

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

UNITED STATES OF AMERICA	:	Hon.
	:	
v.	:	Criminal No. 20-
	:	
AKIKUR R. MOHAMMAD	:	18 U.S.C. § 371

I N F O R M A T I O N

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

**(Conspiracy to Pay Illegal Remunerations
for Referrals to Recovery Homes)**

1. Unless otherwise indicated, at all times relevant to this Information:
 - a. Defendant Akikur R. Mohammad (“MOHAMMAD”) resided in West Hills, California.
 - b. Co-conspirator Kevin M. Dickau (“Dickau”), charged in a separate Information, resided in Tustin, California.
 - c. Co-conspirator Seth Logan Welsh (“Welsh”), charged in a separate Information, resided in Forest Hill, Maryland.
 - d. “Drug Treatment Center-1,” located in Agoura Hills, California, was both a “clinical treatment facility” and “recovery home,” as those terms were defined in 18 U.S.C. § 220. MOHAMMAD owned and operated Drug Treatment Center-1, which was licensed under California state law. Drug Treatment Center-1

provided all levels of drug treatment care, including Detoxification Services (“Detox”), Partial Hospitalization Programs (“PHPs”), Intensive Outpatient Programs (“IOPs”) and Outpatient Programs (“OPs”).

e. “Marketing Company-1” was a marketing company incorporated in California and was owned and operated at various times by Dickau, Welsh, and others.

f. “Drug Treatment Facilities” or “Facilities” were “clinical treatment facilities” and “recovery homes,” as those terms were defined in 18 U.S.C. § 220, which provided services to assist patients in overcoming their addictions, including Detox services, PHPs, IOPs, and OPs.

Federal Guidelines for Substance Abuse Treatment

g. The U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, Center for Substance Abuse Treatment (“SAMHSA”), was tasked with establishing and implementing a comprehensive program to improve treatment and related services to individuals concerning substance abuse and protecting the rights of substance abusers. 42 U.S.C. § 290aa.

h. “Substance abuse” was defined generally as the abuse of alcohol or other drugs. “Treatment” meant the “care of a patient suffering from a substance use disorder, a condition which is identified as having been caused by the substance abuse disorder, or both, in order to reduce or eliminate the adverse effects upon the patient,” as set forth in 42 C.F.R. § 2.11.

i. Substance abuse treatment facilities provided services to assist patients in overcoming their addictions, including Detox centers, PHPs, IOPs, and OPs. Services and testing at Detox centers, PHPs, IOPs, or OPs could be billed to health care benefit programs when they were medically necessary and provided by, or overseen by, licensed medical professionals.

j. Insurance coverage for substance abuse treatment and testing was available through health plans offered directly by private insurance companies, in addition to government-funded insurance providers. The private health insurance providers were “health care benefit programs,” as defined by 18 U.S.C. § 24(b); that is, “public or private plans or contracts, affecting commerce, under which any medical benefit, item or service is provided to any individual.”

k. On or about October 24, 2018, the President of the United States signed the “Eliminating Kickbacks in Recovery Act” (“EKRA”) as part of the “Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act” (the “SUPPORT Act”). EKRA was enacted as 18 U.S.C. § 220 in response to the opioid epidemic in the United States, and it generally proscribes receiving or paying remuneration for referrals to recovery homes, clinical treatment facilities, and laboratories.

The Conspiracy

2. From at least as early as in or about November 2018 through in or about October 2019, in the District of New Jersey and elsewhere, defendant

AKIKUR R. MOHAMMAD

did knowingly and intentionally conspire and agree with others to knowingly and willfully pay and offer remuneration, including kickbacks, bribes, and rebates, directly and indirectly, overtly and covertly, in cash and in kind, in exchange for individuals using the services of a recovery home and clinical treatment facility, that is, Drug Treatment Center-1, with respect to services covered by a health care benefit program, in and affecting interstate commerce, contrary to Title 18, United States Code, Section 220(a)(2)(B).

Goal of the Conspiracy

3. It was the goal of the conspiracy for MOHAMMAD to unlawfully profit by paying kickbacks to marketing companies in exchange for patient referrals to Drug Treatment Center-1 so that Drug Treatment Center-1 could enroll patients and bill health care benefit programs for services.

Manner and Means of the Conspiracy

4. MOHAMMAD helped to orchestrate a patient recruitment and brokering scheme in and around California, New Jersey, Maryland, and elsewhere, in which Drug Treatment Center-1 paid fees to marketing companies, including Marketing Company-1, for referrals of patients suffering from addiction. The scheme worked as follows.

5. Drug Treatment Center-1, through MOHAMMAD, contracted with various marketing companies, including Marketing Company-1, to pay kickbacks in exchange for patient referrals. Certain of Drug Treatment Center-1's contracts with marketing companies were in force as of in or about November 2018, and Drug Treatment Center-1 acted under their terms thereafter.

6. To identify patients, the marketing companies engaged a nationwide network of recruiters, including recruiters in New Jersey, who were instructed to identify individuals who: (a) were covered under a health care benefit program, as defined by 18 U.S.C. § 24(b); and (b) were addicted to heroin, another drug, or alcohol.

7. Marketing Company-1 was one such company that had a contract with Drug Treatment Center-1 and sought to identify prospective patients to refer. Specifically, Dickau and Welsh communicated frequently with employees of Drug Treatment Center-1, including MOHAMMAD, to discuss Marketing Company-1's recruitment of potential patients. Oftentimes, Marketing Company-1 transmitted prospective patient information to Drug Treatment Center-1, including patients' health insurance information, so MOHAMMAD could evaluate whether to enroll the patient and potentially pay Marketing Company-1 a referral payment in return.

8. After receiving patients' information from Marketing Company-1, MOHAMMAD directed employees of Drug Treatment Center-1 to try to preauthorize the patients' insurance benefits. Part of the purpose of preauthorizing each patient was so MOHAMMAD could determine if the patient had sufficient insurance coverage

to make enrolling the patient profitable for Drug Treatment Center-1 (and worth the kickback that MOHAMMAD would authorize to be paid to Marketing Company-1).

9. Once Drug Treatment Center-1 successfully preauthorized the patient's insurance and accepted the patient for enrollment, MOHAMMAD or his employees at Drug Treatment Center-1 discussed with Marketing Company-1 how to transport the patient to Drug Treatment Center-1. Typically, Marketing Company-1 paid for the patient's transportation to Drug Treatment Center-1.

10. Once a patient enrolled at Drug Treatment Center-1, Marketing Company-1 would encourage the patient to remain there for at least 10 days. That time period ensured that Drug Treatment Center-1 billed the patient's health care benefit program enough to guarantee that Drug Treatment Center-1 could profitably pay a referral payment to Marketing Company-1.

11. The amount of the referral payments from Drug Treatment Center-1 to Marketing Company-1 was based on several factors, including: (a) the number of patients referred in a given month to Drug Treatment Center-1 from Marketing Company-1; (b) the duration of the patient's stay at Drug Treatment Center-1; (c) the level of treatment required by the patient; and (d) the patient's type of insurance coverage. Drug Treatment Center-1 paid Marketing Company-1 larger referral payments the longer a patient remained there after 10 days. Generally speaking, however, Drug Treatment Center-1 paid Marketing Company-1 approximately \$5,000 for each patient that Marketing Company-1 referred.

12. At the direction of Dickau and Welsh, Marketing Company-1 in turn paid a percentage of the referral payment to its recruiters, who typically received approximately 50% of the referral payment.

13. MOHAMMAD often tried to disguise these kickbacks because he knew that paying kickbacks to marketing companies for patient referrals was illegal. For example, MOHAMMAD tried to disguise the kickbacks by writing “monthly fee” in the memo line of the check to give the false appearance that MOHAMMAD was paying the marketing company a flat fee each month for patient referrals, instead of an amount that varied based on the number of patients sent, the duration of their stay, and the quality of their insurance.

14. In total, MOHAMMAD, through Drug Treatment Center-1, was paid over \$493,000 from health care benefit programs based on the illegal kickbacks he paid to marketing companies as part of the scheme.

Overt Acts

15. To advance the conspiracy and to effect its object, MOHAMMAD committed or caused the commission of the following overt acts in the District of New Jersey and elsewhere:

a. On or about November 28, 2018, MOHAMMAD wrote a check to Marketing Company-1 for \$15,000. The \$15,000 payment represented kickbacks for three patients from Drug Treatment Center-1 to Marketing Company-1. In the memo line of the check MOHAMMAD wrote, “Monthly fee 15K (remaining balance 10K) Oct. 2018.” MOHAMMAD wrote “Monthly fee” on the check to disguise that he was

paying Marketing Company-1 a per-patient kickback for referring patients to Drug Treatment Center-1. There was no legitimate monthly fee-based relationship between Drug Treatment Center-1 and Marketing Company-1.

b. On or about December 27, 2018, MOHAMMAD wrote another check from Drug Treatment Center-1 to Marketing Company-1 for \$10,000. In the memo line of the check, MOHAMMAD wrote, "10K out of 25K." The \$10,000 payment represented kickbacks for two patients from Drug Treatment Center-1 to Marketing Company-1.

c. On or about January 24, 2019, MOHAMMAD, Welsh, and Dickau had a text message conversation in which Dickau sent a patient's biographical and health insurance information to MOHAMMAD. During the conversation, Welsh asked MOHAMMAD, "[D]o you want to assess? Or just send him?," referring to whether MOHAMMAD wanted to preauthorize the patient's health insurance before Welsh directed the patient to Drug Treatment Center-1. MOHAMMAD accepted the patient for admission to Drug Treatment Center-1 after confirming that the patient had adequate health insurance benefits. Welsh then asked for the address to which MOHAMMAD wanted him to send the patient, and MOHAMMAD responded by providing the address for the Detox center for Drug Treatment Center-1. The patient enrolled at Drug Treatment Center-1 soon after, and MOHAMMAD billed a health insurance benefit program over \$70,000 for purported services rendered to the patient. The following month MOHAMMAD paid Marketing Company-1 a referral payment of \$5,000 for referring the patient.

d. In a telephone conversation on or about February 25, 2019, MOHAMMAD and Welsh discussed kickbacks from Drug Treatment Center-1 to Marketing Company-1. During the call, Welsh asked MOHAMMAD, “[H]ow much is it gonna be?,” referring to how much money in referral payments Drug Treatment Center-1 owed Marketing Company-1. MOHAMMAD asked, “I owe you five from the other patients, right,” referring to owing Marketing Company-1 a \$5,000 kickback for the referral of patients to Drug Treatment Center-1. Welsh then stated, “And then there’s a new guy, correct?,” referring to an additional patient. MOHAMMAD replied, “Yeah, I’ll give another five for this one,” meaning that he would pay Marketing Company-1 an additional \$5,000 kickback for the additional referral.

e. In a telephone conversation on or about March 14, 2019, MOHAMMAD and Welsh discussed kickbacks for referrals for two patients sent to Drug Treatment Center-1 by Marketing Company-1. During the call, MOHAMMAD and Welsh discussed how long each patient stayed at Drug Treatment Center-1, and they agreed that Drug Treatment Center-1 would pay Marketing Company-1 a kickback for the two patient referrals. On the same day, MOHAMMAD wrote a check from Drug Treatment Center-1 to Marketing Company-1 for \$10,000.

f. In a text message conversation on or about July 10, 2019, Dickau sent MOHAMMAD health insurance benefits information, which had been sent from New Jersey, for a potential patient referral to Drug Treatment Center-1. MOHAMMAD responded, “Ok, will check ASAP,” meaning that he was going to try to preauthorize the patient’s insurance information. MOHAMMAD then sent the

patient's preauthorization results from the health insurance company to Dickau, noting that MOHAMMAD "[w]on't make much" money off the patient due to the patient's insufficient health insurance benefits. MOHAMMAD therefore concluded that he would not enroll the patient at Drug Treatment Center-1. MOHAMMAD then wrote to Dickau, "Sorry Kevin! :(because Marketing Company-1 would not receive a kickback on Patient-1.

In violation of Title 18, United States Code, Section 371.


CRAIG CARPENITO
United States Attorney

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INFORMATION FOR

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(Ed. 1/97)