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★ AUG 11 2011 ★

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**SUMMONS ISSUED**

**CV - 11 3862**

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF NEW YORK**

ALLSTATE INSURANCE COMPANY,  
ALLSTATE INDEMNITY COMPANY, and  
ALLSTATE PROPERTY & CASUALTY  
INSURANCE COMPANY,

Docket No. \_\_\_\_\_

Plaintiffs

-against-

**COMPLAINT**

**(JURY TRIAL DEMANDED)**

HISHAM ELZANATY, IADWIGA  
PAWLOWSKI, M.D. HOSAM AHMED  
EL-SHERBINY a/k/a HISHAM AHMED  
EL-SHERBINY a/k/a HISHAM AHMED,  
ALAN GOLDBERG, J.P. MEDICAL, P.C.,  
ACCURATE MEDICAL, P.C., NOLIA  
MEDICAL, P.C., QUALITY MEDICAL  
HEALTHCARE PROVIDER, P.C., CAN  
MEDICAL, P.C., and UPTOWN HEALTH  
CARE MANAGEMENT, INC. d/b/a EAST  
TREMONT MEDICAL CENTER, NEW YORK  
NEURO & REHAB CENTER and JEROME  
FAMILY HEALTH CENTER,

Defendants

**SPATT, J.**

**LINDSAY, M**

**I. COMPLAINT**

Plaintiffs, Allstate Insurance Company, Allstate Indemnity Company, and Allstate Property & Casualty Insurance Company (hereinafter collectively referred to as "Allstate" and/or "Plaintiff") by their attorneys, The Law Offices of Robert P. Macchia & Associates, allege as follows:

**II. NATURE OF THE ACTION**

1. This lawsuit involves an individual by the name of Hisham Elzanaty ("Elzanaty") who, along with other individuals and entities, used the New York State Comprehensive Motor Vehicle Insurance Reparations Act (N.Y. Ins. Law §5101, *et seq.*) and the regulations promulgated pursuant thereto (11 N.Y.C.R.R. §65, *et seq.*) (hereinafter collectively referred to as "the No-Fault Laws") to perpetuate an ongoing scheme to defraud Plaintiff of millions of dollars. In order to conceal and accomplish his complex scheme to defraud Plaintiff, Elzanaty utilized various people, methods, and instrumentalities. Some of the people were unknowing puppets being manipulated by Elzanaty, however, many were acquiescing participants. Furthermore, Elzanaty violated and manipulated various statutes, rules, and regulations of the State of New York in furtherance of his scheme to defraud Plaintiff.

2. The fundamental method by which Elzanaty and his cohorts were able to defraud Plaintiff, while remaining undetected for years was to fraudulently incorporate medical professional corporations, which were then used as vessels to bill Plaintiff under the No-Fault Laws for medical services rendered to patients involved in motor vehicle accidents. In order to accomplish his ultimate goal of defrauding Plaintiff, Elzanaty conspired with a licensed medical doctor, Jadwiga Pawlowski, M.D. ("Pawlowski"), to

fraudulently incorporate four (4) professional service corporations - J.P. Medical, P.C., Accurate Medical, P.C., Nolia Medical, P.C., and Quality Medical Healthcare Provider, P.C. (hereinafter collectively referred to as the "Pawlowski PCs"). The bills generated by the Pawlowski PCs were paid by Plaintiff and initially deposited into the bank accounts of these seemingly legitimate medical professional corporations. After this initial deposit, however, the lion's share of the revenues were siphoned to a management company owned and controlled by Elzanaty. Elzanaty also used another doctor's identity in order to fraudulently incorporate a fifth medical professional corporation - CAN Medical, P.C. - which Elzanaty ultimately controlled (the Pawlowski PCs together with CAN Medical, P.C. shall be referred to hereinafter as the "PC Defendants"). The PC Defendants were utilized by Elzanaty in order to defraud Plaintiff through the commission of a billing fraud scheme in violation of State and Federal laws. Each of the individuals and entities referenced in this paragraph conspired with one another to accomplish and/or further the objectives of the scheme detailed herein.

3. Elzanaty did not limit his scheme to defraud by simply utilizing the PC Defendants as is typical in No-Fault rings of this nature. Rather, he increased his capacity to defraud Plaintiff with the assistance of a corporate entity he had formed - Uptown Health Care Management, Inc. ("Uptown"). In addition to acting as the management company, mentioned above in Paragraph 2, through which Elzanaty illegally siphoned the proceeds from the Pawlowski PCs, Uptown served as the corporate veil behind which Elzanaty perpetrated the other aspects of his multi-million dollar enterprise of fraud.

4. Under the auspices of this corporate entity, Elzanaty established three medical facilities, pursuant to Article 28 of the New York Public Health Law - East

Tremont Medical Center, New York Neuro & Rehab Center, and Jerome Family Health Center (hereinafter collectively referred to as the "Article 28 Entities"). Using Uptown as the nerve center for his scheme, (a) Elzanaty exercised complete domination of Uptown with respect to the fraudulent activity and transactions with Plaintiff, and (b) Elzanaty used his domination to commit his scheme to defraud Plaintiff thereby injuring Plaintiff.

Specifically, Uptown was utilized in the following manner:

- i) Millions of dollars were transferred from the bank accounts of the Pawlowski PCs into Uptown's bank accounts, allowing Elzanaty to benefit financially from the proceeds of the Pawlowski PCs, in direct violation of New York law;
- ii) patients were systematically circulated between the fraudulently incorporated PC Defendants and the Article 28 Entities, while their common ownership was concealed from Plaintiff, and in all likelihood, from the treating patients;
- iii) Uptown was used to recruit an unsuspecting doctor to fraudulently incorporate the aforementioned, CAN Medical, P.C., which was then used to defraud Plaintiff;
- iv) Uptown acted as a base of operations from where Elzanaty's employees were sent to facilities throughout New York, which were paid illegal kickbacks in exchange for providing patients to treat at the Article 28 Entities, and for which Uptown ultimately billed Plaintiff;
- v) Elzanaty operated the Article 28 Entities in violation of New York Public Health Law, in that the medical director was not licensed to practice medicine in the State of New York;
- vi) at least one of the Article 28 Entities violated its site-specific Operating Certificate by sending its employees to facilities throughout New York to examine and/or treat patients; and
- vii) Uptown routinely submitted intentionally inflated bills for treatment from at least one of the Article 28 Entities, in order to induce Plaintiff to overpay for medical services.

5. This action seeks actual damages of \$2,969,857.43 representing No-Fault insurance payments that were improperly obtained from Plaintiff through fraudulently incorporated medical professional service corporations that were, at all relevant times, owned and controlled by a non-licensed layperson.

6. Additionally, this action seeks actual damages of \$2,107,420.11, representing No-Fault insurance payments that were improperly obtained from Plaintiff as a result of the continuous fraudulent activity perpetrated by Elzanaty, and consequently Uptown, in the operation and management of the Article 28 Entities, and in dealings with Plaintiff. Said damages are also owed to Plaintiff, as a result of Elzanaty's material, intentional, and ongoing misrepresentations in connection with obtaining and/or maintaining the Article 28 status of the Article 28 Entities, thereby rendering said entities ineligible to collect payment via New York State's No-Fault Laws.

7. The defendants submitted or caused to be submitted, via the United States Mail, hundreds of bills for medical treatment purportedly rendered to persons eligible for insurance coverage under Plaintiff's insurance policies.

8. By this pleading, Plaintiff brings claims against the Defendants, seeking money damages for (i) violations of the Federal Racketeer Influenced and Corrupt Organizations ("RICO") Act, 18 U.S.C. §1962(c)-(d), (ii) common law fraud, (iii) unjust enrichment, and (iv) unfair and deceptive business practices in violation of New York General Business Law §349, as well as claims against the defendants seeking declaratory relief, pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. §§2201 and 2202.

9. Plaintiff seeks a declaration that the PC Defendants do not currently, nor ever did have, a right to receive payment for any unpaid No-Fault bills whereas: (i) the PC

Defendants were fraudulently incorporated, and therefore ineligible to seek or recover No-Fault benefits; (ii) the PC Defendants engaged in unlawful fee-splitting with non-licensed laypersons; (iii) documentation was knowingly and intentionally submitted by, or on behalf of, and with the knowledge of, the PC Defendants representing that they were owned and operated in accordance with New York law when, in fact, they were each fraudulently incorporated and thus ineligible to receive No-Fault benefit payments; and (iv) the PC Defendants were utilized to engage in a pervasive pattern, and practice of submitting false medical documentation through the United States Mail demanding payment from Plaintiff.

10. Plaintiff seeks a declaration that, as a result of the fraudulent activity endorsed and committed by Elzanaty and Uptown, the Article 28 Entities be precluded either from directly billing Plaintiff or billing Plaintiff via Uptown, for any and all future No-Fault benefits whereas: (i) Elzanaty, individually and through Uptown, coordinated with the PC Defendants to execute his scheme to defraud Plaintiff through the PC Defendants; (ii) Elzanaty, individually and through Uptown, engaged in a variety of fraudulent and/or illegal practices specifically designed to cause the Plaintiff to render payment for No-Fault billing; (iii) Elzanaty, individually and through Uptown, violated the applicable statutes, rules, and regulations required of him in obtaining and/or maintaining Article 28 status for the Article 28 Entities thereby rendering said entities ineligible to receive payments, in connection with No-Fault billing; and (iv) Elzanaty, individually and through Uptown, siphoned millions of dollars of the proceeds from the Pawlowski PCs for his financial benefit in violation of New York State law.

11. All of the acts and omissions of the defendants described throughout this Complaint were undertaken intentionally. The defendants' insurance fraud scheme was

designed to and did, in fact, result in the payment of No-Fault benefits from Plaintiff to defendants in connection with automobile insurance contracts.

12. In connection with each allegation detailed throughout this Complaint, an Allstate automobile insurance contract was the platform upon which defendants perpetrated their scheme to defraud Plaintiff.

13. The defendants knew that the patients identified in this Complaint, and/or the exhibits annexed hereto, were eligible for No-Fault insurance coverage pursuant to automobile insurance policies issued by Plaintiff.

### **III. PARTIES**

#### **A. Plaintiff**

14. Allstate Insurance Company, Allstate Indemnity Company, and Allstate Property & Casualty Insurance Company are wholly owned subsidiaries of The Allstate Corporation, an entity organized to exist under and by virtue of the laws of the State of Illinois.

15. Allstate Insurance Company, Allstate Indemnity Company, and Allstate Property & Casualty Company maintain their principal places of business in Northbrook, Illinois.

16. Allstate Insurance Company, Allstate Indemnity Company, and Allstate Property & Casualty Company are authorized to conduct business and to issue policies of automobile insurance in the State of New York.

#### **B. Corporate Defendant**

17. Uptown Health Care Management, Inc. d/b/a East Tremont Medical Center, New York Neuro & Rehab Center, and Jerome Family Health Center ("Uptown") is a New York domestic corporation with its principal place of business in the State of New York. Each of the three "assumed" or "doing business as" names represent a separate medical facility, which billed Plaintiff for medical services rendered, in connection with the No-Fault Laws. East Tremont Medical Center ("ETMC") has offices and treats patients out of a building located at 930 East Tremont Avenue, Bronx, New York. New York Neuro & Rehab Center ("NY Neuro") has an office and treats patients out of a building located at 4470 Broadway, New York, New York 10040. Jerome Family Health Center ("Jerome") has offices and treats patients out of a building located at 1778 Jerome Avenue, Bronx, New York 10453.

18. At all relevant times, Uptown's corporate headquarters were located at either the 930 East Tremont Avenue address or the 4470 Broadway address. As detailed throughout this Complaint, Elzanaty, individually and through his ownership of Uptown:

- (i) Was in constant violation of the stringent regulations set forth in Article 28 of the New York Public Health Law, Title 10 of the Compilation of Codes, Rules and Regulations of the State of New York, and any and all other applicable statutes, rules, and/or regulations governing Article 28 Entities;
- (ii) was involved in a highly developed and sophisticated kickback scheme with medical facilities throughout New York;
- (iii) recruited at least one other doctor whose name was used to fraudulently incorporate a medical professional corporation;
- (iv) utilized Uptown and the Article 28 Entities to maximize his ability to fraudulently bill Plaintiff via the PC Defendants; and

- (v) utilized Uptown's bank accounts to illegally siphon money from the Pawlowski PCs for his financial gain in violation of New York State law.

**C. Individual Defendants**

19. Defendant, Hisham Elzanaty ("Elzanaty"), resides in and is a citizen of the State of New York, and is not currently, nor has ever been, a duly licensed medical professional. Nonetheless, at all relevant times, he illegally owned and controlled the PC Defendants and illegally diverted revenues generated by these five (5) medical professional corporations, through billing submitted to Plaintiff for healthcare services. At all relevant times, Elzanaty was also the owner of Uptown, the operator of the Article 28 Entities, and the mastermind behind the implementation of the web of fraud detailed throughout this Complaint.

20. Defendant, Jadwiga Pawlowski, M.D., ("Pawlowski"), resides in and is a citizen of the State of New York. At all relevant times, Pawlowski has been licensed by and practiced medicine in the State of New York. Pawlowski falsely purported to own, control, and practice medicine through the Pawlowski PCs. In fact, Pawlowski did not provide or supervise the services purportedly rendered by the Pawlowski PCs, and never had any actual ownership or control over them. Rather, in violation of New York law, Pawlowski permitted individuals who lacked a medical license to organize, operate, and control the Pawlowski PCs. Furthermore, Pawlowski was appointed as the medical director for at least one of the Article 28 Entities, in order for it to appear to be in compliance with 10 N.Y.C.R.R. §751.4. In reality, however, Pawlowski was merely a

figurehead who was used by Elzanaty, but had no active role as the medical director for any of the Article 28 Entities.

21. Defendant, Hosam Ahmed El-Sherbiný a/k/a Hisham Ahmed El-Sherbiny a/k/a Hisham Ahmed ("Ahmed"), resides in and is a citizen of the State of New Jersey, and at all relevant times, was not licensed to practice the profession of medicine in the State of New York. Although Pawlowski held the title as medical director on paper and was presented as such, in order to comply with New York law, Ahmed was, in reality, the medical director for the Article 28 Entities and the entire Uptown operation. Ahmed, a physician not licensed to practice in the State of New York, fraudulently performed the duties that Pawlowski was required by law to do with respect to the role of medical director

22. Defendant, Alan Goldenberg ("Goldenberg"), resides in and is a citizen of the State of New York and is not currently, nor has ever been, a licensed medical professional. Goldenberg held a management position at Accurate Medical, P.C., held a position in the billing department at Nolia Medical, P.C., and, at all relevant times, was employed by Uptown as a Business Manager/Billing Manager within the billing department.

**D. PC Defendants**

23. At all relevant times, defendants, Accurate Medical, P.C., J.P. Medical, P.C., Nolia Medical, P.C., and Quality Medical Healthcare Provider, P.C. (the "Pawlowski PCs"), were New York domestic professional corporations with their principal places of business in New York State. At all relevant times, the Pawlowski PCs were nominally

owned on paper by Pawlowski. In reality, however, the Pawlowski PCs were always owned and controlled by Elzanaty in violation of Article 15 of New York Business Corporations Law and New York Education Law §6500, *et seq.*

24. At all relevant times, defendant, CAN Medical, P.C. ("CAN"), is/was a New York domestic professional corporation with its principal place of business in New York. At all relevant times, CAN is/was nominally owned on paper by a doctor who, upon information and belief, was an unwitting participant in the scheme to defraud being perpetrated by Elzanaty and his co-conspirators. In reality, however, CAN is and always was owned and controlled by Elzanaty, in violation of Article 15 of New York Business Corporations Law and New York Education Law §6500, *et seq.*

#### IV. JURISDICTION AND VENUE

25. Jurisdiction over this action is conferred upon this Court by 28 U.S.C. §1332(a)(1) because the matter in controversy (i) exceeds the sum or value of \$75,000.00, exclusive of interest and costs, and (ii) is between citizens of different states. Pursuant to 28 U.S.C. §1331, this Court also has jurisdiction over the claims brought under 18 U.S.C. §1961, *et seq.* (the Racketeer Influenced and Corrupt Organizations "RICO" Act) because they arise under the laws of the United States. Additionally, this Court has supplemental jurisdiction over the state law claims pursuant to 28 U.S.C. §1367.

26. Venue is proper under 28 U.S.C. §1391 whereas a substantial amount of the wrongful acts known to Allstate as alleged herein with particularity were carried out within the Eastern District of New York.

**V. ALLEGATIONS COMMON TO ALL CLAIMS**

**A. Brief Overview of New York State No-Fault Laws, Business Corporation Law, Education Law, Public Health Law, and Other Applicable Statutes**

27. Plaintiff underwrites automobile insurance, in the State of New York.

28. New York's No-Fault Laws are designed to ensure that injured victims of motor vehicle accidents have an efficient mechanism to pay reasonable fees for necessary healthcare goods and/or services.

29. Under the No-Fault Laws, automobile insurers are required to provide Personal Injury Protection Benefits ("PIP Benefits") to their claimants. These PIP Benefits include up to \$50,000.00 per claimant, for reasonable expenses that are incurred for necessary healthcare goods and/or services, which the claimant incurs as a patient receiving said goods and/or services from a healthcare service provider. A patient/claimant can assign his rights to these PIP Benefits directly to a healthcare service provider. Pursuant to a duly executed assignment, a healthcare service provider may submit claims directly to an automobile insurance company, and receive payment for the services and/or goods rendered and/or provided.

30. In order to accomplish this transaction wherein the healthcare service provider seeks payment, the healthcare service provider must utilize a claim form, specified by the New York State Department of Insurance. Although it is officially known as a "Verification of Treatment by Attending Physician or Other Provider of Health Service" form, this claim form is commonly referred to as an NF-3.

31. Pursuant to §403 of the New York State Insurance Law, the NF-3s submitted by a healthcare service provider to Plaintiff (and to all other insurers) must be verified by the healthcare service provider, subject to the following warning:

Any person who knowingly and with intent to defraud any insurance company or other persons files an application for insurance or statement of claim containing any materially false information, or conceals for the purposes of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

32. Pursuant to New York's No-Fault Laws, fraudulently incorporated professional service corporations are ineligible to receive No-Fault benefits. New York's No-Fault Laws provide, in pertinent part, that:

A provider of healthcare services is not eligible for reimbursement under Section 5102(a)(1) of the Insurance Law if the provider fails to meet any applicable New York State or local licensing requirement necessary to perform such service in New York. See, 11 NYCRR § 65-3.16(a)(12).

33. In New York only a licensed medical doctor may (i) practice medicine, (ii) own and control a professional service corporation authorized to provide medical services, (iii) employ and supervise other physicians, and (iv) derive (absent statutory exceptions not applicable in the case of the PC Defendants) economic benefit from physician services.

34. New York Business Corporation Law §1504 provides that no professional service corporation may render professional services, except through individuals authorized by law to render such professional services as individuals.

35. New York Business Corporation Law §1507 prohibits a professional service corporation from issuing shares to individuals unless they are "authorized by law to practice in this state a profession which such corporation is authorized to practice and who

are or have been engaged in the practice of such profession in such corporation..." This section also prohibits such shareholder(s) from entering into any agreement, granting proxies, or transferring control to individuals who are not authorized by law to practice the profession, for which the professional corporation is authorized to practice.

36. New York Business Corporation Law §1508 prohibits an individual from being a director or officer of a professional service corporation, unless he is authorized by law to practice in his state a profession, which such corporation is authorized to practice.

37. Pursuant to New York Education Law §6507(4)(c), the New York State Department of Education is the licensing agency that, upon application, issues a Certificate of Authority to a qualified professional service corporation organized under Article 15 of the New York Business Corporations Law.

38. Pursuant to New York Education Law §6509(7), it is professional misconduct when a licensee who has been licensed by the State of New York to practice in a profession, permits, aides or abets an unlicensed person to perform activities requiring a license.

39. In New York State, insurers are allowed to seek affirmative recovery against individuals and Entities who have violated the above statutes and/or regulations. In *State Farm v. Mallela*, 4 N.Y.S.3d 313 (2005), the New York Court of Appeals upheld 11 N.Y.C.R.R. §65-3.16(a)(12) holding that medical corporations that are fraudulently incorporated under New York Business Corporation Law §§1507 and 1508, and New York Education Law §6507(4)(c), are not entitled to No-Fault reimbursement. In the matter, *Metroscan Imaging, P.C. v. GEICO*, 13 Misc.3d 35, it was held that an insurer may maintain a cause of action against a fraudulently incorporated medical provider to recover

monies paid after April 5, 2002 - the date when 11 N.Y.C.R.R. §65-3.16(a)(12) became effective.

40. Article 28 of the New York Public Health Law and its corresponding regulations, govern the formation and operation of hospitals in New York. Pursuant to specific statutory authority granted under Article 28, non-physicians may own, control, or derive economic benefit from the operation of a "hospital" as defined by the statute. New York Public Health Law §2801(1) defines "hospital," in pertinent part, to include any facility or institution engaged principally in providing services by or under the supervision of a physician for the prevention, diagnosis or treatment of human disease, pain, injury, deformity or physical condition. Based on the statutory definition, the Article 28 Entities operated by Elzanaty seemingly qualify as hospitals, for purposes of Article 28 of the New York Public Health Law.

41. Although the exception discussed above allows for an unlicensed non-physician layperson to own, control, and/or derive economic benefit from the operation of an Article 28 facility, there are still stringent statutory requirements that must be satisfied, pursuant to Title 10 of the Compilation of Codes, Rules and Regulations of the State of New York. Specifically, 10 N.Y.C.R.R. §751.4 requires that the operator of an Article 28 facility appoint a "medical director" who:

- i) Is qualified by training, experience and administrative ability to assume responsibility for the position;
- ii) is delegated the authority and is responsible to the operator for the professional, organizational and administrative aspects of the adequacy and quality of care provided to patients in the center;
- iii) is a physician licensed to practice medicine by and currently registered with the New York State Education Department;

- iv) develops and recommends to the operator policies and procedures governing patient care in accordance with generally accepted standards of professional practice;
- v) develops and recommends to the operator policies and procedures concerning the appointment of medical and dental staff, the assignment of their clinical privileges and reviews of such appointments; and
- vi) is responsible for the supervision of the quality assurance program and for reporting the activities of the program to the operator.

42. Since an Article 28 facility may be owned and controlled by a non-physician layperson, the medical director of an Article 28 facility plays a critical role in ensuring that patient care is not subordinated to the pecuniary interests of unlicensed businessmen. In fact, 10 N.Y.C.R.R. §751.8 states, in pertinent part, that the medical director of an Article 28 facility must supervise a quality assurance program that includes a planned and systematic process for monitoring and assessing the quality and appropriateness of patient care and clinical performance on an ongoing basis.

43. Establishing an Article 28 facility entails an administrative review process, during which the applicant must get written approval from the Public Health and Health Planning Council ("PHHPC") within the New York State Department of Health ("DOH"). *See*, Public Health Law §2801-a. Prior to approving a certificate of incorporation, articles of organization, or application for establishment of an Article 28 facility, the PHHPC must be satisfied as to, among other things, (i) the public need for the existence of the institution at the time and place and under the circumstances proposed, as well as (ii) the character, competence, and standing in the community, of the

proposed incorporators, directors, sponsors, stockholders, members or operators. *See*, Public Health Law § 2801-a (3).

44. Pursuant to 10 N.Y.C.R.R. §§600.1 and 670.1, in determining the public need for a particular Article 28 facility, the PHHPC must consider a list of criteria regarding a specific geographic area and the needs of the population in said geographic area. Once a facility is approved for establishment, however, it still cannot operate without a valid operating certificate granted pursuant to New York Public Health Law §2805. Pursuant to 10 N.Y.C.R.R. §§401.1 and 401.2, said operating certificates generally are site specific, and limit performance of services to the location designated in the certificate.

45. §2811 of the Public Health Law specifically prohibits Article 28 facilities from paying for patient referrals.

**B. J.P. Medical, P.C.'s Fraudulent Incorporation and Billing**

46. According to records on file with the New York Department of State, Division of Corporations, Pawlowski is listed as the Chairman and CEO of J.P. Medical, P.C. ("JP Medical"). The address to which the Department of State was to mail process, as well as the address of the principal executive office, is stated as 4470 Broadway, Suite #4, New York, New York 10040. Critically, the 4470 Broadway address is one that Elzanaty utilized in connection with Uptown. According to various sources including, but not limited to, documents filed in connection with Elzanaty's Certificate of Need application to the New York State Department of Health, correspondence between Elzanaty and the New York State Department of Health, in connection with said application, and what appears to

be the official website of Uptown (<http://nymedicalcenters.com/>), Elzanaty, at all relevant times, owned Uptown and one of its corporate addresses is stated as 4470 Broadway, Suite #4, New York, New York 10040.

47. Elzanaty was granted full Power of Attorney ("POA") with respect to the bank account activity of JP Medical, in connection with Citibank Account No. #####207. Elzanaty's signature also appears on the signature card for JP Medical, in connection with the same account. Furthermore, documents obtained from Citibank in connection with this account indicate that for the 78-month period between January 2004 and August 2010, there was a total of approximately \$1,770,163.31 in deposits and approximately \$1,835,881.62 in withdrawal activity, in the form of checks and/or wire transfers. Of the total amount deposited to that account during the aforementioned time period, only \$16,000.00 (.9%) was ultimately paid to Jadwiga Pawlowski, M.D., the purported owner of JP Medical, whereas approximately \$875,000.00 (49.43%) was either paid or transferred to the account(s) of the Elzanaty owned and controlled, Uptown.

48. To circumvent New York's Education Law and Business Corporation Law and to induce the Department of Education to issue a certificate of authority authorizing JP Medical as a medical professional service corporation, Elzanaty colluded with Pawlowski, who acted as the "paper owner" of JP Medical, to falsely represent that Pawlowski was the sole shareholder, director, and officer of JP Medical when, in reality, Elzanaty was the true owner. The ownership and control of JP Medical by Elzanaty compromised patient care, as the provision of health services by JP Medical was, at all relevant times, subject to the pecuniary interest of Elzanaty, a non-licensed layperson, rather than the exercise of independent medical judgment by a duly licensed doctor/owner. Since April 5, 2002, JP

Medical has fraudulently billed Plaintiff and Plaintiff has paid approximately \$1,283,041.64 in PIP Benefits, which it seeks to recover in this action.

**C. Accurate Medical, P.C.'s Fraudulent Incorporation and Billing**

49. According to records on file with the New York Department of State, Division of Corporations, Pawlowski is listed as the Chairman and CEO of Accurate Medical, P.C. ("Accurate"). Furthermore, according to the New York Department of Education, Office of the Professions, the street address of Accurate is stated as 4470 Broadway, Suite #4, New York, New York 10040. However, the address to which the Department of State was to mail process, indicates 930 East Tremont Avenue, Bronx, New York 10460. As stated above, there is ample evidence connecting Elzanaty and Uptown to the 4470 Broadway, Suite #4, New York, New York 10040 address. Similar documentary evidence connects Elzanaty and Uptown to the 930 East Tremont Avenue, Bronx, New York address. One such documentary link is the two-page Certificate of Need Application, dated November 16, 2000 signed by Elzanaty as president of Uptown wherein 930 East Tremont Avenue, Bronx, New York 10460 is stated as the address of the prospective Article 28 facility.

50. Elzanaty's signature appears on a signature card for Citibank Account No. #####635, in connection with Accurate. Elzanaty was also granted full POA in connection with the account. The bank records indicate the account mailing address for Accurate to be Accurate Medical, P.C. c/o Uptown Health Care Mgmt, 4470 Broadway, Suite #4, New York, New York 10040. Furthermore, documents obtained from Citibank in connection with this account indicate that for the 78-month period between January 2004 and August 2010 there was a total of approximately \$6,342,672.87 in deposits and approximately

\$6,968,860.93 in withdrawal activity, in the form of checks and/or wire transfers. Of the total amount deposited to that account during the aforementioned time period, only \$75,587.00 (1.19%) was ultimately paid to Jadwiga Pawlowski, M.D., the purported owner of Accurate, whereas approximately \$4,014,100.00 (63.28%) was either paid or transferred to the account(s) of Elzanaty, who owned and controlled Uptown. Additionally, a combined \$233,600.00 (3.68%) was either paid or transferred directly to individual defendants - Elzanaty, Goldenberg, and Ahmed.

51. To circumvent New York's Education Law and Business Corporation Law and to induce the Department of Education to issue a Certificate of Authority to Accurate, as a medical professional service corporation, Elzanaty colluded with Pawlowski, who acted as the "paper owner" of Accurate, to falsely represent that Pawlowski was the sole shareholder, director, and officer of Accurate when. In reality, Elzanaty was the true owner. The ownership and control of Accurate by Elzanaty compromised patient care, as the provision of health services by Accurate was, at all relevant times, subject to the pecuniary interest of Elzanaty, a non-licensed layperson, rather than the exercise of independent medical judgment by a duly licensed doctor/owner. Since April 5, 2002, Accurate has fraudulently billed Plaintiff, and Plaintiff has paid approximately \$1,445,397.73 in PIP Benefits, which it seeks to recover in this action.

**D. Nolia Medical, P.C.'s Fraudulent Incorporation and Billing**

52. According to records on file with the New York Department of State, Division of Corporations, Pawlowski is named as the party to which the Department of State was to mail process, in connection with Nolia Medical, P.C. ("Nolia"). Furthermore, according to the New York Department of Education, Office of the Professions, the street

address of Nolia is 930 East Tremont Avenue, Fourth Floor, Bronx, New York 10460. As indicated above, many documents connect Elzanaty and Uptown to the 930 East Tremont Avenue address.

53. To circumvent New York's Education Law and Business Corporation Law and to induce the Department of Education to issue a certificate of authority authorizing Nolia as a medical professional service corporation, Elzanaty colluded with Pawlowski, who acted as the "paper owner" of Nolia, to falsely represent that Pawlowski was the sole shareholder, director, and officer of Nolia when, in reality, Elzanaty was the true owner. The ownership and control of Nolia by Elzanaty compromised patient care, as the provision of health services by Nolia was, at all relevant times, subject to the pecuniary interest of Elzanaty, a non-licensed layperson, rather than the exercise of independent medical judgment by a duly licensed doctor/owner.

54. Since its fraudulent incorporation in 2007, Nolia has fraudulently billed Plaintiff, and Plaintiff has paid approximately \$6,215.05 in PIP Benefits, which it seeks to recover in this action.

**E. Quality Medical Healthcare Provider, P.C.'s Fraudulent Incorporation and Billing**

55. According to records on file with the New York Department of Education, Office of the Professions, Pawlowski is indicated as the sole officer, director, and/or shareholder of Quality Medical Healthcare Provider, P.C. ("Quality").

56. Substantial documentation links Elzanaty, Pawlowski, and Uptown via Citibank Account No. #####281. Such documentation includes, but is not limited to, the following:

- i) A CitiBusiness Deposit Account Application listing Quality as the business with an address at 930 East Tremont Avenue, Bronx New York and Elzanaty as the "Administrator" and Pawlowski as the "President;"
- ii) a CitiBusiness General Deposit Resolution for Single Stockholder Corporations, signed by both Elzanaty and Pawlowski giving Elzanaty significant authorization with respect to the Quality account;
- iii) a signature card for Citibank Account No. #####281 for Quality signed by both Elzanaty and Pawlowski;
- iv) a computer printout of the CitiBusiness Account Agreement signed by both Elzanaty and Pawlowski, indicating Quality as the business entity with a mailing address of 930 East Tremont Avenue, Bronx New York, 10460 and Elzanaty as a "signer" on the account; and
- v) a document granting Elzanaty complete delegation of authority, in connection with the account.

57. Furthermore, documents obtained from Citibank in connection with this account indicate that for the 61-month period between August 2005 and September 2010, there was a total of approximately \$2,905,817.00 in deposits and approximately the same amount in withdrawal activity, in the form of checks and/or wire transfers. Of the total amount deposited to that account, during the aforementioned time period, only \$158,958.00 (7.73%) was ultimately paid to Jadwiga Pawlowski, M.D., the purported owner of Quality, whereas approximately \$179,500 (8.95%) was either paid or transferred to the account(s) of the Elzanaty owned and controlled Uptown. Additionally, approximately \$92,000.00 (4.59%) was either paid or transferred to the individual defendant - Goldenberg.

58. To circumvent New York's Education Law and Business Corporation Law and to induce the Department of Education to issue a certificate of authority authorizing

Quality as a medical professional service corporation, Elzanaty colluded with Pawlowski, who acted as the "paper owner" of Quality, to falsely represent that Pawlowski was the sole shareholder, director, and officer of Quality when, in reality, Elzanaty was the true owner. The ownership and control of Quality by Elzanaty compromised patient care, as the provision of health services by Quality was, at all relevant times, subject to the pecuniary interest of Elzanaty, a non-licensed layperson, rather than the exercise of independent medical judgment by a duly licensed doctor/owner. Since 2005, Quality has fraudulently billed Plaintiff, and Plaintiff has paid approximately \$224,179.91 in PIP Benefits, which it seeks to recover in this action.

**F. Charges Brought Against Pawlowski and the Pawlowski PCs by the New York State Department of Health and the Subsequent Annulment of the Pawlowski PCs**

59. On or about January 17, 2011, Pawlowski executed a Consent Agreement & Order, wherein she agreed not to contest allegations of misconduct raised against her by the New York State Department of Health, State Board for Professional Medical Conduct. The allegations of misconduct which Pawlowski was charged with included, violating New York Education Law §6530(11) by permitting, aiding, or abetting an unlicensed person to perform activities requiring a license with respect to the operation, ownership, and control of the Pawlowski PCs. The Pawlowski PCs were each charged with violating New York Education Law §6530(16) by willfully and/or grossly negligently failing to comply with substantial provisions of State Law governing the practice of Medicine, namely Article 15 of the Business Corporations Law.

60. Pawlowski was fined for her misconduct and is forever prohibited from being an officer, director and/or shareholder in a professional service corporation entity or

any other type of physician business entity, other than those wherein she is the sole physician provider of patient care. She is further prohibited from receiving funds from any third party for the rendering of a physician professional service that is not related to the direct provision of patient care. Finally, she agreed to sever any professional relationship she had with Uptown and the Article 28 Entities; a copy of the executed Consent Agreement and Order is annexed hereto as Exhibit "1".

61. Shortly after executing the January 17, 2011 Consent Agreement and Order, each of the Pawlowski PCs were annulled pursuant to Annulment Order BPMC No. #11-21, Annulment Order BPMC No. #11-22, Annulment Order BPMC No. #11-23, and Annulment Order BPMC No. #11-24; copies of the annulment orders are annexed hereto collectively as Exhibit "2".

**G. CAN Medical, P.C.'s Fraudulent Incorporation and Billing**

62. According to records on file with the New York Department of State, Division of Corporations, the home address of Dr. Fenar Themistocle, M.D., is stated as the address to which the Department of State is to mail process, in connection with CAN Medical, P.C. ("CAN"). Furthermore, according to the New York Department of Education, Office of the Professions, Dr. Themistocle is listed as the sole officer, director, and/or shareholder of CAN. The street address of CAN, however, is stated as Hisham Elzanaty, 930 East Tremont Avenue, Fourth Floor, Bronx, New York 10460.

63. Although the New York Department of State lists the name and address of Dr. Themistocle as the entity to serve process upon, the Certificate of Incorporation originally filed with the Department of State, listed Hisham Elzanaty at 930 East Tremont Avenue, 4<sup>th</sup> Floor, Bronx, New York, 10460, as the entity designated to serve process upon.

64. On November 15, 2010, Dr. Themistocle provided sworn testimony during which he testified to the following facts regarding the creation of CAN:

- i) In November, 2007, while working part-time as a pain management doctor for Uptown in a building located at 930 East Tremont Avenue, Bronx, New York. Dr. Themistocle was approached by defendant, Ahmed, who advised him that by incorporating a professional service corporation ("PC"), he could be assigned a physician's assistant to handle the more menial tasks thereby allowing him (Themistocle) to (a) bill for more patients, and (b) perform a greater number of more complicated procedures;
- ii) Dr. Themistocle was advised that all of the financial and accounting matters in connection with the new PC, would be handled by an employee working for Uptown in an office on the fourth floor located at 930 East Tremont Avenue, Bronx, New York;
- iii) in January, 2008, Dr. Themistocle attended a meeting on the fourth floor of 930 East Tremont Avenue with defendant, Elzanaty, and a Citibank employee. During the meeting, Dr. Themistocle provided Elzanaty and the Citibank employee with various identification documents. Dr. Themistocle was asked to sign paperwork pertaining to a prospective bank account for the PC, that was to be incorporated in Dr. Themistocle's name;
- iv) in the weeks following the meeting, Ahmed repeatedly asked Dr. Themistocle if he received any documentation in the mail from Citibank;
- v) Dr. Themistocle eventually received what he referred to as a "bank card" and a "key card" at his home address which he immediately turned over to Ahmed – the paperwork received along with said items bore the name CAN Medical, P.C.;
- vi) in February, 2008, Dr. Themistocle began receiving bank statements showing deposit activity in connection with an account for an entity named CAN Medical, P.C. - at that point in time, Dr. Themistocle had no idea that CAN was his PC or even that patients were being treated through the PC that was being formed in his name;
- vii) when Dr. Themistocle approached Ahmed with concerns about the bank activity, Ahmed downplayed the activity and advised him (Themistocle) not to worry;

- viii) after Dr. Themistocle's concerns were ignored and he began expressing his desire to dissolve CAN and/or leave Uptown, Elzanaty and Elzanaty's counsel met with Dr. Themistocle and advised him not to worry and that everything would be taken care of by the people at Uptown; and
- ix) Dr. Themistocle did not recognize any of the documents pertaining to the incorporation of CAN, and denied having any role in even choosing the name.

65. Elzanaty duped Dr. Themistocle and used Themistocle's name in order to circumvent Article 15 of the New York Business Corporation Law and New York Education Law §6500, *et seq.* and to induce the Department of Education into issuing a certificate of authority authorizing CAN to be organized as a medical professional service corporation. Elzanaty falsely represented that Dr. Themistocle was the sole shareholder, director and officer of CAN when, in reality, Elzanaty was the true owner. As part of the scheme, Elzanaty, without the consent or permission of Dr. Themistocle, exercised total dominion and control over all aspects of CAN's operations. At all relevant times, Dr. Themistocle played no role in the day-to-day operation, management, and/or control of CAN.

66. The ownership and control of CAN by Elzanaty compromised patient care, as the provision of health services by CAN was, at all relevant times, subject to the pecuniary interest of Elzanaty, a non-licensed layperson, rather than the exercise of independent medical judgment by a duly licensed doctor/owner. Since November, 2007, Plaintiff has paid CAN approximately \$11,023.10 for PIP Benefits, which it seeks to recover in this action.

**H. Elzanaty's Use of Uptown to Launder the Proceeds Paid to the Pawlowski PCs**

67. As discussed throughout this Complaint, the defendants, at all relevant times, knew that (i) the Pawlowski PCs were actually owned and controlled by Elzanaty, a non-licensed layperson, in violation of Article 15 of New York Business Corporation Law and that (ii) the Pawlowski PCs were engaged in illegal fee-splitting with Elzanaty in violation of New York Education Law. From at least 2002 through the present, true ownership and control of the Pawlowski PCs has rested entirely with Elzanaty, who used the facade of the Pawlowski PCs to do indirectly what he was forbidden from doing directly, namely: (i) Employing physicians and other licensed healthcare professionals, (ii) controlling their practices, and (iii) charging for, and deriving an economic benefit from, their services. As part of the scheme, the Pawlowski PCs permitted Elzanaty to exercise total dominion and control over all aspects of the Pawlowski PCs' operations including the pursuit and collection of the Pawlowski PCs' outstanding and/or unpaid No-Fault accounts receivables. At all relevant times, Pawlowski played no role in the day-to-day operation, management, and/or control of the Pawlowski PCs.

68. Elzanaty created the Pawlowski PCs with different names, corporate forms, addresses, taxpayer identification numbers and a nominal physician owner, in order to reduce the likelihood that insurers would detect that each of the Pawlowski PCs was under uniform ownership and control of a non-licensed layperson. While a majority of the insurance proceeds were actually deposited into the accounts of the Pawlowski PCs, the funds were, in large part, transferred to, or for the benefit of Elzanaty. As detailed in Paragraphs 47, 50, and 57 in this Complaint, these transfers were facilitated through the use of Uptown, which siphoned the proceeds from the Pawlowski PCs to Elzanaty himself, Elzanaty-owned entities, or Elzanaty's cohorts.

**I. Uptown as the Epicenter for Elzanaty's Overall Scheme to Defraud**

69. In addition to utilizing Uptown to launder the proceeds from the Pawlowski PCs, as discussed above, in Paragraphs 47, 50, 57 and 68 in this Complaint, Elzanaty used Uptown as the corporate veil from behind which to operate and establish three medical facilities, pursuant to Article 28 of the New York State Public Health Law - East Tremont Medical Center, New York Neuro & Rehab Center, and Jerome Family Health Center (the "Article 28 Entities"). Due to exceptions in the law regarding layperson ownership of certain types of medical facilities, Elzanaty was able, as a non-licensed layperson, to own and operate the Article 28 Entities.

70. In his operation, management, and/or control of the Article 28 Entities, Elzanaty repeatedly, and for a prolonged period of time, committed several acts of fraud and/or violated the pertinent and applicable sections of Article 28 of the Public Health Law, Title 10 of the Compilation of Codes, Rules and Regulations of the State of New York, and other applicable statutes, rules, and/or regulations, in the following manner:

- i) Patients were systematically circulated between the fraudulently incorporated PC Defendants and the Article 28 Entities, while concealing their common ownership from Plaintiff;
- ii) Uptown was used to recruit a doctor to fraudulently incorporate a medical professional corporation which then defrauded Plaintiff;
- iii) Uptown acted as a base of operations from where Elzanaty sent his employees to medical clinics throughout New York, which were paid illegal kickbacks in exchange for providing patients to treat at the Article 28 Entities;
- iv) Elzanaty operated the Article 28 Entities in violation of New York Public Health Law, in that the medical director was not licensed to practice medicine in the State of New York;

- v) at least one of the Article 28 Entities violated its site-specific operating certificates by sending its employees to facilities throughout New York to examine and/or treat patients; and
- vi) Uptown routinely submitted intentionally inflated billing for treatment from at least one of the Article 28 Entities, in order to induce Plaintiff to overpay for medical services.

71. Additionally, as part of his plan to maximize the billing potential of his creations, Elzanaty promoted the frequency of patient care between the Article 28 Entities and the fraudulently incorporated PC Defendants in the following manner:

- i) Elzanaty utilized the same doctor who he had conspired with in connection with the ownership and fraudulent incorporation of the Pawlowski PCs – Jadwiga Pawlowski, M.D., - as the purported medical director for the Article 28 Entities;
- ii) there were instances where doctors who believed that they were treating patients as employees of Uptown, resulted in one of the PC Defendants submitting bills to Plaintiff for said treatment;
- iii) there were instances where doctors who believed that they were treating patients as employees of Uptown, resulted in medical records generated on the official letterhead of one of the PC Defendants;
- iv) there were instances where employees of Uptown assisted with the flow of paperwork, medical records, and/or other documents for patients whose treatment was billed under one of the PC Defendants; and
- v) there were instances where patients that were initially treated at one of the PC Defendants, were ultimately referred to one of the Article 28 Entities for further medical procedures such as arthroscopic surgery.

72. As a result of these “self-referrals,” Plaintiff received an avalanche of bills from seemingly unrelated sources. In reality, however, Elzanaty, as the owner of all of the

entities, was the puppet master pulling the strings in a complex and sophisticated scheme to manipulate the New York No-Fault Laws and New York Public Health Law.

73. Due to the multi-specialty nature of the Article 28 Entities, Elzanaty employed several doctors in a variety of fields. As part of his overall plan to maintain control of the various facilities he oversaw and in order to effectively utilize said facilities' ability to bill Plaintiff, Elzanaty strategically housed Uptown's "headquarters" at 930 East Tremont Avenue, Bronx, New York, which is the location of the main Article 28 Entity – East Tremont Medical Center. This provided Elzanaty with convenient access to a reservoir of medical professionals, who he or one of his minions, would recruit to form medical professional corporations.

74. Although this practice of internal recruitment appears harmless on its face, it became nefarious when a doctor who was recruited to form a medical professional corporation was ultimately excluded from all aspects of patient care, billing, or any other component of operating and/or managing the medical professional service corporation. In that instance, a doctor who was working for Uptown was misled into signing various documents and opening a bank account for a medical professional service corporation, which the doctor thought would act as a legitimate entity. Unbeknownst to that doctor, however, Elzanaty named and incorporated the professional service corporation as CAN Medical, P.C. ("CAN") and patients were treated. As set forth above in Paragraphs 62 through 66, CAN fraudulently billed Plaintiff and Plaintiff paid approximately \$11,023.10 in PIP Benefits, which it seeks to recover in this action.

75. In addition to the fraudulent incorporation of the PC Defendants, Uptown engaged in other schemes to defraud Plaintiff. In May, 2008, a doctor who worked for

Uptown between October 2006 and April 2008 (for the purposes of this Complaint and in order to protect this doctor's identity, he/she will be referred to as Dr. Y, and the pronouns "he" and/or "his" will be used where appropriate) gave testimony including, but not limited to the following:

- i) He was hired by defendant, Ahmed, to work for ETMC/Uptown, and received paychecks with Uptown's name on them, therefore he believed that defendant, Elzanaty, owned Uptown;
- ii) although Plaintiff was billed for Dr. Y's treatment of patients under the care of the Pawlowski PCs, and Dr. Y was presented with documentation showing that he allegedly treated patients for a Pawlowski PC, Dr. Y denied treating patients for any of the Pawlowski PCs - in fact, Dr. Y testified that he only met Pawlowski once at the office Christmas party;
- iii) although he did receive payment from one of the Pawlowski PCs - Quality Medical Healthcare Provider, P.C. - he was under the impression that this paycheck and the PC were both part of the Uptown umbrella;
- iv) he personally observed defendant, Ahmed, who is not duly licensed to practice medicine in the State of New York, reviewing patients' charts and stamping them with signature stamps;
- v) he personally observed Ahmed giving orders to various personnel at ETMC wherein he (Ahmed) directed them as to what medical treatment to order and/or utilize;
- vi) he was under strict orders to keep all patient referrals within the Uptown umbrella of facilities and/or physicians and he was met with great displeasure when he attempted to refer patients to outside facilities;
- vii) he was criticized by Ahmed when he could not see enough patients and was specifically advised that he needed to speed up the way he was conducting his exams;
- viii) Uptown prioritized treating the No-Fault patients to the detriment of the Medicaid patients; and

- ix) during the course of his employment at Uptown, he came into contact with an employee of Uptown who explained to him that defendant, Goldenberg, would negotiate with outside medical facilities to allow either Uptown or the Pawlowski PCs to plant physician assistants in these various medical facilities in exchange for a kickback ranging from \$2,000.00 to \$4,000.00. These plants would then refer the patients from these external facilities back to either one of the Article 28 Entities or to one of the Pawlowski PCs.

76. In November 2010 a doctor who worked for Uptown between 2004 and 2008 (for the purposes of this Complaint and in order to protect this doctor's identity, he/she will be referred to as Dr. X and the pronouns "he" and/or "his" will be used where appropriate) gave testimony including, but not limited to the following:

- i) He saw Pawlowski's name displayed on a sign at ETMC wherein she was referenced as the "Medical Director" yet he never saw Pawlowski in the building located at 930 East Tremont Avenue - in fact, Dr. X only met Pawlowski once at a Christmas party;
- ii) he saw patients referred from at least one of the Pawlowski PCs to ETMC;
- iii) he was left with the clear impression that patient care at Uptown was geared to maximize patient volume to the detriment of quality of care; and
- iv) he observed unlicensed defendant, Ahmed, reviewing patient files.

77. In September 2005 a doctor who worked for one of the Pawlowski PCs between 1998 and 2005 (for the purposes of this Complaint and in order to protect this doctor's identity, he/she will be referred to as Dr. Z and the pronouns "he" and/or "his" will be used where appropriate) gave testimony including, but not limited to, the following:

- i) he was hired by defendant, Pawlowski, to work for one of the Pawlowski PCs - Accurate Medical, P.C. - which was located at 930 East Tremont Avenue, Bronx, New York;
- ii) he had no idea what, if any, distinction existed between JP Medical, P.C. and Accurate Medical, P.C.;

- iii) he testified that Goldenberg was the office manager employed by Pawlowski, in connection with Accurate Medial, P.C.;
- iv) he specifically stated that Goldenberg would fax him (Dr. Z) his work schedule which would tell Dr. Z where he was being sent to see patients;
- v) when Accurate's employees had issues that needed to be resolved, they were to contact Goldenberg;
- vi) over the course of the seven or eight years that he worked for Accurate Medical, P.C., he rarely met with Pawlowski and never discussed his work with Pawlowski; and
- vii) he was once asked to attend a meeting with Goldenberg and Elzanaty's counsel, regarding reports that he (Dr. Z) had generated and was specifically advised as to how to improve his medical records by these non-medical professionals.

78. As the purported Director of Administration for Uptown, Ahmed managed all aspects of the daily operations for ETMC. In his sworn testimony at a hearing before the Bureau of Professional Medical Conduct in 2009, he established that the Article 28 Entities all operate under the umbrella of Uptown, at three separate locations, as described above in Paragraph 17 and that the facility located at 930 East Tremont Avenue became the main facility in 2004.

79. Ahmed confirmed that while Pawlowski was working for Uptown as the purported "medical director," she had her own private businesses. Ahmed went on to identify each of the Pawlowski PCs mentioned throughout this Complaint. Ahmed testified that he introduced one of the doctor's employed by Uptown to Pawlowski, in order to help this doctor obtain additional employment by working for the Pawlowski PCs, while simultaneously working for Uptown. Ahmed gave detailed testimony of how he facilitated this doctor's ability to review reports for patients the doctor was treating on behalf of the

Pawlowski PCs. Notably, however, this doctor (who is actually Dr. Y) had no idea that he was working for any of the Pawlowski PCs, and was completely under the impression that all of his patients were through his employment with Uptown.

80. According to Ahmed, he acted as a liaison between Dr. Y and Dr. Y's physician assistant ("P.A.") and knowingly facilitated the movement of medical records for patients that were being treated by the Pawlowski PCs to doctors that were working for Uptown. Although he claimed that it had nothing to do with his responsibilities and/or duties of his employment for Uptown, Ahmed would shuffle reports between the P.A. and Dr. Y, in connection with Dr. Y's treatment of Pawlowski PC patients.

81. Furthermore, Ahmed testified that the P.A. would come to the office located at 930 East Tremont Avenue, and use the computer and printer to download/print documents pertaining to work the P.A. was doing for the Pawlowski PCs. Incredulously, Ahmed claimed that none of these patients had any connection with Uptown and that he was merely trying to accommodate Dr. Y's ability to work for the outside Pawlowski PCs. Again, Dr. Y never knew he was treating Pawlowski PC patients. And again, Plaintiff never knew that Elzanaty was the actual owner of the Pawlowski PCs, while being billed by them and by the Article 28 Entities. Inexplicably, Ahmed testified that he would also forward paychecks to Dr. Y for Dr. Y's work at the Pawlowski PCs, even though Ahmed had no employment relationship with the Pawlowski PCs.

82. Ahmed's actions with respect to the Pawlowski PCs and CAN Medical, P.C., clearly illustrates the overlapping relationship and the blurring of the lines between Uptown, the Article 28 Entities, and the PC Defendants – all of which were, unknown to Plaintiff, owned by Elzanaty. Just as significant, Ahmed's actions taken together with the

testimony of Dr. X and Dr. Y support Plaintiff's assertion that Ahmed, not Pawlowski, was the actual medical director for Uptown/the Article 28 Entities. According to the testimony of both doctors, Pawlowski was rarely, if ever, present at the 930 East Tremont location, whereas Ahmed was omnipresent. In fact, the only time that either Dr. X or Dr. Y saw or had any interaction with Pawlowski was at the office Christmas party.

83. In a separate Federal Complaint filed against Uptown, a third doctor makes allegations wherein she states, with great specificity, interactions she had with Ahmed. *See, Melinda Gilmore, M.D. v. Uptown Health Care Management, Inc. d/b/a East Tremont Medical Center, New York Neuro & Rehab Center and Jerome Family Center, S.D.N.Y. Case No. 1:11-cv-00808-RJH*; a copy of the Complaint is annexed hereto as Exhibit "3". Based on the allegations in the Complaint, it is readily apparent that Ahmed rather than Pawlowski was in charge of issues pertaining to medical treatment, medical procedures, patient care, and/or patient safety.

84. Dr. Gilmore, who, upon information and belief, was a gynecologist that treated patients at all three of the Article 28 Entities, dealt solely with a person she notably referred to as Dr. Ahmed, regarding her concerns of improper sterilization and infection control procedures, with respect to the use of certain vaginal ultrasound probes, at the Article 28 Entities. After several back-and-forth interactions with Dr. Ahmed, who either ignored or deflected Dr. Gilmore's concerns, she finally had to make a formal written complaint to the New York State Department of Health ("DOH").

85. According to Dr. Gilmore's federal lawsuit, shortly following her complaint letter to the DOH, the DOH shut down one of the Article 28 Entities, and required Uptown to implement a proper written protocol of sterilization and disinfectant procedures.

86. Jadwiga Pawlowski, M.D., who was supposedly the medical director for the Article 28 Entities, at the relevant times mentioned in the Gilmore Federal Complaint, was not mentioned once throughout Dr. Gilmore's Federal Complaint. Rather, Dr. Gilmore provides details about her communications with who Plaintiff in the instant matter alleges was, at all relevant times, the actual medical director – Ahmed.

**J. Elzanaty, Uptown, and/or the Article 28 Entity's Ongoing Violations of Article 28 of Public Health Law and the Regulations Promulgated Thereto**

87. In addition to the numerous portions of Article 28 of the Public Health Law and Title 10 of the Compilation of Codes, Rules and Regulations of the State of New York discussed above in Paragraphs 40 through 45, the law provides that if the established operator has been guilty of fraud or deceit in procuring approval, in establishing the Article 28 facility or has made statements or furnished information in support of the application which were untrue, inaccurate, or incomplete in any material respect, the Department of Health may revoke, limit, or annul its approval of establishment. *See*, 10 N.Y.C.R.R. §600.5(a)(1). The DOH may also revoke, limit, or annul its approval for establishment, if the established operator has failed to comply fully with any condition, limitation or other requirement imposed as part of, or in conjunction with the approval of establishment. *See*, 10 N.Y.C.R.R. §600.5(a)(10). As stated, in pertinent part, in 11 N.Y.C.R.R. §65-3.16(a)(12):

A provider of healthcare services is not eligible for reimbursement under section 5102(a)(1) of the Insurance Law if the provider fails to meet any applicable New York State or local licensing requirement necessary to perform such service in New York.

88. Elzanaty's fraudulent activities, as discussed throughout this Complaint, in the operation, management, supervision, and maintenance of the

Article 28 Entities, constitutes violations of the statutes, rules, and regulations governing and controlling the establishment and/or operation of an Article 28 facility, specifically:

- i) Elzanaty concealed his illegal ownership of at least five medical professional corporations in establishing and/or maintaining the Article 28 status of the Article 28 Entities;
- ii) Elzanaty was integrally involved with the ongoing fraud perpetrated by the PC Defendants, in representations to Plaintiff in the form of NF-3s, and other documentation which induced Plaintiff to pay monies to the PC Defendants which Plaintiff would not otherwise have paid;
- iii) Elzanaty never had a properly qualified medical director in connection with the Article 28 Entities, and instead used an unlicensed person while falsely naming Dr. Pawlowski – the same doctor who was involved in his complex fraud scheme, involving the Pawlowski PCs as described herein;
- iv) patients were systematically circulated between the fraudulently incorporated PC Defendants and the Article 28 Entities, while concealing Elzanaty's common ownership from Plaintiff;
- v) Elzanaty used Uptown/the Article 28 Entities to recruit an unsuspecting doctor to fraudulently incorporate a medical professional corporation – CAN Medical, P.C.;
- vi) Elzanaty sent Uptown/the Article 28 Entities' employees to facilities throughout New York, which were paid illegal kickbacks in exchange for providing patients to treat at the Article 28 Entities, and for which Uptown ultimately billed Plaintiff;
- vii) at least one of the Article 28 Entities violated its site-specific operating certificate by sending its employees to facilities throughout New York to examine and/or treat patients; and
- viii) Uptown routinely submitted intentionally inflated bills for treatment from at least one of the Article 28 Entities, in order to induce Plaintiff to overpay for medical services.

89. As a consequence of the ongoing fraud and violations of the mandates pursuant to Article 28 of the Public Health Law and the rules promulgated thereto, Uptown/the Article 28 Entities never had a legitimate basis to bill Plaintiff via New York's No-Fault statutes and/or forfeited their right to do so. Since 2001, Uptown, via the Article 28 Entities, has fraudulently billed Plaintiff and Plaintiff has paid approximately \$2,107,420.11 in PIP Benefits, which it seeks to recover in this action.

**K. The New York State Office of Medicaid Inspector General's (OMIG) Finding of Billing Impropriety Involving One of the Article 28 Entities**

90. On or about November 2009, OMIG conducted an audit of one of the Article 28 Entities, operating under the control of Eleanaty and Uptown - New York Neuro. The review covered the period from January 1, 2004 through December 31, 2005, during which Medicaid had paid Uptown \$387,968.87, representing 501 services. Out of the 501 overall cases that were billed to Medicaid by Uptown during that time period, 100 sample files (or approximately 20%) representing \$83,229.00 in payments were audited. Of the one-hundred sample files reviewed by the OMIG, 90 had at least one error. OMIG's specific findings included the following:

- i) In 5% of the cases Uptown completely failed to provide OMIG with the records they requested; and
- ii) in 85% of the cases the documentation provided by Uptown did not support that anesthesia was given or that the medical condition of the patient warranted that the procedure be performed in an ambulatory surgery setting for safety reasons.

91. Based upon their review, OMIG identified \$66,134.95 in overpayments in the 100 sample files and projected overpayment of \$331,336.00 for the total group of the 501 cases. Ultimately, OMIG sought repayment of the \$331,336.00 amount from Uptown.

92. Such chicanery in its billing practices is further evidence of Elzanaty and Uptown's fraudulent practices and is/was not limited to overbilling Medicaid. Elzanaty and Uptown has repeatedly and, with complete disregard to the CPT Codes governing billing pursuant to the No-Fault Laws, overbilled Plaintiff in connection with treatment rendered by another of the Article 28 Entities – East Tremont Medical Center.

**VI. SPECIFIC ALLEGATIONS OF MAIL FRAUD, RACKETEERING  
ACTIVITY AS TO ELZANATY, PAWLOWSKI, AHMED, GOLDENBERG,  
AND UPTOWN**

93. The applicable defendants created, prepared and submitted false medical documentation and intentionally violated the laws of the United States by devising and intending to devise schemes to defraud and obtain money and property by means of false and fraudulent pretenses in representations, and by placing or causing to be placed, in a post office and/or authorized depository for mail matter, things to be sent and delivered by the United States Postal Service, in violation of 18 U.S.C. §1341 (mail fraud) for the purpose of executing such fraudulent schemes and attempting to do so.

94. Unless otherwise pled to the contrary, all documents, notes, NF-3 forms, health insurance claim forms, medical diagnoses, CPT Code tally sheets, referrals, letters, and requests for payment in connection with the insurance claims referenced throughout this pleading traveled through the United States Mail.

95. Every automobile insurance claim detailed within, involved at least one use of the United States Mail, including the mailing of, among other things, the Notice of

Claim, initial policies, insurance payments, claims settlement checks, response(s) to verification requests, and the return of the cancelled settlement checks to the financial institution(s) from which the check(s) were drawn, as well as the return of settlement check duplicates to the insurance carrier's home office for filing.

96. The applicable defendants either personally used the mails and United States Postal Service to further their fraudulent scheme by causing the aforementioned items, including medical bills and records from illegal medical facilities, to be mailed to Plaintiff and/or counsel for claimants, or acted with knowledge that the use of the mails and United States Postal Service would follow in the ordinary course of business.

97. The applicable defendants intentionally misrepresented that the medical facilities mentioned throughout this Complaint were legitimately organized, maintained and/or operated in accordance with New York law.

98. The applicable defendants knew that their offices, a patient, a claimant, an insurance carrier, patient's attorney, other medical provider or the Plaintiff would use the mails and United States Postal Service in connection with each of the fraudulent claims, including issuing payments based upon defendants' fraudulent documentation.

99. Plaintiff estimates that the applicable defendants' fraudulent medical billing scheme generated hundreds of mailings. A table highlighting selected examples of mail fraud arising from the defendants' patient/business files is annexed hereto as Exhibit "4".

**VII. SPECIFIC ALLEGATIONS OF MONEY LAUNDERING RACKETEERING ACTIVITY AS TO ELZANATY, PAWLOWSKI, GOLDENBERG, AHMED, AND UPTOWN**

100. At all relevant times, the applicable defendants violated 18 U.S.C. §1956 (laundering of monetary instruments) by laundering the No-Fault proceeds collected by the fraudulently incorporated PC Defendants.

101. The applicable defendants conducted a number of transactions involving the No-Fault proceeds collected by the PC Defendants.

102. Pursuant to 18 U.S.C. §1956(a)(1), the laundering of monetary instruments is defined, in pertinent part, as follows:

Whoever, knowing that the property involved in a financial transaction represents the proceeds of some form of unlawful activity, conducts or attempts to conduct such a financial transaction which in fact involves the proceeds of specified unlawful activity with the intent to promote the carrying on of specified unlawful activity knowing that the transaction is designed in whole or in part to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity.

103. As discussed above in Paragraphs 47, 50 and 57 in this Complaint, an unusually large percentage of the No-Fault proceeds generated and collected by three of the four Pawlowski PCs were diverted to bank accounts controlled by Uptown, while an unusually small percentage was ultimately paid to the purported owner – Jadwiga Pawlowski, M.D.

104. At all relevant times, the applicable defendants intentionally engaged in, and benefited from, the money laundering activity described herein.

105. The applicable defendants intentionally conducted such transactions knowing that the transactions were designed to (i) promote their medical billing and fraud

scheme and (ii) conceal and/or disguise the nature, source, ownership, and/or control of the proceeds of their medical billing and mail fraud scheme.

106. In doing so, the applicable defendants committed numerous violations of 18 U.S.C. §1956, in furtherance of the instant medical billing scheme.

#### **VIII. PLAINTIFF'S JUSTIFIABLE RELIANCE**

107. Through the submission of medical records and forms, including NF-3 forms, Elzanaty, Pawlowski, and the Pawlowski PCs certified and represented that each one of the Pawlowski PCs was organized and operated in compliance with New York Business Corporations Law and New York Education Law.

108. Through the submission of medical records, including NF-3 forms, Elzanaty and CAN Medical, P.C. certified and represented that CAN Medical, P.C. was organized and operated in compliance with New York Business Corporations Law and New York Education Law.

109. As a licensed medical professional, Pawlowski was obligated – both legally and ethically – to act with honesty, integrity, and in accordance with her professional oath and pledge. Elzanaty, Pawlowski, and the Pawlowski PCs actively concealed facts regarding the Pawlowski PCs' ownership to prevent discovery that they were (i) unlawfully incorporated, owned, and controlled by a non-licensed layperson, (ii) engaged in illegal fee-splitting with a non-licensed layperson, and therefore ineligible to pursue or collect No-Fault benefits.

110. Elzanaty, Pawlowski, and the Pawlowski PCs misrepresented Pawlowski's ownership and control over the Pawlowski PCs, in filings with the New York State

Department of Education as well as the New York Department of State, Division of Corporations. Elzanaty misrepresented Dr. Themistocle's ownership and control of CAN in filings with the New York State Department of Education, as well as the New York Department of State, Division of Corporations.

111. In each bill that Elzanaty, Pawlowski, the Pawlowski PCs, and/or CAN Medical P.C. submitted, or caused to be submitted, said entities uniformly misrepresented that the PC Defendants were properly incorporated, lawfully licensed, and eligible to bill for and collect No-Fault benefits. Each claim submitted to Plaintiff by the PC Defendants was verified pursuant to Insurance Law §403.

112. At the time the Pawlowski PCs submitted patient invoices for payment, Plaintiff reasonably believed that the actions of Pawlowski and the Pawlowski PCs conformed with applicable laws, and that each was bound by his or her avowed ethical obligations.

113. At the time CAN submitted patient invoices for payment, Plaintiff reasonably believed that Dr. Themistocle knowingly and voluntarily held out his name as the owner of CAN Medical, P.C. and Plaintiff had no reason to believe, nor any way of knowing that, in fact, Dr. Themistocle was used in name only, by the perpetrators of the scheme to defraud.

114. In order to induce Plaintiff to promptly pay the fraudulently incorporated PC Defendants' patient invoices, Elzanaty, Pawlowski, the Pawlowski PCs, and/or CAN Medical, P.C. submitted, or caused to be submitted to Plaintiff NF-3 forms which represented that the PC Defendants were owned and operated by licensed medical professionals in compliance with New York law.

115. Through the submission of medical records and forms, including NF-3 forms, Elzanaty individually, and through Uptown, represented that the Article 28 Entities were in compliance with all pertinent statutes, rules, and regulations necessary for the ongoing operation of an Article 28 facility.

116. As the owner and operator of an Article 28 facility, Elzanaty was obligated – both legally and ethically – to act with honesty, integrity, and in accordance with his representations in the Certificate of Need Application, and in compliance with all of the pertinent provisions of Article 28 of the New York Public Health Law, Title 10 of the Compilation of Codes, Rules and Regulations of the State of New York, and all applicable statutes, rules, and regulations of the State of New York.

117. Elzanaty, individually and through Uptown:

- i) Was in constant violation of the stringent regulations set forth in Article 28 of the New York Public Health Law and Title 10 of the Compilation of Codes, Rules and Regulations of the State of New York, and any and all other applicable statutes, rules, and/or regulations governing Article 28 Entities;
- (ii) was involved in a highly developed and sophisticated kickback scheme with medical facilities throughout New York;
- (iii) recruited at least one other doctor whose name was used to fraudulently incorporate a medical professional corporation; and
- (iv) utilized Uptown and the Article 28 Entities to maximize his ability to fraudulently bill Plaintiff via the PC Defendants; and
- (v) utilized Uptown to siphon millions of dollars of the proceeds from the Pawlowski PCs for his financial benefit, in violation of New York State law.

118. Plaintiff is required, under strict statutory and contractual obligations, to promptly and fairly process claims within thirty days.

119. The facially valid documents submitted to Plaintiff, in support of the charges at issue, combined with the material misrepresentations described herein were designed to, and did induce Plaintiff to rely on the accuracy of such documents.

120. In reliance on the defendants' misrepresentations, Plaintiff paid monies to these illegally organized and/or illegally maintained and/or operated entities to its detriment – monies that Plaintiff otherwise would not have paid if the PC Defendants and/or Uptown had provided true and accurate information.

121. Based upon the defendants' affirmative acts, as outlined in this Complaint, Plaintiff did not discover, nor could have reasonably discovered, that its damages were attributable to the defendants' fraud until shortly before it filed this Complaint.

#### **IX. FRAUDULENT CONCEALMENT**

122. The defendants' fraudulent scheme went undetected until Allstate had sustained substantial financial injury. The nature of defendants' fraudulent scheme was self-concealing by its very nature in that the defendants' were providing Allstate with seemingly legitimate documentation to support Allstate's payment of the submitted bills.

123. The defendants intentionally concealed the fraudulent medical billing scheme from Allstate.

124. The defendants acted with intent to conceal their misconduct associated with the medical billing fraud scheme.

125. The defendants' ability to conceal the fraudulent scheme was significantly enhanced by the position of trust that those in the medical community, specifically physicians and Article 28 facilities, are generally accorded in the transaction of insurance medical claims.

126. Allstate relied, to its detriment, upon other things, the presumption of honesty accorded defendants' medical documentation.

127. Despite its due diligence, Allstate was unable to discover the full extent of the defendants' fraud scheme until late 2010/early 2011.

128. Allstate's investigation is ongoing and new facts concerning the defendants' scheme continue to be revealed.

**X. DAMAGES**

129. The defendant's pattern of fraudulent conduct injured Plaintiff in its business and property by reason of the aforementioned violations of state and federal laws. Although it is not necessary for Plaintiff to calculate damages with specificity, at this stage in the litigation (whereas Plaintiff's damages continue to accrue), Plaintiff's injury includes, but is not limited to, compensatory damages for:

- (i) Payments in connection with first-party claims of approximately \$5,077,277.54 - the exact amount to be determined at trial. The tables annexed hereto as Exhibits "5"- "10", and incorporated herein as if set forth in their entirety, identify Plaintiff's payments to defendants in connection with first-party claims determined to be fraudulent as of the filings of the Complaint. Exhibit "5" identifies payments made to JP Medical. Exhibit "6" identifies payments made to Accurate. Exhibit "7" identifies payments made to Nolia. Exhibit "8" identifies payments made to Quality. Exhibit "9" identifies payments made to CAN. Exhibit "10" identifies payments made to Uptown/the Article 28 Entities; and
- (ii) expenses incurred to review, adjust, investigate, litigate and pay the false and fraudulent claims created by the defendants and which supported defendants' operation of enterprises through a pattern of illegal activity.

**XI. CAUSES OF ACTION**

**COUNT I**

**Violations of 18 U.S.C. §1962(c)**

**(against Hisham Elzanaty, Jadwiga Pawlowski, M.D., Alan Goldenberg, and Uptown Health Care Management, Inc.)**

130. Allstate re-alleges, re-pleads and incorporates by reference all paragraphs set forth above, as if fully set forth herein.

131. In connection with each of the claims identified in Plaintiff's Complaint, Elzanaty, Pawlowski, Goldenberg, and Uptown (collectively the "Count I Defendants") intentionally caused to be prepared and mailed false medical documentation, in connection with Allstate insurance claims in furtherance of their scheme to defraud

132. At all relevant times, J.P. Medical, P.C. constituted an enterprise, as that term is defined in 18 U.S.C. §1961(4), which engaged in, and the activities of which affected, interstate commerce.

133. The Count I Defendants associated with the foregoing enterprise and participated, both directly and indirectly, in the conduct of this enterprise through a pattern of racketeering activities.

134. The Count I Defendants employed one or more mailings to demand and/or receive payment on certain dates, including, but not limited to, those dates identified in the chart as Exhibit "4".

135. Among other things, NF-3 forms, medical billing invoices, medical reports, applications for insurance, and premium checks, were routinely delivered to Allstate through the United States Mail.

136. Policies of insurance were delivered to insureds through the United States Mail.

137. Medical reports and invoices were delivered to Allstate through the United States Mail. Payments to defendants traveled via the United States Mail.

138. As documented above, the Count I Defendants repeatedly and intentionally submitted NF-3 forms and other medical documentation to Allstate for medical expenses and/or services that were purportedly performed by J.P. Medical, P.C., to collect payment from Allstate under the Personal Injury Protection benefits portion of the Allstate policies, and applicable New York No-Fault Laws.

139. As a result of, and in reasonable reliance upon these misleading documents and misrepresentations, Allstate, by its agents and employees, issued checks to J.P. Medical, P.C., for the benefit of the Count I Defendants, that would not otherwise have been paid.

140. The Count I Defendants' pattern of fraudulent claims, each appearing legitimate on their face, also prevented Allstate from discovering the fraudulent scheme for a long period of time, thus enabling them to continue without being detected.

141. The acts set forth above constitute indictable offenses pursuant to 18 U.S.C. §1341 (mail fraud).

142. In connection with each of the claims identified in Plaintiff's Complaint, the Count I Defendants intentionally conducted or attempted to conduct financial transactions, knowing that the property involved in said financial transactions represented the proceeds of some form of unlawful activity, knowing that the transactions were designed in whole or

in part to conceal or disguise the nature, location, source, ownership, or control of the proceeds of the unlawful activity.

143. The acts set forth above constitute indictable offenses pursuant to 18 U.S.C. §1956 (money laundering).

144. By filing numerous fraudulent claims in an ongoing scheme, the Count I Defendants engaged in a pattern of racketeering activity within the meaning of 18 U.S.C. §1962(c).

145. By depositing multiple checks issued by Plaintiff into a bank account controlled by Uptown/Elzanaty in an ongoing scheme to conceal the origin and final destination of said monies, the Count I Defendants engaged in a pattern of racketeering activity within the meaning of 18 U.S.C. §1962(c).

146. The activities alleged in this case had the direct effect of causing funds to be transferred from Allstate to J.P. Medical, P.C., for the benefit of the Count I Defendants.

147. Allstate (and all plaintiffs individually) are in the business of writing insurance and paying claims in the State of New York. Insurance fraud schemes practiced here and elsewhere have a deleterious impact on Allstate's overall financial well-being and adversely affect insurance rates.

148. Allstate is a "person" as defined by 18 U.S.C. §1961(3), injured in its business or property by reason of the Count I Defendants' conduct.

149. The Count I Defendants' conduct in violation of 18 U.S.C. §1962(c) was the direct and proximate cause of Allstate's injury.

150. By virtue of the Count I Defendants' violations of 18 U.S.C. §1962(c), Allstate is entitled to recover from them three (3) times the damages sustained by reason of

the claims submitted by them, and others acting in concert with them, together with the costs of suit, including reasonable attorney's fees.

**COUNT II**

**Violations of 18 U.S.C. §1962(c)  
(against Hisham Elzanaty, Jadwiga Pawlowski, M.D., Alan Goldenberg, and Uptown Health Care Management, Inc.)**

151. Allstate re-alleges, re-pleads and incorporates by reference all paragraphs set forth above as if fully set forth herein.

152. In connection with each of the claims identified in Plaintiff's Complaint, Elzanaty, Pawlowski, Goldenberg, and Uptown (collectively "the Count II Defendants") intentionally caused to be prepared and mailed false medical documentation, in connection with Allstate insurance claims in furtherance of their scheme to defraud.

153. At all relevant times, Accurate Medical, P.C. constituted an enterprise, as that term is defined in 18 U.S.C. §1961(4), which engaged in, and the activities of which affected interstate commerce.

154. The Count II Defendants associated with the foregoing enterprise and participated, both directly and indirectly, in the conduct of this enterprise through a pattern of racketeering activities.

155. The Count II Defendants employed one or more mailings to demand and/or receive payment on certain dates, including, but not limited to, those dates identified in the chart as Exhibit "4".

156. Among other things, NF-3 forms, medical billing invoices, medical reports, applications for insurance, and premium checks were routinely delivered to Allstate through the United States Mail.