

certain outside business activities. Therefore, Individual 1 formed ABC in her name and listed herself on formation and account documents as the owner and sole member of ABC, but Kaival Patel managed and controlled ABC.

f. Paul Camarda, who is named as a co-conspirator but charged elsewhere, was a pharmaceutical sales representative.

g. Dynasty Capital LLC was a New Jersey limited liability company owned and controlled by Paul Camarda, which he created for the purpose of marketing medical products and services, including compound prescription medications.

2. At all times relevant to this Superseding Information:

a. In New Jersey, the Bergen County Prescription Benefits Plan (“BCPBP”), the State Health Benefits Program (“SHBP”), and the School Employees’ Health Benefits Program (“SEHBP”) each offered medical and prescription drug coverage to qualified state and local government public employees and eligible dependents. BCPBP, SHBP, and SEHBP were all “health care benefit programs” that affected commerce as defined in 18 U.S.C. § 24(b).

b. Pharmacy Benefits Administrator provided pharmacy benefit management services for BCPBP, SHBP, and SEHBP beneficiaries pursuant to agreements with insurance plans. Pharmacy Benefits Administrator also provided pharmacy benefit management services for beneficiaries of other insurance plans. Pharmacy Benefits Administrator adjudicated claims for reimbursement from pharmacies and paid pharmacies for valid claims. Pharmacy Benefits Administrator

then billed the insurance plans based on the amount paid to the pharmacies for claims on behalf of BCPBP, SHBP, and SEHBP beneficiaries. Pharmacy Benefits Administrator was a “health care benefit program” that affected commerce as defined in 18 U.S.C. § 24(b).

c. In general, compounding was a practice in which a licensed pharmacist combined, mixed, or altered ingredients of one or more drugs in response to a prescription to create a medication tailored to the medical needs of an individual patient. Compounded drugs were not approved by the United States Food and Drug Administration (“FDA”); that is, the FDA did not verify the safety, potency, effectiveness, or manufacturing quality of compounded drugs.

d. Compounded drugs could be appropriately prescribed by a physician when an FDA-approved medication did not meet the health needs of a particular patient. For example, if a patient was allergic to a specific ingredient in an FDA-approved medication, such as a dye or preservative, a compounded drug could be prepared excluding the ingredient that triggers the allergic reaction.

e. Compounding Pharmacy 1 and Compounding Pharmacy 2 were out-of-state pharmacies that prepared compound and non-compound medications. Compounding Pharmacy 3 and Compounding Pharmacy 4 were pharmacies located within New Jersey that prepared compound and non-compound medications. Compounding Pharmacy 1, Compounding Pharmacy 2, Compounding Pharmacy 3, and Compounding Pharmacy 4 (collectively hereinafter “the Compounding Pharmacies”) received prescriptions for medications from medical practices in New

Jersey, including Medical Practice 1. The Compounding Pharmacies would fill prescriptions by preparing the medications and then would mail or hand deliver them to individuals. The Compounding Pharmacies then billed Pharmacy Benefits Administrator for the prescriptions and received payment from Pharmacy Benefits Administrator.

3. From in or about June 2015 through in or about May 2017, in the District of New Jersey, and elsewhere, defendant

SAURABH PATEL

did knowingly and willfully conspire and agree with Kaival Patel, Paul Camarda, and others to 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, money and property owned by, or under the custody and control of, a health care benefit program 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

4. It was the object of the conspiracy for defendant SAURABH PATEL, Kaival Patel, Paul Camarda, and others to unlawfully enrich themselves by: (1) causing the submission of false and fraudulent insurance claims for prescription medications to Pharmacy Benefits Administrator, which enabled Kaival Patel, Paul Camarda, and others to receive a percentage of the money that Pharmacy Benefits Administrator paid to the Compounding Pharmacies for the prescription medications, and (2) steering individuals recruited to receive medications from the Compounding

Pharmacies to defendant SAURABH PATEL's medical practice, Medical Practice 1, which enabled him to receive insurance payments for those patient visits.

Manner and Means of the Conspiracy

5. It was part of the conspiracy that Kaival Patel, Paul Camarda, and others learned that Pharmacy Benefits Administrator would reimburse up to thousands of dollars for one individual's one-month supply of certain compounded and non-compounded prescription medications, including vitamin combinations, scar creams, pain creams, anti-fungal gels, migraine medications, libido creams, and acid-reflux medications.

6. It was further part of the conspiracy that Paul Camarda and others recruited individuals who had insurance plans that covered the expensive prescription medications and who had prescription drug benefits administered by Pharmacy Benefits Administrator to receive and recruit others to receive the prescription medications (hereinafter, "the Recruits").

7. It was further part of the conspiracy that Paul Camarda, through Dynasty Capital LLC, received payments, directly or indirectly, from the Compounding Pharmacies, which represented a percentage of the amounts paid for those medications by Pharmacy Benefits Administrator.

8. It was further part of the conspiracy that Paul Camarda, through Dynasty Capital LLC, paid the Recruits for the medications they agreed to receive and for recruiting other beneficiaries to receive the medications.

9. It was further part of the conspiracy that Kaival Patel, Individual 1, and Paul Camarda had an agreement under which Camarda paid Kaival Patel and Individual 1, through ABC, a percentage of the amounts received from the Compounding Pharmacies for the prescription medications that were covered by Pharmacy Benefits Administrator.

10. It was further part of the conspiracy that, in addition receiving payments from Paul Camarda through Dynasty Capital LLC, Kaival Patel and Individual 1 also entered into a separate agreement with Compounding Pharmacy 4 in which ABC received a percentage of the amounts paid by Pharmacy Benefits Administrator for prescription medications associated with Kaival Patel, Individual 1, and/or ABC.

11. It was further part of the conspiracy that, in addition to receiving payments from Dynasty Capital LLC and Compounding Pharmacy 4, Kaival Patel and Individual 1 also entered into a separate agreement with Compounding Pharmacy 2 without Camarda's knowledge in which ABC received a percentage of the amounts paid by Pharmacy Benefits Administrator for prescription medications associated with Kaival Patel, Individual 1, and/or ABC.

12. It was further part of the conspiracy that Kaival Patel and Paul Camarda approached Kaival Patel's relative—defendant SAURABH PATEL—about signing prescriptions for the medications and defendant SAURABH PATEL agreed to do so.

13. It was further part of the conspiracy that Paul Camarda instructed the Recruits—directly or through other Recruits—to go see defendant SAURABH PATEL at Medical Practice 1 for the purpose of obtaining his authorization for the prescriptions.

14. It was further part of the conspiracy that the Recruits did not have a prior doctor-patient relationship with defendant SAURABH PATEL and most did not return to Medical Practice 1 after seeing him to obtain his authorization for the prescriptions.

15. It was further part of the conspiracy that Paul Camarda provided certain Recruits and defendant SAURABH PATEL with pre-printed prescription forms for the prescription medications.

16. It was further part of the conspiracy that Kaival Patel and Paul Camarda would notify defendant SAURABH PATEL in advance of Recruits coming to Medical Practice 1 for the purpose of obtaining the prescriptions.

17. It was further part of the conspiracy that the Recruits often went to see defendant SAURABH PATEL at Medical Practice 1 on the same day or within days of each other, often received prescriptions for the same medications on the same day or within days of each other, and often received prescriptions authorized by defendant SAURABH PATEL for multiple medications at once.

18. It was further part of the conspiracy that defendant SAURABH PATEL often put notes in the Recruits' medical charts in an effort to avoid detection and give the appearance that the office visits and prescriptions were legitimate.

19. It was further part of the conspiracy that, in exchange for defendant SAURABH PATEL's agreement to sign the prescriptions, Paul Camarda referred, directly or indirectly, more than 10 Recruits to Medical Practice 1.

20. It was further part of the conspiracy that defendant SAURABH PATEL, through Medical Practice 1, would bill insurance plans and receive payments for patient visits and procedures for the Recruits referred to Medical Practice 1 as part of the scheme.

21. It was further part of the conspiracy that, in addition to the Recruits referred to Medical Practice 1 by Paul Camarda, defendant SAURABH PATEL also signed prescriptions attributed to ABC's sales identification numbers for established patients of Medical Practice 1 who had insurance that would cover the medications.

22. It was further part of the conspiracy that, after business hours when defendant SAURABH PATEL was reviewing his patient medical charts, Kaival Patel would instruct defendant SAURABH PATEL which insurance companies covered the medications he promoted and would request that defendant SAURABH PATEL prescribe those medications to patients with those insurance plans. Defendant SAURABH PATEL then would identify patients who had insurance plans that covered the medications and would prescribe the medications promoted by Kaival Patel.

23. It was further part of the conspiracy that defendant SAURABH PATEL prescribed the medications because he sought to assist and financially benefit his relatives, Kaival Patel and Individual 1.

24. It was further part of the conspiracy that defendant SAURABH PATEL typically selected on the pre-printed prescription forms a high number of refills for a medication to maximize the financial benefit to his relatives, Kaival Patel and Individual 1.

25. It was further part of the conspiracy that, after defendant SAURABH PATEL signed prescriptions, he caused the prescriptions to be faxed to the Compounding Pharmacies, which filled the prescriptions and billed Pharmacy Benefits Administrator.

26. It was further part of the conspiracy that when Pharmacy Benefits Administrator stopped covering particular medications or ingredients, Kaival Patel and Paul Camarda informed defendant SAURABH PATEL of the change and provided him with new prescription forms or relevant information so that defendant SAURABH PATEL could authorize new prescriptions for combinations of ingredients that would be covered by insurance.

In violation of Title 18, United States Code, Section 1349.

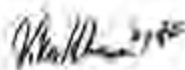
FORFEITURE ALLEGATIONS

1. Upon conviction of the conspiracy offense alleged in Count 1 of this Superseding Information, defendant SAURABH PATEL shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(7), all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the offense alleged in Count 1, representing all property constituting or derived from proceeds traceable to the commission of the offense alleged in Count 1 to which he pleads guilty.

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 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), to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property.



VIKAS KHANNA
Attorney for the United States
Acting Under Authority Conferred by 28 U.S.C. § 515

CASE NUMBER: 22-cr-35-2 (RBK)

United States District Court
District of New Jersey

UNITED STATES OF AMERICA

v.

SAURABH PATEL

SUPERSEDING INFORMATION FOR
18 U.S.C. § 1349

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