

FILED

FEB 05 2024

GJS/2021R00974

AT 8:30 4:47 PM M
CLERK, U.S. DISTRICT COURT - DNJ

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA	:	Hon. Michael E. Farbiarz
	:	
v.	:	Criminal No. 22-609
	:	
ADAM OWENS	:	18 U.S.C. § 1349
	:	18 U.S.C. § 371
	:	

SUPERSEDING INDICTMENT

The Grand Jury for the District of New Jersey charges:

COUNT ONE

(Conspiracy to Commit Health Care Fraud and Wire Fraud)

1. Unless otherwise indicated, at all times relevant to this Superseding Indictment:

Relevant Individuals and Entities

a. Defendant ADAM OWENS was a resident of California who, with others, owned and operated two marketing companies ("Company-1" and "Company-2"). Company-1 and Company-2 conducted business with medical testing companies controlled by Jordan Bunnell and others.

b. Christian Mohases, a co-conspirator not charged in this Superseding Indictment, was partners with OWENS and also owned and operated Company-1 and Company-2.

c. Jordan Bunnell ("Bunnell"), a co-conspirator not charged in this Superseding Indictment, was an owner of a clinical laboratory ("Laboratory")

in Florida and companies that conducted or arranged for a variety of medical tests (“Testing Companies”).

d. Aaron Williamsky and Nadia Levit, co-conspirators not charged in this Superseding Indictment, were each residents of New Jersey.

The Medicare Program

e. Medicare was a federally funded program established to provide medical insurance benefits for individuals age 65 and older and certain disabled individuals who qualified under the Social Security Act. Individuals who receive benefits under Medicare were referred to as “Medicare beneficiaries.”

f. Medicare was administered by the Center for Medicare and Medicaid Services (“CMS”), a federal agency under the United States Department of Health and Human Services.

g. Medicare was a “health care benefit program,” as defined by 18 U.S.C. § 24(b), and a “Federal health care program,” as defined by 42 U.S.C. § 1320a-7b(f), that affected commerce.

h. Medicare was divided into four parts, which helped cover specific services: Part A (hospital insurance), Part B (medical insurance), Part C (Medicare Advantage), and Part D (prescription drug coverage).

i. Medicare Part B covered non-institutional care that included, among other things, medical testing such as genetic cancer screenings by clinical laboratories, where those services were reasonable and necessary to diagnose or treat medical conditions and met accepted standards of medical practice.

j. A cancer genetic test (“CGx Test”) was a diagnostic tool that tested for a genetic predisposition to cancer. Medicare reimbursed health care providers approximately \$7,700 for each qualifying CGx Test. Generally, a qualifying individual would complete a buccal swab to collect a specimen, which would then be transmitted to a laboratory to conduct a CGx Test.

k. Under Medicare regulations, any diagnostic laboratory test had to be ordered by the physician treating the Medicare beneficiary; that is, the physician who furnished a consultation or treated a beneficiary for a specific medical problem and who used the results in the management of the beneficiary’s specific medical problem. Medicare did not cover preventative CGx Tests for beneficiaries who did not exhibit symptoms of cancer or were not being treated for cancer. Moreover, any tests not ordered by the treating physician were not considered reasonable and necessary and were thus not covered by Medicare.

l. For a health care provider to bill Medicare for services rendered, it had to enroll with Medicare as a Medicare provider or “supplier.” For example, to bill Medicare for a CGx Test, a clinical laboratory was first required to complete and submit a Form CMS-855B, the Medicare Enrollment Application for “Clinics/Group Practices and Certain Other Suppliers.”

m. As provided in the Form CMS-855B, to enroll with Medicare, a supplier of health care services such as a clinical laboratory had to, among other things, certify the following: (1) the supplier understood that any deliberate omission, misrepresentation, or falsification of any information on the Form

CMS-855B could be punished by criminal, civil, or administrative penalties; (2) the supplier agreed to abide by applicable Medicare laws, regulations and program instructions, such as, but not limited to, the federal anti-kickback statute (42 U.S.C. § 1320a-7b(b)) ("AKS"); (3) the supplier understood that payment of a claim by Medicare was conditioned upon the claim and the underlying transaction complying with such laws, regulations and program instructions; and (4) the supplier had to refrain from knowingly presenting or causing to present a false or fraudulent claim for payment by Medicare and submitting claims with deliberate ignorance or reckless disregard of their truth or falsity.

n. Medicare-authorized suppliers of health care services, such as clinical laboratories, could only submit claims to Medicare for reasonable and medically necessary services. Medicare would not reimburse claims for services that it knew were procured through kickbacks or bribes. Such claims were deemed false and fraudulent because they violated Medicare laws, regulations, and program instructions, and violated federal criminal law.

o. The Laboratory was enrolled as a Medicare supplier and authorized to bill Medicare for the medical tests described below. The Laboratory was also responsible for acknowledging that any claims made to Medicare complied with the relevant laws, regulations, and program instructions.

The Conspiracy

2. From in or around November 2018 through in or around January 2020, in the District of New Jersey, and elsewhere, defendant

ADAM OWENS

did knowingly and intentionally conspire and agree with others to commit certain offenses, namely:

a. 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, any of the money or property owned by, and under the custody and control of, a health care benefit program, as defined by 18 U.S.C. § 24(b), in connection with the delivery of or payment for health care benefits, items and services, contrary to Title 18, United States Code, Section 1347; and

b. To devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing such scheme and artifice, to transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, contrary to Title 18, United States Code, Section 1343.

Goal of the Conspiracy

3. The goal of the conspiracy was for defendant OWENS and his co-conspirators to profit by causing the submission of false and fraudulent claims for CGx tests to Medicare.

Manner and Means of the Conspiracy

4. To carry out the conspiracy and to effect its unlawful objects, the Defendant, and others, engaged in a variety of means and methods including, among others, those described below. It was part of the conspiracy that:

a. Defendant OWENS, Mohases, Bunnell, Williamsky, and Levit agreed that defendant OWENS and his co-conspirators would provide the Testing Companies with qualified patient leads. Those leads included individuals whose CGx Tests were eligible for Medicare reimbursement but were provided to the Testing Companies regardless of medical necessity.

b. To generate these qualified patient leads, defendant OWENS, Mohases, and others used a variety of methods, including making unsolicited calls for various medical services to elderly Medicare beneficiaries across the United States. Once an eligible beneficiary was identified, defendant OWENS, Mohases, and others gave the individual's information to the Testing Companies through an online portal ("Portal") operated by the Testing Companies.

c. After receiving qualified patient leads, the Testing Companies caused telemedicine health care providers to contact the Medicare beneficiaries. Additionally, defendant OWENS, Mohases, and others had independent relationships or arrangements with health care providers who issued

prescriptions for CGx Tests and provided them to the Testing Companies. These health care providers did not treat the beneficiaries for any symptoms or conditions, but rather provided the beneficiaries with prescriptions for CGx Tests regardless of medical necessity.

d. Defendant OWENS and others then caused CGx testing kits to be sent to the beneficiaries regardless of whether they needed or wanted them. Beneficiaries then completed the testing kits and returned them to the Laboratory. After performing the CGx Tests, the Laboratory electronically submitted or caused the electronic submission of claims to Medicare for reimbursement for the tests.

e. As described above, the Laboratory was enrolled with Medicare to be reimbursed for legitimate CGx Test claims. As further described above, the Laboratory was responsible for certifying that any claim submitted to Medicare for reimbursement complied with the relevant laws, regulations, and program instructions.

f. At times during the scheme, defendant OWENS and his co-conspirators had collected hundreds of CGx Tests from patients that did not have a corresponding prescription or requisition from a doctor. Concerned that this would alert Medicare to the lack of legitimate medical need for the tests, defendant OWENS and his co-conspirators waited to send the CGx tests to the Laboratory until they knew they could obtain a requisition form from a doctor.

g. From in or around November 2018 through in or around April 2019, the Testing Companies, through Williamsky and Levit, paid kickbacks to

Defendant OWENS, Mohases, and others for each qualified patient lead that resulted in a Medicare reimbursement, regardless of medical necessity. Williamsky and Levit also received a portion of the kickback payments paid from the Testing Companies. Later in the scheme, the Testing Companies paid kickbacks directly to defendant OWENS and Mohases via Company-2 for providing qualified patient leads.

h. Defendant OWENS and Mohases initially agreed to accept a kickback payment of approximately \$2,000 for each patient lead that resulted in a Medicare reimbursement. Over time, the amount of the kickback payment changed to approximately \$1,700 per patient lead that resulted in a Medicare reimbursement.

i. To conceal the scheme, from in or around November 2018 through in or around April 2019, the Testing Companies wired the kickback payments from the United States through wire transfer or automated clearing house transactions to a shell company in New Zealand (the "New Zealand Company"). The New Zealand Company, in turn, wired the kickback payments to Company-1 in the United States through wire transfer or automated clearing house transactions. Williamsky and Levit exercised control over the New Zealand Company from New Jersey, including by directing others through WhatsApp and text messages to send the kickback payments to Company-1.

j. To further conceal the scheme, Defendant OWENS and Mohases, through Company-1, entered into a sham contract with the New Zealand Company. The sham contract made it appear that Company-1 was

engaged in and being paid for legitimate marketing and referral services by the New Zealand Company. The sham contract stated that, among other things, the New Zealand Company would pay Company-1 for marketing services based on the hours and expenses incurred by Company-1. But, in fact, Defendant OWENS was paid by the New Zealand Company based on the volume of qualified patient leads he provided to the Testing Companies.

k. To further conceal the kickback scheme, defendant OWENS and Mohases generate false invoices for Company-1 for hourly referral services for the New Zealand Company.

l. From in or around November 2018 through in or around January 2020, the Testing Companies paid defendant OWENS and Mohases at least approximately \$1,123,500 in kickbacks for the qualified patient leads that Defendant OWENS provided to the Testing Companies and that resulted in CGx tests that were reimbursed by Medicare.

m. As a result of this conspiracy, from in or around November 2018 through in or around January 2020, Medicare paid the Testing Companies approximately \$10,163,385 in reimbursements for the CGx tests that were procured by defendant OWENS and his co-conspirators regardless of medical necessity.

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

COUNT TWO
(Conspiracy to Violate the Anti-Kickback Statute)

5. Paragraphs 1 and 3–4 of Count 1 of this Superseding Indictment are realleged here.

6. From in or around November 2018 through in or around January 2020, in the District of New Jersey, and elsewhere, defendant

ADAM OWENS

did knowingly and intentionally conspire and agree with others to commit an offense against the United States, that is, to knowingly and willfully solicit and receive remuneration, directly and indirectly, overtly and covertly, in cash and in kind, that is, kickbacks and bribes, from any person in return for referring an individual to a person for the furnishing and arranging for the furnishing of any item and service, namely, genetic cancer screening tests, for which payment may be made in whole or in part under a Federal health care program, as defined in Title 18, United States Code, Section 24(b), namely, Medicare, contrary to Title 42, United States Code, Section 1320a-7b(b)(1)(A).

Overt Acts

7. In furtherance of the conspiracy and to achieve its illegal objectives, Defendant OWENS and others committed or caused the commission of the following overt acts in the District of New Jersey and elsewhere:

a. From on or about November 29, 2018, through on or about December 21, 2018, defendant OWENS, Mohases, and others sent approximately 55 qualified patient leads to the Testing Companies.

b. On or about February 4, 2019, Bunnell wired payments to the New Zealand Company for those qualified patient leads.

c. On or about February 5, 2019, at the direction of Williamsky and Levit in New Jersey, the New Zealand Company wired \$110,000 to Company-1 as a kickback payment for the 55 qualified patient leads.

d. From on or about September 14, 2019, through on or about September 20, 2019, defendant OWENS, Mohases, and others sent approximately 75 qualified patient leads to the Testing Companies.

e. On or about September 27, 2019, at the direction of Bunnell, the Testing Companies wired \$127,500 to Company-2 as a kickback payment for the 75 qualified patient leads.

All in violation of Title 18, United States Code, Section 371.

FORFEITURE ALLEGATION AS TO COUNT ONE

1. Upon conviction of the health care fraud and wire fraud conspiracy offenses alleged in Count 1 of this Superseding Indictment, defendant OWENS shall forfeit to the United States:

a. Pursuant to 18 U.S.C. § 982(a)(7), all property, real or personal, obtained by defendant OWENS that constitutes or is derived, directly and indirectly, from gross proceeds traceable to the commission of the conspiracy to commit health care fraud, contrary to 18 U.S.C. § 1347, and all property traceable to such property; and

b. Pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), all property, real or personal, obtained by defendant OWENS that constitutes or is derived from proceeds traceable to the commission of the conspiracy to commit wire fraud, contrary to 18 U.S.C. § 1343, and all property traceable to such property.

c. The property subject to forfeiture includes, but is not limited to, the following:

- i. Approximately \$350,371.66 seized from Bank of America Account No. XXXXXXXXX0873 held in the name of Melinda Holdings Inc.;
- ii. Approximately \$21,615.15 seized from Bank of America Account No. XXXXXXXXX7071 held in the name of Universal Health Management LLC; and

- iii. Approximately \$1,540.18 seized from Bank of America Account No. XXXXXXXX9149 held in the name of US Genetics Inc.

FORFEITURE ALLEGATION AS TO COUNT TWO

2. Upon conviction of the Anti-Kickback Statute conspiracy offense alleged in Count 2 of this Superseding Indictment, defendant OWENS shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(7), all property, real or personal, obtained by defendant OWENS that constitutes or is derived, directly and indirectly, from gross proceeds traceable to the commission of such offense.

a. The property subject to forfeiture includes, but is not limited to, the following:

- i. Approximately \$350,371.66 seized from Bank of America Account No. XXXXXXXX0873 held in the name of Melinda Holdings Inc.;
- ii. Approximately \$21,615.15 seized from Bank of America Account No. XXXXXXXX7071 held in the name of Universal Health Management LLC; and
- iii. Approximately \$1,540.18 seized from Bank of America Account No. XXXXXXXX9149 held in the name of US Genetics Inc.

SUBSTITUTE ASSETS PROVISION
(Applicable to All Forfeiture Allegations)

1. 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) and 28 U.S.C. § 2461(c), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

A TRUE BILL

FOREPERSON

Vikas Khanna

VIKAS KHANNA

Attorney for the United States

Acting Under Authority Conferred

By 28 U.S.C. § 515

CASE NUMBER: 22-609

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

UNITED STATES OF AMERICA

v.

ADAM OWENS

**SUPERSEDING
INDICTMENT FOR**

**18 U.S.C. § 1349
18 U.S.C. § 371**

A True Bill,



Foreperson

**VIKAS KHANNA
ATTORNEY FOR THE UNITED STATES
ACTING UNDER AUTHORITY CONFERRED
BY 28 U.S.C. § 515**

**GARRETT J. SCHUMAN
ASSISTANT U.S. ATTORNEY
973-645-2700**
