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10 **BEFORE THE**  
11 **ACUPUNCTURE BOARD**  
12 **DEPARTMENT OF CONSUMER AFFAIRS**  
**STATE OF CALIFORNIA**

13 In the Matter of the Accusation Against:  
14 **JEFFREY HONGJAE SUH, L. AC**  
15 **100 Old Palisade Road, #3701**  
**Fort Lee, NJ 07024**  
16 **Acupuncture License No. AC 8146**  
17 Respondent.

Case No. 1A-2017-4

**A C C U S A T I O N**

19 Complainant alleges:

20 **PARTIES**

- 21 1. Benjamin Bodea (Complainant) brings this Accusation solely in his official capacity  
22 as the Executive Officer of the Acupuncture Board, Department of Consumer Affairs (Board).  
23 2. On or about October 5, 2001, the Board issued Acupuncture License Number  
24 AC 8146 to Jeffrey Hongjae Suh, L. AC (Respondent). The Acupuncture License expired on  
25 October 31, 2014, and has not been renewed.

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**JURISDICTION**

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2       3.     This Accusation is brought before the Board under the authority of the following  
3 laws. All section references are to the Business and Professions Code (Code) unless otherwise  
4 indicated.

5       4.     Section 4955 of the Code states:

6             “The board may deny, suspend, or revoke, or impose probationary conditions upon,  
7 the license of any acupuncturist if he or she is guilty of unprofessional conduct.

8             “Unprofessional conduct shall include, but not be limited to, the following:

9             “...

10            “(b) Conviction of a crime substantially related to the qualifications, functions,  
11 or duties of an acupuncturist, the record of conviction being conclusive evidence  
12 thereof.

13            “...

14            “(d) Aiding or abetting in, or violating or conspiring in, directly or indirectly,  
15 the violation of the terms of this chapter or any regulation adopted by the board  
16 pursuant to this chapter.

17            “...

18            “(i) Any action or conduct that would have warranted the denial of the  
19 acupuncture license.

20            “...”

21       5.     Section 4955.1 of the Code states:

22             “The board may deny, suspend, revoke, or impose probationary conditions upon the  
23 license of any acupuncturist if he or she is guilty of committing a fraudulent act including,  
24 but not be limited to, any of the following:

25             “...

26             “(b) Committing a fraudulent or dishonest act as an acupuncturist.

27             “(c) Committing any act involving dishonesty or corruption with respect to the  
28 qualifications, functions, or duties of an acupuncturist.

1           “(d) Altering or modifying the medical record of any person, with fraudulent  
2 intent, or creating any false medical record.

3           “(e) Failing to maintain adequate and accurate records relating to the provision  
4 of services to their patients.”

5           “ ...”

6       6.     Section 4956 of the Code states:

7           “A plea or verdict of guilty or a conviction following a plea of *nolo contendere* made  
8 to a charge which is substantially related to the qualifications, functions, or duties of an  
9 acupuncturist is deemed to be a conviction within the meaning of this chapter.

10          “The board may order a license suspended or revoked, or may deny a license, or may  
11 impose probationary conditions upon a license, when the time for appeal has elapsed, or the  
12 judgment of conviction has been affirmed on appeal, or when an order granting probation is  
13 made suspending the imposition of sentence irrespective of a subsequent order under the  
14 provisions of Section 1203.4 of the Penal Code allowing the person to withdraw his or her  
15 pleas of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or  
16 dismissing the accusation, complaint, information, or indictment.”

17       7.     Section 810 of the Code states:

18          “(a) It shall constitute unprofessional conduct and grounds for disciplinary action,  
19 including suspension or revocation of a license or certificate, for a health care professional  
20 to do any of the following in connection with his or her professional activities:

21          “ ...

22          “(2) Knowingly prepare, make, or subscribe any writing, with intent to present or  
23 use the same, or to allow it to be presented or used in support of any false or fraudulent  
24 claim.

25          “(b) It shall constitute cause for revocation or suspension of a license or certificate  
26 for a health care professional to engage in any conduct prohibited under ... Section 549 or  
27 550 of the Penal Code.

28          “ ...

1           “(d) As used in this section, health care professional means any person licensed or  
2 certified pursuant to this division, or licensed pursuant to the Osteopathic Initiative Act, or  
3 the Chiropractic Initiative Act.

4       8.     Section 550 of the Penal Code states:

5           “(a) It is unlawful to do any of the following, or to aid, abet, solicit, or conspire with  
6 any person to do any of the following:

7           “...

8           “(5) Knowingly prepare, make, or subscribe any writing, with the intent to present  
9 or use it, or to allow it to be presented, in support of any false or fraudulent claim.

10          “(6) Knowingly make or cause to be made any false or fraudulent claim for  
11 payment of a health care benefit.

12          “(7) Knowingly submit a claim for a health care benefit that was not used by, or  
13 on behalf of, the claimant.

14          “...

15          “(b) It is unlawful to do, or to knowingly assist or conspire with any person to do, any  
16 of the following:

17          “...

18          “(2) Prepare or make any written or oral statement that is intended to be presented  
19 to any insurer or any insurance claimant in connection with, or in support of or opposition  
20 to, any claim or payment or other benefit pursuant to an insurance policy, knowing that the  
21 statement contains any false or misleading information concerning any material fact.

22          “(3) Conceal, or knowingly fail to disclose the occurrence of, an event that affects  
23 any person’s initial or continued right or entitlement to any insurance benefit or payment,  
24 or the amount of any benefit or payment to which the person is entitled.

25          “...”

26       9.     Section 475 of the Code states:

27           “(a) Notwithstanding any other provisions of this code, the provisions of this division  
28 shall govern the denial of licenses on the grounds of:

1           “(1) Knowingly making a false statement of material fact, or knowingly omitting  
2 to state a material fact, in an application for a license.

3           “(2) Conviction of a crime.

4           “(3) Commission of any act involving dishonesty, fraud or deceit with the intent to  
5 substantially benefit himself or another, or substantially injure another.

6           “(4) Commission of any act which, if done by a licentiate of the business or  
7 profession in question, would be grounds for suspension or revocation of license.

8           “(b) Notwithstanding any other provisions of this code, the provisions of this division  
9 shall govern the suspension and revocation of licenses on grounds specified in paragraphs  
10 (1) and (2) of subdivision (a) .

11           “...”

12       10. Section 490 of the Code states:

13           “(a) In addition to any other action that a board is permitted to take against a licensee,  
14 a board may suspend or revoke a license on the ground that the licensee has been convicted  
15 of a crime, if the crime is substantially related to the qualifications, functions, or duties of  
16 the business or profession for which the license was issued.

17           “(b) Notwithstanding any other provision of law, a board may exercise any authority  
18 to discipline a licensee for conviction of a crime that is independent of the authority granted  
19 under subdivision (a) only if the crime is substantially related to the qualifications,  
20 functions, or duties of the business or profession for which the licensee's license was issued.

21           “(c) A conviction within the meaning of this section means a plea or verdict of guilty  
22 or a conviction following a plea of *nolo contendere*. Any action that a board is permitted to  
23 take following the establishment of a conviction may be taken when the time for appeal has  
24 elapsed, or the judgment of conviction has been affirmed on appeal, or when an order  
25 granting probation is made suspending the imposition of sentence, irrespective of a  
26 subsequent order under the provisions of Section 1203.4 of the Penal Code.

27           “...”

28       ////

1 11. Section 493 of the Code states:

2 “Notwithstanding any other provision of law, in a proceeding conducted by a board  
3 within the department pursuant to law to ... suspend or revoke a license or otherwise take  
4 disciplinary action against a person who holds a license, upon the ground that the applicant  
5 or the licensee has been convicted of a crime substantially related to the qualifications,  
6 functions, and duties of the licensee in question, the record of conviction of the crime shall  
7 be conclusive evidence of the fact that the conviction occurred, but only of that fact, and the  
8 board may inquire into the circumstances surrounding the commission of the crime in order  
9 to fix the degree of discipline or to determine if the conviction is substantially related to the  
10 qualifications, functions, and duties of the licensee in question.

11 “As used in this section, ‘license’ includes ‘certificate,’ ‘permit,’ ‘authority,’ and  
12 ‘registration.’”

13 12. Section 118 of the Code states:

14 “... ”

15 “(b) The suspension, expiration, or forfeiture by operation of law of a license issued  
16 by a board in the department, or its suspension, forfeiture, or cancellation by order of the  
17 board or by order of a court of law, or its surrender without the written consent of the board,  
18 shall not, during any period in which it may be renewed, restored, reissued, or reinstated,  
19 deprive the board of its authority to institute or continue a disciplinary proceeding against  
20 the licensee upon any ground provided by law or to enter an order suspending or revoking  
21 the license or otherwise taking disciplinary action against the licensee on any such ground.

22 “(c) As used in this section, ‘board’ includes an individual who is authorized by any  
23 provision of this code to issue, suspend, or revoke a license, and ‘license’ includes  
24 ‘certificate,’ ‘registration,’ and ‘permit.’”

25 13. California Code of Regulations, title 16, section 1399.469.2 states:

26 “In addition to the conduct described in Section 4955 of the Business and Professions  
27 Code, ‘unprofessional conduct’ also includes but is not limited to the following:

28 “... ”



1 States Code, Sections 1347, 1349 and 3551 *et seq.*), and Falsification of Records in Federal  
2 Investigation (Count 4: Title 18, United States Code, Sections 287 and 3551 *et seq.*).

3 B. On or about March 3, 2016, in Case No. CR 15-300, respondent pled guilty to  
4 Conspiracy to Commit Healthcare Fraud, a Class C felony. Count 4 was dismissed on the motion  
5 of the United States. On the same date, respondent was sentenced to imprisonment for a total  
6 term of forty-two (42) months. In addition, respondent was ordered to pay an assessment fine of  
7 \$100.00, and, together with four co-defendants, jointly and severally, ordered to make restitution  
8 to Centers for Medicare and Medicaid Services in the amount of \$2,685,580.30. Defendant also  
9 agreed to forfeit all right, title and interest in two properties pursuant to 18 U.S.C. § 982(a)(7), as  
10 property which constitutes or is derived from proceeds traceable to his violation of 18 U.S.C.  
11 §1349, and/or as substitute assets, pursuant to 21 U.S.C. §853(p).

12 16. The facts and circumstances underlying respondent's conviction are as follows:

13 a. The Medicare program ("Medicare") is a federal health care program providing  
14 benefits to persons who are over the age of 65 or disabled. Medicare is administered by the  
15 Centers for Medicare and Medicaid Services ("CMS"), a federal agency under the United States  
16 Department of Health and Human Services ("HHS"). Individuals who receive benefits under  
17 Medicare are referred to as Medicare "beneficiaries." Physicians who provide services to  
18 beneficiaries or order that services be provided to beneficiaries are referred to as "referring  
19 physicians."

20 b. Medicare is a "health care benefit program," as defined by Title 18, United States  
21 Code, Section 24(b).

22 c. Medicare includes coverage under two primary components, hospital insurance  
23 ("Medicare Part A") and medical insurance ("Medicare Part B"). Medicare Part B covered the  
24 costs of physicians' services and outpatient care, including physical therapy, occupational therapy,  
25 chiropractic services and diagnostic tests. Generally, Medicare Part B covers these costs only if,  
26 among other requirements, they are medically necessary and ordered by a physician.

27 d. Medical providers submit a Medicare Enrollment Application ("Medicare  
28 Application") to Medicare to participate in Medicare and bill for claims. The Medicare



1 Application requires a provider to provide Medicare with information, such as insurance forms,  
2 Internal Revenue Service forms and corporate documents. To electronically receive funds from  
3 the Medicare program, providers also submit Electronic Funds Transfer Authorization  
4 Agreements, which list the bank account where Medicare will deposit reimbursements.

5 e. Medical providers certified to participate in Medicare, whether clinics or individuals,  
6 are assigned a provider identification number (“PIN”) or provider transaction access number  
7 (“PTAN”) for billing purposes. After a medical provider renders a service, the provider is  
8 required to use its assigned PIN/PTAN when submitting a claim for reimbursement to Medicare.

9 f. Medical providers are authorized to submit claims to Medicare only for services they  
10 actually render and are required to maintain patient records verifying the provision of services.  
11 By submitting a claim, the provider certifies, among other things, that the services were rendered  
12 to the patient and were medically necessary.

13 g. Providers submit claims to Medicare using billing codes, also called current  
14 procedural terminology or “CPT” codes, which are numbers referring to specific descriptions of  
15 the medical services provided to beneficiaries.

16 h. At all relevant times, Plaza Medi Group, Inc., and New Plaza Group, Inc.  
17 (collectively, “Plaza”), were New York corporations conducting business in Flushing, New York.  
18 Plaza was not certified to participate in the Medicare program but used medical professionals and  
19 their companies that were certified to participate in the Medicare program to submit claims to  
20 Medicare for Medicare beneficiaries. Plaza, through the medical professionals and their  
21 companies, purported to provide, among other things, physical therapy, occupational therapy and  
22 chiropractic treatment to Medicare beneficiaries.

23 i. At all relevant times, respondent was the owner of Plaza, and was not certified to  
24 participate in the Medicare program.

25 j. From approximately December 2010 through June 2013, respondent and his five (5)  
26 co-defendants, together with others, agreed to execute and executed a fraudulent scheme at Plaza  
27 through which they unlawfully enriched themselves as follows: (1) They artificially increased  
28 demand for medical services by providing Medicare beneficiaries with free goods and services

1 such as massages, lunches, cash-equivalent coupons and recreational classes; (2) required  
2 beneficiaries to provide their Medicare numbers to staff members and to see a physician,  
3 regardless of medical need, to receive the free, non-medical inducements; and (3) submitted and  
4 caused to be submitted to Medicare claims for physical therapy, occupational therapy and  
5 chiropractic services even though such services were not medically necessary, were often not  
6 provided, and otherwise did not qualify for reimbursement.

7 k. Contrary to respondent and his co-defendants' representations in claims submitted to  
8 Medicare, Medicare beneficiaries were not evaluated and did not receive physical therapy,  
9 occupational therapy and chiropractic services in the amount claimed. Rather, Medicare  
10 beneficiaries were typically ushered to unlicensed massage therapists for massages and other free  
11 goods and services. In an effort to conceal the fraudulent scheme, respondent, together with  
12 others, completed paperwork reflecting that physical therapy, occupational therapy and  
13 chiropractic services had been provided to the beneficiaries by licensed physical therapists,  
14 occupational therapists and chiropractors when, in fact, such services had not been provided and  
15 not been provided in the amount claimed.

16 l. In sum, respondent together with others, submitted approximately \$4 million in  
17 claims to Medicare for medical services purportedly rendered to Medicare beneficiaries at Plaza.

18 **SECOND CAUSE FOR DISCIPLINE**

19 **(Insurance Fraud)**

20 17. Respondent is further subject to disciplinary action under section 810, subdivision  
21 (a)(2), and/or section 810, subdivision (b), of the Code, in that he knowingly prepared, made, or  
22 subscribed a writing, with intent to present or use the same, or to allow it to be presented or used  
23 in support of any false or fraudulent claim, and/or engaged in conduct prohibited under Section  
24 549 or Section 550 of the Penal Code. The circumstances are set forth in paragraphs 15 and 16,  
25 above, which are hereby incorporated by reference and realleged as if fully set forth herein.

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1 THIRD CAUSE FOR DISCIPLINE

2 (Dishonesty or Corruption)

3 18. Respondent is further subject to disciplinary action under section 4955, as defined by  
4 section 4955.1, subdivisions (b), (c), (d), and/or (e), in that he committed a fraudulent or  
5 dishonest act as an acupuncturist, and/or committed an act involving dishonesty or corruption  
6 with respect to the qualifications, functions, or duties of an acupuncturist, and/or altered or  
7 modified the medical record of any person, with fraudulent intent, or created a false medical  
8 record, and/or failed to maintain adequate and accurate records relating to the provision of  
9 services to his patients. The circumstances are set forth in paragraphs 15 and 16, above, which  
10 are hereby incorporated by reference and realleged as if fully set forth herein.

11 FOURTH CAUSE FOR DISCIPLINE

12 (General unprofessional Conduct)

13 19. Respondent is further subject to disciplinary action under section 4955, as defined by  
14 California Code of Regulations, title 16, section 1399.469.2, in that he failed to report to the  
15 Board within 30 days the bringing of an indictment or information charging a felony against  
16 respondent and/or his conviction of a felony. The circumstances are set forth in paragraphs 15  
17 and 16, above, which are hereby incorporated by reference and realleged as if fully set forth  
18 herein.

19 PRAYER

20 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,  
21 and that following the hearing, the Acupuncture Board issue a decision:

22 1. Revoking or suspending Acupuncture License Number AC 8146, issued to  
23 Respondent Jeffrey Hongjae Suh, L. AC;

24 2. Ordering Respondent Jeffrey Hongjae Suh, L.AC, to pay the Acupuncture Board the  
25 reasonable costs of the investigation and enforcement of this case, pursuant to Business and  
26 Professions Code section 4959; and,


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3. Taking such other and further action as deemed necessary and proper.

DATED: MAY 25 2017

  
BENJAMIN BODEA  
Executive Officer  
Acupuncture Board  
Department of Consumer Affairs  
State of California  
*Complainant*