



***United States Attorney
Southern District of New York***

**FOR IMMEDIATE RELEASE
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**CONTACT: U.S. ATTORNEY'S OFFICE
YUSILL SCRIBNER,
EDELI RIVERA,
JESSIE ERWIN
PUBLIC INFORMATION OFFICE
(212) 637-2600**

**PHARMACY OWNER AGREES TO PAY
\$700,000 TO SETTLE MEDICARE FRAUD LAWSUIT**

PREET BHARARA, the United States Attorney for the Southern District of New York, today announced the settlement of a civil lawsuit filed in the Southern District of New York against KHOSROW MOGHADDAM, K & S PHARMACY, INC., and SASHA PHARMACY, INC. ("MOGHADDAM"), for having submitted false claims to Medicare seeking reimbursement for medical equipment. The settlement, approved yesterday in Manhattan federal court by U.S. District Court Judge Colleen McMahon, requires MOGHADDAM to pay \$700,000 in civil damages to the United States under the False Claims Act.

MOGHADDAM was the owner of two Manhattan pharmacies known as K & S PHARMACY and SASHA PHARMACY, which are no longer in business. MOGHADDAM enrolled the two pharmacies in the Medicare program and received a provider number in order to submit reimbursement requests for various kinds of durable medical equipment. In its complaint, the Government alleges that from at least 2001 through 2004, MOGHADDAM repeatedly billed Medicare for powered pressure-reducing air mattresses that were not actually provided to Medicare beneficiaries. The complaint further alleges that, contrary to Medicare rules, MOGHADDAM billed Medicare for mattresses that were not prescribed by physicians, or were not medically necessary.

This case is being handled by the Office's Civil Frauds Unit. Assistant U.S. Attorney PIERRE G. ARMAND is in charge of the case.