

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 12-
 :
 v. :
 : 42 U.S.C. § 1320a-7b(b) (1) and
 RAMESHCHA KANIA, : 18 U.S.C. § 2
 a.k.a. RAMESH KANIA

I N F O R M A T I O N

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey charges:

The Defendant and Orange Community MRI, LLC

1. At all times relevant to this Information:

a. Defendant RAMESHCHA KANIA, a.k.a. RAMESH KANIA, was a physician licensed to practice in New Jersey who practiced medicine at an office located at 310 Clinton Avenue in East Orange, New Jersey.

b. Orange Community MRI, LLC ("Orange MRI") was located at 345 Henry Street, Suite 102, Orange, New Jersey. Orange MRI provided services to patients that included magnetic resonance imaging ("MRIs"), ultrasound imaging ("Ultrasounds"), echocardiograms ("Echos"), computed axial tomographies ("CAT Scans" or "CT Scans"), and dual-emission X-ray absorptiometries ("DEXA Scans") (collectively, the "Diagnostic Tests").

2. At various times relevant to this Information,

there was a Cooperating Witness (the "CW") who held himself out to be an individual acting on behalf of Orange MRI.

3. Starting from in or about late September 2011 to in or about December 2011, the CW held himself out to be an individual acting on behalf of Orange MRI, although he was doing so at the direction and under the supervision of law enforcement agents with the U.S. Department of Health and Human Services, Office of Inspector General.

4. The Medicare Program ("Medicare") is a federal program that provides free or below-cost health care benefits to certain individuals, primarily the elderly, blind, and disabled. Medicare is a "Federal health care program" as defined in Title 42, United States Code, Section 1320a-7b(f). Individuals who receive benefits under Medicare are commonly referred to as "beneficiaries."

5. 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 various medical services for beneficiaries, including the Diagnostic Tests.

6. The Medicaid Program ("Medicaid") is a jointly funded, federal-state health insurance program that provides certain health benefits to the disabled, as well as individuals

and families with low incomes and resources. The federal involvement in Medicaid is largely limited to providing matching funds and ensuring that states comply with minimum standards in the administration of the program. Medicaid is a "Federal health care program" as defined in Title 42, United States Code, Section 1320a-7b(f). Individuals who receive benefits under Medicaid are commonly referred to as "recipients."

7. The federal Medicaid statute sets forth the minimum requirements for state Medicaid programs to qualify for federal funding, which is called federal financial participation. 42 U.S.C. §§ 1396 et seq. In New Jersey, the New Jersey Medical Assistance Program is administered by the New Jersey Department of Human Services. Under New Jersey law, Medicaid pays for certain medical services for recipients, including the Diagnostic Tests.

8. At all times relevant to this information, Orange MRI was an approved Medicare and Medicaid provider of, among other things, the Diagnostic Tests.

The Kickback Scheme

9. Starting at least in or about 2010, individuals acting on behalf of Orange MRI made cash payments to certain New Jersey health care practitioners, including KANIA, in exchange for referring patients to Orange MRI for Diagnostic Tests.

10. After the end of each calendar month, individuals acting on behalf of Orange MRI, including the CW, printed Orange MRI patient reports that included, among other information, dates of service, patient names, the referring health care practitioners, the kinds of medical insurance to be billed, and the Diagnostic Tests performed (the "Kickback Reports"). The Kickback Reports were organized by Diagnostic Test, and therefore there was a separate Kickback Report for MRIs, Ultrasounds, Echos, CAT Scans, and DEXA scans. The Kickback Reports were then used to tally the number of Orange MRI-patient Diagnostic Tests referred by each health care practitioner and the type of insurance used. The results of these tallies were used to determine the amount of the kickback payment Orange MRI paid to each respective health care provider.

11. Pursuant to KANIA's and Orange MRI's agreement, Orange MRI paid KANIA for each Medicare or Medicaid beneficiary's MRI or CAT Scan referred to Orange MRI. Pursuant to the same agreement, Orange MRI also paid KANIA for certain privately insured patients' MRI or CAT Scans referred to Orange MRI. In the event a patient referred to Orange MRI paid for an MRI or CAT Scan directly and not through Medicare, Medicaid, or an insurance plan (i.e., the patient "self-paid" for the Diagnostic Test), then KANIA did not receive any payment from Orange MRI.

12. On or about October 4, 2011, KANIA met with the CW

at KANIA's office located at 310 Central Avenue in East Orange, New Jersey. During this meeting, KANIA accepted from the CW an envelope containing approximately \$740 in cash. The \$740 included payment for the MRIs and CAT Scans KANIA referred to Orange MRI during July and August 2011.

13. During this October 4, 2011 meeting, KANIA and the CW discussed the diagnostic equipment available at OCM, and KANIA asked the CW if OCM performed mammograms, to which CW replied that OCM did not. The CW then told KANIA "but if you have more scans . . .", and KANIA replied "[t]he more is merrier, you know?"

14. According to the MRI Kickback Report, during September 2011, KANIA referred a total of 5 MRIs to Orange MRI; 3 of those tests were for Medicare or Medicaid beneficiaries. According to the CAT Scan Kickback Report, during September 2011, KANIA referred a total of 2 CAT Scans to Orange MRI; neither of those tests were for Medicare or Medicaid beneficiaries.

15. On or about October 13, 2011, KANIA met with the CW at KANIA's office located at 310 Central Avenue in East Orange, New Jersey. During this meeting, KANIA accepted from the CW an envelope containing approximately \$550 in cash. The \$550 in cash included payment for the 3 MRIs KANIA referred to Orange MRI and performed on Medicare or Medicaid beneficiaries during September 2011.

16. According to the MRI Kickback Report, during October 2011, KANIA referred a total of 4 MRIs to Orange MRI; 3 of those tests were for Medicare or Medicaid beneficiaries. According to the CAT Scan Kickback Report, during October 2011, KANIA referred a total of 4 CAT Scans to Orange MRI; at least 2 of those tests were for Medicare or Medicaid beneficiaries.

17. On or about November 10, 2011, KANIA met with the CW at KANIA's office located at 310 Central Avenue in East Orange, New Jersey. During this meeting, KANIA accepted from the CW an envelope containing approximately \$460 in cash. The \$460 in cash included payment for the 3 MRIs KANIA referred to Orange MRI and performed on Medicare or Medicaid beneficiaries during October 2011, as well as the 2 CAT Scans KANIA referred to Orange MRI and performed on Medicare or Medicaid beneficiaries during October 2011.

18. During this November 10, 2011 meeting, KANIA told the CW, in sum and substance, that KANIA would send Orange MRI what business he had. During this same meeting, the CW explained to KANIA that KANIA was being paid for 4 MRIs and 4 CAT Scans.

19. From at least in or about 2010 through at least in or about October 2011, in the District of New Jersey, and elsewhere, defendant

RAMESHCHA KANIA,

a.k.a. RAMESH KANIA

did knowingly and willfully solicit and receive remuneration, directly and indirectly, overtly and covertly, in cash, that is, kickbacks, from Orange Community MRI, LLC, in return for referring patients to Orange Community MRI, LLC, for the furnishing and arranging for the furnishing of items and services for which payment may be made in whole or in part under a Federal health care program.

In violation of Title 42, United States Code, Section 1320a-7b(b) (1) (A), and Title 18, United States Code, Section 2.

FORFEITURE ALLEGATION

1. The allegations contained in this Information are hereby realleged and incorporated by reference for the purpose of noticing forfeiture pursuant to Title 18, United States Code, Section 982(a)(7).

2. Upon conviction of the offense in violation of Title 42, United States Code, Section 1320a-7b(b), the defendant, RAMESHCHA KANIA, a.k.a RAMESH KANIA, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(7), all right, title, and interest in any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the offenses of conviction, including but not limited to a sum of money equal to at least \$4,880 in United States currency.

3. 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;

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 divided without difficulty, the United States shall be entitled, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(a)(7), to forfeiture of any other property of the defendant, RAMESHCHA KANIA, a.k.a RAMESH KANIA, up to the value of the property described in the preceding paragraph.


PAUL J. FISHMAN
United States Attorney

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UNITED STATES OF AMERICA

v.

**RAMESHCHA KANIA,
a.k.a. RAMESH KANIA**

INFORMATION

42 U.S.C. § 1320a-7b(b) (1) and 18 U.S.C. § 2

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