

2022R00548/RV

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

FILED

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AT 8:30 3:22 PM M
WILLIAM T. WALSH
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UNITED STATES OF AMERICA : Hon.
:
:
: Crim. No.
v. :
: 18 U.S.C. § 1349
: 18 U.S.C. § 1347
RONNIE SPIEGEL : 18 U.S.C. § 2
: 18 U.S.C. § 371

INDICTMENT

The Grand Jury in and for the District of New Jersey, sitting at Newark,
charges:

COUNT 1

Conspiracy to Commit Health Care Fraud

1. Unless otherwise indicated, at all times relevant to this Indictment:

The Defendant and Relevant Entities

- a. Defendant RONNIE SPIEGEL was a resident of New York.
- b. "Laboratory Company 1" and "Laboratory Company 2" were laboratories located in New York with common ownership. Laboratory Company 1 and Laboratory Company 2 were enrolled Medicare providers and submitted claims to Medicare for payment. Defendant RONNIE SPIEGEL was a representative of Laboratory Company 1.
- c. "Laboratory Company 3" was a laboratory located in Secaucus, New Jersey. Laboratory Company 3 served as a reference laboratory that performed genetic testing on specimens referred by Laboratory Company 1 and Laboratory Company 2.

d. Heartland Labs LLC, Med Mark Inc., Medcheck Marketing Inc., Medichack Management Inc., Medtest Management Inc., Quickstar Labs Corp., Quicktest Management Inc., Richmond Labs Inc., Test NY Management Inc., and Top Med Marketing Inc. (collectively, “the Spiegel Shell Companies”) were entities owned and controlled by defendant RONNIE SPIEGEL.

The Medicare Program

e. The Medicare Program (“Medicare”) was a federally-funded health care program that provided free or below-cost benefits to certain individuals, primarily the elderly, blind, or disabled. The benefits available under Medicare were governed by federal statutes and regulations. Medicare was administered by the Centers for Medicare and Medicaid Services (“CMS”), a federal agency within the U.S. Department of Health and Human Services (“HHS”). Individuals who received Medicare benefits were referred to as “beneficiaries.”

f. Medicare was a “health care benefit program,” as defined in Title 18, United States Code, Section 24(b), and a “Federal health care program,” as defined in Title 42, United States Code, Section 1320a-7b(f).

g. Medicare was divided into multiple parts with separate coverages: Part A covered hospital inpatient care; Part B covered physicians’ services, outpatient care, and laboratory tests; Part C covered Medicare Advantage Plans; and Part D covered prescription drugs.

h. Physicians, clinics, laboratories, and other health care providers (collectively, “providers”) that provided items and services to Medicare

beneficiaries were able to apply for and obtain a “provider number.” Providers that received a Medicare provider number were able to file claims with Medicare to obtain reimbursement for services provided to beneficiaries.

i. When seeking reimbursement from Medicare for provided benefits, services, or items, providers submitted the cost of the benefit, service, or item provided together with a description and the appropriate “procedure code,” as set forth in the Current Procedural Terminology Manual or the Healthcare Common Procedure Coding System. Additionally, claims submitted to Medicare seeking reimbursement were required to include: the beneficiary’s name and Health Insurance Claim Number; the date upon which the benefit, item, or service was provided or supplied to the beneficiary; and the name of the provider, as well as the provider’s unique identifying number, known either as the Unique Physician Identification Number or National Provider Identifier.

j. Medicare paid for claims only if the items or services were medically reasonable, medically necessary for the treatment or diagnosis of the patient’s illness or injury, accurately documented, and actually provided as represented to Medicare. Medicare would not pay for items or services that were procured through kickbacks and bribes.

k. In certain limited circumstances, Medicare permitted laboratories to establish arrangements with so-called “reference laboratories.” Such arrangements existed when a laboratory received a specimen for testing, but instead of testing the specimen in-house, the laboratory acted as a “referring

laboratory” by sending the specimen to another laboratory, the “reference laboratory,” to complete the testing.

Genetic Testing

l. Genetic tests were laboratory tests designed to identify specific inherited mutations in a patient’s genes.

m. Cancer genetic tests used DNA sequencing to detect mutations in genes that could indicate a higher risk of developing certain types of cancers in the future. Cancer genetic testing was not a method of diagnosing whether an individual presently had cancer.

n. In order to have a genetic test performed, an individual provided a saliva sample that contained their DNA material. The sample was then transmitted to a laboratory for testing.

o. Medicare did not cover diagnostic testing that was not “reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member.” 42 U.S.C. § 1395y(a)(1)(A). Except for certain statutory exceptions, Medicare did not cover “[e]xaminations performed for a purpose other than treatment or diagnosis of a specific illness, symptoms, complaint, or injury.” 42 U.S.C. § 411.15(a)(1). Among the statutory exceptions Medicare covered were cancer screening tests such as “screening mammography, colorectal cancer screening tests, screening pelvic exams, [and] prostate cancer screening tests.” *Id.*

p. If diagnostic testing was necessary for the diagnosis or treatment of illness or injury, or to improve the functioning of a malformed body

member, Medicare imposed additional regulations before covering the testing. Title 42, Code of Federal Regulations, Section 410.32(a) provided that “all diagnostic x-rays tests, diagnostic laboratory tests, and other diagnostic tests must be ordered by the physician who is treating the beneficiary, that is, a physician who furnishes a consultation or treats a beneficiary for a specific medical problem and who uses the results in the management of the beneficiary’s specific medical problem. Tests not ordered by the physician who is treating the beneficiary are not reasonable and necessary.”

The Conspiracy

2. From in or around 2019 through in or around July 2022, in the District of New Jersey and elsewhere, the defendant,

RONNIE SPIEGEL,

did knowingly and intentionally combine, conspire, confederate, and agree with others known and unknown to the Grand Jury, to knowingly and willfully execute a scheme and artifice to defraud a health care benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, Medicare, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, said health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services, contrary to Title 18, United States Code, Section 1347.

Goal of the Conspiracy

3. It was the goal of the conspiracy for defendant RONNIE SPIEGEL and his co-conspirators to unlawfully enrich themselves by, among other things: (a) soliciting, receiving, offering, and paying kickbacks and bribes in return for ordering and arranging for the ordering of laboratory tests, including genetic tests; (b) soliciting, receiving, offering, and paying kickbacks and bribes in return for referring Medicare beneficiaries to Laboratory Company 1 and Laboratory Company 2 for laboratory tests, including genetic tests; (c) submitting and causing the submission of false and fraudulent claims to Medicare for laboratory tests, including genetic tests, that were ordered and procured through kickbacks and bribes, medically unnecessary, ineligible for reimbursement, and not provided as represented; (d) concealing the submission of false and fraudulent claims to Medicare, the receipt and transfer of the proceeds of the fraud, and the receipt and payment of kickbacks and bribes; and (e) diverting proceeds of the fraud for their personal use and benefit, for the use and benefit of others, and to further the fraud.

Manner and Means of the Conspiracy

4. The manner and means by which defendant RONNIE SPIEGEL and his co-conspirators sought to accomplish the goal of the conspiracy included, among others, the following:

a. Defendant RONNIE SPIEGEL offered and paid kickbacks and bribes to co-conspirators who ordered and arranged for the ordering of laboratory tests, including genetic tests, that were billed to Medicare by Laboratory

Company 1 and Laboratory Company 2.

b. Defendant RONNIE SPIEGEL offered and paid kickbacks and bribes to co-conspirators who referred Medicare beneficiaries to Laboratory Company 1 and Laboratory Company 2 for laboratory tests, including genetic tests.

c. Beginning in or around April 2020, during the national emergency and global pandemic caused by the novel coronavirus disease 2019 (“COVID-19”), defendant RONNIE SPIEGEL and others gained access to Medicare beneficiaries and their genetic samples by offering COVID-19 tests to Medicare beneficiaries in their homes and at “testing events” at retirement communities, adult day care facilities, food pantries, churches, senior centers, adult assisted living homes, and other locations.

d. Defendant RONNIE SPIEGEL and others caused cancer genetic tests to be ordered for Medicare beneficiaries and billed to Medicare by Laboratory Company 1 and Laboratory Company 2 even though the following conditions were present: some of the beneficiaries were seeking only COVID-19 testing; the ordering provider was not treating the beneficiaries for cancer, symptoms of cancer, or any other medical condition; the ordering provider did not use the test results in the treatment of the beneficiaries or the management of their care; and the test results were often not provided to the beneficiaries.

e. Defendant RONNIE SPIEGEL caused providers to sign cancer genetic testing laboratory requisition forms for Medicare beneficiaries falsely certifying and attesting that the tests were medically necessary for the diagnosis

or detection of a disease or disorder and that the results would be used in the medical management and care decisions for the beneficiaries.

f. Defendant RONNIE SPIEGEL and others falsified and altered laboratory requisition forms, including by adding false information about the Medicare beneficiaries' personal and family history of cancer and by forging providers' signatures, to falsely represent the medical necessity of the cancer genetic tests.

g. To conceal and disguise the scheme, defendant RONNIE SPIEGEL controlled bank accounts at eleven different financial institutions in the names of the ten Spiegel Shell Companies. Defendant RONNIE SPIEGEL received more than \$10 million from Laboratory Company 1 through bank accounts in the names of the ten Spiegel Shell Companies.

h. Defendant RONNIE SPIEGEL concealed kickback and bribe payments to co-conspirators by, among other ways: making payments in cash; writing checks from accounts in the names of the ten Spiegel Shell Companies; falsely indicating in the memo lines of checks that the payments were loans or for services including, but not limited to, marketing and consulting; writing checks to co-conspirators' relatives; and writing checks to financial institutions that were deposited by co-conspirators.

i. Defendant RONNIE SPIEGEL and others caused Laboratory Company 1 and Laboratory Company 2 to bill Medicare more than approximately \$18 million in false and fraudulent claims for laboratory tests, including genetic tests, that were ordered and procured through kickbacks and bribes, medically

unnecessary, ineligible for reimbursement, and not provided as represented. These genetic tests were performed by Laboratory Company 3 in New Jersey pursuant to a reference agreement with Laboratory Company 1.

All in violation of Title 18, United States Code, Section 1349.

COUNTS 2 – 3
Health Care Fraud

5. Paragraph 1 of Count 1 of this Indictment is realleged here.

6. From in or around 2019 through in or around July 2022, in the District of New Jersey and elsewhere, the defendant,

RONNIE SPIEGEL,

did knowingly and willfully execute, and attempt to execute, a scheme and artifice to defraud Medicare, a health care benefit program as defined in 18 U.S.C. § 24(b), and to obtain by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, Medicare, in connection with the delivery of, and payment for, health care benefits, items, and services.

Goal of the Scheme

7. The Grand Jury realleges Paragraph 3 of this Indictment as a description of the goal of the scheme.

The Scheme

8. The Grand Jury realleges Paragraph 4 of this Indictment as a description of the scheme.

Execution of the Scheme

10. On or about the dates specified below, in the District of New Jersey and elsewhere, defendant RONNIE SPIEGEL, aided and abetted by others, and aiding and abetting others known and unknown to the Grand Jury, submitted and caused to be submitted the following false and fraudulent claims for cancer genetic tests that were billed to Medicare by Laboratory Company 1, performed by Laboratory Company 3 in New Jersey, ordered and procured through kickbacks and bribes, medically unnecessary, ineligible for reimbursement, and not provided as represented, in an attempt to execute, and in execution of, the scheme as described in Paragraph 5, with each execution set forth below forming a separate count:

Count	Medicare Beneficiary	Approx. Claim Date	Procedure Code	Approx. Amount Billed to Medicare
2	B.B.	9/10/20	81162	\$2,395.80
3	R.S.	9/26/20	81162	\$2,395.80

Each in violation of Title 18, United States Code, Section 1347 and Section 2.

COUNT 4
**Conspiracy to Defraud the United States and
Pay and Receive Health Care Kickbacks**

11. Paragraph 1 of Count 1 of this Indictment is realleged here.

12. From in or around 2019 through in or around July 2022, in the District of New Jersey and elsewhere, the defendant,

RONNIE SPIEGEL,

did knowingly and intentionally combine, conspire, confederate, and agree with others known and unknown to the Grand Jury, to:

a. defraud the United States by cheating the United States government and any of its agencies and departments out of money and property, and by impairing, impeding, obstructing, and defeating through deceitful and dishonest means, the lawful government functions of HHS and CMS in their administration and oversight of Medicare;

b. knowingly and willfully violate Title 42, United States Code, Section 1320a-7b(b)(1)(A)–(B), by soliciting and receiving any remuneration, specifically, kickbacks and bribes, directly and indirectly, overtly and covertly, in cash and in kind, in return for referring an individual to a person for the furnishing and arranging for the furnishing of any item and service for which payment may be made in whole and in part by a Federal health care program, that is, Medicare, and in return for purchasing, leasing, ordering, and arranging for and recommending purchasing, leasing, and ordering any good, facility, service, and item for which payment may be made in whole and in part by a Federal health care program, that is, Medicare; and

c. knowingly and willfully violate Title 42, United States Code, Section 1320a-7b(b)(2)(A)–(B), by offering and paying any remuneration, specifically, kickbacks and bribes, directly and indirectly, overtly and covertly, in cash and in kind, to induce such person to refer an individual to a person for the furnishing and arranging for the furnishing of any item and service for which payment may be made in whole and in part by a Federal health care program, that is, Medicare, and to induce such a person to purchase, lease, order, and arrange for and recommend purchasing, leasing, and ordering any good, facility, service, and item for which payment may be made in whole and in part under a Federal health care program, that is, Medicare.

Goal of the Conspiracy

13. The Grand Jury realleges Paragraph 3 of this Indictment as a description of the goal of the conspiracy.

Manner and Means of the Conspiracy

14. The Grand Jury realleges Paragraph 4 of this Indictment as a description of the manner and means of the conspiracy.

Overt Acts

15. In furtherance of the conspiracy and to accomplish its goal, at least one of the conspirators committed and caused the commission of one or more of the following acts in the District of New Jersey and elsewhere:

a. On or about September 10, 2020, defendant RONNIE SPIEGEL and others caused Laboratory Company 3, located in New Jersey, to perform a cancer genetic test for Medicare beneficiary B.B., which Laboratory

Company 1 billed to Medicare.

b. On or about September 26, 2020, defendant RONNIE SPIEGEL and others caused Laboratory Company 3, located in New Jersey, to perform a cancer genetic test for Medicare beneficiary R.S., which Laboratory Company 1 billed to Medicare.

c. On or about September 18, 2020, defendant RONNIE SPIEGEL paid a kickback to a co-conspirator, by way of a check in the approximate amount of \$14,333 drawn from a bank account in the name of Med Mark Inc., in exchange for referring Medicare beneficiaries to Laboratory Company 1 for laboratory tests, including genetic tests, and in exchange for arranging for the ordering of laboratory tests, including genetic tests, for Medicare beneficiaries referred to Laboratory Company 1.

d. On or about February 10, 2021, defendant RONNIE SPIEGEL paid a kickback to a co-conspirator, by way of a check in the approximate amount of \$5,500 drawn from a bank account in the name of Med Mark Inc., in exchange for referring Medicare beneficiaries to Laboratory Company 1 for laboratory tests, including genetic tests, and in exchange for arranging for the ordering of laboratory tests, including genetic tests, for Medicare beneficiaries referred to Laboratory Company 1.

All in violation of Title 18, United States Code, Section 371.

FORFEITURE ALLEGATIONS

1. The allegations contained in Counts 1 through 4 of this Indictment are realleged here for the purpose of alleging forfeiture against defendant RONNIE SPIEGEL.

2. Pursuant to Title 18, United States Code, Section 982(a)(7), upon being convicted of the offenses charged in Counts 1 through 4 of this Indictment, defendant RONNIE SPIEGEL shall forfeit to the United States any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offenses.

Substitute Assets Provision

3. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- 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 subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b) and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of defendant RONNIE SPIEGEL up to the value of the forfeitable property described above.

A True Bill,





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CASE NUMBER: _____

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

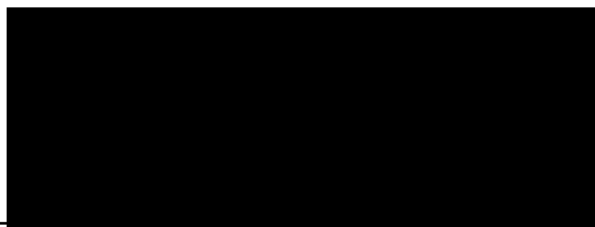
UNITED STATES OF AMERICA

v.

RONNIE SPIEGEL

INDICTMENT FOR

**18 U.S.C. § 1349
18 U.S.C. §§ 1347, 2
18 U.S.C. § 371**



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