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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

KYROLLOS MEKAIL,

Defendant.

CR No. **2:24-CR-00391-MCS**

I N F O R M A T I O N

[18 U.S.C. § 1347: Health Care
Fraud; 18 U.S.C. § 982: Criminal
Forfeiture]

The United States Attorney charges:

COUNTS ONE AND TWO

[18 U.S.C. §§ 1347, 2]

A. INTRODUCTORY ALLEGATIONS

At times relevant to this Information:

Defendant and Relevant Entities

1. Defendant KYROLLOS MEKAIL owned, operated, and was the Pharmacist-in-Charge for MONTE VP LLC d/b/a Monte Vista Pharmacy ("Monte Vista"), a pharmacy located at 9635 Monte Vista Avenue, Suite 202, Montclair, California 91763, within the Central District of California.
2. Defendant MEKAIL controlled and was a signatory for business checking accounts in the name of Monte Vista at Wells Fargo

1 Bank (the "Monte Vista Wells Fargo Account") and Bank of America (the
2 "Monte Vista BofA Account," and collectively with the Monte Vista
3 Wells Fargo Account, the "Monte Vista Bank Accounts").

4 3. Co-Schemer 1 was a patient marketer from Orange,
5 California, who purported to work for Company 1.

6 4. Company 1 was a California company owned by Co-Schemer 1's
7 attorney.

8 5. Co-Schemer 1 controlled a trust established for Co-Schemer
9 1's benefit ("Trust 1"). Trust 1 held accounts at Wells Fargo Bank
10 with another individual as the signatory (collectively, the "Co-
11 Schemer 1 Trust Accounts").

12 6. Co-Schemer 2 was a Nurse Practitioner who lived in West
13 Hills, California, and had an office in Calabasas, California.

14 7. Co-Schemer 3 was a patient marketer from Ontario,
15 California.

16 8. Company 2 and Company 3 were California limited liability
17 companies owned by Co-Schemer 3 and her spouse.

18 9. Co-Schemer 4 was a Nurse Practitioner who lived in El
19 Monte, California. Co-Schemer 4 had an office in South El Monte,
20 California.

21 10. Co-Schemer 5 was a Nurse Practitioner.

22 Medi-Cal Program

23 11. Medicaid of California ("Medi-Cal") was a health care
24 benefit program, affecting commerce, that provided reimbursement for
25 medically necessary health care services for low-income individuals
26 including families with children, seniors, persons with disabilities,
27 individuals in foster care, pregnant women, and low-income
28 individuals with specific diseases such as tuberculosis, breast

1 cancer, or HIV/AIDS. Funding for Medi-Cal was shared between the
2 federal government and the State of California. Individuals who
3 qualified for Medi-Cal benefits were referred to as "beneficiaries."

4 12. Health care providers, including pharmacies, could receive
5 direct reimbursement from Medi-Cal by applying to Medi-Cal and
6 receiving a Medi-Cal provider number. Medi-Cal reimbursed health
7 care providers for medically necessary treatment and services
8 rendered to Medi-Cal beneficiaries.

9 13. To obtain payment for services, an enrolled provider, using
10 its unique provider number, submitted claims to Medi-Cal certifying
11 that the information on the claim form was truthful and accurate and
12 that the services provided were reasonable and necessary to the
13 health of the Medi-Cal beneficiary.

14 14. Medi-Cal was a "health care benefit program," as defined by
15 Title 18, United States Code, Section 24(b).

16 15. Monte Vista was a Medi-Cal provider. Defendant MEKAIL
17 submitted a Medi-Cal provider application for Monte Vista in or
18 around February 2022.

19 Medi-Cal Program's Temporary Prior Authorization Suspension

20 16. Medi-Cal at times required that providers obtain "prior
21 authorization" before providing certain health care services or
22 medications as a condition of reimbursement to ensure the health care
23 service or medication was medically necessary and otherwise covered.

24 17. As a condition of reimbursement, Medi-Cal traditionally
25 required prior authorization for an array of medications, including
26 medications that contained cheap, generic ingredients but were
27 manufactured in unique dosages, combinations, or package quantities,
28 and were not included in the applicable maximum price lists that

1 capped Medi-Cal reimbursements ("non-contracted, generic drugs").
2 However, Medi-Cal temporarily suspended prior authorization
3 requirements for most prescription medications at the beginning of
4 2022 in connection with an ongoing transition of Medi-Cal's
5 prescription drug program from managed care to fee-for-service,
6 referred to as "Medi-Cal Rx." In or around February 2022, Medi-Cal
7 notified providers of the change in prior authorization requirements,
8 which was made retroactive to in or around January 2022.

9 B. THE SCHEME TO DEFRAUD

10 18. Beginning in or around May 2022, and continuing through in
11 or around March 2023, in Los Angeles County, San Bernardino County,
12 and Orange County, within the Central District of California, and
13 elsewhere, defendant MEKAIL, together with Co-Schemer 1, Co-Schemer
14 2, Co-Schemer 3, Co-Schemer 4, Co-Schemer 5, and others known and
15 unknown to the United States Attorney, knowingly, willfully, and with
16 intent to defraud, executed and willfully caused to be executed a
17 scheme and artifice: (a) to defraud a health care benefit program,
18 namely, Medi-Cal, as to material matters in connection with the
19 delivery of and payment for health care benefits, items, and
20 services; and (b) to obtain money from a health care benefit program,
21 namely, Medi-Cal, by means of materially false and fraudulent
22 pretenses, representations, and promises, and the concealment of
23 material facts in connection with the delivery of and payment for
24 health care benefits, items, and services.

25 C. MEANS TO ACCOMPLISH THE SCHEME TO DEFRAUD

26 19. The fraudulent scheme operated, in substance, as follows:
27 a. Following Medi-Cal's suspension of prior authorization
28 requirements in February 2022, Co-Schemer 1 referred prescriptions

1 for certain non-contracted, generic drugs -- including Chlorzoxazone
2 375 mg tablet; Crotan 10% lotion; DermacinRx Lidogel 2.8% gel;
3 Diclofenac 2% solution pump; Fenoprofen 400 mg capsule; Folite
4 tablet; Indocin 50 mg suppository; Lidocaine-Prilocaine 2.5%-2.5%
5 cream; Lidocort 3%-0.5% cream; Lidotral 3.88% cream; Lofena 25 mg
6 tablet; Meloxicam 5 mg capsule; Naftifine HCL 1% cream; Naproxen-
7 Esomeprazole DR 375-20 mg tablet; Norgesic Forte 50-770-60 mg tablet;
8 Omeprazole-Sodium Bicarbonate 20-1,680 packet; Oxiconazole Nitrate 1%
9 cream; and Synoflex 4%-5% patch (collectively, the "Fraud Scheme
10 Medications") -- to Monte Vista, so that Monte Vista could submit
11 claims for the Fraud Scheme Medications to Medi-Cal and receive
12 reimbursement on those claims.

13 b. Defendant MEKAIL paid and caused to be paid kickbacks
14 to Co-Schemer 1 in exchange for the referral of patient prescriptions
15 for the Fraud Scheme Medications for which Monte Vista could bill
16 Medi-Cal for the purported dispensing. Defendant MEKAIL's kickback
17 payments to Co-Schemer 1 at times equaled approximately 40 percent of
18 Monte Vista's revenue from the fraudulent claims associated with
19 prescriptions Co-Schemer 1 referred.

20 c. Defendant MEKAIL concealed and disguised the scheme by
21 paying the kickbacks in the form of checks drawn on the Monte Vista
22 Bank Accounts payable to the Co-Schemer 1 Trust Accounts, often with
23 false check memo lines suggesting the payments were for "consulting
24 service[s]," so as to disguise the nature, ownership, and control of
25 the kickback payments.

26 d. Approximately 85 percent of the claims for Fraud
27 Scheme Medications submitted by Monte Vista to Medi-Cal identified
28 Co-Schemer 2 as the prescriber. Co-Schemer 2 worked for Company 1

1 and had an office in Los Angeles County. From Co-Schemer 2's office,
2 Co-Schemer 2 wrote, and caused to be written, prescriptions for the
3 Fraud Scheme Medications for Medi-Cal beneficiaries whose names and
4 personal identifying information were provided by Co-Schemer 1 in
5 return for payments from Co-Schemer 1's attorney and others to Co-
6 Schemer 2 for each prescription Co-Schemer 2 signed.

7 e. Co-Schemer 2 or Company 1 then submitted the
8 prescriptions to Monte Vista so that Monte Vista could submit claims
9 to Medi-Cal for the Fraud Scheme Medications.

10 f. Co-Schemer 3 also referred prescriptions for the Fraud
11 Scheme Medications to Monte Vista so that Monte Vista could submit
12 claims for the Fraud Scheme Medications to Medi-Cal and receive
13 reimbursement on those claims. Defendant MEKAIL knowingly and
14 willfully paid and caused to be paid kickbacks to Co-Schemer 3 in
15 exchange for the referral of patient prescriptions for the Fraud
16 Scheme Medications that could be billed to Medi-Cal.

17 g. Defendant MEKAIL paid the kickbacks to Co-Schemer 3 in
18 the form of checks drawn on the Monte Vista Bank Accounts payable to
19 Company 2 and Company 3 and by falsely labeling many of the check
20 memo lines as "consulting service," to disguise the nature,
21 ownership, and control of the kickback payments. In total, defendant
22 paid and caused to be paid to Co-Schemer 3 approximately \$5 million
23 in kickbacks from the Monte Vista Bank Accounts to Company 2 and
24 Company 3.

25 h. The prescriptions for the Fraud Scheme Medications
26 provided by Co-Schemer 3 in exchange for kickbacks included
27 prescriptions identifying the prescribers as Co-Schemer 4, who had an
28 office in Los Angeles County, Co-Schemer 5, and others.

1 i. Defendant MEKAIL submitted and caused Monte Vista to
2 submit false and fraudulent claims to Medi-Cal for the purported
3 dispensing of the Fraud Scheme Medications. At the time defendant
4 MEKAIL submitted and caused the claims to be submitted to Medi-Cal,
5 defendant MEKAIL knew that these Fraud Scheme Medications, in many
6 instances, were not provided to the beneficiaries because Monte Vista
7 did not have sufficient inventory to dispense the Fraud Scheme
8 Medications. In doing so, defendant MEKAIL knew that these claims
9 were false and fraudulent.

10 20. From in or around May 2022 to in or around March 2023,
11 defendant MEKAIL, along with Co-Schemer 1, Co-Schemer 2, and others
12 known and unknown to the United States Attorney, submitted and caused
13 to be submitted at least approximately \$260,294,695.47 in false and
14 fraudulent claims to Medi-Cal for purportedly dispensing the Fraud
15 Scheme Medications prescribed by Co-Schemer 2, on which Medi-Cal paid
16 at least approximately \$172,851,837.02.

17 21. From in or around May 2022 to in or around March 2023,
18 defendant MEKAIL, along with Co-Schemer 3, Co-Schemer 4, Co-Schemer
19 5, and others known and unknown to the United States Attorney,
20 submitted and caused to be submitted at least approximately
21 \$32,012,138.64 in false and fraudulent claims to Medi-Cal for
22 purportedly dispensing the Fraud Scheme Medications prescribed by Co-
23 Schemer 4, Co-Schemer 5 and others, on which Medi-Cal paid at least
24 approximately \$21,566,884.02.

25 22. From in or around May 2022 to in or around March 2023,
26 defendant MEKAIL, along with others known and unknown to the United
27 States Attorney, submitted and caused to be submitted at least
28 approximately \$14,214,558.77 in additional false and fraudulent

1 claims to Medi-Cal for purportedly dispensing the Fraud Scheme
 2 Medications, on which Medi-Cal paid at least approximately
 3 \$9,613,430.38.

4 23. In total, and pursuant to the fraudulent scheme, from in or
 5 around May 2022 to in or around March 2023, defendant MEKAIL, along
 6 with Co-Schemers 1 through 5, and others known and unknown to the
 7 United States Attorney, submitted and caused to be submitted at least
 8 approximately \$306,521,392.88 in false and fraudulent claims to Medi-
 9 Cal for purportedly dispensing the Fraud Scheme Medications, on which
 10 Medi-Cal paid approximately \$204,032,151.42. At the time defendant
 11 MEKAIL submitted and caused the claims to be submitted to Medi-Cal,
 12 he knew that these Fraud Scheme Medications were medically
 13 unnecessary, and in many instances, were not provided to the
 14 beneficiaries and that the prescriptions for the Fraud Scheme
 15 Medications were procured through kickbacks.

16 D. EXECUTIONS OF THE FRAUDULENT SCHEME

17 24. On or about the dates set for below, within the Central
 18 District of California, and elsewhere, defendant MEKAIL, together
 19 with others known and unknown to the United States Attorney,
 20 knowingly and willfully executed and willfully caused to be executed
 21 the fraudulent scheme described above by submitting and causing to be
 22 submitted the following false and fraudulent claims:

COUNT	DATE	BENEF- ICIARY	CLAIM NO.	MEDICATION	PRESCRIBER	APPROX. BILLED AMOUNT
ONE	10/11/22	K.R.	512504 79201	Meloxicam 5 mg capsule	Co-Schemer 2	\$13,424.45
TWO	10/13/22	K.R.	513746 95801	Lofena 25 mg tablet	Co-Schemer 2	\$8,371.31

FORFEITURE ALLEGATION

[18 U.S.C. § 982]

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3 1. Pursuant to Rule 32.2(a), Fed. R. Crim. P., notice is
4 hereby given that the United States will seek forfeiture as part of
5 any sentence, pursuant to Title 18, United States Code, Section
6 982(a)(7), in the event of the defendant's conviction of the offenses
7 set forth in any of Counts One or Two of this Information.

8 2. The defendant, if so convicted, shall forfeit to the United
9 States of America the following:

10 (a) All right, title, and interest in any and all
11 property, real or personal, that constitutes or is derived, directly
12 or indirectly, from the gross proceeds traceable to the commission of
13 any offense of conviction, including but not limited to:

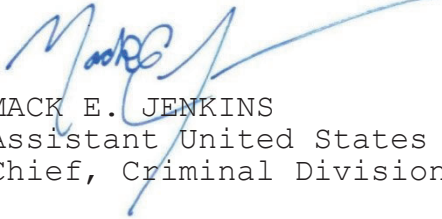
14 (i) The real property located at 16457 Mariposa
15 Avenue, Riverside CA, 92504, parcel number 273-580-024, where
16 Kyrollos Mekail and Mena Mekail hold title as joint tenants, and
17 known further by the legal description "Lot Number: 24 Tract No:
18 22100-3 Brief Description: 1.54 ACRES NET IN POR LOT 24 MB 240/055 TR
19 22100-3"; and

20 (b) To the extent such property is not available for
21 forfeiture, a sum of money equal to the total value of the property
22 described in subparagraph (a).

23 3. Pursuant to Title 21, United States Code, Section 853(p),
24 as incorporated by Title 18, United States Code, Section 982(b), the
25 defendant, if so convicted, shall forfeit substitute property, up to
26 the total value of the property described in the preceding paragraph
27 if, as a result of any act or omission of said defendant, the
28 property described in the preceding paragraph, or any portion thereof

1 (a) cannot be located upon the exercise of due diligence; (b) has
2 been transferred, sold to or deposited with a third party; (c) has
3 been placed beyond the jurisdiction of the Court; (d) has been
4 substantially diminished in value; or (e) has been commingled with
5 other property that cannot be divided without difficulty.

6
7
8 E. MARTIN ESTRADA
United States Attorney

9
10 
11 MACK E. JENKINS
Assistant United States Attorney
Chief, Criminal Division

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