

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
 :
 v. : Criminal No. 24-
 :
 FAZAL PANEZAI : 18 U.S.C. § 1347
 : 18 U.S.C. § 2

INFORMATION

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

(Health Care Fraud)

1. At all times relevant to this Information:
 - a. Defendant FAZAL PANEZAI was a medical doctor who resided in New Jersey. PANEZAI owned and operated Matawan-Aberdeen Heart & Medical Center, a medical practice located in Matawan, New Jersey (“Matawan Heart”). PANEZAI was the sole medical practitioner at Matawan Heart.
 - b. UC-1 was an undercover law-enforcement officer purporting to be a patient of PANEZAI.
 - c. The Medicare Program was a federal health care program providing benefits to individuals who were over the age of 65 or disabled.
 - d. The Medicaid Program was a federally and state funded program providing benefits to individuals and families who met specified

financial and other eligibility requirements, and certain other individuals who lacked adequate resources to pay for medical care.

e. The Private Benefit Programs (together with Medicare and Medicaid, “Health Care Benefit Programs 1 through 6”) were private health insurance plans under which medical benefits, items, and services were provided to individuals.

f. Health Care Benefit Programs 1 through 6 were “health care benefit programs” affecting commerce as defined in 18 U.S.C. § 24(b).

2. To receive reimbursement from Health Care Benefit Programs 1 through 6, health care providers submitted claims, either electronically or in writing, to Health Care Benefit Programs 1 through 6, or their contracted agents, for payment of services, either directly or through a billing company. Health Care Benefit Programs 1 through 6 required health care providers submitting claims to use Evaluation and Management Current Procedural Terminology (“CPT”) codes that correctly identified medical procedures and services provided, including office visits. Different CPT codes were used depending on the length of an office visit. For example, CPT code 99213 was used when a health care provider submitted a claim to Health Care Benefit Programs 1 through 6 for established patient office visits lasting between 20 to 29 minutes. Different CPT codes were used for patient office visits of shorter or longer duration. Health Care Benefit Programs 1 through 6 compensated health care providers only for medical services that were actually rendered.

The Health Care Fraud Scheme

3. From in or about January 2017 through in or about December 2022, in the District of New Jersey, and elsewhere, defendant

FAZAL PANEZAI

knowingly and willfully executed and attempted to execute a scheme and artifice to defraud health care benefit programs, namely, Health Care Benefit Programs 1 through 6, which are health care benefit programs as defined in Title 18, United States Code, Section 24(b), and to obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, said health care benefit programs, in connection with the delivery of and payment for health care benefits, items, and services.

Goal of the Scheme

4. The goal of the scheme was for PANEZAI to profit by fraudulently submitting claims to health care benefit programs for services that were not provided.

Manner and Means

5. The manner and means by which PANEZAI sought to accomplish the goal of the scheme to defraud included, among other things, the following:

a. PANEZAI submitted or caused to be submitted fraudulent claims to Health Care Benefit Programs 1 through 6 and other health care benefit programs for office visits that either never took place or did not take place for the length of time that PANEZAI claimed.

b. PANEZAI carried out this scheme by billing for fraudulent office visits in the following three ways. First, he billed for patient office visits when patients picked up a prescription from Matawan Heart but never had an office visit with PANEZAI. For example, on March 24, 2022, UC-1, a purported patient of PANEZAI, went to Matawan Heart and picked up a prescription for a controlled substance from the front desk but did not have an office visit with PANEZAI. PANEZAI nevertheless submitted or directed another individual to submit a claim for an office visit lasting 20 to 29 minutes.

c. Second, PANEZAI billed for patient office visits lasting far longer than they actually did. For example, on May 27, 2022, PANEZAI submitted or directed the submission of claims for 20- to 29-minute office visits with 69 patients; 30- to 44-minute office visits with 3 patients; 30- to 39-minute office visits with 5 patients; and office visits lasting 9 minutes or less with 11 patients. In total that day, however, PANEZAI submitted claims for office visits lasting approximately 1,675 minutes—or approximately 27.9 hours. If PANEZAI in fact held office visits with each of these 88 patients during Matawan Heart's hours of operation, PANEZAI's office visit with each patient would have lasted less than 5 minutes.

d. Additionally, UC-1 attended office visits with PANEZAI on December 1, 2021; December 10, 2021; and January 7, 2022. Each office visit lasted less than 6 minutes, but PANEZAI submitted or directed the submission of claims for office visits lasting between 20 to 29 minutes for each visit.

e. Third, PANEZAI billed for patient office visits that did not occur at all. In fact, in many instances, PANEZAI was out of the country during times when his practice, at his direction, billed Health Care Benefit Programs 1 through 6 for office visits. PANEZAI is the only known medical professional in the practice at Matawan Heart who sees patients. There are no known nurses or medical assistants employed there.

f. For example, PANEZAI traveled to Dubai from August 4, 2017, through September 1, 2017, and PANEZAI billed Health Care Benefit Programs 1 through 6 \$5,155.00 for office visits that never occurred during that time.

g. PANEZAI also traveled to Dubai from on or about August 6, 2019, through August 27, 2019, and PANEZAI billed Health Care Benefit Programs 1 through 6 \$39,428 for office visits that never occurred.

h. PANEZAI again traveled to Dubai from on or about August 12, 2021, through September 11, 2021, and billed Health Care Benefit Programs 1 through 6 \$38,994.00 for office visits that never occurred.

6. After falsely billing health care benefit programs for fraudulent office visits, PANEZAI received reimbursement payments from Health Care Benefit Programs 1 through 6 and other health care benefit programs that he was not entitled to.

7. In total, Health Care Benefit Programs 1 through 6 paid PANEZAI more than \$1.9 million in insurance reimbursements for office visits that either

never took place or did not take place for the length of time PANEZAI that claimed.

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

FORFEITURE ALLEGATION


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

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 said defendant(s) up to the value of the forfeitable property described above.



PHILIP R. SELLINGER
United States Attorney