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UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Criminal No. 18- <i>CF-134-AET</i>
	:	
v.	:	18 U.S.C. § 371, 1349
	:	
SETH REHFUSS	:	
	:	
	:	

INDICTMENT

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

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

The Good Samaritans of America

a. The Good Samaritans of America was a purported non-profit located in Point Pleasant, New Jersey.

b. Defendant SETH REHFUSS resided in Somerset, New Jersey and was the founder of The Good Samaritans of America.

c. SHEILA KAHL resided in Point Pleasant, New Jersey, and was a partner of defendant SETH REHFUSS in The Good Samaritans of America.

d. Through The Good Samaritans of America, defendant SETH REHFUSS, SHEILA KAHL, and others targeted low-income senior citizens and claimed to be "the Trusted Nonprofit" available to assist senior citizens with eligibility for a laundry list of government programs through in person

presentations. The Good Samaritans of America promised to help senior citizens navigate “food allowances, farmers market fresh foods allowance, free cell phone, prescription assistance, utility assistance, dental clinic information, eyeglass voucher, hearing aid scholarship, final wishes and request book and a DNA swab test.” To encourage attendance at events planned at senior centers throughout New Jersey, defendant SETH REHFUSS, SHEILA KAHL, and other representatives of The Good Samaritans of America advertised “free ice cream” for senior citizens who attended.

e. In reality, The Good Samaritans of America was a front for defendant SETH REHFUSS, SHEILA KAHL, and others to defraud the Medicare Program out of more than \$1 million by obtaining DNA samples from senior citizens for unnecessary genetic testing, recruiting and paying healthcare professionals to authorize the unnecessary genetic testing, and ultimately submitting the DNA samples for analysis at laboratories capable of billing Medicare. In doing so, defendant SETH REHFUSS, SHEILA KAHL, and others wrongfully accessed individually identifiable health information of the senior citizens, in the form of the results of the genetic testing in order to effectuate the scheme.

The Medicare Program

2. The Medicare program is a federal program established by the Social Security Act of 1965 (codified as amended in various sections of Title 42, United States Code) to provide medical services, medical equipment, and supplies to aged, blind, and disabled individuals who qualify under the Social

Security Act (hereinafter "beneficiaries"). The Medicare Part B program is a federally funded supplemental insurance program that provides supplementary Medicare insurance benefits for individuals aged sixty-five or older and certain individuals who are disabled. The Medicare Part B program pays for medical services, including diagnostic testing, for beneficiaries.

3. During all times relevant to this Indictment, genetic testing was among the services covered by Medicare Part B. For Medicare to pay the cost of such testing, Medicare rules required that it be medically necessary based on the judgment of a health care professional who is treating the beneficiary.

Genetic Testing and The Good Samaritans of America

4. Laboratory One was a clinical laboratory located in Virginia.

5. Laboratory Two was a clinical laboratory located in California.

6. Laboratory One and Laboratory Two performed a type of genetic testing. The purpose of this type of genetic testing is to determine the way an individual metabolizes medications based on small differences in an individual's DNA. To conduct genetic testing, a DNA sample is taken from the patient by using a cheek (buccal) swab to collect enough cells to obtain a genetic profile. The DNA sample is submitted to a clinical laboratory for analysis and the results of the test are to be sent back to the healthcare provider that deemed the testing necessary.

7. Defendant SETH REHFUSS and other representatives of The Good Samaritans of America worked as sales representatives for Laboratory One and Laboratory Two. As sales representatives, defendant SETH REHFUSS and

others were in contractual relationships with an entity representing Laboratory One and in direct contractual relationships with Laboratory Two. As such, they were paid a sales commission each and every time Laboratory One and Laboratory Two were paid by an insurance company or Medicare for analysis of a DNA sample. Defendant SETH REHFUSS and SHEILA KAHL shared in the commission payments paid by Laboratory One and Laboratory Two.

The Scheme

8. During the course of the presentations, in order to convince senior citizens to submit to genetic testing, defendant SETH REHFUSS used fear-based tactics — suggesting all senior citizens would be vulnerable to heart attacks, stroke, cancer and suicide if they did not have the genetic testing — along with a sales pitch claiming that genetic testing allowed for “personalized medicine.” As part of the scheme, defendant SETH REHFUSS, SHEILA KAHL, and others frequently collected DNA samples in the community rooms where the presentations took place or arranged to visit the senior citizens’ apartments on another day to take the DNA swab. Regardless of the timing or location of the swabbing, the DNA swab was collected without the involvement of any healthcare provider and without any determination by a healthcare provider that such testing was medically necessary or appropriate.

9. Indeed, all that mattered to defendant SETH REHFUSS, SHEILA KAHL, and other representatives of The Good Samaritans of America, was whether the senior citizen had Medicare coverage.

10. At the “free ice cream” presentations, defendant SETH REHFUSS, SHEILA KAHL, and other representatives of The Good Samaritans of America convinced hundreds of senior citizens to submit to unnecessary genetic testing without any involvement of a healthcare professional.

11. As part of the scheme, The Good Samaritans of America, through defendant SETH REHFUSS, recruited multiple doctors, physician assistants and nurse practitioners via advertisements posted on the website “Craigslis” to falsely state that they referred patients for genetic testing they deemed necessary for the patient’s treatment. Specifically, the advertisements on Craigslis sought a part time doctor, physician assistant or nurse practitioner “2 hours a week \$2000 (Your Office).”

12. In this manner, defendant SETH REHFUSS made arrangements with multiple healthcare providers, frequently paying them thousands of dollars per month to sign requisition forms required by the laboratories to conduct genetic testing on the DNA swabs previously collected. The healthcare providers had never met those patients and had no role in their care or treatment.

13. CC-1, a co-conspirator not named herein, was a physician with a medical practice in New Jersey who accepted payments from defendant SETH REHFUSS and SHEILA KAHL in exchange for signing off on requisitions for genetic testing, which effectively acted as the referral for laboratory analysis.

14. CC-2, a co-conspirator not named herein, was a physician with a

medical practice in New Jersey who accepted payments from defendant SETH REHFUSS and SHEILA KAHL in exchange for signing off on requisitions for genetic testing, which effectively acted as the referral for laboratory analysis.

15. It was further part of the scheme that defendant SETH REHFUSS and SHEILA KAHL wrongfully accessed the protected health information of the senior citizens. Defendant SETH REHFUSS and SHEILA KAHL accessed the results of the genetic testing conducted by Laboratory One and Laboratory Two, purporting to be the healthcare professional, when they were not. In fact, the healthcare professionals paid to authorize the genetic testing never received results of the tests they authorized for the patients who they never treated.

16. As a result of the scheme, Medicare paid Laboratory One and Laboratory Two more than \$1 million for completion of unnecessary genetic testing on senior citizens.

COUNT ONE

(Conspiracy to Commit Health Care Fraud)

Paragraphs 1 through 16 are re-alleged as if fully set forth herein.

17. From in or about July 2014 through in or about December 2015, in the District of New Jersey, and elsewhere, the defendant,

SETH REHFUSS,

did knowingly and willfully conspire and agree with SHEILA KAHL and others to execute, and attempt to execute, a scheme and artifice to defraud health care benefit program and to obtain, by means of false and fraudulent pretenses, representations, and promises, money owned by, or under the custody or control of, any health care benefit program in connection with the delivery of or payment for health care benefits, items or services, contrary to Title 18, United States Code, Section 1347, in violation of Title 18, United States Code, Section 1349.

COUNT TWO

(Conspiracy to Wrongfully Access
Individually Identifiable Health Information
and to Pay Kickbacks)

Paragraphs 1 through 16 are re-alleged as if fully set forth herein.

18. From in or about July 2014, through at least December 2015, in the District of New Jersey, and elsewhere, the defendant,

SETH REHFUSS,

did knowingly and intentionally conspire with others to commit offenses against the United States, that is:

a. to knowingly, and for a reason other than permitted by Title 42, United States Code, Chapter 7, Subchapter XI, Part C, obtain and cause to be obtained individually identifiable health information relating to an individual, with the intent to use, and cause to be used, said information for personal gain, contrary to Title 42, United States Code, Section 1320d-6(a)(3) and (b)(3); and

b. to knowingly and willfully pay remuneration, directly and indirectly, overtly and covertly, in cash and in kind, that is, kickbacks and bribes, from The Good Samaritans of America, in exchange for the furnishing and arranging for the furnishing of items and services, namely, referring prescriptions for patients to Laboratory One and Laboratory Two for genetic testing, for which payment was made in whole or in part under a Federal health care program, namely, Medicare and Medicaid, contrary to Title 42, United States Code, Section 1320a-7b(b)(2).

Object of the Conspiracy

19. The object of the conspiracy was for defendant SETH REHFUSS, SHEILA KAHL, and others to fraudulently obtain additional revenue for Laboratory One and Laboratory Two, and in turn, themselves, by making false representations to Medicare that genetic tests were ordered by senior citizens' treating health care providers and that the genetic testing was medically necessary, when in fact, the samples were collected and genetic tests were ordered without regard to medical necessity in order to carry out the fraud.

Manner and Means of the Conspiracy

20. The manner and means by which defendant SETH REHFUSS, SHEILA KAHL, and others sought to accomplish the object of the scheme included, among other things, the following:

a. As described in paragraphs 8 through 10, defendant SETH REHFUSS, SHEILA KAHL, and other representatives of The Good Samaritans of America used "free ice cream" and fear-based tactics to convince senior citizens to have DNA swabs taken.

b. As described in paragraphs 11 through 14, defendant SETH REHFUSS, SHEILA KAHL, and others recruited multiple doctors, physician assistants and nurse practitioners via advertisements posted on the website "Craigslist" to falsely state that they referred patients for genetic testing they deemed necessary for the patients' treatment.

c. It was a part of the conspiracy that defendant SETH REHFUSS and SHEILA KAHL drafted contractual agreements between The Good Samaritans of America and the healthcare providers who were paid to falsely state that they referred patients for genetic testing they deemed necessary for the patients' treatment when, in actuality, the healthcare providers had never met those patients and had no role in their care or treatment.

d. Specifically, it was part of the conspiracy that defendant SETH REHFUSS paid CC-1 and CC-2 and other healthcare professionals thousands of dollars to falsely represent that they were the treating physician for senior citizens they never met and sign off on requisitions for genetic testing and analysis to be done by Laboratory One and Laboratory Two, which then billed Medicare, for the genetic testing.

e. It was further part of the conspiracy that defendant SETH REHFUSS and SHEILA KAHL submitted the fraudulent referrals to Laboratory One and Laboratory Two and caused the Medicare Program to pay more than \$1 million from which defendant SETH REHFUSS and SHEILA KAHL obtained commissions of at least tens of thousands of dollars.

f. It was further part of the conspiracy that defendant SETH REHFUSS and SHEILA KAHL controlled fraudulent email accounts for the healthcare providers, including CC-1 and CC-2, and used them to access the individually identifiable health information of the senior citizens for their own personal use.

Overt Acts

21. In furtherance of the conspiracy, and in order to effect the object thereof, defendant SETH REHFUSS and his co-conspirators committed or caused the commission of the following overt acts in the District of New Jersey and elsewhere:

a. On or about April 30, 2015, defendant SETH REHFUSS, through The Good Samaritans of America, entered into a contract with CC-1, whereby defendant SETH REHFUSS agreed to pay CC-1 thousands of dollars for “review and signing of patient files who requested a DNA drug sensitivity test.” CC-1 never examined any of the Medicare patients for whom CC-1 contracted to authorize tests.

b. On or about May 4, 2015, SHEILA KAHL created an email account for CC-1 that defendant SETH REHFUSS and SHEILA KAHL controlled to access the individually identifiable health information of senior citizens that agreed to testing.

c. On or about May, 4, 2015, SHEILA KAHL falsely represented herself to Laboratory One as “Lynne Kahl,” the office manager of CC-1’s office. By doing so, defendant SETH REHFUSS and SHEILA KAHL were in a position to intercept any questions that Laboratory One and/or Laboratory Two may have had about the DNA samples taken of senior citizens at presentations given by The Good Samaritans of America.

d. On or about June 24, 2015, SHEILA KAHL created an email account for CC-2 that defendant SETH REHFUSS and SHEILA KAHL controlled to access the individually identifiable health information of senior citizens that agreed to testing.

e. On or about June 22, 2015, defendant SETH REHFUSS falsely represented himself to Laboratory One as “John Reh,” the office manager of CC-2’s office, when he was not. By doing so, defendant SETH REHFUSS and SHEILA KAHL were in a position to intercept any questions that Laboratory One and/or Laboratory Two may have had about the DNA samples taken of senior citizens at presentations given by The Good Samaritans of America.

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

FORFEITURE ALLEGATION

1. Upon conviction of the offense of conspiracy to commit a Federal health care fraud offense, contrary to 18 U.S.C. § 1347 and 42 U.S.C. § 1320a-7b(b)(2), in violation of 18 U.S.C. § 371, as alleged in this Indictment, the defendant, SETH REHFUSS, shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(7), all property, real and personal, obtained by the defendant that constitutes or is derived, directly and indirectly, from gross proceeds traceable to the commission of such offense, the value of which totaled \$66,844.21.

Substitute Assets Provision

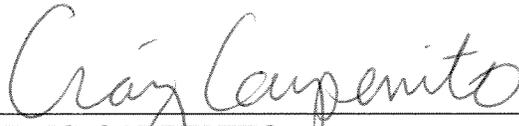
2. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:
- (a) cannot be located upon the exercise of due diligence;
 - (b) has been transferred or sold to, or deposited with, a third person;
 - (c) has been placed beyond the jurisdiction of the Court;
 - (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 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b), to seek forfeiture of any other property of

defendant SETH REHFUSS up to the value of the forfeitable property described above.

A TRUE BILL

FOREPERSON


CRAIG CARPENITO
United States Attorney

CASE NUMBER:

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

SETH REHFUSS

INDICTMENT FOR

18 U.S.C. §§ 371, 1349

A True Bill,

foreperson

CRAIG CARPENITO

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