



Department of Insurance
State of Arizona
Office of the Director
Telephone: (602) 364-3471
Facsimile: (602) 364-3470
www.azinsurance.gov

PRESS RELEASE

JANICE K. BREWER
Governor

2910 North 44th Street, Suite 210
Phoenix, Arizona 85018

CHRISTINA URIAS
Director of Insurance

Media Contact: Erin Klug
Public Information Officer
602.364.3471 or eklug@azinsurance.gov

October 27, 2010
For Immediate Release

Medical Identity Theft Ring Busted

Phoenix - Gevorg Melkonyan and Elina Arutyunova have been criminally charged for their role in stealing the medical identity of several Arizona patients and then falsely billing insurance companies for medical services never provided. Their conduct created an inaccurate, and potentially harmful, medical history for the patients involved and an administrative headache for the doctors whose names were falsely used.

The suspects used the insurance records of 128 patients to submit phony claims totaling more than \$600,000 to ten insurance companies. They also used the names and/or tax identification numbers of 12 reputable Arizona physicians, including Dr. Scott Bernstein, who reported the fraud to the Arizona Department of Insurance Fraud Unit. Dr. Bernstein became suspicious when patients he had never seen contacted him indicating their insurance statements showed he had billed their insurance for treatment.

Gevorg and Elina were indicted on charges of Conspiracy, Illegally Conducting an Enterprise, Assisting a Criminal Syndicate, Fraudulent Schemes and Artifices, Money Laundering, three counts of Theft, and Aggravated Taking the Identity of Another Person or Entity.

This case was investigated by the Arizona Department of Insurance Fraud Unit, with help from the Phoenix Police Department, Chandler Police Department, Arizona Attorney General's Office, U.S. Department of Human and Health Services, and the National Insurance Crime Bureau. The U.S. Postal Service was integral to the success of the Insurance Department's investigation.

Medical Identity Theft, a growing problem

Medical identity theft occurs when someone uses your personal medical benefit information without your knowledge to obtain or receive payment for medical treatment, services, or goods. This scam is on the rise and has serious ramifications for patients and the medical community. It is particularly dangerous because it puts patients at risk if their medical record contains harmful errors that could impact their future medical treatment or their ability to get insurance.

This type of fraud happens in all types of health plans, including private health insurance, as well as government benefit plans such as Medicare and Medicaid. Here are some tips to help prevent this type of identify theft:

- ✓ Review your Explanation of Benefits and if you see a claim for services that you never received, immediately contact your insurance company or Medicare/Medicaid to report suspicious charges.
- ✓ Never loan or "sell" your medical ID card or information to anyone.

- ✓ At least once a year, request a listing of benefits paid in your name by any health insurers that made medical payments on your behalf.
- ✓ Monitor your credit reports [Equifax, Experian, and TransUnion] for questionable medical debts.

Where to report

If you suspect someone may have submitted false claims using your identity, report it to the Arizona Department of Insurance Fraud Unit: www.azinsurance.gov/fraud.html or (602) 364-2140.

If you receive benefits from Medicare or Medicaid, report suspicious medical bills to the Centers for Medicare/Medicaid Services www.cms.gov.

Report all types of identity theft to the Federal Trade Commission, www.ftc.gov.

About the Fraud Unit

The Arizona Department of Insurance Fraud Unit was established in 1994 to deter, investigate and facilitate convictions for insurance fraud. Fraud Unit peace officers have investigated and referred over 1,000 criminal cases of insurance fraud for successful prosecution. To learn more about insurance fraud, visit: www.azinsurance.gov/fraud.html.

###