

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

UNITED STATES OF AMERICA : Crim. No. 21-
 :
 v. : 18 U.S.C. § 1349
 : 18 U.S.C. § 1343
 VIJAY REDDY :

INFORMATION

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

COUNT ONE

(Conspiracy to Commit Wire Fraud)

The Defendant and Co-Conspirators

1. At all times relevant to this Information:
 - a. Defendant VIJAY REDDY (“defendant REDDY”) resided in Michigan. Defendant REDDY controlled American Medical Answering Services, LLC and Revenue Asset Services LLC (a Nevada company that also was registered in Michigan during a part of the relevant time period) (collectively, the “Reddy Companies”).
 - b. David Weinstein, who is named as a co-conspirator but not as a defendant herein, resided in New Jersey, Nevada and Texas. David Weinstein controlled American MD Companies JV, MedAsset Corporation (a Nevada company), MedAsset Management LLC (a Nevada company),

and Tannenbaum & Milask Inc. (a New Jersey company) (collectively, the “Weinstein Companies”).

c. Kevin Brown, who is named as a co-conspirator but not as a defendant herein, resided in New Jersey and Pennsylvania. During the time period covered by this Information, Kevin Brown worked as a business broker for Tannenbaum & Milask Inc. and later for Visionary Business Brokers LLC, which Brown controlled.

d. Co-conspirators David Weinstein and Kevin Brown maintained the following four bank accounts at two separate banks, hereinafter referred to as Bank 1 and Bank 2:

- i. David Weinstein maintained a bank account at Bank 1, account number XXX8710 (the “Weinstein Account”);
- ii. Tannenbaum & Milask Inc. maintained a business bank account at Bank 1, account number XXXXXX2912 (the “Tannenbaum Account”), for which David Weinstein was the authorized signatory;
- iii. Visionary Business Brokers LLC maintained a business bank account at Bank 1, account number XXX5689 (“Visionary Brokers Account 1”), for which Kevin Brown was the authorized signatory; and
- iv. Visionary Business Brokers LLC maintained a business bank account at Bank 2, account number XXXXX2905

(“Visionary Brokers Account 2”), for which Kevin Brown was the authorized signatory.

The Conspiracy

2. From in or about December 2015 through in or about November 2020, in Burlington County in the District of New Jersey and elsewhere, the defendant,

VIJAY REDDY,

did knowingly and intentionally conspire and agree with David Weinstein, Kevin Brown, and others 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, which scheme and artifice is set forth below, and for the purpose of executing such scheme and artifice, did transmit and cause to be transmitted by means of wire, radio, and television communications in interstate and foreign commerce, certain writings, signs, signals, pictures and sounds, contrary to Title 18, United States Code, Section 1343, and in violation of Title 18, United States Code, Section 1349.

Object of the Conspiracy

3. The object of the conspiracy was for defendant REDDY and co-conspirators David Weinstein and Kevin Brown to financially enrich themselves by selling business opportunities to buyers under false and fraudulent pretenses.

Manner and Means of the Conspiracy

4. It was part of the conspiracy that defendant REDDY and co-conspirators David Weinstein and Kevin Brown advertised business

opportunities for sale on various websites. Specifically, the defendant and his co-conspirators advertised for sale blocks of contracts with medical providers who allegedly had agreed to outsource their medical billing, collections, appeals, answering, credentialing, or transcription functions. The defendant and his co-conspirators agreed to supply those blocks of contracts to the business opportunity buyers, who would then operate their own businesses providing the contracted services to the medical providers and earn a profit.

5. It was part of the conspiracy that defendant REDDY and co-conspirators David Weinstein and Kevin Brown provided business prospectuses to potential buyers. The prospectuses:

- a. falsely represented that the buyer of the business opportunity would be provided with a “guaranteed” client base with no marketing effort required of the buyer;
- b. falsely represented that the buyer would be provided with a client base capable of achieving cash flow figures included in the prospectus; and
- c. included projected profit figures that no buyer had achieved and which defendant REDDY and co-conspirator David Weinstein knew no buyer would achieve.

6. It was part of the conspiracy that defendant REDDY and co-conspirators David Weinstein and Kevin Brown provided fake references to prospective buyers. Specifically, the defendant and his co-conspirators told prospective buyers that the “references” were buyers who had been successful after purchasing similar business opportunities from the defendant and his co-conspirators. In actuality, the “references” were defendant REDDY, co-

conspirator David Weinstein, their family members, and other individuals who they recruited, and who—at defendant REDDY’s and co-conspirator David Weinstein’s direction—posed as successful buyers and business operators using fake names to hide their true identities.

7. It was a part of the conspiracy that defendant REDDY and co-conspirators David Weinstein and Kevin Brown caused business opportunity buyers to execute contracts with one of the Weinstein Companies or one of the Reddy Companies wherein co-conspirator David Weinstein and/or defendant REDDY promised to deliver a specified number of medical providers who had contracted to outsource certain medical back office functions, *e.g.*, medical billing, collections, appeals, answering, credentialing, or transcription services.

8. It was a part of the conspiracy that defendant REDDY and co-conspirators David Weinstein and Kevin Brown caused business opportunity buyers to wire “down payments” into bank accounts controlled by co-conspirators David Weinstein and Kevin Brown.

9. It was part of the conspiracy that co-conspirator Kevin Brown represented himself as an independent business broker when, in fact, for a portion of the time period relevant to this Information, he was employed by a company controlled by co-conspirator David Weinstein and he directed business opportunity buyers to send down payments to a bank account controlled by co-conspirator David Weinstein.

10. It was a part of the conspiracy that after receiving the down payments, defendant REDDY and co-conspirator David Weinstein delivered only a small fraction of the promised medical providers and refused to refund the “down payments.”

11. It was a part of the conspiracy for defendant REDDY and co-conspirator David Weinstein to periodically sell or assign bundles of unfulfilled, previously-signed contracts with business opportunity buyers in order to insulate themselves from complaints and legal action from unhappy buyers. When buyers complained to defendant REDDY and co-conspirators David Weinstein and Kevin Brown about the failure to deliver the contractually-promised clients, defendant REDDY and co-conspirators David Weinstein and Kevin Brown told the buyers that a new owner was now responsible for fulfilling the contracts.

12. It was a part of the conspiracy that defendant REDDY and co-conspirators David Weinstein and Kevin Brown repeatedly sold new business opportunities and collected new “down payments” even though they had not satisfied the contracts they had signed with existing business opportunity buyers.

13. It was further part of the conspiracy that, as a result of the above acts, defendant REDDY and co-conspirators David Weinstein and Kevin Brown defrauded victims of more than five million dollars.

Furthering the Conspiracy

14. In furtherance of the conspiracy and to effect its objects, its members committed and caused to be committed the following acts.

15. On or about the following dates, defendant REDDY caused business opportunity buyers to make wire transfers into the Tannenbaum Account, each of which was processed through Federal Reserve facilities in New Jersey and Texas:

Wire Date	Wire Amount	Wire Sender
2/22/2016	\$35,000.00	Victim 1
3/8/2016	\$100,000.00	Victim 2
3/15/2016	\$15,000.00	Victim 2
8/18/2016	\$75,000.00	Victim 7
8/29/2016	\$31,250.00	Victim 8
8/30/2016	\$75,000.00	Victim 9
9/14/2016	\$50,000.00	Victim 10
10/31/2016	\$75,000.00	Victim 11
11/1/2016	\$45,000.00	Victims 12a & 12b
11/17/2016	\$155,000.00	Victim 13
11/22/2016	\$240,000.00	Victim 14
12/12/2016	\$75,000.00	Victim 16
12/14/2016	\$75,000.00	Victim 17

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

COUNT TWO
(Wire Fraud)

16. Paragraphs 1 through 15 of this Information are realleged as if set forth in full herein.

17. On or about December 14, 2016, in the District of New Jersey and elsewhere, the defendant,

VIJAY REDDY,

did knowingly and intentionally devise and intend 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 purposes of executing such scheme and artifice to defraud, did knowingly and intentionally transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce certain writings, signs, signals, pictures and sounds, by causing Victim 17 to make a \$75,000 wire transfer into the Tannenbaum Account, which was processed through Federal Reserve facilities in New Jersey and Texas.

In violation of Title 18, United States Code, Section 1343.

FORFEITURE ALLEGATION

18. As a result of committing the offenses charged in this Information, defendant VIJAY REDDY shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), all property, real or personal, constituting or derived from proceeds traceable to these offenses, the value of which totaled \$944,125.00.

SUBSTITUTE ASSETS PROVISION

19. 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,

the United States shall be entitled, pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b)(1) and 28 U.S.C. § 2461(c), to forfeiture of any other property of the defendant up to the value of the above-described forfeitable property.



RACHAEL A. HONIG
Acting United States Attorney

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INFORMATION FOR

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18 U.S.C. § 1343

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