

**PRESS RELEASE**

# **Leader Of \$23 Million Health Care Fraud Scheme Pleads Guilty**

Thursday, March 27, 2025

**For Immediate Release**

U.S. Attorney's Office, Southern District of New York

Matthew Podolsky, the Acting United States Attorney for the Southern District of New York, announced that JUNYI LIU, a/k/a "Jenny," pled guilty today to one count of conspiracy to commit health care fraud in connection with a scheme to fraudulently bill insurance providers for acupuncture and physical therapy services that were unnecessary or never performed at medical offices in Manhattan, Brooklyn, and Queens. LIU, a licensed acupuncturist and leader of this scheme, pled guilty before Chief U.S. District Judge Laura Taylor Swain.

*Acting U.S. Attorney Matthew Podolsky said: "Junyi Liu led a fraud scheme in which she and her co-conspirators bilked Medicare and other insurers out of millions of dollars by submitting fraudulent claims for acupuncture and physical therapy services. Liu took advantage of our health care system—and abused her licensing as an acupuncturist—and she now awaits sentencing for her crime. This Office will continue to work with our law enforcement partners to detect and dismantle fraud schemes, including schemes that seek to siphon money from our health care system."*

According to the allegations contained in the Indictment, the plea agreement, and statements made in court:

Between 2018 and 2021, LIU, a licensed acupuncturist, operated medical offices (the "Offices") from which LIU and her partners fraudulently billed Medicare and other insurance providers (collectively, the "Insurance Providers") for physical therapy and acupuncture services that were not rendered in the manner represented or not rendered at all. During the scheme, LIU partnered with other licensed medical professionals,

including licensed physical therapists and at least one other licensed acupuncturist (collectively, the "Partners"). The Partners' roles in the scheme typically included: allowing the Offices to use their enrollments with the Insurance Providers to submit to the Insurance Providers materially false and fraudulent claims for reimbursement for physical therapy and acupuncture services that were not rendered in the manner represented or were not rendered at all; creating materially false medical documentation, which stated that certain physical therapy and acupuncture services had been rendered, when such services in fact were not rendered in the manner represented or were not rendered at all; and contributing financing for the Offices, including for the payment of cash kickbacks to patients (the "Paid Patients") to induce those patients to provide their insurance information and receive medically unnecessary and/or non-existent services at the Offices. LIU and certain of the Partners also agreed to give kickbacks, including cash and expensive wine, to employees of Insurance Providers to enable the scheme to continue.

In furtherance of the scheme, LIU employed receptionists, cashiers, marketers, financial and billing personnel, acupuncturists, massagists, and other personnel. The cashiers distributed tens of thousands of dollars in cash kickbacks to the Paid Patients. In some instances, these Paid Patients visited the Offices, signed in, and received unnecessary physical therapy and acupuncture services. In other instances, the Paid Patients visited the Offices, signed a sign-in sheet and other documents, and then left without receiving any services at all. In yet other instances, the Paid Patients did not visit the Offices at all and instead signed sign-in sheets and other documents brought to them elsewhere. Regardless of whether the Paid Patients received any services or even visited the Offices at all, the conspirators used the Paid Patients' insurance information to fraudulently bill the Insurance Providers for unnecessary and/or never rendered services.

While LIU and her Partners were defrauding the Insurance Providers of millions of dollars, from April 2020 through September 2021, LIU also engaged in a scheme to obtain COVID-19 unemployment benefits for herself and a family member (the "Family Member") by fraudulently submitting and causing to be submitted to the New York Department of Labor materially false online applications and certifications for COVID-19 benefits. Among other things, the applications and/or certifications represented that LIU was unemployed when she continued to operate the Offices for all or nearly all of this period and that LIU's Family Member was unable to work because of COVID-19 during a five-month period when the Family Member was in China. In connection with her guilty plea, LIU agreed to pay back the misappropriated COVID-19 unemployment benefits received by her and the Family Member.

\* \* \*

JUNYI LIU, 70, of Great Neck, New York, pled guilty to one count of conspiracy to commit health care fraud, which carries a maximum sentence of 10 years in prison. As part of her plea agreement with the Government, LIU agreed to pay \$23,855,425 in restitution to the Insurance Providers and \$40,075 to the New York State Department of Labor. She additionally agreed to forfeiture of \$15,368,171.

In addition to LIU, NOEMI ALGODON, MOHAMED ELMANDOUH, GERARD ESTRELLA, RAMON GARCIA, III, HENLER DATU TAHIL, JONATHAN LAQUI, and MITZY BALDOVINO have also pled guilty in connection with their participation in the health care fraud scheme.

The maximum potential sentence in this case is prescribed by Congress and provided here for informational purposes only, as the sentencing of the defendant will be determined by a judge.

Mr. Podolsky praised the outstanding investigative work of the U.S. Department of Health and Human Services, Office of Inspector General's New York Office and the New York Field Office of the Internal Revenue Service, Criminal Investigation. Mr. Podolsky also thanked the New York State Attorney General's Medicaid Fraud Control Unit and the U.S. Department of Labor, Office of Inspector General, for their assistance.

This case is being handled by the Office's Complex Frauds and Cybercrime Unit. Assistant U.S. Attorneys Timothy V. Capozzi and Jerry Fang are in charge of the prosecution.

### **Contact**

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*Updated March 27, 2025*

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### **Topics**

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