

ABS/JN:MGD
F. #2019R00375

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

- against -

MAZEN ABDEL MAGID,

Defendant.

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TO BE FILED UNDER SEAL

COMPLAINT AND AFFIDAVIT IN
SUPPORT OF APPLICATION FOR
ARREST WARRANT

20-M-812

(T. 18, U.S.C., § 287)

EASTERN DISTRICT OF NEW YORK, SS:

PHILIPPE GOULET, being duly sworn, deposes and states that he is a Special Agent with the Federal Bureau of Investigation (“FBI”), duly appointed according to law and acting as such.

In or about and between February 2019 and March 2019, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant MAZEN ABDEL MAGID, together with others, did knowingly and intentionally make and present certain claims upon and against a department and agency of the United States, to wit: the United States Department of Health and Human Services (“HHS”), knowing such claims to be false, fictitious and fraudulent, to wit: in or about and between February 16, 2019 and March 2, 2019, MAGID caused to be submitted to HHS approximately 1,500 claims for services purportedly rendered by him to Medicare

beneficiaries, when, in fact, he had not rendered the services for which the claims were made.

(Title 18, United States Code, Section 287)

The source of your deponent's information and the grounds for his belief are as follows:

1. I have been a Special Agent with the FBI for approximately three years and am currently assigned to the health care fraud squad in the New York Office. In that capacity, I have participated in numerous investigations of criminal activity involving, among other things, health care and wire and mail fraud. During the course of these investigations, I have conducted or participated in surveillance, the execution of arrest and search warrants, debriefings of informants, reviews of taped conversations and analysis of financial and telephone records. As a result of my training and experience, I am familiar with techniques and methods of operation used by individuals involved in criminal activity to facilitate various kinds of fraud and to conceal their activities from detection by law enforcement authorities.

2. Among other duties, I am currently participating in an investigation involving the FBI and HHS, Office of the Inspector General, Office of Investigations, into, among other things, violations of 18 U.S.C. § 287 (false, fictitious or fraudulent claims) by the defendant MAZEN ABDEL MAGID. Specifically, the investigation is focused on a scheme involving the submission of false and fraudulent claims for reimbursement for physical therapy services and procedures to the Medicare program.

3. I am familiar with the investigation described below through my own participation in the investigation, discussions with other federal law enforcement officers,

records discovered in the course of this investigation that have been reviewed by myself and other law enforcement officers, surveillance conducted by myself and other law enforcement officers and my training and experience.

4. Except as explicitly set forth below, in this affidavit I have not distinguished between facts of which I have personal knowledge and facts of which I have hearsay knowledge. Because this affidavit is being submitted for the limited purpose of seeking an arrest warrant, I have not set forth each and every fact learned during the course of this investigation, but simply those facts necessary to establish probable cause to support issuance of the warrant. Except where otherwise noted, all documents described in this affidavit are set forth in part and in substance only.

PROBABLE CAUSE

I. Background

A. The Medicare Program

1. The Medicare program (“Medicare”) was a federal health care program providing benefits to persons who were at least 65 years old or disabled. Medicare was administered by the Centers for Medicare and Medicaid Services, a federal agency under HHS. Individuals who received benefits under Medicare were referred to as Medicare “beneficiaries.”

2. Medicare was qualified as a “health care benefit program,” as defined by Title 18, United States Code, Section 24(b).

3. Medicare included coverage under two primary components, hospital insurance (“Medicare Part A”) and medical insurance (“Medicare Part B”). Medicare Part B covered the costs of physicians’ services and outpatient care, including physical therapy,

occupational therapy, chiropractic services and diagnostic tests. Generally, Medicare Part B covered these costs only if, among other requirements, they were medically necessary and ordered by a physician.

4. Medical providers and suppliers that sought to participate in Medicare Part B, and to bill Medicare for the cost of their treatment of eligible beneficiaries and related benefits, items and services, were required to apply for and receive a provider identification number (“PIN”) or provider transaction access number (“PTAN”) from each program. The PIN or PTAN allowed medical providers and suppliers to submit bills, known as claims, to Medicare and to obtain reimbursement for the cost of treatment and related health care benefits, items and services that they had supplied or provided to beneficiaries.

5. Medical providers were authorized to submit claims to Medicare only for services they actually rendered and were required to maintain patient records verifying the provision of services. Providers submitted claims to Medicare using billing codes, also called current procedural terminology or “CPT” codes, which were numbers referring to specific descriptions of the medical services provided to beneficiaries.

B. The Defendant and Relevant Entities

9. The defendant MAZEN ABDEL MAGID was a physical therapist who was licensed by the State of New York. ABDEL MAGID resided in Brooklyn, New York.

10. Clinic-1, a physical therapy clinic the identity of which is known to me, was located in Brooklyn, New York. Clinic-1 was wholly owned by the defendant MAZEN ABDEL MAGID.

11. Clinic-1 maintained a bank account at Bank-1, an entity the identity of which is known to me, with an account number ending in 5229 (the “5229 Account”). The

defendant MAZEN ABDEL MAGID controlled and was the sole signatory on the 5229 Account.

C. The False, Fictitious and Fraudulent Claims

12. The investigation has revealed that, from approximately February 2019 through at least March 2019, the defendant MAZEN ABDEL MAGID engaged in a fraudulent scheme in which he sought unlawfully to enrich himself by submitting and causing the submission of false, fictitious and fraudulent claims for reimbursement to Medicare for services that he had not actually rendered.

13. I and other federal agents have reviewed international travel records for the defendant MAZEN ABDEL MAGID. The records reflect that ABDEL MAGID departed the United States on or about February 15, 2019 and did not re-enter the United States until on or about March 4, 2019.

14. I and other federal agents have also reviewed the claims submitted by Clinic-1 to Medicare for services purportedly rendered to Medicare beneficiaries by the defendant MAZEN ABDEL MAGID in February and March of 2019. The Medicare records reflect that Clinic-1 submitted approximately 1,500 claims to Medicare for services purportedly rendered by the defendant MAZEN ABDEL MAGID between approximately February 16, 2019 and March 2, 2019. These approximately 1,500 claims pertained to approximately 125 unique patients, many of whom purportedly visited Clinic-1 multiple times during the relevant time period. In reality, ABDEL MAGID was traveling internationally during that time and could not have provided the services billed to Medicare by Clinic-1. The claims submitted by Clinic-1 were therefore false, fictitious and fraudulent.

15. In total, the defendant MAZEN ABDEL MAGID submitted and caused the submission of approximately \$70,000 in claims to Medicare for services purportedly rendered while he was out of the country, and was paid approximately \$41,000 on those claims.

16. The payments made by Medicare as a result of the claims submitted by Clinic-1 were deposited into the 5229 Account, which was under the control of the defendant MAZEN ABDEL MAGID.

CONCLUSION

17. Based on my training and experience, and the facts set forth in this affidavit, there is probable cause to believe that the defendant MAZEN ABDEL MAGID submitted and caused the submission of false, fictitious and fraudulent claims for reimbursement to Medicare for services that he had not actually rendered.

18. Accordingly, I respectfully request that the Court issue a warrant for the arrest of the defendant MAZEN ABDEL MAGID so that he may be brought before the Court and dealt with according to law.

19. It is further respectfully requested that this Court issue an order sealing, until further order of the Court, all papers submitted in support of this application, including the instant complaint and application and related arrest warrant. The defendant MAZEN

ABDEL MAGID is currently at liberty, and it is respectfully submitted that sealing these documents is necessary to prevent the defendant from avoiding arrest and prosecution.



PHILIPPE GOULET
Special Agent, FBI

Sworn to before me by telephone this
16 day of September, 2020

Lois Bloom

THE HONORABLE LOIS BLOOM
UNITED STATES MAGISTRATE JUDGE
EASTERN DISTRICT OF NEW YORK