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Central District of California

FOR IMMEDIATE RELEASE

Friday, October 11, 2019

Acupuncturist Pleads Guilty to Charges in Scheme that Caused Millions of Dollars in Losses to Amtrak's Health Care Plan

LOS ANGELES – A licensed acupuncturist pleaded guilty today to federal criminal charges and admitted fraudulently billing Amtrak's health care plan for millions of dollars' worth of acupuncture, massages and facials that either were medically unnecessary or were never provided.

Guiqiong Xiao Gudmundsen, 52, a.k.a. "Kimi" Gudmundsen, of Anaheim Hills, pleaded guilty to one count of health care fraud and one count of money laundering.

Gudmundsen owned Healthy Life Acupuncture Center, which operated in Riverside and in Los Angeles. From January 2008 until December 2015, Gudmundsen recruited Amtrak employees to visit Healthy Life and then, among other things, billed the Amtrak health care plan for acupuncture, which she knew wasn't being provided, according to her plea agreement.

Gudmundsen also admitted to billing the health plan for medically unnecessary services such as massages and facials, as well as for work-related injuries she knew the Amtrak plan did not cover. She also provided medical services to non-Amtrak health care plan participants and then billed the plan for it under the name of an actual Amtrak plan participant, the plea agreement states. Gudmundsen admitted that she regularly waived co-payments, co-insurance, and deductibles for Amtrak health care plan participants, something the plan did not permit.

Gudmundsen also knowingly and routinely funneled her ill-gotten gains through bank accounts opened in the names of a shell company and her relatives, according to the plea agreement.

The government estimates the total loss to the Amtrak health plan to be at least \$3.8 million.

United States District Judge Dolly M. Gee has scheduled a January 22 sentencing hearing, at which time Gudmundsen will face a statutory maximum sentence of 30 years in federal prison.

This matter was investigated by Amtrak Office of Inspector General, IRS Criminal Investigation, and the U.S. Department of Labor, Employee Benefits Security Administration.

This case is being prosecuted by Assistant United States Attorneys Scott D. Dubois and Jenna Williams of the General Crimes Section.

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