

FILED

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
ORLANDO DIVISION

JUN 28 AM 8:41

UNITED STATES OF AMERICA

CASE NO. 6:18-cr-158-ORC-180JK  
18 U.S.C. § 1349

v.

ASHRAF BADR

**INFORMATION**

The United States Attorney charges that:

**INTRODUCTION**

At all times material to this Information:

**A. The Medicare Program**

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

2. Medicare programs covering different types of benefits were separated into different program “parts.” Part D of the Medicare Program subsidized the costs of prescription drugs for Medicare beneficiaries in the United States. It was enacted as a part of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 and went into effect on January 1, 2006.

3. In order to receive Part D benefits, a beneficiary enrolled in a Medicare drug plan. Medicare drug plans were operated by private companies approved by Medicare. Those companies were often referred to as drug plan “sponsors.” A beneficiary in a Medicare drug plan could fill a prescription at a pharmacy and use his or her plan to pay for some or all of the prescription.

4. A pharmacy could participate in the Part D Program by entering a retail network agreement directly with a plan or with one or more Pharmacy Benefit Managers (“PBMs”). A PBM acted on behalf of one or more Medicare drug plans. Through a plan’s PBM, a pharmacy could join the plan’s network. When a Part D beneficiary presented a prescription to a pharmacy, the pharmacy submitted a claim either directly to the plan or to a PBM that represented the beneficiary’s Medicare drug plan. The plan or PBM determined whether the pharmacy was entitled to payment for each claim and periodically

paid the pharmacy for outstanding claims. The drug plan's sponsor reimbursed the PBM for its payments to the pharmacy.

5. A pharmacy could also submit claims to a Medicare drug plan to whose network the pharmacy did not belong. Submission of such out of network claims was not common and often resulted in smaller payments to the pharmacy by the drug plan sponsor.

6. Medicare, through CMS, compensated the Medicare drug plan sponsors. Medicare paid the sponsors a monthly fee for each Medicare beneficiary of the sponsors' plans. Such payments were called capitation fees. The capitation fee was adjusted periodically based on various factors, including the beneficiary's medical conditions. In addition, in some cases where a sponsor's expenses for a beneficiary's prescription drugs exceeded that beneficiary's capitation fee, Medicare reimbursed the sponsor for a portion of those additional expenses.

7. Medicare and Medicare drug plan sponsors were "health care benefit program[s]," as defined by Title 18, United States Code, Section 24(b).

#### **B. Medicare Drug Plan Sponsors**

8. Humana, Humana CarePlus Health Plans Inc. ("CarePlus"), Wellcare Health Plans Inc. ("Wellcare"), OptumRX, United Healthcare Insurance Company ("United"), Cigna Pharmacy Management ("Cigna"),

CVS Caremark (“Caremark”), Prime Therapeutics (“Prime”), and Blue Cross and Blue Shield Inc. (“Blue Cross”) were Medicare drug plan sponsors.

**C. Compound Drugs Generally**

9. In general, “compounding” was a practice in which a licensed pharmacist, a licensed physician, or, in the case of an outsourcing facility, a person under the supervision of a licensed pharmacist, combined, mixed, or altered ingredients of a drug or multiple drugs to create a drug tailored to the needs of an individual patient. Compounded drugs were not approved by the U.S. Food and Drug Administration (“FDA”); that is, the FDA did not verify the safety, potency, effectiveness, or manufacturing quality of compounded drugs. The Florida State Board of Pharmacy regulated the practice of compounding in the State of Florida.

10. Compounded drugs could be prescribed by a physician when an FDA-approved drug did not meet the health needs of a particular patient. For example, if a patient was allergic to a specific ingredient in an FDA-approved medication, such as a dye or a preservative, a compounded drug could be prepared excluding the substance that triggered the allergic reaction. Compounded drugs could also be prescribed when a patient could not consume a medication by traditional means, such as an elderly patient or child who could

not swallow an FDA-approved pill and needed the drug in a liquid form that was not otherwise available.

**D. The Defendant and Related Individuals and Companies**

11. Metro Pharmacy LLC (“Metro”) was a Florida Limited Liability Company located at 318 W. Colonial Drive, Orlando, Florida, purportedly providing prescription drugs to Medicare beneficiaries.

12. Metro RX LLC (“Metro RX”) was a Florida Limited Liability Company located at 320 W. Colonial Drive, Orlando, Florida, purportedly providing prescription drugs to Medicare beneficiaries.

13. Omar Zoobi, a resident of Orange County, was a pharmacist licensed in the State of Florida and an owner of Metro and Metro RX.

14. Gregory Sikorski, a resident of Hillsborough County, was a physician assistant licensed in the State of Florida.

15. Defendant **ASHRAF BADR**, a resident of Lake County, was a pharmacist licensed in the State of Florida and an owner of Metro and Metro RX.

**COUNT ONE**  
**Conspiracy to Commit Health Care Fraud**  
**(18 U.S.C. § 1349)**

1. Paragraphs 1 through 15 of the Introduction section of this Information are re-alleged and incorporated by reference as though fully set forth herein.

2. Beginning in or around January 2012 and continuing through in or around February 2018, in the Middle District of Florida, and elsewhere, the Defendant,

ASHRAF BADR,

did willfully and knowingly combine, conspire, confederate, and agree with Omar Zoobi, Gregory Sikorksi, and others known and unknown to the United States Attorney, to commit certain offenses against the United States, that is:

a. 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 various Medicare drug plan sponsors, including Humana, CarePlus, Wellcare, OptumRX, United, Cigna, Caremark, Prime, and Blue Cross, 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, in violation of Title 18, United States Code, Section 1347.

**Purpose of the Conspiracy**

3. It was a purpose of the conspiracy for the Defendant and his co-conspirators to unlawfully enrich themselves by, among other things: (a) submitting and causing the submission of false and fraudulent claims to Medicare and Medicare PBMs for prescribing drugs that were medically unnecessary, not eligible for reimbursement, and not provided; (b) diverting fraud proceeds for the personal use and benefit of themselves and others, and to further the fraud; and (c) concealing the submission of false and fraudulent claims to health care benefit programs, and the receipt and transfer of fraud proceeds.

**Manner and Means of the Conspiracy**

4. The manner and means by which the Defendant and his co-conspirators sought to accomplish the objects and purpose of the conspiracy included, among other things:

a. It was part of the conspiracy that Gregory Sikorski would and did prescribe medically unnecessary compounded drugs for Medicare beneficiaries, in some cases without conducting or causing the examination of the Medicare beneficiaries.

b. It was further part of the conspiracy that thereafter, ASHRAF BADR, Omar Zoobi, and their co-conspirators would and did pay and cause the payment of kickbacks and bribes to Gregory Sikorski in return for prescribing the medically unnecessary compounded drugs.

c. It was further part of the conspiracy that ASHRAF BADR, Omar Zoobi, and their co-conspirators would and did cause prescriptions for compounded drugs to be filled and provided to Medicare beneficiaries that included less than the required quantity of drugs, as required by the prescriptions for the compounded drugs.

d. It was further part of the conspiracy that ASHRAF BADR, Omar Zoobi, and their co-conspirators would and falsify, alter, or attempt to falsify or alter invoices to wholesalers and others to disguise and conceal the fact that they did not purchase prescription drugs billed to Medicare and Medicare PBMs.

e. It was further part of the conspiracy that ASHRAF BADR, Omar Zoobi, Gregory Sikorski, and their co-conspirators would and did submit and cause the submission of claims to Medicare and Medicare PBMs that falsely and fraudulently represented various health care benefits – primarily prescription compound drugs – were medically necessary, validly prescribed by a doctor, and provided to Medicare beneficiaries by Metro and Metro RX.



f. It was further part of the conspiracy that as a result of such false and fraudulent claims, Medicare prescription drug plan sponsors, through their PBMs, made overpayments funded by the Medicare Part D Program to Metro and Metro RX, in the approximate amount of \$5,511,963.53.

g. It was further part of the conspiracy that the conspirators would and did perform acts and make statements to hide and conceal, and cause to be hidden and concealed, the purpose of the conspiracy and the acts committed in furtherance thereof.

All in violation of 18 U.S.C. § 1349.

### **FORFEITURE**

1. The allegations contained in this Information are re-alleged and incorporated by reference as though fully set forth herein for the purpose of alleging forfeiture to the United States of certain property in which the Defendant, ASHRAF BADR, has an interest.

2. Upon conviction of a violation of 18 US.C. § 1349, as alleged in this Information, the Defendant so convicted 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, pursuant to 18 US.C. § 982(a)(7).

3. The property subject to forfeiture includes a money judgment in the amount of approximately \$1,812,499.64 in United States currency, which sum represents the value of the gross proceeds traceable to the commission of the violations alleged in this Information.


4. If any of the property described above, as a result of any act or omission of the Defendant:

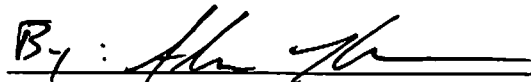
- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- b. has been placed beyond the jurisdiction of the court;
- c. has been substantially diminished in value; or
- d. has been commingled with other property which cannot be divided without difficulty,

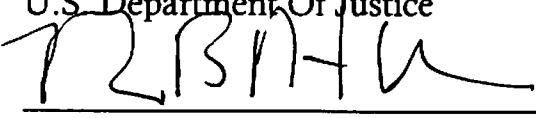
it is the intent of the United States to seek forfeiture of substitute property pursuant to 21 U.S.C. 853(p).

All pursuant to 18 U.S.C. § 982(a)(7), and the procedures set forth in  
21 U.S.C. § 853.

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