

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Hon. Michael A. Shipp
	:	
v.	:	Crim. No. 19-
	:	
EDUARD SHTINDLER	:	18 U.S.C. § 1349
	:	18 U.S.C. § 371

INFORMATION

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

COUNT ONE

1. From in or around 2015 through in or around January 2017, in Hudson County, in the District of New Jersey and elsewhere, defendant,

EDUARD SHTINDLER,

knowingly and intentionally conspired and agreed with others to execute a scheme and artifice to defraud the Medicare and Medicaid programs, health care benefit programs as defined under 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, contrary to Title 18, United States Code, Section 1347.

Object of the Conspiracy

2. The object of the conspiracy was for defendant EDUARD SHTINDLER ("SHTINDLER"), "Co-Conspirator-1," "Co-Conspirator-2," and

others to submit falsified prior authorization information to Medicare, Medicaid, and private insurance providers on behalf of Empire Pharmacy, located in West New York, New Jersey ("Empire"), and thereby fraudulently obtain reimburse payments for the cost of certain prescription medications.

Manner and Means of the Conspiracy

3. It was part of the conspiracy that, in or around 2015, Empire began filling a high volume of prescriptions for specialty medications that required prior authorization, and SHTINDLER intended to entice doctors to use Empire for such prescriptions by showing that, among other things, Empire received prior authorization approval more successfully than any other pharmacies.

4. It was further part of the conspiracy that, to accomplish that goal, SHTINDLER directed Empire employees, including Co-Conspirator-1 and Co-Conspirator-2, to falsify prior authorization forms so that Empire would obtain approvals for prescriptions that would have otherwise been rejected. This fraudulent practice also enabled Empire to receive reimbursement payments that it otherwise would not have received.

5. It was further part of the conspiracy that Empire employees submitted false prior authorization information regarding whether a patient had undergone "step therapy," which dictated that a patient first had to try and receive unsuccessful results from one or more medications before Medicare, Medicaid, or a private insurance carrier would grant prior authorization to

reimburse the cost of a different medication. By falsifying this information, Empire fraudulently received payments for prescriptions that it otherwise would not have received.

6. It was further part of conspiracy that Empire employees submitted false prior authorization information regarding patients' laboratory results so that Empire would fraudulently receive payments for prescription medication that it otherwise would not have received.

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

COUNT TWO

7. The allegations contained in paragraphs 3 through 6 of this Information are hereby repeated, realleged, and incorporated as if fully set forth herein.

8. From in or around 2011 through in or around January 2017, in Hudson County, in the District of New Jersey and elsewhere, defendant,

EDUARD SHTINLDER,

did knowingly and intentionally conspire and agree with others to commit certain offenses against the United States, that is, to knowingly and willfully offer and pay remuneration, directly and indirectly, overtly and covertly, in cash and in kind, that is, kickbacks and bribes, in exchange for the furnishing and arranging for the furnishing of items and services, namely, the referral of prescriptions for patients to Empire Pharmacy, located in West New York, New Jersey, for which payment was made in whole or in part under a Federal health care program, namely Medicare and Medicaid, contrary to Title 42, United States Code, Section 1320a-7b(b)(2)(A).

Object of the Conspiracy

9. The object of the conspiracy was for SHTINDLER and others to fraudulently obtain revenue for Empire by paying kickbacks and bribes to one or more doctors, members of doctors' offices, and others in exchange for sending or referring prescriptions for patients to Empire.

Manner and Means of the Conspiracy

10. It was part of the conspiracy that SHTINDLER repeatedly paid bribes to “Doctor-1,” a psychiatrist with an office in Hudson County, New Jersey, to induce Doctor-1 to send prescriptions to Empire.

11. It was further part of the conspiracy that SHTINDLER occasionally instructed Empire employees to deliver bribe payments to Doctor-1 on SHTINDLER’s behalf.

12. It was further part of the conspiracy that SHTINDLER took steps to conceal his bribe payments to Doctor-1. For example, on multiple occasions, SHTINDLER stuffed cash, sometimes in \$100 denominations, into a pill bottle that had a label with Doctor-1’s name on it, making it look like the bottle contained medication for Doctor-1. SHTINDLER then had such cash-filled bottles delivered to Doctor-1.

13. It was further part of the conspiracy that, in exchange for these bribe payments, Doctor-1 prescribed medications for Doctor-1’s patients and instructed his/her patients to bring their prescriptions to Empire to be filled.

Overt Acts

14. In furtherance of the conspiracy, and in order to effect the object thereof, SHTINDLER committed, and caused to be committed, the following acts in the District of New Jersey and elsewhere:

a. In or around 2013, SHTINDLER paid cash bribes to Doctor-1 approximately once per month.

b. In or around the summer of 2016, SHTINDLER gave an Empire employee a sealed bag containing a cash bribe and instructed that employee to hand-deliver the bribe payment to Doctor-1.

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

FORFEITURE ALLEGATION

1. Upon conviction of the Federal health care offenses (as defined in 18 U.S.C. § 24) alleged in Count One and Count Two of this Information, 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 Count One and Count Two.

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 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.


CRAIG CARPENITO
United States Attorney