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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ALASKA

UNITED STATES OF AMERICA,

Plaintiff,

vs.

CLARIBEL KOHCHECHUA TAN,
and DANIEL TAN TAN,

Defendants.

No. 3:24-cr-00072-SLG-KFR

COUNT 1:

HEALTH CARE FRAUD

Vio. of 18 U.S.C. § 1347

COUNTS 2-5:

ATTEMPT TO EVADE AND DEFEAT
TAX

Vio. of 26 U.S.C. § 7201

COUNTS 6-9:

WILLFUL FAILURE TO FILE TAX
RETURN

Vio. of 26 U.S.C. § 7203

CRIMINAL FORFEITURE

ALLEGATION:

18 U.S.C. §§ 981(a)(1)(C) & 982(a)(7),
28 U.S.C. § 2461(c), and Fed. R. Crim. P.
32.2(a)

INDICTMENT

The Grand Jury charges that, at all times relevant to this Indictment,

Background Regarding All Counts

1. Defendant Claribel Kohchet Chua Tan (“CLARIBEL TAN”) and Defendant Daniel Tan Tan (“DANIEL TAN”) (collectively, “the TANS”) were married and resided and worked in or near Anchorage in the District of Alaska.
2. Claribel K. Tan, M.D., LLC (“CKTMD”), was an Alaska limited liability company created in or around 2008. CLARIBEL TAN was CKTMD’s sole owner and shareholder.
3. CKTMD operated a medical clinic within the District of Alaska (the “Clinic”).
4. CLARIBEL TAN held Alaska Physician Medical license #MEDS5689 and purported to work at the Clinic as a rheumatologist. DANIEL TAN worked at the Clinic performing administrative and managerial tasks. CLARIBEL TAN and DANIEL TAN jointly managed the Clinic, including ordering medication for use at the Clinic.
5. The Internal Revenue Service (“IRS”) was an agency of the U.S. Department of the Treasury responsible for administering the tax laws of the United States and collecting taxes owed to the United States.

6. IRS Form 1040, *U.S. Individual Income Tax Return* (“Form 1040”), was used by U.S. taxpayers to file an annual income tax return.
7. IRS Form 1120S, *U.S. Income Tax Return for an S-Corporation* (“Form 1120S”), was used by certain corporations and other entities to file an annual income tax return.
8. IRS Form 4868, *Application for Automatic Extension of Time to File U.S Income Tax Return* (“Form 4868”), was used by taxpayers to request an automatic extension of the time to file individual tax returns.
 - a. The TANS filed Forms 4868 for 2016, 2018, 2019, 2020, and 2021, which extended the deadline to file their Forms 1040 to October 16, 2017; October 15, 2019; October 15, 2020; October 15, 2021; and October 17, 2022, respectively.
9. In or around August 2016, the TANS hired a Certified Public Accountant (“the CPA”) to prepare their Forms 1040 and CKTMD’s Forms 1120S for several years. The CPA relied on the TANS to provide her with complete and accurate information to prepare their joint Forms 1040 and CKTMD’s Forms 1120S.
10. Between August 2016 and October 2018, the CPA prepared the TANS’ Forms 1040 and CKTMD’s Forms 1120S for calendar years 2014, 2015, and 2017. The TANS filed their 2014, 2015, and 2017 Forms 1040 as married filing jointly (“MFJ”).
11. In or around July 2019, the CPA was in the process of preparing the TANS’ 2016 Form 1040 and CKTMD’s 2016 Form 1120S when she ceased providing return preparation services to them. As of the date of this indictment, the TANS have not filed individual or business tax returns for 2016.

12. Certain qualifying corporations and other entities may elect Subchapter S tax treatment (“S-Corporation”). The income of an S-Corporation is generally taxed to the shareholders of the corporation rather than the corporation itself. An S-Corporation must file a Form 1120S every year reporting, among other things, its gains, losses, deduction, and credits for that year. Shareholders of an S-Corporation are required to report their share of the S-Corporation’s ordinary business income on their Forms 1040.
13. CLARIBEL TAN caused CKTMD to file tax returns as an S-Corporation. Accordingly, as CKTMD’s sole shareholder, CLARIBEL TAN was required to report CKTMD’s ordinary business income on her Form 1040 each year.

COUNT 1
18 U.S.C. § 1347 – Health Care Fraud

14. Beginning in or about January 2010, and continuing through in or about June 2023, CLARIBEL TAN and DANIEL TAN knowingly and willfully executed, and attempted to execute, a scheme and artifice to defraud any health care benefit program, and to obtain, by means of false and fraudulent pretenses, representations, and promises, any of the money and property owned by, and under the custody or control of, any health care benefit program, in connection with the delivery of or payment for health care benefits, items, or services.
15. In furtherance of the scheme and artifice CLARIBEL TAN and DANIEL TAN committed the following acts, among others:
- a. CLARIBEL TAN deceived patients regarding the identity, quantity, and other material facts regarding substances that she injected into their bodies, and

- administered medications to which patients did not consent; and
- b. CLARIBEL TAN and DANIEL TAN deceived patients regarding the necessity of receiving medication at the Clinic, rather than at the patients' homes; and
 - c. CLARIBEL TAN and DANIEL TAN knowingly created fraudulent medical records falsely stating the identity, quantity, and other material facts regarding substances that CLARIBEL TAN injected into patients' bodies; and
 - d. CLARIBEL TAN and DANIEL TAN knowingly caused the submission of fraudulent claims to health care benefit programs that falsely stated the identity, quantity, and other material facts regarding substances CLARIBEL TAN injected into patients' bodies; and
 - e. CLARIBEL TAN and DANIEL TAN knowingly caused the submission of fraudulent claims to health care benefit programs that falsely represented the medical services purportedly provided to patients by CLARIBEL TAN, including, but not limited to, inflating the number of injections that CLARIBEL TAN performed, and the duration of time CLARIBEL TAN spent with patients; and
 - f. CLARIBEL TAN and DANIEL TAN caused the Clinic to purchase and receive fewer doses of injectable medications than the Clinic would have needed had CLARIBEL TAN actually injected patients with the medication that they falsely claimed she did; and
 - g. CLARIBEL TAN and DANIEL TAN knowingly obtained proceeds from health care benefit plans, in an amount unknown to the Grand Jury, but currently estimated to be approximately \$10.3 million.

All of which is in violation of 18 U.S.C. § 1347.

COUNT 2

26 U.S.C. § 7201 – Attempt to Evade and Defeat Tax (Tax Year 2014)

16. The factual allegations in Paragraphs 1 through 13 of this Indictment are realleged and incorporated as though fully set forth therein.

17. From in or about January 2014 through in or about September 2018, within the District of Alaska and elsewhere, CLARIBEL TAN and DANIEL TAN willfully attempted to evade and defeat income tax due and owing by them to the United States of America, for the calendar year 2014, by committing the following affirmative acts, among others:

- a. DANIEL TAN created and maintained a set of falsified spreadsheets that overstated the 2014 costs of CKTMD’s “medical supplies;” and
- b. DANIEL TAN provided CPA with incomplete and inaccurate financial information, including a falsified spreadsheet that overstated the 2014 costs of CKTMD’s medical supplies; and
- c. DANIEL TAN and CLARIBEL TAN prepared and caused to be prepared, and signed and caused to be signed a false and fraudulent 2014 Form 1120S for CKTMD, which was submitted to the IRS on or about September 12, 2018; and
- d. DANIEL TAN and CLARIBEL TAN prepared and caused to be prepared, and signed and caused to be signed, a false and fraudulent 2014 Form 1040, which was submitted to the IRS on or about September 12, 2018.

All of which is in violation of 26 U.S.C. § 7201.

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COUNT 3

26 U.S.C. § 7201 – Attempt to Evade and Defeat Tax (Tax Year 2015)

18. The factual allegations in Paragraphs 1 through 13 of this Indictment are realleged and incorporated as though fully set forth therein.

19. From in or about January 2015 through in or about October 2018, within the District of Alaska and elsewhere, CLARIBEL TAN and DANIEL TAN willfully attempted to evade and defeat income tax due and owing by them to the United States of America, for the calendar year 2015, by committing the following affirmative acts, among others:

- a. DANIEL TAN created and maintained a set of falsified spreadsheets that overstated the 2015 costs of CKTMD’s “medical supplies;” and
- b. DANIEL TAN provided CPA with incomplete and inaccurate financial information, including a falsified spreadsheet that overstated the 2015 costs of CKTMD’s medical supplies; and
- c. DANIEL TAN and CLARIBEL TAN prepared and caused to be prepared, and signed and caused to be signed, a false and fraudulent 2015 Form 1120S for CKTMD, which was submitted to the IRS on or about October 11, 2018; and
- d. DANIEL TAN and CLARIBEL TAN prepared and caused to be prepared, and signed and caused to be signed, a false and fraudulent 2015 Form 1040, which was submitted to the IRS on or about October 11, 2018.

All of which is in violation of 26 U.S.C. § 7201.

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COUNT 4

26 U.S.C. § 7201 – Attempt to Evade and Defeat Tax (Tax Year 2016)

20. The factual allegations in Paragraphs 1 through 13 of this Indictment are realleged and incorporated as though fully set forth therein.

21. During the calendar year 2016, DANIEL TAN and CLARIBEL TAN received taxable income, upon which there was income tax due and owing to the United States of America. Knowing the foregoing facts and failing to make an income tax return on or before October 16, 2017, as required by law, to any proper officer of the IRS, and to pay the income tax to the IRS, DANIEL TAN, from on or about January 2016 through in or about July 2019, in the District of Alaska and elsewhere, willfully attempted to evade and defeat income tax due and owing by him and CLARIBEL TAN to the United States of America, for the calendar year 2016, by committing the following affirmative acts, among others:

- a. Creating and maintaining a set of falsified spreadsheets that overstated the 2016 costs of CKTMD’s “medical supplies;” and
- b. Providing the CPA, on or about June 2, 2019, with incomplete and inaccurate financial information, including a falsified spreadsheet that overstated the 2016 costs of CKTMD’s medical supplies.

All of which is in violation of 26 U.S.C. § 7201.

COUNT 5

26 U.S.C. § 7201 – Attempt to Evade and Defeat Tax (Tax Year 2017)

22. The factual allegations in Paragraphs 1 through 13 of this Indictment are realleged and incorporated as though fully set forth therein.

23. From in or about January 2017 through in or about October 2018, within the District of Alaska and elsewhere, CLARIBEL TAN and DANIEL TAN willfully attempted to evade and defeat income tax due and owing by them to the United States of America, for the calendar year 2017, by committing the following affirmative acts, among others:
- a. DANIEL TAN created and maintained a set of falsified spreadsheets that overstated the 2017 costs of CKTMD's "medical supplies;" and
 - b. DANIEL TAN provided CPA with incomplete and inaccurate financial information, including a falsified spreadsheet that overstated the cost of CKTMD's medical supplies; and
 - c. DANIEL TAN and CLARIBEL TAN prepared and caused to be prepared, and signed and caused to be signed, a false and fraudulent 2017 Form 1120S for CKTMD, which was submitted to the IRS on or about October 10, 2018; and
 - d. DANIEL TAN and CLARIBEL TAN prepared and caused to be prepared, and signed and caused to be signed, a false and fraudulent 2017 Form 1040, which was submitted to the IRS on or about October 10, 2018.

All of which is in violation of 26 U.S.C. § 7201.

COUNTS 6-9

26 U.S.C. § 7203 – Failure to File an Individual Income Tax Return

24. The factual allegations in Paragraphs 1 through 13 of this Indictment are realleged and incorporated as though fully set forth therein.
25. During the years identified below, CLARIBEL TAN and DANIEL TAN had and received gross income in excess of the minimum filing requirement. By reason of such

gross income, CLARIBEL TAN and DANIEL TAN were required by law, following the close of each calendar year and on or before the dates set forth in the table below, to make an income tax return to the IRS, stating specifically the items of their gross income and any deductions and credits to which they were entitled. Knowing and believing all of the foregoing, CLARIBEL TAN and DANIEL TAN did willfully fail, on or before the dates set forth below, and in the District of Alaska, to make the following income tax returns:

<u>COUNT</u>	<u>TAX YEAR</u>	<u>DUE DATE</u>	<u>MINIMUM FILING REQUIREMENT – MFJ</u>
6	2018	October 15, 2019	\$24,000
7	2019	October 15, 2020	\$24,400
8	2020	October 15, 2021	\$26,100
9	2021	October 17, 2022	\$26,450

All of which is in violation of 26 U.S.C. § 7203.

CRIMINAL FORFEITURE ALLEGATION

26. The allegations contained in Count 1 of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to 18 U.S.C. §§ 981(a)(1)(C) and 982(a)(7).

27. Upon conviction of the offense in violation of 18 U.S.C. § 1347 set forth in Count 1 of this Indictment, the defendants, CLARIBEL TAN and DANIEL TAN, shall forfeit to the United States of America, pursuant to 18 U.S.C. §§ 981(a)(1)(C) and 982(a)(7), any

property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense.

28. The property to be forfeited includes, but is not limited to, a money judgment equal to the value of forfeitable property and the entire res identified in the civil forfeiture action *UNITED STATES OF AMERICA, Plaintiff, v. APPROXIMATELY \$5,830,938.13 IN U.S. CURRENCY SEIZED FROM NORTHRIM BANK IN ACCOUNT NUMBER ENDING IN 250 and INVESTMENT ASSETS WITH A VALUE OF APPROXIMATELY \$2,716,403.95 SEIZED FROM VANGUARD GROUP, INC., IN ACCOUNT NUMBER ENDING IN 132, Defendants*, 3:24-cv-00050-SLG, in the United States District Court for the District of Alaska.

29. If any of the property described above, as a result of any act or omission of the defendants:

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

the United States of America shall be entitled to forfeiture of substitute property pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c).

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All pursuant to 18 U.S.C. §§ 981(a)(1)(C) and 982(a)(7), 28 U.S.C. § 2461(c), and
Fed. R. Crim. P. 32.2 (a).

A TRUE BILL.

s/ Grand Jury Foreperson
GRAND JURY FOREPERSON

s/ Morgan J. Walker
MORGAN J. WALKER
Assistant U.S. Attorney
United States of America

s/ Seth Beausang
SETH BEAUSANG
Assistant U.S. Attorney
United States of America

s/ Dominick D. Giovanniello
DOMINICK D. GIOVANNIELLO
Trial Attorney
United States of America

s/ S. Lane Tucker
S. LANE TUCKER
United States Attorney
United States of America

DATE: July 17, 2024