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2 Acting Under Authority Conferred
by 28 U.S.C. § 515
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UNITED STATES OF AMERICA

11 UNITED STATES DISTRICT COURT
12 FOR THE CENTRAL DISTRICT OF CALIFORNIA
13

14 UNITED STATES OF AMERICA,
15 Plaintiff,
16 v.
17 JACOB E. TAUBER,
18 Defendant.

SA No. CR 18-140-JLS-1
PLEA AGREEMENT FOR
DEFENDANT JACOB E. TAUBER

19
20 1. This constitutes the plea agreement between JACOB E. TAUBER
21 ("defendant") and the United States Attorney's Office for the Central
22 District of California ("the USAO") in the above-captioned case.
23 This agreement is limited to the USAO and cannot bind any other
24 federal, state, local, or foreign prosecuting, enforcement,
25 administrative, or regulatory authorities.

26 DEFENDANT'S OBLIGATIONS

27 2. Defendant agrees to:

28 a. At the earliest opportunity requested by the USAO and

1 provided by the Court, appear and plead guilty to count two of the
2 indictment in United States v. Jacob E. Tauber and Serge Obukhoff, SA
3 CR 18-140-JLS, which charges defendant with Conspiracy, in violation
4 of 18 U.S.C. § 371.

5 b. Not contest facts agreed to in this agreement.

6 c. Abide by all agreements regarding sentencing contained
7 in this agreement.

8 d. Appear for all court appearances, surrender as ordered
9 for service of sentence, obey all conditions of any bond, and obey
10 any other ongoing court order in this matter.

11 e. Not commit any crime; however, offenses that would be
12 excluded for sentencing purposes under United States Sentencing
13 Guidelines ("U.S.S.G." or "Sentencing Guidelines") § 4A1.2(c) are not
14 within the scope of this agreement.

15 f. Be truthful at all times with Pretrial Services, the
16 United States Probation Office, and the Court.

17 g. Pay the applicable special assessments at or before
18 the time of sentencing unless defendant lacks the ability to pay and
19 prior to sentencing submits a completed financial statement on a form
20 to be provided by the USAO.

21 h. Not seek the discharge of any restitution obligation,
22 in whole or in part, in any present or future bankruptcy proceeding.

23 i. Defendant understands and acknowledges that as a
24 result of pleading guilty pursuant to this agreement, defendant will
25 be excluded from Medicare, Medicaid, and all Federal health care
26 programs. Defendant agrees to complete and execute all necessary
27 documents provided by the United States Department of Health and
28 Human Services, or any other department or agency of the federal

1 government, to effectuate this exclusion within 60 days of receiving
2 the documents. This exclusion will not affect defendant's right to
3 apply for and receive benefits as a beneficiary under any Federal
4 health care program, including Medicare and Medicaid.

5 3. Defendant further agrees:

6 i. Truthfully to disclose to law enforcement
7 officials, at a date and time to be set by the USAO, the location of,
8 defendant's ownership interest in, and all other information known to
9 defendant about, all monies, properties, and/or assets of any kind,
10 derived from or acquired as a result of, or used to facilitate the
11 commission of, defendant's illegal activities, and to forfeit all
12 right, title, and interest in and to such items, specifically
13 including all right, title, and interest in and to all United States
14 currency, property and assets, which defendant admits constitutes the
15 proceeds of defendant's illegal activity and were used to facilitate
16 defendant's criminal activity in violation of 18 U.S.C. §§ 371,
17 including the objects of the conspiracy (the "Forfeitable Property").

18 b. To withdraw any claim defendant may have submitted to
19 any federal agency in any administrative forfeiture proceedings
20 commenced by that agency with respect to the Forfeitable Property.
21 Defendant further waives his rights, if any, to any initial or
22 further notice relative to any administrative forfeiture proceedings.
23 Defendant understands, acknowledges, and agrees that the Forfeitable
24 Property shall, at the sole election of the United States of America,
25 be administratively forfeited to the United States of America without
26 any further notice.

27 c. To the entry, as part of defendant's guilty plea, of a
28 personal money judgment of forfeiture against defendant in the amount

1 of five hundred twenty five thousand dollars (\$525,000), which sum
2 defendant admits defendant obtained, received and possessed as a
3 result of violations of 18 U.S.C. §§ 371, and which judgment
4 defendant agrees can be enforced against assets owned by defendant.
5 Defendant agrees to pay the personal money judgment of forfeiture as
6 follows:

7 (i) Within sixty (60) days of the entry of
8 defendant's guilty plea, defendant shall pay \$500,000 by delivering
9 to the USAO a cashier's check payable to the government entity
10 identified in writing by the USAO; and

11 (ii) At least thirty (30) days before defendant's
12 sentencing, defendant shall pay \$25,000 by delivering to the USAO a
13 cashier's check payable to the government entity identified in
14 writing by the USAO.

15 d. The parties agree that defendant will not receive any
16 credit towards his forfeiture obligation herein based on any amounts
17 defendant pays or paid in connection with the resolution of any civil
18 claims, voluntary asset turnovers, or administrative forfeitures
19 initiated prior to the effective date of this agreement.

20 Notwithstanding the foregoing, the parties agree that the amount
21 forfeited under this agreement shall be credited towards any court
22 ordered restitution imposed against defendant, and that any
23 restitution payment defendant makes in the above-captioned case shall
24 be credited towards his forfeiture obligation.

25 e. To refrain from contesting the forfeiture (by filing a
26 claim, statement of interest, petition for an ancillary proceeding,
27 petition for remission or otherwise) of the Forfeitable Property in
28

1 any administrative or judicial proceeding, or assisting any other
2 person or entity in falsely contesting the forfeiture of the
3 Forfeitable Property in any administrative or judicial proceeding.

4 f. To take all steps necessary to pass to the United
5 States of America clear title to the Forfeitable Property, including,
6 without limitation, the execution of consent judgments of forfeiture,
7 the entry of any additional money judgments of forfeiture, the
8 identification of all monies, properties and assets of any kind owned
9 and/or controlled by defendant, the liquidation of any item of the
10 Forfeitable Property in the manner required by the United States of
11 America in its sole discretion, the transmission of any item of the
12 Forfeitable Property to the United States of America upon request by
13 the USAO and the completion of any other legal documents required for
14 the transfer of title to the Forfeitable Property to the United
15 States of America.

16 g. To prevent the disbursement of the Forfeitable
17 Property without the authorization of the USAO, if such disbursements
18 are within defendant's direct or indirect control.

19 h. To the Court's entry of an order of forfeiture at or
20 before sentencing with respect to the Forfeitable Property and to the
21 forfeiture of the Forfeitable Property. Defendant knowingly and
22 voluntarily waives (i) the requirements of Federal Rules of Criminal
23 Procedure 32.2 and 43(a) regarding notice of the forfeiture in the
24 charging instrument, announcement of the forfeiture at sentencing,
25 and incorporation of the forfeiture in the judgment; (ii) all
26 constitutional and statutory challenges in any manner (including by
27 direct appeal, habeas corpus, or any other means) to any forfeiture
28 carried out in accordance with this agreement on any grounds; and

1 (iii) all constitutional, legal and equitable defenses to the
2 forfeiture of the Forfeitable Property in any proceeding on any
3 grounds including, without limitation, that the forfeiture
4 constitutes an excessive fine or punishment. Defendant also
5 acknowledges and understands that the forfeiture of the Forfeitable
6 Property is part of the sentence that may be imposed in this case and
7 waives any failure by the Court to advise defendant of this, pursuant
8 to Rule 11(b)(1)(J), at the time defendant's guilty plea is accepted.

9 4. Defendant further agrees to cooperate fully with the USAO,
10 Federal Bureau of Investigation, United States Postal Service-Office
11 of Inspector General, IRS-Criminal Investigation, and California
12 Department of Insurance, and, as directed by the USAO, any other
13 federal, state, local, or foreign prosecuting, enforcement,
14 administrative, or regulatory authority. This cooperation requires
15 defendant to:

16 a. Respond truthfully and completely to all questions
17 that may be put to defendant, whether in interviews, before a grand
18 jury, or at any trial or other court proceeding.

19 b. Attend all meetings, grand jury sessions, trials or
20 other proceedings at which defendant's presence is requested by the
21 USAO or compelled by subpoena or court order.

22 c. Produce voluntarily all documents, records, or other
23 tangible evidence relating to matters about which the USAO, or its
24 designee, inquires.

25 d. If requested to do so by the USAO, act in an
26 undercover capacity to the best of defendant's ability in connection
27 with criminal investigations by federal, state, local, or foreign law
28 enforcement authorities, in accordance with the express instructions

1 of those law enforcement authorities. Defendant agrees not to act in
2 an undercover capacity, tape record any conversations, or gather any
3 evidence except after a request by the USAO and in accordance with
4 express instructions of federal, state, local, or foreign law
5 enforcement authorities.

6 5. For purposes of this agreement: (1) "Cooperation
7 Information" shall mean any statements made, or documents, records,
8 tangible evidence, or other information provided, by defendant
9 pursuant to defendant's cooperation under this agreement; and
10 (2) "Plea Information" shall mean any statements made by defendant,
11 under oath, at the guilty plea hearing and the agreed to factual
12 basis statement in this agreement.

13 THE USAO'S OBLIGATIONS

14 6. The USAO agrees to:

15 a. Not contest facts agreed to in this agreement.

16 b. Abide by all agreements regarding sentencing contained
17 in this agreement.

18 c. At the time of sentencing, move to dismiss the
19 remaining counts of the indictment as against defendant. Defendant
20 agrees, however, that at the time of sentencing the Court may
21 consider any dismissed charges in determining the applicable
22 Sentencing Guidelines range, the propriety and extent of any
23 departure from that range, and the sentence to be imposed.

24 d. Except for criminal tax violations (including
25 conspiracy to commit such violations chargeable under 18 U.S.C.
26 § 371), not further criminally prosecute defendant for violations
27 arising out of defendant's conduct described in the agreed-to factual
28 basis set forth in paragraph 17 below and in the attached Exhibit A.

1 Defendant understands that the USAO is free to criminally prosecute
2 defendant for any other unlawful past conduct or any unlawful conduct
3 that occurs after the date of this agreement. Defendant agrees that
4 at the time of sentencing the Court may consider the uncharged
5 conduct in determining the applicable Sentencing Guidelines range,
6 the propriety and extent of any departure from that range, and the
7 sentence to be imposed after consideration of the Sentencing
8 Guidelines and all other relevant factors under 18 U.S.C. § 3553(a).

9 e. Subject to paragraph 19, at the time of sentencing,
10 provided that defendant demonstrates an acceptance of responsibility
11 for the offense up to and including the time of sentencing, recommend
12 a two-level reduction in the applicable Sentencing Guidelines offense
13 level, pursuant to U.S.S.G. § 3E1.1, and recommend and, if necessary,
14 move for an additional one-level reduction if available under that
15 section.

16 f. Recommend that defendant be sentenced to a term of
17 imprisonment no higher than the low end of the applicable Sentencing
18 Guidelines range, provided that the offense level used by the Court
19 to determine that range is 19 or higher. For purposes of this
20 agreement, the low end of the Sentencing Guidelines range is that
21 defined by the Sentencing Table in U.S.S.G. Chapter 5, Part A,
22 without regard to reductions in the term of imprisonment that may be
23 permissible through the substitution of community confinement or home
24 detention as a result of the offense level falling within Zone B or
25 Zone C of the Sentencing Table.

26 7. The USAO further agrees:

27 a. Not to offer as evidence in its case-in-chief in the
28 above-captioned case or any other criminal prosecution that may be

1 brought against defendant by the USAO, or in connection with any
2 sentencing proceeding in any criminal case that may be brought
3 against defendant by the USAO, any Cooperation Information.
4 Defendant agrees, however, that the USAO may use both Cooperation
5 Information and Plea Information: (1) to obtain and pursue leads to
6 other evidence, which evidence may be used for any purpose, including
7 any criminal prosecution of defendant; (2) to cross-examine defendant
8 should defendant testify, or to rebut any evidence offered, or
9 argument or representation made, by defendant, defendant's counsel,
10 or a witness called by defendant in any trial, sentencing hearing, or
11 other court proceeding; and (3) in any criminal prosecution of
12 defendant for false statement, obstruction of justice, or perjury.

13 b. Not to use Cooperation Information against defendant
14 at sentencing for the purpose of determining the applicable guideline
15 range, including the appropriateness of an upward departure, or the
16 sentence to be imposed, and to recommend to the Court that
17 Cooperation Information not be used in determining the applicable
18 guideline range or the sentence to be imposed. Defendant
19 understands, however, that Cooperation Information will be disclosed
20 to the probation office and the Court, and that the Court may use
21 Cooperation Information for the purposes set forth in U.S.S.G
22 § 1B1.8(b) and for determining the sentence to be imposed.

23 c. In connection with defendant's sentencing, to bring to
24 the Court's attention the nature and extent of defendant's
25 cooperation.

26 d. If the USAO determines, in its exclusive judgment,
27 that defendant has both complied with defendant's obligations under
28 paragraphs 2 through 4 above and provided substantial assistance to

1 law enforcement in the prosecution or investigation of another
2 ("substantial assistance"), to move the Court pursuant to U.S.S.G.
3 § 5K1.1 to fix an offense level and corresponding guideline range
4 below that otherwise dictated by the sentencing guidelines, and to
5 recommend a term of imprisonment within this reduced range.

6 DEFENDANT'S UNDERSTANDINGS REGARDING COOPERATION

7 8. Defendant understands the following:

8 a. Any knowingly false or misleading statement by
9 defendant will subject defendant to prosecution for false statement,
10 obstruction of justice, and perjury and will constitute a breach by
11 defendant of this agreement.

12 b. Nothing in this agreement requires the USAO or any
13 other prosecuting, enforcement, administrative, or regulatory
14 authority to accept any cooperation or assistance that defendant may
15 offer, or to use it in any particular way.

16 c. Defendant cannot withdraw defendant's guilty plea if
17 the USAO does not make a motion pursuant to U.S.S.G. § 5K1.1 for a
18 reduced guideline range or if the USAO makes such a motion and the
19 Court does not grant it or if the Court grants such a USAO motion but
20 elects to sentence above the reduced range.

21 d. The USAO's determination whether defendant has
22 provided substantial assistance will not depend in any way on whether
23 the government prevails at any trial or court hearing in which
24 defendant testifies or in which the government otherwise presents
25 information resulting from defendant's cooperation.

26 NATURE OF THE OFFENSE

27 9. Defendant understands that for defendant to be guilty of
28 the crime charged in count two of the indictment, that is,

1 conspiracy, in violation of Title 18, United States Code, Section
2 371, the following must be true: (1) between in or about May 2008 and
3 in or about April 2013, there was an agreement between two or more
4 persons to commit violations of Title 18, United States Code,
5 Sections 1341, 1343, and 1346 (Honest Services Mail and Wire Fraud);
6 and Title 42, United States Code, Section 1320a-7b(b)(1)
7 (Solicitation/Receipt of Kickbacks in Connection with a Federal
8 Health Care Program)); (2) the defendant became a member of the
9 conspiracy knowing of at least one of its objects and intending to
10 help accomplish it; and (3) one of the members of the conspiracy
11 performed at least one overt act for the purpose of carrying out the
12 conspiracy.

13 10. Defendant understands that Honest Services Mail and Wire
14 Fraud, in violation of Title 18, United States Code, Sections 1341
15 and 1346, and 1343 and 1346, each an object of the conspiracy charged
16 in count two of the indictment, has the following elements: (1) the
17 defendant devised or participated in a scheme or plan to deprive a
18 patient of his or her right to honest services; (2) the scheme or
19 plan included payments of bribes and kickbacks to medical
20 professionals in exchange for medical services or items; (3) the
21 medical professionals owed a fiduciary duty to the patients; (4) the
22 defendant acted with the intent to defraud by depriving the patients
23 of their right of honest services of the medical professionals; (5)
24 the defendant's act was material, that is, it had a natural tendency
25 to influence, or was capable of influencing, a patient's acts; and
26 (6) the defendant used, or caused someone to use, the mails and a
27 wire communication to carry out or attempt to carry out the scheme or
28 plan.

1 victim as a result: (a) any relevant conduct, as defined in U.S.S.G.
2 § 1B1.3, in connection with the offenses to which defendant is
3 pleading guilty; and (b) any charges not prosecuted pursuant to this
4 agreement as well as all relevant conduct, as defined in U.S.S.G.
5 § 1B1.3, in connection with those charges.

6 14. Defendant understands that supervised release is a period
7 of time following imprisonment during which defendant will be subject
8 to various restrictions and requirements. Defendant understands that
9 if defendant violates one or more of the conditions of any supervised
10 release imposed, defendant may be returned to prison for all or part
11 of the term of supervised release authorized by statute for the
12 offense that resulted in the term of supervised release, which could
13 result in defendant serving a total term of imprisonment greater than
14 the statutory maximum stated above.

15 15. Defendant understands that, by pleading guilty, defendant
16 may be giving up valuable government benefits and valuable civic
17 rights, such as the right to vote, the right to possess a firearm,
18 the right to hold office, and the right to serve on a jury.
19 Defendant understands that once the court accepts defendant's guilty
20 plea, it will be a federal felony for defendant to possess a firearm
21 or ammunition. Defendant understands that the conviction in this
22 case may also subject defendant to various other collateral
23 consequences, including but not limited to revocation of probation,
24 parole, or supervised release in another case, mandatory exclusion
25 from providing services for any federal health care benefit program
26 for at least five years, and suspension or revocation of a
27 professional license. Defendant understands that unanticipated
28

1 collateral consequences will not serve as grounds to withdraw
2 defendant's guilty plea.

3 16. Defendant understands that, if defendant is not a United
4 States citizen, the felony conviction in this case may subject
5 defendant to: removal, also known as deportation, which may, under
6 some circumstances, be mandatory; denial of citizenship; and denial
7 of admission to the United States in the future. The court cannot,
8 and defendant's attorney also may not be able to, advise defendant
9 fully regarding the immigration consequences of the felony conviction
10 in this case. Defendant understands that unexpected immigration
11 consequences will not serve as grounds to withdraw defendant's guilty
12 plea.

13 FACTUAL BASIS

14 17. Defendant admits that defendant is, in fact, guilty of the
15 offense to which defendant is agreeing to plead guilty. Defendant
16 and the USAO agree to the statement of facts provided in the attached
17 Exhibit A and agree that this statement of facts is sufficient to
18 support a plea of guilty to the charge described in this agreement,
19 establish the Sentencing Guidelines factors set forth in paragraph 19
20 below, but is not meant to be a complete recitation of all facts
21 relevant to the underlying criminal conduct or all facts known to
22 either party that relate to that conduct.

23 SENTENCING FACTORS

24 18. Defendant understands that in determining defendant's
25 sentence the Court is required to calculate the applicable Sentencing
26 Guidelines range and to consider that range, possible departures
27 under the Sentencing Guidelines, and the other sentencing factors set
28 forth in 18 U.S.C. § 3553(a). Defendant understands that the

1 Sentencing Guidelines are advisory only, that defendant cannot have
 2 any expectation of receiving a sentence within the calculated
 3 Sentencing Guidelines range, and that after considering the
 4 Sentencing Guidelines and the other § 3553(a) factors, the Court will
 5 be free to exercise its discretion to impose any sentence it finds
 6 appropriate up to the maximum set by statute for the offenses of
 7 conviction.

8 19. Pursuant U.S.S.G. § 1B1.2(a), defendant and the USAO
 9 stipulate and agree to the following applicable Sentencing Guidelines
 10 factors, based on the application of U.S.S.G. § 2B4.1:

11	Base Offense Level:	8	[U.S.S.G. § 2B4.1(a)(2)]
12	Specific Offense		
13	Characteristics		
14	Value of Improper Benefit		
15	Conferred to Pacific Hospital		
16	(between \$250K and \$550K):	+12	[U.S.S.G. § 2B4.1(b)(1)(G)]
17	Abuse of Position of Trust:	+2	[U.S.S.G. § 3B1.3]
18	Acceptance of Responsibility:	-3	[U.S.S.G. § 3E1.1(a)]
19	Total offense level:	19	

20 The USAO will agree to a two-level downward adjustment for acceptance
 21 of responsibility (and, if applicable, move for an additional one-
 22 level downward adjustment under U.S.S.G. § 3E1.1(b)) only if the
 23 conditions set forth in paragraphs 2 through 4 are met and if
 24 defendant has not committed, and refrains from committing, acts
 25 constituting obstruction of justice within the meaning of U.S.S.G. §
 26 3C1.1, as discussed below. Subject to paragraph 33 below, defendant
 27 and the USAO agree not to seek or argue, either orally or in writing,
 28 that any other specific offense characteristics, adjustments, or
 departures relating to the offense level be imposed. Defendant

1 agrees, however, that if, after signing this agreement but prior to
2 sentencing, defendant were to commit an act, or the USAO were to
3 discover a previously undiscovered act committed by defendant prior
4 to signing this agreement, which act, in the judgment of the USAO,
5 constituted obstruction of justice within the meaning of U.S.S.G.
6 § 3C1.1, the USAO would be free to seek the enhancement set forth in
7 that section and to argue that defendant is not entitled to a
8 downward adjustment for acceptance of responsibility under U.S.S.G. §
9 3E1.1.

10 20. Defendant understands that there is no agreement as to
11 defendant's criminal history or criminal history category.

12 21. Defendant and the USAO reserve the right to argue for a
13 sentence outside the sentencing range established by the Sentencing
14 Guidelines based on the factors set forth in 18 U.S.C. § 3553(a)(1),
15 (a)(2), (a)(3), (a)(6), and (a)(7).

16 WAIVER OF STATUTE OF LIMITATIONS

17 22. Having been fully advised by defendant's attorney regarding
18 application of the statute of limitations to the offense to which
19 defendant is pleading guilty, defendant hereby knowingly,
20 voluntarily, and intelligently waives, relinquishes, and gives up:
21 (a) any right that defendant might have not to be prosecuted for the
22 offense to which defendant is pleading guilty because of the
23 expiration of the statute of limitations for the offense prior to the
24 filing of the indictment alleging that offense; and (b) any defense,
25 claim, or argument defendant could raise or assert that prosecution
26 of the offense to which defendant is pleading guilty is barred by the
27 expiration of the applicable statute of limitations, pre-indictment
28 delay, or any speedy trial violation.

1 appeal defendant's conviction on the offense to which defendant is
2 pleading guilty.

3 LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE

4 25. Defendant agrees that, provided the Court imposes a term of
5 imprisonment within the total statutory maximum, defendant gives up
6 the right to appeal all of the following: (a) the procedures and
7 calculations used to determine and impose any portion of the
8 sentence; (b) the term of imprisonment imposed by the Court; (c) the
9 fine imposed by the court, provided it is within the statutory
10 maximum; (d) the amount and terms of any restitution order; (e) the
11 term of probation or supervised release imposed by the Court,
12 provided it is within the statutory maximum; and (f) any of the
13 following conditions of probation or supervised release imposed by
14 the Court: the conditions set forth in General Orders 318, 01-05,
15 and/or 05-02 of this Court; the drug testing conditions mandated by
16 18 U.S.C. §§ 3563(a)(5) and 3583(d); and the alcohol and drug use
17 conditions authorized by 18 U.S.C. § 3563(b)(7).

18 26. Defendant also gives up any right to bring a post-
19 conviction collateral attack on the conviction or sentence, including
20 any order of restitution, except a post-conviction collateral attack
21 based on a claim of ineffective assistance of counsel, a claim of
22 newly discovered evidence, or an explicitly retroactive change in the
23 applicable Sentencing Guidelines, sentencing statutes, or statutes of
24 conviction.

25 27. The USAO agrees that, provided all portions of the sentence
26 are at or below the statutory maximum specified above, the USAO gives
27 up its right to appeal any portion of the sentence.

28

BREACH OF AGREEMENT

1
2 30. Defendant agrees that if defendant, at any time after the
3 effective date of this agreement, knowingly violates or fails to
4 perform any of defendant's obligations under this agreement ("a
5 breach"), the USAO may declare this agreement breached. For example,
6 if defendant knowingly, in an interview, before a grand jury, or at
7 trial, falsely accuses another person of criminal conduct or falsely
8 minimizes defendant's own role, or the role of another, in criminal
9 conduct, defendant will have breached this agreement. All of
10 defendant's obligations are material, a single breach of this
11 agreement is sufficient for the USAO to declare a breach, and
12 defendant shall not be deemed to have cured a breach without the
13 express agreement of the USAO in writing. If the USAO declares this
14 agreement breached, and the Court finds such a breach to have
15 occurred, then:

16 a. If defendant has previously entered a guilty plea
17 pursuant to this agreement, defendant will not be able to withdraw
18 the guilty plea.

19 b. The USAO will be relieved of all its obligations under
20 this agreement; in particular, the USAO: (i) will no longer be bound
21 by any agreements concerning sentencing and will be free to seek any
22 sentence up to the statutory maximum for the crime to which defendant
23 has pleaded guilty; and (ii) will no longer be bound by any agreement
24 regarding the use of Cooperation Information and will be free to use
25 any Cooperation Information in any way in any investigation, criminal
26 prosecution, or civil, administrative, or regulatory action.

27 c. The USAO will be free to criminally prosecute
28

1 defendant for false statement, obstruction of justice, and perjury
2 based on any knowingly false or misleading statement by defendant.

3 d. In any investigation, criminal prosecution, or civil,
4 administrative, or regulatory action: (i) defendant will not assert,
5 and hereby waives and gives up, any claim that any Cooperation
6 Information was obtained in violation of the Fifth Amendment
7 privilege against compelled self-incrimination; and (ii) defendant
8 agrees that any Cooperation Information and any Plea Information, as
9 well as any evidence derived from any Cooperation Information or any
10 Plea Information, shall be admissible against defendant, and
11 defendant will not assert, and hereby waives and gives up, any claim
12 under the United States Constitution, any statute, Rule 410 of the
13 Federal Rules of Evidence, Rule 11(f) of the Federal Rules of
14 Criminal Procedure, or any other federal rule, that any Cooperation
15 Information, any Plea Information, or any evidence derived from any
16 Cooperation Information or any Plea Information should be suppressed
17 or is inadmissible.

18 31. Following the Court's finding of a knowing breach of this
19 agreement by defendant, should the USAO choose to pursue any charge
20 that was not filed as a result of this agreement, then:

21 a. Defendant agrees that any applicable statute of
22 limitations is tolled between the date of defendant's signing of this
23 agreement and the filing commencing any such action.

24 b. Defendant waives and gives up all defenses based on
25 the statute of limitations, any claim of pre-indictment delay, or any
26 speedy trial claim with respect to any such action, except to the
27 extent that such defenses existed as of the date of defendant's
28 signing this agreement.

1 regarding the sentence defendant will receive, except that it will be
2 within the statutory maximum.

3 NO ADDITIONAL AGREEMENTS

4 35. Defendant understands that, except as set forth in this
5 agreement, there are no promises, understandings, or agreements
6 between the USAO and defendant or defendant's attorney, and that no
7 additional promise, understanding, or agreement may be entered into
8 unless in a writing signed by all parties or on the record in court.

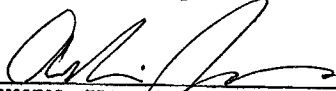
9 PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

10 36. The parties agree that this agreement will be considered
11 part of the record of defendant's guilty plea hearing as if the
12 entire agreement had been read into the record of the proceeding.

13 AGREED AND ACCEPTED

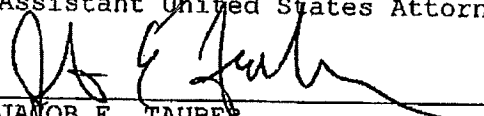
14 UNITED STATES ATTORNEY'S OFFICE
15 FOR THE CENTRAL DISTRICT OF
16 CALIFORNIA

16 TRACY L. WILKISON
17 Attorney for the United States,
18 Acting Under Authority Conferred
19 by 28 U.S.C. § 515

19 
20 _____
21 ASHWIN JANAKIRAM
22 Assistant United States Attorney

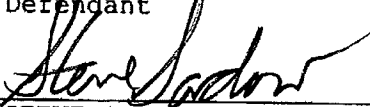
10/21/2018

Date

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22 _____
23 JACOB E. TAUBER
24 Defendant

9/12/18

Date

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24 _____
25 STEVE SADOW
26 Attorney for Defendant
27 JACOB E. TAUBER

9/17/18


Date

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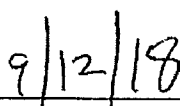
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CERTIFICATION OF DEFENDANT

I have read this agreement in its entirety. I have had enough time to review and consider this agreement, and I have carefully and thoroughly discussed every part of it with my attorney. I understand the terms of this agreement, and I voluntarily agree to those terms. I have discussed the evidence with my attorney, and my attorney has advised me of my rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. No promises, inducements, or representations of any kind have been made to me other than those contained in this agreement. No one has threatened or forced me in any way to enter into this agreement. I am satisfied with the representation of my attorney in this matter, and I am pleading guilty because I am guilty of the charges and wish to take advantage of the promises set forth in this agreement, and not for any other reason.



JACOB E. TAUBER
Defendant

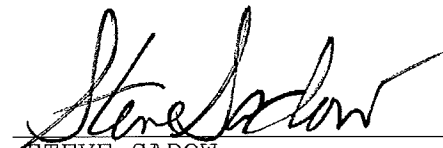


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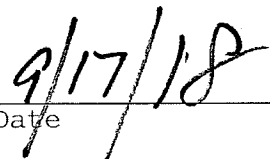
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CERTIFICATION OF DEFENDANT'S ATTORNEY

I am JACOB E. TAUBER's attorney. I have carefully and thoroughly discussed every part of this agreement with my client. Further, I have fully advised my client of his rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. To my knowledge: no promises, inducements, or representations of any kind have been made to my client other than those contained in this agreement; no one has threatened or forced my client in any way to enter into this agreement; my client's decision to enter into this agreement is an informed and voluntary one; and the factual basis set forth in this agreement is sufficient to support my client's entry of a guilty plea pursuant to this agreement.



STEVE SADOW
Attorney for Defendant
JACOB E. TAUBER



Date

1 **EXHIBIT A**

2 **STATEMENT OF FACTS**

3 Relevant Entities

4 Pacific Hospital of Long Beach ("Pacific Hospital"), was a
5 hospital located in Long Beach, California, specializing in
6 surgeries, particularly spinal and orthopedic surgeries. Along with
7 others, Michael D. Drobot ("Drobot") owned and/or operated Pacific
8 Hospital at all relevant times. Drobot and his co-conspirators also
9 controlled Pacific Specialty Physician Management, Inc. ("PSPM"),
10 which was a corporation headquartered in Newport Beach, California,
11 that was used to enter into contractual arrangements with referral
12 sources to disguise and conceal illegal kickback payments.

13 California Pharmacy Management LLC ("CPM") and Industrial
14 Pharmacy Management LLC ("IPM") were limited liability companies,
15 headquartered in Newport Beach, California, that operated and managed
16 a pharmaceutical dispensing program in medical clinics for
17 physicians. Drobot and Michael R. Drobot Jr. ("Drobot Jr.") owned
18 and/or operated CPM. Drobot principally owned and controlled IPM
19 until approximately 2010, when Drobot Jr. assumed ownership and
20 control of IPM.

21 Advanced Practice Services, Inc., doing business as Advance
22 Pharmacy Services ("APS"), was a "marketing" entity owned and
23 controlled by Drobot Jr. that steered ancillary service referrals,
24 purchases, and orders involving magnetic resonance imaging ("MRIs"),
25 toxicology testing, and durable medical equipment ("DME") to business
26 affiliates that paid APS for generating such business, including APS
27 Affiliate A, which was a DME provider, and APS Affiliate B, which was

1 a laboratory that performed toxicology testing (collectively, "APS
2 Affiliates.")

3 The Kickback Arrangements

4 Defendant was an orthopedic surgeon based in Beverly Hills and
5 Glendale, California, who, during the relevant time period, performed
6 primarily non-spinal surgeries and generally referred spinal
7 surgeries to other surgeons. At all relevant times, defendant owed a
8 fiduciary duty to his patients. Beginning no later than May 2008 and
9 continuing through at least April 2013, defendant, along with Drobot,
10 Drobot Jr., and others, agreed to participate and did, in fact,
11 knowingly participate in two distinct illegal arrangements to pay and
12 receive kickbacks in exchange for referring surgeries and other
13 patient-related services to Pacific Hospital and APS Affiliates.

14 First, Drobot Jr. paid defendant kickbacks and bribes for the
15 referral of ancillary services, such as MRIs, toxicology, and DME
16 (collectively, the "Kickback Tainted Ancillary Services"). As Drobot
17 Jr. and defendant had entered into a pharmaceutical dispensing
18 agreement starting in January 2005, Drobot Jr. and defendant used
19 that agreement as vehicle to pay and disguise kickbacks and bribes
20 for Kickback Tainted Ancillary Services. To this end, CPM/IPM had no
21 publicly disclosed relationship with APS, and defendant's pharmacy
22 agreement, as written, would not account for compensation from
23 CPM/IPM to defendant for referring, purchasing, and ordering DME,
24 MRIs, and toxicology testing for his patients. In reality, however,
25 defendant would receive monthly payments from IPM -- purportedly for
26 dispensed medications -- that would, in fact, take into account
27 defendant's expected or actual referrals, purchases, and orders of
28 the Kickback Tainted Ancillary Services.

1 For example, based on defendant's August 2011 arrangement with
2 Drobot Jr. concerning toxicology business for APS and APS Affiliate
3 B, Drobot Jr. caused IPM to increase defendant's monthly payments
4 under the pharmacy agreement -- purportedly for the dispensing of
5 pharmaceuticals -- from \$8,000 to \$15,000 monthly. In other
6 instances, in exchange for defendant's promise to use APS Affiliate A
7 for DME, Drobot Jr. did not adversely adjust defendant's monthly
8 payments under the pharmacy agreement that would have otherwise been
9 lowered if the value of Kickback Tainted Ancillary Services to APS
10 Affiliates was not considered.

11 Second, no later than in or about May 2010, Drobot Jr.
12 introduced defendant to Drobot to arrange for kickbacks and bribes to
13 be paid to defendant to incentivize him to refer his patients
14 potentially requiring spinal surgeries to Pacific Hospital. Starting
15 in October 2010, illegal kickback and bribe payments from Drobot,
16 through PSPM, were provided to defendant under the guise of a
17 sublease agreement, which purported to sublease defendant's entire
18 Beverly Hills office to PSPM, when, in reality, defendant, Drobot,
19 and other co-conspirators agreed and understood that PSPM would use
20 only a fraction of the office space on a frequency ranging from once
21 per week to twice per month for a spinal surgeon linked to Pacific
22 Hospital to examine spinal surgery candidates referred by defendant.
23 Justin Paquette, initially, and later, co-defendant Serge Obukhoff
24 visited defendant's Beverly Hills office to conduct the surgical
25 consults. Defendant understood that these surgeons had financial
26 incentives to perform any resulting surgeries at Pacific Hospital,
27 including the fact that PSPM paid the otherwise applicable rent for
28 Paquette and co-defendant Obukhoff with no legal basis for doing so,

1 such that a surgical referral to either of the surgeons was
2 tantamount to a referral to Pacific Hospital. Defendant further
3 understood that -- to incentivize defendant to refer patients to
4 these surgeons -- the sublease payments he received far exceeded the
5 fair market value of the space PSPM, Paquette, or co-defendant
6 Obukhoff actually used or intended to use for any purpose.

7 Defendant and his co-conspirators knew that the payment of
8 bribes and kickbacks for the referral of patients and ordering of
9 ancillary services was illegal. Defendant and his co-conspirators
10 further understood that the respective contractual arrangements
11 referenced above were used as a vehicle to disguise and conceal
12 illegal kickback and bribe payments. Defendant knew that had he
13 stopped referring patients to Pacific Hospital or ordering ancillary
14 services through APS, the payments under these contractual
15 arrangements would have ended. Moreover, the payment of kickbacks
16 for the referral of patients and ordering of ancillary services were
17 material to health care benefit programs and patients. Finally, the
18 use of interstate wires and mailings to execute essential parts of the
19 scheme was foreseeable to defendant; and interstate wires and mailings
20 were, in fact, used to execute essential parts of the scheme, including
21 bribe and kickback payments to defendant and his co-conspirators.

22 Between May 2008 and April 2013, CPM/IPM paid defendant at least
23 \$900,000, a portion of which represented kickback and bribe payments
24 for ancillary services, including approximately \$126,000 paid for
25 toxicology referrals to APS Affiliate B. In turn, PSPM and
26 affiliated entities paid defendant at least \$782,000 under the
27 aforementioned sublease agreement for the Beverly Hills office, based
28 on monthly payments of \$23,706.80, while the fair market value of

1 PSPM's actual and intended use of the office did not exceed \$11,500
2 per month.

3 In furtherance of the conspiracy and to accomplish its objects,
4 defendant and his co-conspirators committed various overt acts within
5 the Central District of California, and elsewhere, as set forth in
6 count two of the indictment in United States v. Jacob E. Tauber and
7 Serge Obukhoff, SA CR 18-140-JLS.

8 These stipulated facts are not meant to indicate that defendant
9 provided any patients with substandard medical care or that any
10 treatment he provided or prescribed was not medically necessary.

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