UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	Hon. Karen M. Williams
v.	Crim. No. 26-263
NIKKI STEIDLE	18 U.S.C. § 371

INFORMATION

The defendant having waived in open court prosecution by Indictment, the United States Attorney:

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

The Defendant and Relevant Individuals

a. Defendant NIKKI STEIDLE ("STEIDLE") was a resident of New Jersey. STEIDLE was an advanced practice nurse licensed by the State of New Jersey. STEIDLE had a U.S. Drug Enforcement Administration ("DEA") registration number that allowed her to issue prescriptions for Schedule II through Schedule V controlled substances provided that they were for a legitimate medical purpose and issued in the usual course of her professional practice.

b. Individual 1 was a medical doctor licensed by the State of New Jersey. Individual 1 maintained a DEA registration number in New Jersey, which allowed him to issue prescriptions for Schedule II through Schedule V controlled substances provided that they were for a legitimate medical purpose and issued in the usual course of his professional practice. Individual 1 owned a medical practice in New Jersey where STEIDLE worked.

c. Individual 2 was a resident of New Jersey and owned Pharmacy A, which was located in New Jersey. Pharmacy A was an enrolled Medicare and Medicaid provider that submitted claims to Medicare and Medicaid for prescription medication that Pharmacy A dispensed to patients.

The Medicare Program

d. The Medicare Program ("Medicare") was a federally funded health care program that provided free or below-cost benefits to certain individuals, primarily individuals 65 years of age and older and individuals with disabilities. Medicare was administered by the Centers for Medicare and Medicaid Services, a federal agency within the U.S. Department of Health and Human Services.

e. Medicare was a "health care benefit program," as defined in Title 18, United States Code, Section 24(b), and a "Federal health care program," as defined in Title 42, United States Code, Section 1320a-7b(f).

f. Medicare was divided into four parts: hospital insurance (Part A), medical insurance (Part B), Medicare Advantage (Part C), and prescription drug benefits (Part D).

The New Jersey Medicaid Program

g. The New Jersey Medicaid Program ("Medicaid") was a jointly funded, federal-state health care program that provided certain health benefits to the disabled, as well as individuals and families with low incomes and resources.

h. Medicaid was a "health care benefit program," as defined in Title 18, United States Code, Section 24(b), and a "Federal health care program," as defined in Title 42, United States Code, Section 1320a-7b(f).

Pharmacy Claims

i. Claims submitted to Medicare and Medicaid seeking reimbursement were required to include, among other things: (i) the beneficiary's name; (ii) the date upon which the benefit, item, or service was provided or supplied to the beneficiary; (iii) the name of the provider; and (iv) the provider's unique identifying number.

j. Medicare and Medicaid paid claims only if the items or services were medically reasonable, medically necessary for the treatment or diagnosis of the patient's illness or injury, documented, and actually provided as represented. Medicare and Medicaid would not pay for items and services that were procured through kickbacks and bribes.

k. To receive Medicare Part D benefits for prescription drug coverage, a beneficiary was required to enroll in a Medicare drug plan. Medicare drug plans were operated by private health insurance companies approved by Medicare and referred to as drug plan "sponsors."

l. Medicaid also provided coverage for prescription drugs. Medicaid recipients could obtain their prescription drug benefits from pharmacies either through "fee-for-service" enrollment, in which the state directly paid the pharmacy for the prescription, or through "Medicaid Managed Care Plans," in which private

health insurance companies enrolled with Medicaid paid for the prescription and were in turn reimbursed by Medicaid for those expenses.

m. Medicaid recipients and Medicare beneficiaries enrolled in a drug plan could fill a prescription at a pharmacy and use their benefits to pay for some or all of the prescribed drugs.

The Controlled Substances Act

n. The Controlled Substances Act ("CSA"), codified in Title 21 of the United States Code, and its promulgating regulations, classified drugs into five schedules depending on a drug's acceptable medical use and its potential for abuse and dependency.

o. Title 21, Code of Federal Regulations, Section 1306.04, which governed the issuance of prescriptions for controlled substances, provided that, to be effective, a prescription for a controlled substance:

> must be issued for a legitimate medical purpose by an individual practitioner acting in the usual course of [their] professional practice. The responsibility for the proper prescribing and dispensing of controlled substances is on the prescribing practitioner, but a corresponding responsibility rests with the pharmacist who fills the prescription. An order purporting to be a prescription issued not in the usual course of professional treatment or in legitimate and authorized research is not a prescription within the meaning and intent of section 309 of the Act (21 U.S.C. 829) and the person knowingly filling such a purported prescription, as well as the person issuing it, shall be subject to the penalties provided for violations of the provisions of law relating to controlled substances.

p. The New Jersey Administrative Code established additional limitations for prescribing, administering, and dispensing controlled substances (described as "controlled dangerous substances" under state regulations). For

example, long-term opioid prescriptions for chronic pain were subject to the following regulation under Section 3:37-7.9A(f)(2) of the New Jersey Administrative Code:

> When controlled dangerous substances are continuously prescribed for management of chronic pain, the practitioner shall:
>
> [. . .]
>
> Assess the patient prior to issuing each prescription to determine whether the patient is experiencing problems associated with physical and psychological dependence, and document the results of that assessment[.]

The Conspiracy

2. Beginning in or around June 2023 and continuing through at least in or around March 2025, in the District of New Jersey and elsewhere, the defendant,

NIKKI STEIDLE,

did knowingly and intentionally conspire to commit offenses against the United States, namely:

a. to defraud the United States knowingly and intentionally, by impairing, impeding, obstructing, and defeating through deceitful and dishonest means, the lawful government functions of the Centers for Medicare and Medicaid Services, a federal agency under the U.S. Department of Health and Human Services, in its administration of Medicare and Medicaid;

b. to solicit and receive any remuneration knowingly and willfully, including kickbacks and bribes, directly and indirectly, overtly and covertly, in cash and in kind, in return for purchasing, leasing, ordering, and arranging for and recommending the purchasing, leasing, and ordering of any good, facility, service, and

item for which payment may be made in whole and in part under a Federal health care program, contrary to Title 42, United States Code, Section 1320a-7b(b)(1)(B);

c. to offer and pay any remuneration knowingly and willfully, including kickbacks and bribes, directly and indirectly, overtly and covertly, in cash and in kind, to one or more persons to induce such persons to purchase, lease, order, and arrange for and recommend purchasing, leasing, and ordering any good, facility, service, and item for which payment may be made in whole and in part under a Federal health care program, contrary to Title 42, United States Code, Section 1320a-7b(b)(2)(B); and

d. to distribute and dispense knowingly and intentionally, not for a legitimate medical purpose in the usual course of professional practice, mixtures and substances containing detectable amounts of Schedule II controlled substances, including oxycodone, contrary to Title 21, United States Code, Sections 841(a)(1) and (b)(1)(C).

Goal of the Conspiracy

3. It was the goal of the conspiracy for STEIDLE, Individual 1, Individual 2, and others to unlawfully enrich themselves by, among other things: (a) submitting and causing the submission of false and fraudulent claims to Medicare and Medicaid for prescription medications that were procured through the payment of illegal kickbacks and bribes, medically unreasonable and unnecessary, and ineligible for reimbursement; (b) issuing prescriptions for controlled substances to individuals without evaluating the individuals; (c) concealing the submission of false

and fraudulent claims to Medicare and Medicaid; and (d) diverting proceeds of the fraud for their personal use and benefit, for the use and benefit or others, and to further the fraud.

Manner and Means of the Conspiracy

4. It was part of the conspiracy that:

a. STEIDLE and Individual 1 solicited and received illegal kickbacks and bribes from Individual 2 in exchange for sending prescriptions for medically unnecessary medication to Pharmacy A that Pharmacy A used to bill Medicare and Medicaid for reimbursement.

b. To carry out the scheme, Individual 2 sent STEIDLE and Individual 1 identifying information for Medicare beneficiaries and Medicaid recipients, and STEIDLE issued prescriptions to those individuals despite the fact that STEIDLE did not examine the patients and often prescribed the medications based solely on a short text message interaction with the patient or no interaction at all with the patient.

c. Individual 2, in turn, paid STEIDLE and Individual 1 illegal kickbacks and bribes in exchange for issuing the medically unnecessary prescriptions that Individual 2—through Pharmacy A—billed, or caused to be billed, to Medicare and Medicaid.

d. STEIDLE, Individual 1, Individual 2, and others concealed and disguised the scheme, including by transacting the illegal kickbacks and bribes in cash and by creating falsified medical records to make it appear as though STEIDLE

and/or Individual 1 was treating the beneficiaries Individual 2 had referred to them.

e. Individual 1 maintained a "text line" through which his and STEIDLE's purported patients could request and receive refills of their prescriptions for controlled substances by text message.

f. STEIDLE and others responded to these requests and, at times, issued prescriptions for controlled substances without: (i) interacting with the individual telephonically or by video; (ii) assessing the individual to determine whether he/she was experiencing problems associated with physical and psychological dependence; (iii) checking the individual's prescription monitoring program records; or (iv) requiring recent drug testing or medical imaging.

g. In this manner, STEIDLE caused the submission of more than approximately $3 million in false and fraudulent claims to Medicare and Medicaid for prescription medications that were procured through illegal kickbacks and bribes, medically unreasonable and unnecessary, and ineligible for reimbursement. Medicare paid Pharmacy A more than approximately $3 million based on these claims.

Overt Acts

5. In furtherance of the conspiracy and to effect its objects, within the District of New Jersey and elsewhere, STEIDLE, together with others, did commit and cause the commission of, among others, the following overt acts:

a. On or about October 3, 2023, STEIDLE issued a prescription for oxycodone to an individual based upon a text message request sent through

Individual 1's "text line." STEIDLE issued the prescription without (i) interacting with the individual telephonically or by video or (ii) assessing the individual to determine whether he/she was experiencing problems associated with physical and psychological dependence. STEIDLE also issued the prescription despite the individual previously informing STEIDLE that he/she "share[s]" it with his/her brother "often."

b. On or about June 20, 2024, at Individual 2's request, STEIDLE issued prescriptions for high-reimbursement medications to individuals that Individual 2 referred to STEIDLE from Pharmacy A.

c. On or about July 9, 2024, STEIDLE received a payment of approximately $5,000 in cash from Individual 2 in exchange for issuing prescriptions for medically unnecessary medications billed to Medicare by Pharmacy A, including the prescriptions that STEIDLE issued on or about June 20, 2024.

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

FORFEITURE ALLEGATION

Upon conviction of the offense alleged in this Information, which is a Federal health care offense as defined in Title 18, United States Code, Section 24, the defendant, NIKKI STEIDLE, shall forfeit to the United States, pursuant to Title 18, United States Code, Section § 982(a)(7), all property, real or personal, the defendant obtained that constitutes or is derived, directly and indirectly, from gross proceeds traceable to the commission of such offense, including, but not limited to, a sum of money equal to $100,000.

Substitute Assets Provision

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,

it is the intent of the United States, pursuant to Title 21, United States Code, Section § 853(p), as incorporated by Title 18, United States Code, Section § 982(b), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

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/s/Jake A. Nasar
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