

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Hon.
	:	
v.	:	Criminal No.
	:	
AYSHA KHAN	:	18 U.S.C. § 2
	:	18 U.S.C. § 1347
	:	18 U.S.C. § 1349

INDICTMENT

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

Count 1

(Conspiracy to Commit Health Care Fraud)

1. At all times relevant to this Indictment:

Relevant Individuals and Entities

a. The “Khan Pharmacies” were a network of specialty pharmacies located in New Jersey, New York, Florida, and Texas. The Khan Pharmacies included:

- i. Golden Healthcare LLC d/b/a Golden Healthcare Pharmacy (“Golden Pharmacy”), which was a specialty pharmacy located in Garfield, New Jersey;
- ii. Oak Hills Pharmacy, Inc. (“Oak Hills Pharmacy”), which was a specialty pharmacy located in San Antonio, Texas;

- iii. Deltona Medical Arts Pharmacy, Inc., d/b/a “Apex Health Rx” (“Apex Pharmacy”), which was a specialty pharmacy located in Orange City, Florida; and
 - iv. Metro Drugs d/b/a “Sreepathi Pharmacy Inc.” (“Metro Pharmacy”), which was a specialty pharmacy located in Richmond Hill, New York.
- b. Prestige Infusions LLC (“Prestige Infusions”) was a medical infusion center and COVID-19 testing site, located in Kinnelon, New Jersey.
 - c. The Khan Pharmacies prepared and supplied, among other things, expensive specialty medications, which were prescribed to treat a variety of conditions, including Hepatitis C, Crohn’s disease, gout, and rheumatoid arthritis.
 - d. Prestige Infusions coordinated and supplied medical infusion treatments, including intravenous and intramuscular injection therapies, and COVID-19 testing services.
 - e. Defendant AYSHA KHAN (“KHAN”) controlled the Khan Pharmacies and Prestige Infusions.
 - f. “Co-conspirator-1” was a co-owner of several Khan Pharmacies with KHAN, including both Metro Pharmacy and Apex Pharmacy.
 - g. “Co-conspirator-2” was the manager of Oak Hill Pharmacy.
 - h. “Co-conspirator-3” was a nurse practitioner employed at Prestige Infusions.

i. “Beneficiaries” were individuals covered under health care benefit programs, as defined under 18 U.S.C. § 24(b), including Medicare and commercial insurance companies, which provided prescription benefits that covered compounded medications.

j. “Beneficiary-1” resided in Prospect Park, New Jersey.

k. “Beneficiary-2” resided in Paterson, New Jersey.

l. “Beneficiary-3” resided in Sanford, Florida.

The Medicare Program

m. The Medicare Program (“Medicare”) was a federally funded health care program, which provided payment for reasonable and medically necessary medical services for certain individuals, primarily the elderly, blind, and disabled. Medicare was administered by the United States Department of Health and Human Services, Center for Medicare and Medicaid Services (“CMS”). Individuals who received Medicare benefits were referred to as Medicare beneficiaries.

n. Medicare programs were separated into different “parts,” each of which covered a different category of benefits available under Medicare. Medicare “Part D” subsidized the cost of prescription drugs for Medicare beneficiaries in the United States. In order to receive Part D benefits, a beneficiary enrolled in a Medicare drug plan. Medicare drug plans were operated by private health insurance companies approved by Medicare.

o. Medicare was a “health care benefit program,” as defined by 18 U.S.C. § 24(b), that affected commerce.

p. Medicare rules generally permitted specialty pharmacies, such as the Khan Pharmacies, to submit claims for prescription specialty medication before the prescription had been dispensed. But the applicable rules required that specialty pharmacies, including the Khan Pharmacies, supply the patient with the product within 14 days of the claim using either a commercial delivery service, in-house delivery service by the pharmacy, or patient pick up.

The Conspiracy

2. From at least as early as in or around January 2015 through in or around July 2022, in the District of New Jersey, and elsewhere, defendant

AYSHA KHAN

did knowingly and intentionally conspire and agree with Co-conspirator-1, Co-conspirator-2, Co-conspirator-3, and others to knowingly and willfully execute a scheme and artifice to defraud a health care benefit program and to obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, or under the custody and control of, a health care benefit program in connection with the delivery of and payment for health care benefits, items, and services, contrary to Title 18, United States Code, Section 1347.

Object of the Conspiracy

3. The object of the conspiracy was for defendant KHAN and others to obtain money by submitting and causing the submission of false and fraudulent

claims to health care benefit programs, including commercial insurance companies and Medicare, for expensive prescription medications that the Khan Pharmacies never dispensed or provided to patients.

Manner and Means of the Conspiracy

4. To carry out the conspiracy and to effect its unlawful object, Defendant Khan engaged in a variety of means and methods including, among others, those described below.

5. Defendant KHAN controlled the Khan Pharmacies and therefore was a principal decision-maker for billing and reimbursements for them.

6. On certain occasions, Golden Pharmacy, Oak Hills Pharmacy, and Apex Pharmacy received valid prescriptions from doctors for expensive specialty medications, and those prescriptions often called for patients to receive refills for the same medications.

7. Golden Pharmacy, Oak Hills Pharmacy, and Apex Pharmacy dispensed or shipped the original prescription to patients but then often subsequently billed health care benefit programs, including Medicare, for refills without actually dispensing them. In certain circumstances, Golden Pharmacy, Oak Hills Pharmacy, and Apex Pharmacy also billed for initial prescriptions without ever shipping or dispensing them to patients.

8. When Defendant KHAN, Co-conspirator-1, and Co-conspirator-2 discovered that certain employees at Golden Pharmacy, Oak Hills Pharmacy, and Apex Pharmacy had reversed claims or attempted to do so for prescriptions and

refills that had been billed but not dispensed to patients, they admonished the employees and instructed them not to reverse claims even if prescriptions and refills had not been dispensed to patients. Often, KHAN, Co-conspirator-1, and Co-conspirator-2 removed those employees' access to reverse claims in the billing systems for Golden Pharmacy, Oak Hills Pharmacy, and Apex Pharmacy after they had reported the problem.

9. To advance the conspiracy, Defendant KHAN and Co-conspirator-3 wrote or caused to be wrote "sham" prescriptions on behalf of Prestige Infusions, which were subsequently billed by Golden Pharmacy to health care benefit programs, including Medicare, without being dispensed to patients or otherwise administered by Prestige Infusions.

10. Defendant KHAN deleted and changed records and instructed others to delete and change records, to conceal that Golden Pharmacy, Oak Hills Pharmacy, and Apex Pharmacy were not shipping medications that they had been reimbursed for by health care benefit programs, including Medicare.

11. To avoid detection, Defendant KHAN transferred or caused to be transferred medicine inventory and pharmacy proceeds throughout the Khan Pharmacies—including Metro Pharmacy—in an attempt to conceal inventory shortfalls resulting from the scheme.

12. To profit from this scheme, the Khan Pharmacies billed and collected reimbursement payments from health care benefit programs, including Medicare,

for more than \$9,500,000 of prescription medication that they did not dispense to patients.

13. Defendant KHAN and others diverted a portion of these illegal profits for their personal use.

All in violation of Title 18, United States Code, Section 1349.

COUNTS 2 - 5
(Health Care Fraud)

14. Paragraphs 1 and 3-13 of Count 1 of this Indictment are realleged here.

15. On or about the dates set forth with respect to each Count below, in the District of New Jersey, and elsewhere, defendant

AYSHA KHAN

did knowingly and willfully execute a scheme and artifice to defraud a health care benefit program and to obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, or under the custody and control of, a health care benefit program in connection with the delivery of and payment for health care benefits, items, and services, as described below, each constituting a separate count of this Indictment:

Count	Approximate Date	Fraudulent Claim to Medicare
Two	April 14, 2020	Claim for approximately \$44,868.57 for one prescription for Beneficiary-1, which was not dispensed or shipped.
Three	May 8, 2020	Claim for approximately \$44,868.57 for one prescription for Beneficiary-1, which was not dispensed or shipped.
Four	September 12, 2020	Claim for approximately \$ 23,045.63 for one prescription for Beneficiary-2, which was not dispensed or shipped.
Five	February 3, 2021	Claim for approximately \$3,102.66 for one prescription for Beneficiary-3, which was not dispensed or shipped.

All in violation of Title 18, United States Code, Sections 1347 and 2.

FORFEITURE ALLEGATION

1. Upon conviction of the Federal health care offenses (as defined in 18 U.S.C. § 24) alleged in Counts 1 through 5 of this Indictment, the defendant shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(7), all property, real or personal, that constitutes or is derived, directly and indirectly, from gross proceeds traceable to the commission of the offenses (as defined in 18 U.S.C. § 24) alleged in Counts 1 through 5.

SUBSTITUTE ASSETS PROVISION (Applicable to All Forfeiture Allegations)

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 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 21 U.S.C. § 853(p) (as incorporated by 28 U.S.C. § 2461(c) and 18 U.S.C. § 982(b)), to forfeiture of any other property of the defendant up to the value of the above-described forfeitable property.

A TRUE BILL



FOREPERSON

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Philip R. Sellinger

PHILIP R. SELLINGER
United States Attorney

CASE NUMBER: 23-

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

UNITED STATES OF AMERICA


v.

AYSHA KHAN

INDICTMENT FOR

18 U.S.C. § 2
18 U.S.C. § 1347
18 U.S.C. § 1349

A True Bill.


Foreperson

PHILIP R. SELLINGER
*UNITED STATES ATTORNEY
FOR THE DISTRICT OF NEW JERSEY*

GEORGE L. BRANDLEY
*ASSISTANT U.S. ATTORNEY
973-353-6002*
