

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

ELDAR ZARBABEL,

Defendant.

Case: 5:26-cr-20388

Assigned To : Levy, Judith E.

Referral Judge: Stafford, Elizabeth A.

Assign. Date : 6/18/2026

Description: INFO USA v. Zarbavel (jo)

VIO: 18 U.S.C. § 1956(h)

18 U.S.C. § 982(a)(1)

INFORMATION

THE UNITED STATES ATTORNEY CHARGES:

General Allegations

At all times relevant to this Information:

Medicare

1. The Medicare program (“Medicare”) was a federal health care program providing benefits to persons who were 65 years of age or older or disabled. Medicare was administered by the Centers for Medicare and Medicaid Services (“CMS”), a federal agency under the United States Department of Health and Human Services (“HHS”). Individuals who received benefits under Medicare were referred to as Medicare “beneficiaries.”

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

3. Medicare included coverage under two primary components, hospital insurance (“Part A”) and medical insurance (“Part B”). Medicare Part B covered medically necessary physician services and outpatient care, including durable medical equipment (“DME”), such as prosthetics, orthotics, continuous glucose monitors, urinary catheters, and braces.

4. DME companies, physicians, and other health care providers (collectively, “providers”) that provided items or services to beneficiaries were able to apply for and obtain a National Provider Identifier (“NPI”). To participate in Medicare, providers were required to submit an enrollment application. As provided in the application, every provider was required to meet certain standards to obtain and retain billing privileges to Medicare, including: (1) provide complete and accurate information on the application, with any changes to the information on the application reported within 30 days; (2) disclose persons and/ or organizations with ownership interests or managing control; (3) abide by applicable Medicare laws, regulations, and program instructions; (4) acknowledge that the payment of a claim by Medicare was conditioned upon the claim and the underlying transaction complying with such laws, regulations, and program instructions; and (5) refrain

from knowingly presenting or causing to present a false or fraudulent claim for payment by Medicare and submitting claims with deliberate ignorance or reckless disregard of their truth or falsity. Providers were provided with online access to Medicare manuals and service bulletins describing proper billing procedures and billing rules and regulations.

5. Upon a change in ownership to an enrolled Medicare provider, the provider was required to re-submit an enrollment application setting forth details of the new ownership, including the names of all owners and managing employees, contact information, and a certification by any new individuals that they would abide by Medicare rules and regulations. The enrollment application had to be approved by Medicare before the provider could be reimbursed for claims following a change in ownership.

6. If Medicare approved the application, Medicare assigned the provider a Medicare Provider Identification Number ("PIN" or "provider number"). Providers assigned a Medicare PIN to render services to beneficiaries could submit claims for reimbursement to Medicare that included the PIN assigned to that provider. Payments under Medicare were often made directly to the provider rather than to a Medicare beneficiary. These payments occurred when providers submitted the claim to Medicare for payment, either directly or through a billing company. CMS

contracted with various companies to receive, adjudicate, process, and pay Medicare Part B claims, including claims for DME.

7. Under Medicare Part B, DME was required to be reasonable and medically necessary for the treatment or diagnosis of the patient's illness or injury, ordered by a medical professional, properly documented, and provided as represented to Medicare.

8. Medicare used the term "ordering/referring" provider to identify the physician or nurse practitioner who ordered, referred, or certified an item or service reported in that claim. Individuals who ordered, referred, or certified these items or services were required to have the appropriate training, qualifications, and licenses.

9. A Medicare claim was required to set forth, among other things, the beneficiary's name, the date the items or services were provided, the cost of the items or services, the name and identification number of the physician or other health care provider who ordered the items or services, and the name and identification number of the provider who provided the items or services. Providers conveyed this information to Medicare by submitting claims using billing codes and modifiers.

10. Medigap, also known as Medicare Supplement insurance, helped fill "gaps" in Medicare coverage and was sold by private health insurance companies. A Medigap Supplemental Insurer could help pay some of the remaining health care costs not covered by Medicare, such as copayments, coinsurance, and deductibles.

For DME claims, a Medigap Supplemental Insurer generally covered approximately 20% of the claim amount.

Relevant Entity

11. Royce Medical Supply, LLC, was a Florida corporation, formed in or around July 2022. Royce Medical Supply was enrolled as a participating provider with Medicare, and billed for services around the country, including purported services to Medicaid beneficiaries within the Eastern District of Michigan. On June 9, 2024, Royce Medical Supply, LLC, was registered with the State of Ohio Secretary of State.

The Defendant

12. Defendant ELDAR ZARBAVEL was a resident of Pepper Pike, Ohio, and, during the period of the criminal conduct described herein, had access to, made withdrawals from, and made deposits of Medigap Supplemental Insurer funds into, bank accounts for Royce Medical Supply, LLC.

COUNT 1
Conspiracy to Commit Money Laundering
(18 U.S.C. § 1956(h))

13. Paragraphs 1 through 12 of the General Allegations section of this Information are re-alleged and incorporated by reference as though fully set forth herein.

14. From in or around June 2024, and continuing through in or around July 2024, in the Eastern District of Michigan, and elsewhere, the defendant, ELDAR ZARBAVEL, did willfully, that is, with the intent to further the object of the conspiracy, and knowingly combine, conspire, confederate, and agree with others known and unknown to the United States Attorney, to violate Title 18, United States Code, Section 1956, that is to knowingly conduct financial transactions affecting interstate and foreign commerce, which financial transactions involved the proceeds of specified unlawful activity, knowing the property involved in the financial transactions represented the proceeds of some form of unlawful activity, and knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i). It is further alleged that the specified unlawful activity is health care fraud, in violation of Title 18, United States Code, Section 1347; wire fraud, in violation of Title 18, United States Code, Section 1343, and conspiracy to the same, in violation of Title 18, United States Code, Section 1349.

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

16. It was part of the conspiracy that the co-conspirators would and did submit, by and through businesses entities including Royce Medical Supply, LLC, false and fraudulent claims in the amount of at least \$1.42 billion to Medicare, Medigap Supplemental Insurers, and other health insurance programs for continuous glucose monitors, urinary catheters, and other DME that was not actually dispensed, in an attempt for reimbursement, for Medicare beneficiaries around the country, including within the Eastern District of Michigan.

17. It was further part of the conspiracy that co-conspirators disguised the true ownership and control of funds held within, deposited into, and transferred from, bank accounts for Royce Medical Supply by falsely documenting Person 1, whose identity is known by the United States Attorney, as the owner of Royce Medical Supply and signatory for its Ohio-based banking accounts, despite Person 1 not actually owning or fully controlling the funds in the accounts.

18. It was further part of the conspiracy that ZARBAVEL would and did, at the direction of his co-conspirators, deposit checks issued to Royce Medical Supply, LLC, by Medigap Supplemental Insurers, including Blue Care Network of Michigan, and other health insurance programs as reimbursements for false and fraudulent claims.

19. It was further part of the conspiracy that ZARBAVEL would and did, at the direction of his co-conspirators, deposit, withdraw, and transfer funds to and

from accounts held in the name of Royce Medical Supply, LLC, to accounts controlled by his co-conspirators.

20. It was further part of the conspiracy that, from in or around June 2024, and continuing through in or around July 2024, ZARBAVEL, at the direction of his co-conspirators, would and did engage in financial transactions on behalf of Royce Medical Supply, LLC, involving reimbursements of claims for DME that was not actually dispensed, in the amount of approximately \$3.4 million.

All in violation of Title 18, United States Code, Section 1956(h).

FORFEITURE ALLEGATIONS
(18 U.S.C. § 982(a)(1))

21. The allegations contained in Count 1 of this Information are incorporated by reference as if set forth fully herein for the purpose of alleging forfeiture against defendant ELDAR ZARBAVEL pursuant to the provisions of Title 18, United States Code, Section 982.

22. Pursuant to Title 18, United States Code, Section 982(a)(1), upon being convicted of the crime charged in Count 1 of this Information, the convicted defendant(s) 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 offense.

23. Money Judgment: Property subject to forfeiture includes, but is not limited to a forfeiture money judgment equal to total amount of forfeitable proceeds as a result of defendants' violations as alleged in Count 1 of this Information.

24. Substitute Assets: If the property described above as being subject to forfeiture, as a result of any act or omission of the defendants:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- 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 that 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/or Title 28, United States Code, Section 2461, to seek to forfeit any other property of ELDAR ZARBAVEL, up to the value of such property.

Dated: June 18, 2026

JEROME F. GORGON JR
UNITED STATES ATTORNEY

LORINDA LARYEA
Chief
Criminal Division, Fraud Section
U.S. Department of Justice

JOHN NEAL
Chief, Anti-Corruption Unit
United States Attorney's Office
Eastern District of Michigan

s/ A. Brant Cook

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United States District Court Eastern District of Michigan	Criminal Case Cover Sheet	Case Number
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NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to complete it accurately in all respects.

Companion Case Information	Companion Case Number:
This may be a companion case based upon LCrR 57.10 (b)(4) ¹ :	Judge Assigned:
☐ Yes ☒ No	AUSA's Initials:

Case Title: USA v. Eldar Zarbavel

County where offense occurred : Wayne County, Oakland County

Check One: ☒ Felony ☐ Misdemeanor ☐ Petty

___Indictment/ ☒ Information --- **no** prior complaint.
 ___Indictment/ ___ Information --- based upon prior complaint [Case number: _____]
 ___Indictment/ ___ Information --- based upon LCrR 57.10 (d) [Complete Superseding section below].

Superseding Case Information

Superseding to Case No: _____ **Judge:** _____

- ☐ Corrects errors; no additional charges or defendants.
- ☐ Involves, for plea purposes, different charges or adds counts.
- ☐ Embraces same subject matter but adds the additional defendants or charges below:

<u>Defendant name</u>	<u>Charges</u>	<u>Prior Complaint (if applicable)</u>
Eldar Zarbavel	18 U.S.C. § 1956(h)	

Please take notice that the below listed Assistant United States Attorney is the attorney of record for the above captioned case.

June 18, 2026
Date

s/A. Brant Cook

A. Brant Cook, Trial Attorney
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Attorney Bar #: P86489

¹ Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, or (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.