, when in fact they were performed by non-physician independent contractors, to the extent performed at all; (vii) that the Fraudulent Services were actually provided, when in fact they were not; and (viii) that JS River was otherwise in compliance with pertinent laws and regulations and therefore eligible to collect No-Fault Benefits, when in fact it was not.

319. The John Doe Defendants, Strobeck and JS River intentionally and knowingly made the above-referenced material misrepresentations and concealed material facts in a contrived, calculated effort to give the services a false appearance of validity when they knew the services were not reimbursable under the No-Fault Laws. John Doe Defendants, Strobeck and JS River's conduct induced Allstate to pay charges submitted by, or on behalf of JS River, that it was never entitled to receive.

320. Allstate did in fact reasonably and justifiably rely, to its detriment, upon the facially valid claims submissions by JS River. As a proximate result of the false and fraudulent claim submissions submitted by JS River, Allstate has been injured in its business and property, in that it has paid at least \$5,039.97.

321. Allstate would not have issued payment, or have been obligated to issue payment, to JS River for the Fraudulent Services but for the concealment and intentional and material misrepresentations made by the John Doe Defendants, Strobeck, and JS River.

322. The John Doe Defendants, Strobeck and JS River's extensive fraudulent conduct demonstrates a high degree of moral turpitude and wanton dishonesty that entitles Allstate to recover punitive damages.

323. Accordingly, by virtue of the foregoing, Allstate is entitled to compensatory and punitive damages, together with interest and costs, and any other relief the Court deems just and proper.

AS AND FOR AN EIGHTEENTH CAUSE OF ACTION

Against JS River, Strobeck and John Doe Defendants

(Unjust Enrichment)

324. Allstate re-alleges, re-pleads and incorporates by reference, each and every allegation in the paragraphs above, as if set forth fully herein.

325. As set forth above, the John Doe Defendants, Strobeck and JS River have engaged in unjust, improper, and/or unlawful acts, all to the detriment and harm of Allstate.

326. When Allstate reimbursed JS River, by paying the bills and charges submitted by or on behalf of JS River, it reasonably believed that it was legally obligated to make such payments based on the unjust, improper and/or unlawful acts of the John Doe Defendants, Strobeck and JS River.

327. JS River, Strobeck and John Doe Defendants' retention of Allstate's payments violates the fundamental principles of justice, equity and good conscience.

328. By reason of the acts described above, JS River, Strobeck and the John Doe Defendants have been unjustly enriched in the amount to be determined at trial, but at a minimum, the sum of \$5,039.97.

AS AND FOR A NINETEENTH CAUSE OF ACTION

Against Integrated Diagnostic, HLA, JS Marble and JS River

(Declaratory Judgment- 28 U.S.C. §§2201 and 2202)

329. Allstate re-alleges, re-pleads and incorporates by reference, each and every allegation in the paragraphs above, as if set forth fully herein.

330. To be eligible to receive assigned No-Fault Benefits, an assignee provider must adhere to all applicable New York laws that grant them the authority to provide health care services in New York. Healthcare professionals are not eligible to bill or to collect No-Fault Benefits, if they fail to meet any New York State or local licensing requirements necessary to provide the underlying services.

331. Integrated Diagnostic, HLA, JS Marble, and JS River were ineligible for No-Fault Benefits and have no right to receive payment from Allstate on the unpaid billing because:

- (i) Integrated Diagnostic, HLA, JS Marble, and JS River were unlawfully operated, managed and controlled by the John Doe Defendants, in violation of the New York Business Corporation Law.
- (ii) The medical services provided by Integrated Diagnostic, HLA, JS Marble, and JS River to Allstate insureds, to the extent provided at all, were excessive, medically unnecessary, and rendered according to pre-determined treatment protocols that were not based on medical decision-making but designed solely to financially enrich the Defendants.
- (iii) The claim forms submitted to Allstate by (or on behalf of) Integrated Diagnostic, HLA, JS Marble, and JS River, fraudulently and materially misrepresented the nature and extent of the healthcare services that were provided to Allstate insureds to wrongfully inflate charges.
- (iv) Integrated Diagnostic, HLA, JS Marble, and JS River procured Allstate insureds through unlawful referral arrangements.
- (v) Integrated Diagnostic, HLA, JS Marble, and JS River's claim forms fraudulently misrepresented that Strobeck provided the services when in fact, to the extent provided at all, the services were provided by non-physician independent contractors who were not employed by Strobeck, Integrated Diagnostic, HLA, JS Marble, or JS River.

332. There is an actual and justifiable case and controversy between Allstate and Defendants Integrated Diagnostic, HLA, JS Marble and JS River, in the total amount of \$978,267.32, of unpaid billing for the Fraudulent Services that were submitted to Allstate by the Defendants.

333. Integrated Diagnostic, HLA, JS Marble and JS River continue to challenge Allstate's prior denials of its claims.

334. Integrated Diagnostic, HLA, JS Marble and JS River continue to commence litigation in New York Civil Courts, as well as continue to file arbitrations with the American Arbitration Association, against Allstate, seeking payment for No-Fault Benefits allegedly due and owing.

335. Accordingly, Allstate requests a judgment pursuant to the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202, declaring that Integrated Diagnostic, HLA, JS Marble and JS River have no right to receive payment for any pending bills and charges submitted to Allstate.

DEMAND FOR RELIEF

336. Pursuant to Federal Rule of Civil Procedure 38(b), Allstate demands a trial by jury.

WHEREFORE, Plaintiffs, Allstate Insurance Company, Allstate Indemnity Company, Allstate Property & Casualty Insurance Company and Allstate Fire and Casualty Insurance Company (collectively, "Allstate"), respectfully ask that a Judgment be entered in their favor and against the Defendants, as follows:

A. On the First Cause of Action against Defendant Strobeck and John Doe Defendants:

- (i) AWARD compensatory damages in favor of Allstate in an amount to be determined at trial but in excess of \$137,731.05, together with treble

damages, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c) plus interest; and

(ii) GRANT injunctive relief enjoining the defendants from engaging in the wrongful conduct alleged in the Complaint; and

(iii) GRANT all other relief this Court deems just.

B. On the Second Cause of Action against Defendant Strobeck and John Doe

Defendants:

(i) AWARD compensatory damages in favor of Allstate in an amount to be determined at trial but in excess of \$137,731.05, together with treble damages, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c) plus interest; and

(ii) GRANT injunctive relief enjoining the defendants from engaging in the wrongful conduct alleged in the Complaint; and

(iii) GRANT all other relief this Court deems just.

C. On the Third Cause of Action against Defendant Strobeck and John Doe

Defendants:

(i) AWARD compensatory damages in favor of Allstate in an amount to be determined at trial but in excess of \$34,278.77, together with treble damages, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c) plus interest; and

(ii) GRANT injunctive relief enjoining the defendants from engaging in the wrongful conduct alleged in the Complaint; and

(iii) GRANT all other relief this Court deems just.

D. On the Fourth Cause of Action against Defendant Strobeck and John Doe

Defendants:

(i) AWARD compensatory damages in favor of Allstate in an amount to be determined at trial but in excess of \$34,278.77, together with treble damages, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c) plus interest; and

(ii) GRANT injunctive relief enjoining the defendants from engaging in the wrongful conduct alleged in the Complaint; and

(iii) GRANT all other relief this Court deems just.

E. On the Fifth Cause of Action against Defendant Strobeck, Defendant Integrated Diagnostic and John Doe Defendants:

(i) AWARD compensatory damages in favor of Allstate in an amount to be determined at trial but in excess of \$34,278.77, together with punitive damages, costs and interest; and

(ii) GRANT all other relief this Court deems just.

F. On the Sixth Cause of Action against Defendant Strobeck, Defendant Integrated Diagnostic and John Doe Defendants:

(i) AWARD compensatory damages in favor of Allstate in an amount to be determined at trial but in excess of \$34,278.77, together with costs and interest; and

(ii) GRANT all other relief this Court deems just.

G. On the Seventh Cause of Action against Defendant Strobeck and John Doe Defendants:

(i) AWARD compensatory damages in favor of Allstate in an amount to be determined at trial but in excess of \$91,200.40, together with treble damages, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c) plus interest; and

(ii) GRANT injunctive relief enjoining the defendants from engaging in the wrongful conduct alleged in the Complaint; and

(iii) GRANT all other relief this Court deems just.

H. On the Eighth Cause of Action against Defendant Strobeck and John Doe Defendants:

(i) AWARD compensatory damages in favor of Allstate in an amount to be determined at trial but in excess of \$91,200.40, together with treble

damages, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c) plus interest; and

(ii) GRANT injunctive relief enjoining the defendants from engaging in the wrongful conduct alleged in the Complaint; and

(iii) GRANT all other relief this Court deems just.

I. On the Ninth Cause of Action against Defendant Strobeck, Defendant HLA and John Doe Defendants:

(i) AWARD compensatory damages in favor of Allstate in an amount to be determined at trial but in excess of \$91,200.40, together with punitive damages, costs and interest; and

(ii) GRANT all other relief this Court deems just.

J. On the Tenth Cause of Action against Defendant Strobeck, Defendant HLA and John Doe Defendants:

(i) AWARD compensatory damages in favor of Allstate in an amount to be determined at trial but in excess of \$91,200.40, together with costs and interest; and

(ii) GRANT all other relief this Court deems just.

K. On the Eleventh Cause of Action against Defendant Strobeck and John Doe Defendants:

(i) AWARD compensatory damages in favor of Allstate in an amount to be determined at trial but in excess of \$7,211.91, together with treble damages, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c) plus interest; and

(ii) GRANT injunctive relief enjoining the defendants from engaging in the wrongful conduct alleged in the Complaint; and

(iii) GRANT all other relief this Court deems just.

L. On the Twelfth Cause of Action against Defendant Strobeck and John Doe Defendants:

- (i) AWARD compensatory damages in favor of Allstate in an amount to be determined at trial but in excess of \$7,211.91, together with treble damages, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c) plus interest; and
- (ii) GRANT injunctive relief enjoining the defendants from engaging in the wrongful conduct alleged in the Complaint; and
- (iii) GRANT all other relief this Court deems just.

M. On the Thirteenth Cause of Action against Defendant Strobeck, Defendant JS

Marble and John Doe Defendants:

- (i) AWARD compensatory damages in favor of Allstate in an amount to be determined at trial but in excess of \$7,211.91, together with punitive damages, costs and interest; and
- (ii) GRANT all other relief this Court deems just.

N. On the Fourteenth Cause of Action against Defendant Strobeck, Defendant JS

Marble and John Doe Defendants:

- (i) AWARD compensatory damages in favor of Allstate in an amount to be determined at trial but in excess of \$7,211.91, together with costs and interest; and
- (ii) GRANT all other relief this Court deems just.

O. On the Fifteenth Cause of Action against Defendant Strobeck and John Doe

Defendants:

- (i) AWARD compensatory damages in favor of Allstate in an amount to be determined at trial but in excess of \$5,039.97, together with treble damages, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c) plus interest; and
- (ii) GRANT injunctive relief enjoining the defendants from engaging in the wrongful conduct alleged in the Complaint; and
- (iii) GRANT all other relief this Court deems just.

P. On the Sixteenth Cause of Action against Defendant Strobeck and John Doe

Defendants:

- (i) AWARD compensatory damages in favor of Allstate in an amount to be determined at trial but in excess of \$5,039.97, together with treble damages, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c) plus interest; and
- (ii) GRANT injunctive relief enjoining the defendants from engaging in the wrongful conduct alleged in the Complaint; and
- (iii) GRANT all other relief this Court deems just.

Q. On the Seventeenth Cause of Action against Defendant Strobeck, Defendant JS

River and John Doe Defendants:

- (i) AWARD compensatory damages in favor of Allstate in an amount to be determined at trial but in excess of \$5,039.97, together with punitive damages, costs and interest; and
- (ii) GRANT all other relief this Court deems just.

R. On the Eighteenth Cause of Action against Defendant Strobeck, Defendant JS

River and John Doe Defendants:

- (i) AWARD compensatory damages in favor of Allstate in an amount to be determined at trial but in excess of \$5,039.97, together with costs and interest; and
- (ii) GRANT all other relief this Court deems just.

S. On the Nineteenth Cause of Action against Integrated Diagnostic, HLA, JS

Marble and JS River:

- (i) DECLARE, pursuant to the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202, that Integrated Diagnostic, HLA, JS Marble and JS River, at all relevant times, has been unlawfully organized, controlled, and/or operated by at least one non-physician, and otherwise operated in violation of at least one New York state and/or local licensing requirement necessary to provide professional physician services in New York; and

- (ii) DELCARE that Integrated Diagnostic, HLA, JS Marble and JS River's activities are unlawful; and
- (iii) DECLARE that Allstate has no obligation to pay any pending, previously-denied and/or future No-Fault insurance claims submitted by Integrated Diagnostic, HLA, JS Marble and JS River; and
- (iv) GRANT all other relief this Court deems just.

Dated: Uniondale, New York
March 7, 2024

Law Offices of Camille Nanni

By: /s/ Robert Quinn

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Property & Casualty Insurance Company,
Allstate Fire & Casualty Insurance Company,
and Allstate Indemnity Company*

INDEX OF EXHIBITS

- EXHIBIT 1: REPRESENTATIVE SAMPLE OF FRAUDULENT CHARGES
SUBMITTED TO ALLSTATE**
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