



UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

SOUTHERN DIVISION

UNITED STATES OF AMERICA,

No. 8:26-cr-00001-FWS

Plaintiff,

I N F O R M A T I O N

v.

[18 U.S.C. § 1341: Mail Fraud]

ISRAEL CLAUSTRO,

Defendant.

The United States of America charges:

[18 U.S.C. § 1341]

A. INTRODUCTORY ALLEGATIONS

At times relevant to this Information:

1. Defendant ISRAEL CLAUSTRO was an attorney, was not a physician or other medical professional, and resided in Orange County within the Central District of California.

2. Liberty Medical Group Inc. ("Liberty") was a medical corporation incorporated in November 2015 and located in San Bernardino County within the Central District of California.

Defendant CLAUSTRO operated Liberty.

3. California's Subsequent Injuries Benefits Trust Fund

1 ("SIBTF") was a special fund administrated by the California Division
 2 of Workers' Compensation ("DWC"), providing additional compensation
 3 to injured workers who previously had a disability or impairment at
 4 the time of an injury.

5 4. Co-schemer Kevin Tien Do ("Do"), was a licensed physician
 6 in the state of California. In 2003, Co-schemer Do was convicted of
 7 federal health care fraud, a felony, in violation of 18 U.S.C.
 8 § 1347, for which he was sentenced to 12 months of imprisonment.

9 5. On or about October 19, 2018, the DWC issued a final order
 10 suspending Co-schemer Do from participating in California's workers'
 11 compensation system, which included the SIBTF. Co-schemer Do
 12 received notice of the final order by certified U.S. Mail on or about
 13 October 19, 2018. Defendant CLAUSTRO was aware of Co-Schemer Do's
 14 criminal conviction and suspension from California's workers'
 15 compensation program.

16 B. THE SCHEME TO DEFRAUD

17 6. Beginning no later than in or around March 2022, and
 18 continuing through at least in or around September 2022, in Orange
 19 County, Los Angeles County, Riverside County, and San Bernardino
 20 County, within the Central District of California, and elsewhere,
 21 defendant CLAUSTRO, together with others known and unknown, knowingly
 22 and with the intent to defraud, devised, participated in, and
 23 executed a scheme to defraud SIBTF as to material matters, and to
 24 obtain money and property by means of material false and fraudulent
 25 pretenses, representations, and promises.

26 7. The fraudulent scheme operated, in substance, as follows:

27 a. Despite being prohibited from doing so because he was
 28 neither a physician nor a medical professional, defendant CLAUSTRO

1 owned, operated, and controlled Liberty, a medical corporation,
2 including hiring other doctors and employees of Liberty and signing
3 checks from Liberty to other doctors and employees, including to Co-
4 schemer Do.

5 b. Notwithstanding Co-schemer Do's October 2018
6 suspension from participating in California's workers' compensation
7 programs, which included the SIBTF program, defendant CLAUSTRO
8 employed Co-schemer Do to work for Liberty on workers' compensation
9 matters, including drafting and preparing SIBTF-related medical-legal
10 reports, which Liberty mailed to the California SIBTF with billing
11 forms, requesting payment.

12 c. To cover up Co-Schemer Do's involvement, defendant
13 CLAUSTRO and Co-schemer Do caused other doctors' names to be listed
14 on the reports and forms mailed by Liberty to the California SIBTF
15 for payment, despite the fact that Co-schemer Do was authoring the
16 reports.

17 d. Defendant CLAUSTRO caused Liberty to pay Co-schemer Do
18 for drafting and preparing SIBTF-related medical reports after he had
19 been suspended from participating in California's workers'
20 compensation programs.

21 C. USE OF THE MAIL

22 7. On or about February 10, 2022, in Orange County, within the
23 Central District of California, and elsewhere, defendant CLAUSTRO,
24 for the purpose of executing the above-described scheme to defraud,
25 caused a medical-legal evaluation report for patient O.M. to be
placed in an authorized depository for mail matter to be sent and
delivered by the United States Postal Service according to the
directions thereon, specifically from Liberty in Rancho Cucamonga,

1 California addressed to SIBTF at 1750 Howe Avenue, Suite 370,
2 Sacramento, California.

3 TODD BLANCHE
4 Deputy Attorney General

5 BILAL A. ESSAYLI
6 First Assistant United States
7 Attorney

8 
9 ALEXANDER B. SCHWAB
10 Assistant United States Attorney
11 Acting Chief, Criminal Division

12 STEPHANIE L. ORRICK
13 Special Assistant United States
14 Attorney
15 Orange County Office