

FILED IN OPEN COURT

APR 30 2015

CHARLES R. DIARD, JR.
CLERK

DAG/CJB

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION

UNITED STATES OF AMERICA

*

Criminal No. 15- 00088-CG

v.

*

USAO No.: 13R00521

*

*

JOHN PATRICK COUCH, M.D.,
XIULU RUAN, M.D.,

*

VIOLATIONS

*

21 U.S.C. § 846

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18 U.S.C. § 1349

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Forfeiture Notice

INDICTMENT

THE GRAND JURY CHARGES:

INTRODUCTION

1. Defendant **JOHN PATRICK COUCH, M.D.** is a physician licensed to practice medicine in the State of Alabama.

2. Defendant **XIULU RUAN, M.D.** is a physician licensed to practice medicine in the State of Alabama.

3. Together, **COUCH** and **RUAN** co-own a medical practice named Physician's Pain Specialists of Alabama ("PPSA.") PPSA has two clinic locations in Mobile, Alabama — one at 2001 Springhill Avenue, and the other located at 4682 Airport Boulevard.

4. **COUCH** and **RUAN** also co-own a pharmacy named C&R Pharmacy, which is located adjacent to the PPSA clinic on Airport Boulevard in Mobile, Alabama.

5. **COUCH** and **RUAN** both employ physician's extenders, such as physician's assistants ("PA"), certified registered nurse practitioners ("CRNP"), and certified registered nurse anesthetists ("CRNA") at PPSA.

COUNT ONE

(CONSPIRACY TO DISTRIBUTE CONTROLLED SUBSTANCES)

21 U.S.C. § 846

6. The Grand Jury incorporates number paragraphs 1–5 of this Indictment as if fully

set forth herein.

7. Beginning in or about January 2011, and continuing through the date of this Indictment, in the Southern District of Alabama, Southern Division, and elsewhere, the defendants,

**JOHN PATRICK COUCH, M.D., and
XIULU RUAN, M.D.,**

conspired with each other and with others, both known and unknown to the Grand Jury, to knowingly, willfully, and unlawfully distribute and dispense, and cause to be distributed and dispensed, Schedule II controlled substances, including, but not limited to: Oxycodone (brand name: Oxycontin), Oxycodone Hydrochloride (brand name: Roxicodone), Oxymorphone (brand name: Opana), Hydromorphone (brand name: Dilaudid), Morphine, Fentanyl, and Methadone, outside the usual course of professional practice and not for a legitimate medical purpose, in violation of Title 21, United States Code, Section 841(a)(1).

All In violation of Title 21, United States Code, Section 846.

COUNT TWO
(CONSPIRACY TO COMMIT HEALTHCARE FRAUD)
18 U.S.C. § 1349

8. The Grand Jury incorporates number paragraphs 1–5 of this Indictment as if fully set forth herein.

9. Beginning in or about January 2011, and continuing through the date of this Indictment, in the Southern District of Alabama, Southern Division, and elsewhere, the defendants,

**JOHN PATRICK COUCH, M.D., and
XIULU RUAN, M.D.,**

did knowingly, willfully, and unlawfully combine, conspire, confederate, and agree with each other and others, both known and unknown to the Grand Jury, to knowingly and willfully execute, and attempt to execute a scheme and artifice to defraud healthcare benefits programs, and to

obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, healthcare benefits programs in connection with the delivery of and payment for healthcare benefits, items, and services, in violation of Title 18, United States Code, Section 1347(a).

Objective of the Conspiracy

10. The objective of the conspiracy was to unlawfully increase the amount of reimbursement PPSA, and thus **JOHN PATRICK COUCH, M.D.** and **XIULU RUAN, M.D.**, received from healthcare benefits programs.

Manner and Means

11. The manner and means used to achieve this objective included, but were not limited to, the following:

A. During patient visits at PPSA, patients provide a urine sample for a point-of-care urine drug screen (“UDS”). The alleged purpose of the UDS was to determine whether a patient was taking the medications prescribed to them and to ensure that the patient was not taking medication not prescribed to them. However, after running the in-house UDS, patients’ urine samples were sent to outside laboratories for a much more expensive gas chromatography-mass spectrometer (“GC/MS”) analysis. The GC/MS analyses were billed to patients’ insurance providers under the false pretense that they were necessary tests. However, the GC/MS analyses were ordered primarily because of the extremely high rate of reimbursement paid by insurance providers for these tests. Thus, **COUCH** and **RUAN** ordered thousands of GC/MS analyses under false pretenses to increase profits.

B. Patient services performed by PPSA physician extenders were fraudulently billed to patients’ insurance providers under the unique National Provider Identifier number assigned to **JOHN PATRICK COUCH, M.D.** Insurance providers reimburse at

a higher rate for patient services performed by a physician, compared to services performed by a physician extender. Thus, by submitting bills for reimbursement under **COUCH's** NPI when the patient service had been performed by a physician extender, insurance providers were fraudulently induced to reimburse PPSA at a higher rate.

All in violation of Title 18, United States Code, Section 1349.

FORFEITURE NOTICE

Pursuant to Rule 32.2(a), Fed. R. Crim. P., the allegations contained in Counts One and Two of this Indictment are hereby repeated, re-alleged, and incorporated by reference herein as though fully set forth at length for the purpose of alleging forfeiture pursuant to Title 21, United States Code, Section 853; Title 18, United States Code, Section 982(a)(7); and Title 28, United States Code, Section 2461.

If **JOHN PATRICK COUCH, M.D.** and **XIULU RUAN, M.D.** are convicted of Count One or Two of this Indictment, they are jointly and severally liable for the amounts subject to forfeiture.

CONSPIRACY TO DISTRIBUTE AND DISPENSE FORFEITURE

The allegations contained in Count One of this Indictment are hereby re-alleged and incorporated by reference for the purpose of alleging forfeiture pursuant to Title 21, United States Code, Section 853.

Upon conviction of an offense as set forth in Count One of this Indictment, the defendants **JOHN PATRICK COUCH, M.D.** and **XIULU RUAN, M.D.**, shall forfeit to the United States of America, pursuant to Title 21, United States Code, Section 853, any property, real or personal, which constitutes or is derived from any proceeds the defendants **COUCH** and **RUAN**, obtained, directly or indirectly, as the result of such violation(s), and any property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, such violation(s). The property to be forfeited includes, **but is not limited to**, the following:

1. The contents of the following accounts associated with PPSA and C&R Pharmacy:
 - A. Wells Fargo account ending in x6971, in the name of Physician's Pain Specialist of Alabama (PPSA);
 - B. Wells Fargo account ending in x1719, in the name of C&R, L.L.C.;
 - C. Wells Fargo account ending in x7003, in the name of C&R Pharmacy, L.L.C.

2. The contents of the following accounts associated with **XIULU RUAN, M.D.:**
 - A. State Bank & Trust account ending in x5553, in the name of XLR Exotic Autos, L.L.C.;
 - B. State Bank & Trust account ending in x5264, in the name of Ruan Companies, L.L.C.;
 - C. State Bank & Trust account ending in x6197 in the name of Xiulu Ruan;
 - D. Wells Fargo account ending in x1921, in the name of XLR Properties, L.L.C.;
 - E. Wells Fargo account ending in x1212, in the name of Physicians Weight Loss and Wellness, L.L.C.;
 - F. Community Bank account ending in x9013, in the name of Xiulu Ruan;
 - G. Capital One Sharebuilder Investment Account ending in x6197-01 in the name of Xiulu Ruan;
 - H. Voya Financial 401K account plan # ending in x7645 in the name of Xiulu Ruan;
 - I. College Counts 529 Fund, account ending in x3712, owned by Xiulu Ruan;
 - J. College Counts 529 Fund, account ending in x3713, owned by Xiulu Ruan;

3. The contents of the following accounts associated with **JOHN PATRICK COUCH, M.D.:**
 - A. Wells Fargo account ending in x0015, in the name of John Patrick Couch;
 - B. Wells Fargo account ending in x6997, in the name of Physician's Compounding Solutions, L.L.C.;
 - C. Wells Fargo Account ending in x9824, in the name of John Patrick Couch
 - D. Wells Fargo account ending in x6989, in the name of JPC Properties, L.L.C.;
 - E. Trustmark account ending in x0135, in the name of John Patrick

Couch, M.D.;

- F. E-Trade Investment account ending in x4755, in the name of J.P. Couch;
- G. E-Trade Investment account ending in x8497, in the name of John P. Couch;
- H. E-Trade Investment account ending in x8363, in the name of J.P. Couch;
- I. Voya Financial 401K account plan # ending in x7645, in the name of John Couch;
- J. Allianz Annuity account ending in x6369, in the name of John P. Couch;
- K. Allianz Annuity account ending in x5389, in the name of John P. Couch;
- L. College Counts 529 Fund, account ending in x2423, owned by John P. Couch;
- M. College Counts 529 Fund, account ending in x8641; owned by John P. Couch;
- N. College Counts 529 Fund, account ending in x2406; owned by John P. Couch.

4. The following vehicles associated with **XIULU RUAN, M.D.:**

- A. Aston Martin DB9 Volante, VIN #SCFAB02AX6GB04617;
- B. Audi R8 Spyder VIN #WUATNAFG2BN002379
- C. 2007 Bentley Continental GT, VIN #SCBDR33W47C048251;
- D. 1987 BMW M6, VIN #WBAEE1400H2560721;
- E. Ferrari F430 Convertible, VIN #ZFFEW59A070156841;
- F. Ferrari 599 GTB, VIN #ZFFFC60A270150619;
- G. 1994 Lamborghini Diablo, VIN #ZA9DU07PZRLA12227;
- H. 2008 Lamborghini, VIN #ZHWBU47M78LA02880;
- I. 2005 Mercedes SLR, VIN #WDDAJ76E45M000070;
- J. 2011 Mercedes Model SLS AMG, VIN #WDDRJ7HA2BA002474;
- K. 2013 Mercedes SLS AMG GT, VIN #WDDRK7JA0DA010048;
- L. Shelby Series 1, VIN #5CXSA1816XL000159;
- M. Spyker C9 Laviolette #XL9BA11G69Z363202;

5. The following vehicles associated with **JOHN PATRICK COUCH, M.D.:**

- A. 2008 Cadillac Escalade, VIN 1GYFK66848R221963;
- B. 2010 Land Rover, VIN SALAK2D44AA519810;
- C. 2013 Maserati, VIN ZAM45VLA3D0072574;
- D. 2015 Porsche 911, VIN #WP0BB2A96FS135380;

6. The following real property associated with **XIULU RUAN, M.D.:**

- A. 2800 Churchbell Ct. Mobile, Alabama;
 - B. 1301 Leroy Stevens Road, Mobile, Alabama;
7. The following real property associated with **JOHN PATRICK COUCH, M.D.:**
- A. 319 Woodbridge Drive Daphne, Alabama;
 - B. Unit #7, 25040 Perdido Beach Blvd Orange Beach, Alabama;
 - C. Unit C-804, 28105 Perdido Beach Blvd Orange Beach, Alabama.
8. A money judgment against **JOHN PATRICK COUCH, M.D.** and **XIULU RUAN, M.D.**, representing a sum of money equal to the proceeds the defendants obtained, directly or indirectly, as a result of a violation of Title 21, U.S.C. § 846.

All pursuant to 21 U.S.C. § 853 and 28 U.S.C. § 2461(c).

CONSPIRACY TO COMMIT HEALTH CARE FRAUD FORFEITURE

The allegations contained in Count Two of this Indictment are hereby re-alleged and incorporated by reference for the purpose of alleging forfeiture.

Pursuant to the provisions of Title 18, United States Code, Section 982(a)(7) and Title 28, United States Code Section 2461, if convicted of the offense set forth in Count Two, defendants **JOHN PATRICK COUCH, M.D.** and **XIULU RUAN, M.D.** shall forfeit property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense. The property to be forfeited includes, **but is not limited to**, the following:

- 1. The contents of the following accounts associated with PPSA and C&R Pharmacy:
 - A. Wells Fargo account ending in x6971, in the name of Physician's Pain Specialist of Alabama (PPSA);
 - B. Wells Fargo account ending in x1719, in the name of C&R, L.L.C.;
 - C. Wells Fargo account ending in x7003, in the name of C&R Pharmacy, L.L.C.

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- Companies, L.L.C;
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 - G. Capital One Sharebuilder Investment Account ending in x6197-01 in the name of Xiulu Ruan;
 - H. Voya Financial 401K account plan # ending in x7645 in the name of Xiulu Ruan;
 - I. College Counts 529 Fund, account ending in x3712, owned by Xiulu Ruan;
 - J. College Counts 529 Fund, account ending in x3713, owned by Xiulu Ruan;
3. The contents of the following accounts associated with **JOHN PATRICK**

COUCH, M.D.:

- A. Wells Fargo account ending in x0015, in the name of John Patrick Couch;
- B. Wells Fargo account ending in x6997, in the name of Physician's Compounding Solutions, L.L.C.;
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- G. 1994 Lamborghini Diablo, VIN #ZA9DU07PZRLA12227;
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8. A money judgment against **JOHN PATRICK COUCH, M.D.** and **XIULU RUAN, M.D.**, representing a sum of money equal to the gross proceeds the

defendants obtained, directly or indirectly, as a result of a violation of Title 18,

United States Code, Section 1349.

All pursuant to the provisions of Title 28, U.S.C., § 2461, and Title 18, U.S.C. § 982(a)(7).

SUBSTITUTE ASSETS

If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants, **JOHN PATRICK COUCH, M.D.** and **XIULU RUAN, M.D.**,

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by 18 U.S.C. § 982(b)(1), and 28 U.S.C. § 2461, and Rule 32.2 Fed. R. Crim. P., to seek forfeiture of any other property of said defendants up to the value of the forfeitable property described above.

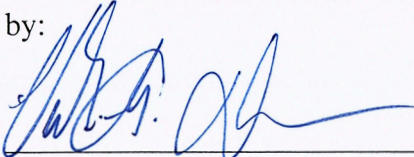
A TRUE BILL



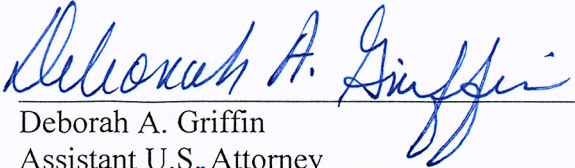
FOREMAN, UNITED STATES GRAND JURY
SOUTHERN DISTRICT OF ALABAMA

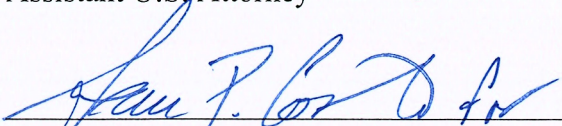
KENYEN R. BROWN
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APRIL 2015