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UNITED STATES DISTRICT COURT  
DISTRICT OF OREGON  
PORTLAND DIVISION

**GOVERNMENT EMPLOYEES  
INSURANCE COMPANY, GEICO  
INDEMNITY COMPANY, GEICO  
GENERAL INSURANCE COMPANY,  
GEICO CASUALTY COMPANY, and  
GEICO SECURE INSURANCE  
COMPANY,**

Plaintiffs,

v.

**KENNY JUNG, L.Ac., SUNNY JUNG, N.D.,  
ACCIDENT PAIN WELLNESS CLINIC,  
INC., and JANE DOE DEFENDANTS 1-2,**

Defendant.

**Case No. 3:22-cv-01091**

**COMPLAINT**

**JURY DEMAND REQUESTED**

Plaintiffs Government Employees Insurance Co., GEICO Indemnity Co., GEICO General Insurance Company, GEICO Casualty Co., and GEICO Secure Insurance Company (collectively “GEICO” or “Plaintiffs”), as and for their Complaint against the Defendants, hereby allege as

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follows:

### **INTRODUCTION**

1. This action seeks to recover more than \$300,000.00 that the Defendants wrongfully have obtained from GEICO by submitting, and causing to be submitted thousands of unlawful personal injury protection (“PIP”) insurance charges through Accident Pain Wellness Clinic, Inc. (“Accident Pain Wellness”) for purported initial examinations, acupuncture services, osteopathic manipulation services, and therapeutic services (collectively referred to hereinafter as the “Unlawful Services”).

2. The Unlawful Services purportedly were provided to individuals (“Insureds”) who claimed to have been involved in automobile accidents and were eligible for insurance coverage under GEICO automobile insurance policies.

3. In addition, GEICO seeks a declaration that GEICO is not legally obligated to pay pending claims submitted or caused to be submitted by the Defendants through Accident Pain Wellness because:

- (i) the Unlawful Services were not medically necessary, and were provided pursuant to pre-determined protocols designed to financially enrich the Defendants, rather than to treat or otherwise benefit the Insureds who were subjected to them;
- (ii) in many cases, the Unlawful Services were never legitimately provided in the first instance;
- (iii) the billing codes used for the Unlawful Services misrepresented and exaggerated the level of services that were provided in order to inflate the charges submitted to GEICO; and
- (iv) in many cases, the Unlawful Services were performed – the extent they were performed at all – by individuals lacking the requisite licensure to perform those services.

4. The Defendants fall into the following categories:

- (i) Defendant Kenny Jung, L.Ac. (“K. Jung”) is an acupuncturist licensed to practice acupuncture in Oregon, owned and controlled Accident Pain Wellness, and performed many of the Unlawful Services.
- (ii) Defendant Sunny Jung, N.D. (“S. Jung”) is a doctor of naturopathic medicine licensed to practice naturopathic medicine in Oregon, owned and controlled Accident Pain Wellness, and performed many of the Unlawful Services.
- (iii) Defendant Accident Pain Wellness is an Oregon corporation through which the Unlawful Services purportedly were provided and were billed to automobile insurance companies, including GEICO.
- (iv) Jane Doe Defendants “1” and “2” are unlicensed individuals, presently not identifiable, who furthered the unlawful scheme perpetrated against GEICO, by, among other things, performing many of the Unlawful Services to Insureds without the requisite licenses to do so.

5. As discussed below, the Defendants, at all relevant times, have known that:

- (i) the Unlawful Services were not medically necessary, and were provided pursuant to pre-determined protocols designed to financially enrich the Defendants, rather than to treat or otherwise benefit the Insureds who were subjected to them;
- (ii) in many cases, the Unlawful Services were never provided in the first instance;
- (iii) the billing codes used for the Unlawful Services misrepresented and exaggerated the level of services that were provided in order to inflate the charges submitted to GEICO; and
- (iv) in many cases, the Unlawful Services were performed – the extent they were performed at all – by individuals lacking the requisite licensure to perform those services.

6. As such, the Defendants do not have – and never had – any right to be compensated for the Unlawful Services that they billed or caused to be billed to GEICO. The chart annexed hereto as Exhibit “1” sets forth a large representative sample of the claims that

have been identified to date that the Defendants submitted, or caused to be submitted, to GEICO for the Unlawful Services via the United States mail.

7. The Defendants' scheme began as early as 2014 and has continued uninterrupted since that time. As a result of the Defendants' scheme, GEICO has incurred damages of more than \$300,000.00.

## **THE PARTIES**

### **I. Plaintiffs**

8. Plaintiffs Government Employees Insurance Co., GEICO Indemnity Co., GEICO General Insurance Company, GEICO Casualty Co., and GEICO Secure Insurance Company are Nebraska corporations with their principal places of business in Chevy Chase, Maryland. GEICO is authorized to conduct business and to issue automobile insurance policies in Oregon.

### **II. Defendants**

9. Defendant K. Jung resides in and is a citizen of Oregon. K. Jung was licensed to practice acupuncture in Oregon on April 12, 2010, is the president and an owner of Accident Pain Wellness, and performed many of the Unlawful Services.

10. Defendant S. Jung resides in and is a citizen of Oregon. S. Jung was licensed to practice naturopathic medicine in Oregon on October 12, 2016, is the secretary and an owner of Accident Pain Wellness, and performed many of the Unlawful Services.

11. Defendant Accident Pain Wellness is an Oregon corporation with its principal place of business in Oregon. Accident Pain Wellness was incorporated in Oregon on or about March 3, 2014 and was used by the Defendants as a vehicle to submit unlawful billing to GEICO and other insurers.

12. Between March 3, 2014 and February 27, 2017, K. Jung served as the only officer and owner of Accident Pain Wellness. On or about February 27, 2017, S. Jung became secretary and co-owner, with K. Jung, of Accident Pain Wellness.

13. Upon information and belief, Jane Doe Defendants 1-2 reside in and are citizens of Oregon. Jane Doe Defendants “1” and “2” are unlicensed individuals, presently not identifiable, who furthered the unlawful scheme perpetrated against GEICO, by, among other things, performing, in part or in whole and in exchange for compensation, Unlawful Services to Insureds without the requisite licenses to do so.

### **JURISDICTION AND VENUE**

14. This Court has jurisdiction over the subject matter of this action under 28 U.S.C. § 1332(a)(1) because the total matter in controversy, exclusive of interest and costs, exceeds the jurisdictional threshold of \$75,000.00, and is between citizens of different states.

15. This Court also has original jurisdiction pursuant to 28 U.S.C. § 1331 over claims brought under 18 U.S.C. §§ 1961 et seq. (the Racketeer Influenced and Corrupt Organizations (“RICO”) Act).

16. In addition, this Court has supplemental jurisdiction over the subject matter of the claims asserted in this action pursuant to 28 U.S.C. § 1367.

17. Venue in this District is appropriate pursuant to 28 U.S.C. § 1391, as the District of Oregon is the District where one or more of the Defendants reside and because this is the District where a substantial amount of the activities forming the basis of the Complaint occurred.

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