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Southern District of New York  
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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

Plaintiff,

v.

RAMESH TADUVAI,

Defendant.

20 Civ. 9822

**STIPULATION AND  
ORDER OF SETTLEMENT AND  
DISMISSAL**

WHEREAS, this Stipulation and Order of Settlement and Dismissal (“Stipulation”) is entered into by and among plaintiff the United States of America (the “United States” or “Government”), by its attorney, Audrey Strauss, Acting United States Attorney for the Southern District of New York, and defendant Ramesh Taduvai (“Taduvai” or “Defendant,” and together with the Government, the “Parties”), by his authorized representatives;

WHEREAS, Taduvai has been a licensed pharmacist since 1999 and was a 50% owner of Manav II, Inc., d/b/a Good Health Pharmacy (“Good Health Pharmacy”) from late 2005 until October 28, 2014;

WHEREAS, in May 2014, Pharmacy Benefit Manager CVS/Caremark (“CVS”) conducted an audit of Good Health Pharmacy for the period from February 1, 2013, to February 28, 2014 (the “Covered Period”) that determined that during the Covered Period the pharmacy had submitted

claims to CVS requesting and receiving reimbursement for prescriptions that were not supported by records showing that the pharmacy actually purchased the medications it claimed to have dispensed and, at the conclusion of this audit, CVS clawed back moneys from Good Health Pharmacy for these unsubstantiated claims;

WHEREAS, on or about June 24, 2014, Tadvai, on behalf of himself and, in his capacity of 50% owner of Good Health Pharmacy, requested acceptance into the Office of Inspector General's "Self-Disclosure Protocol" for conduct related to the unsubstantiated claims discovered through CVS's audit (the "Self Disclosure");

WHEREAS, on or about March 8, 2017, Tadvai, Good Health Pharmacy, and others were indicted by the Manhattan District Attorney's Office for crimes related to underreporting income by issuing checks, purportedly to pharmaceutical wholesalers, that were deposited into bank accounts controlled by Tadvai and other members of the same conspiracy;

WHEREAS, on or about November 16, 2018, Tadvai pled guilty to three counts of criminal tax fraud in the second degree;

WHEREAS, following the Self Disclosure, the Government investigated Defendant and the Good Health Pharmacy's billings to federal healthcare programs;

WHEREAS, on November 20 2020, in order to resolve potential liability against Defendant, the Government filed a complaint under the False Claims Act ("FCA"), 31 U.S.C. § 3729 *et seq.*, against Defendant alleging, *inter alia*, that he violated the FCA and common law by submitting false claims for payment to Medicare Part D sponsors and the New York State Medical Assistance Program ("N.Y. Medicaid") for prescription drugs that were never dispensed to patients in his role as part owner and Pharmacist-in-Charge of the Good Health Pharmacy (the "Complaint");

WHEREAS, the Government alleges that during the Covered Period Defendant submitted false claims for payment to Medicare Part D sponsors and N.Y. Medicaid for prescriptions that Defendant represented had been dispensed to patients and were supported by inventory, but which were never actually dispensed to patients. The conduct described in this Paragraph is the “Covered Conduct” for purposes of this Stipulation;

WHEREAS, the Parties have, through this Stipulation, reached a mutually agreeable resolution addressing the claims asserted against Defendant in the Complaint for the Covered Conduct;

NOW, THEREFORE, upon the Parties’ agreement IT IS HEREBY ORDERED that:

**TERMS AND CONDITIONS**

1. The Parties agree that this Court has subject matter jurisdiction over this action and consent to this Court’s exercise of personal jurisdiction over each of them.
2. Tadvai admits, acknowledges and accepts responsibility for the following conduct:
  - a. At all times during the Covered Period, Tadvai was Good Health Pharmacy’s Pharmacist-in-Charge and was responsible for the pharmacy’s operations and the management of its staff.
  - b. During the Government’s investigation of Good Health Pharmacy’s potential false billings to federal healthcare programs, Tadvai falsely represented in a letter to the Government that the absence of inventory records substantiating the pharmacy’s claimed dispensations were primarily the result of “the action of a rogue employee, Good Health’s former pharmacy technician . . . [who] submitted claims for prescription medications at the time the prescriptions were filled, but failed to

conduct a reconciliation of the claims when patients failed to pick up the prescriptions.” In addition, in response to the Government’s request for personnel files for Good Health Pharmacy’s employees, Tadvai fabricated and produced to the Government false W-4 tax forms for pharmacy employees that he backdated and on which he forged the employees’ signatures without their knowledge or consent.

- c. Good Health Pharmacy, under the management of Tadvai, as Pharmacist-in-Charge, submitted false claims for payment to Medicare and N.Y. Medicaid for prescriptions that were never dispensed to patients and received reimbursements on these prescriptions to which it was not entitled.
- d. Tadvai issued checks, purportedly to independent pharmaceutical wholesalers, and claimed that these checks were proof that the Good Health Pharmacy had ordered and paid for drugs that the pharmacy billed CVS and federal healthcare programs, but the medications were not actually purchased and the checks were instead deposited into bank accounts controlled by Tadvai and others.

3. Defendant shall pay to the Government within thirty (30) business days of the Effective Date (defined below in Paragraph 24) the sum of \$600,000 plus interest, which shall be compounded annually at a rate of 1.25% accruing from May 26, 2020, to the date of the payment (the “Settlement Amount”) in accordance with instructions to be provided by the Financial Litigation Unit of the United States Attorney’s Office for the Southern District of New York. Of the Settlement Amount, \$300,000 constitutes restitution to the United States and the State of New York. Defendant agrees that he shall not seek indemnification from any source with respect to any portion of the Settlement Amount.

4. Defendant agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Stipulation. Upon reasonable notice, Defendant shall encourage, and agrees not to impair, the cooperation of Good Health Pharmacy's directors, officers, and employees, and shall use his best efforts to make available, and encourage, the cooperation of Good Health Pharmacy's former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. Defendant further agrees to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in his possession, custody, or control concerning any investigation of the Covered Conduct that Good Health Pharmacy has undertaken, or that has been performed by another on its behalf.

5. Subject to the exceptions in Paragraphs 7 and 13 below (concerning excluded claims and bankruptcy proceedings), and conditioned upon Defendant's full compliance with the terms of this Stipulation, including full payment of the Settlement Amount to the United States pursuant to Paragraph 3 above, the United States releases Defendant from any civil or administrative monetary claim that the United States has for the Covered Conduct under the FCA, the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a, the Program Fraud Civil Remedies Act, 31 U.S.C. § 3801-3812, and the common law theories of fraud, payment by mistake, and unjust enrichment. For avoidance of doubt, this Stipulation does not release any current or former officer, director, employee, or agent of Good Health Pharmacy, other than Tadvai, from liability of any kind.

6. Defendant fully and finally releases the United States, its agencies, officers, employees, servants, and agents from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Defendant has asserted, could have asserted, or may

assert in the future against the United States, its agencies, officers, employees, servants, or agents related to the Covered Conduct and the United States' investigation, prosecution and settlement thereof.

7. Notwithstanding the releases given in Paragraph 5 above, or any other term of this Stipulation, the following claims of the Government are specifically reserved and are not released by this Stipulation:

- a. any liability arising under Title 26, United States Code (Internal Revenue Code);
- b. any criminal liability;
- c. except as explicitly stated in this Stipulation, any administrative liability, including but not limited to the mandatory or permissive exclusion from Federal health care programs (as defined in 42 U.S.C. §1320a-7b(f)) under 42 U.S.C. §1320a-7(a) (mandatory exclusion) or 42 U.S.C. §1320a-7(b) (permissive exclusion);
- d. any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. any liability based upon obligations created by this Stipulation; and
- f. any liability of individuals other than Taduvali.

8. Defendant shall be in default of this Stipulation if Defendant fails to make the required payment set forth in Paragraph 3 above on or before the due date for such payment, or if he fails to comply materially with any other term of this Stipulation that applies to him ("Default"). The Government shall provide written notice to Defendant of any Default in the manner set forth in Paragraph 23 below. Defendant shall then have an opportunity to cure the Default within ten

(10) calendar days from the date of delivery of the notice of Default. In the event that a Default is not fully cured within ten (10) calendar days of the delivery of the notice of Default (“Uncured Default”), interest shall accrue at the rate of 12% per annum compounded daily on the remaining unpaid principal balance of the Settlement Amount, beginning ten (10) calendar days after mailing of the notice of Default. In the event of an Uncured Default, Defendant shall agree to the entry of a consent judgment in favor of the United States against Defendant in the amount of the Settlement Amount as attached hereto as Exhibit A. The United States may also, at its option, (a) rescind this Stipulation and reinstate the claims asserted against Defendant in the Complaint; (b) seek specific performance of this Stipulation; (c) offset the remaining unpaid balance of the Settlement Amount from any amounts due and owing Defendant by any department, agency, or agent of the United States; or (d) exercise any other rights granted by law, or under the terms of this Stipulation, or recognizable at common law or in equity. Defendant shall not contest any offset imposed or any collection undertaken by the Government pursuant to this Paragraph, either administratively or in any Federal or State court. In addition, Defendant shall pay the Government all reasonable costs of collection and enforcement under this Paragraph, including attorneys’ fees and expenses. In the event that the United States opts to rescind this Stipulation pursuant to this Paragraph, Defendant shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any civil or administrative claims that relate to the Covered Conduct.

9. Defendant, having truthfully admitted to the conduct set forth in paragraph 2 hereof (the “Admitted Conduct”), agrees he shall not, including through his attorneys or agents, make any public statement, including but not limited to, any statement in a press release, social media forum, or website, that contradicts or is inconsistent with the Admitted Conduct or suggests that the

Admitted Conduct is not wrongful (a “Contradictory Statement”). Any Contradictory Statement by Defendant or his attorneys or agents shall constitute a violation of this Stipulation, thereby authorizing the Government to pursue any of the remedies set forth in paragraph 8 hereof, or seek other appropriate relief from the Court. Before pursuing any remedy, the Government shall notify Defendant that it has determined that Defendant has made a Contradictory Statement. Upon receiving notice from the Government, Defendant may cure the violation by repudiating the Contradictory Statement in a press release or other public statement within four business days. If Defendant learns of a potential Contradictory Statement by himself or by his attorneys or agents, Defendant must notify the Government of the statement within 24 hours. The decision as to whether any statement constitutes a Contradictory Statement or will be imputed to Defendant for the purpose of this Stipulation, or whether Defendant adequately repudiated a Contradictory Statement to cure a violation of this Stipulation, shall be within the sole discretion of the Government. Consistent with this provision, Defendant may raise defenses and/or assert affirmative claims or defenses in any proceeding brought by private and/or public parties, so long as doing so would not contradict or be inconsistent with the Admitted Conduct.

10. Defendant agrees that he waives and shall not seek payment for any of the health care billings covered by this Stipulation from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims defined as Covered Conduct.

11. Defendant waives and shall not assert any defenses Defendant may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the



Constitution, this Stipulation bars a remedy sought in such criminal prosecution or administrative action.

12. Defendant represents and warrants that he has reviewed his financial situation, that he is currently not insolvent as such term is defined in 11 U.S.C. § 101(32) and that he reasonably believes that he shall remain solvent following payment to the Government of the Settlement Amount. Further, the Parties warrant that, in evaluating whether to execute this Stipulation, they (a) have intended that the mutual promises, covenants, and obligations set forth constitute a contemporaneous exchange for new value given to Defendant, within the meaning of 11 U.S.C. § 547(c)(1); and (b) have concluded that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. Further, the Parties warrant that the mutual promises, covenants, and obligations set forth herein are intended to and do, in fact, represent a reasonably equivalent exchange of value that is not intended to hinder, delay, or defraud any entity to which Defendant was or became indebted to on or after the date of this Stipulation, within the meaning of 11 U.S.C. § 548(a)(1).

13. If within 91 days of the Effective Date of this Stipulation or any payment made under this Stipulation, Defendant commences any case, action, or other proceeding under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors or a third party commences any case, action, or other proceeding under any law related to bankruptcy, insolvency, reorganization, or relief of debtors (a) seeking an order for relief of Defendant's debts, or seeking to adjudicate Defendant as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for Defendant or for all or part of Defendant's assets, Defendant agrees as follows:

- a. Defendant's obligations under this Stipulation may not be avoided pursuant to 11 U.S.C. § 547, and Defendant shall not argue or otherwise take the position in any such case, action, or proceeding that (i) Defendant's obligations under this Stipulation may be avoided under 11 U.S.C. § 547; (ii) Defendant was insolvent at the time this Stipulation was entered into; or (iii) the mutual promises, covenants, and obligations set forth in this Stipulation do not constitute a contemporaneous exchange for new value given to Defendant.
- b. If any of Defendant's obligations under this Stipulation are avoided for any reason, including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code, the Government, at its option, may rescind the release in this Stipulation and bring any civil and/or administrative claim, action, or proceeding against Defendant for the claims that would otherwise be covered by the release in Paragraph 5 above. Defendant agrees that (i) any such claim, action, or proceeding brought by the Government would not be subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) as a result of the case, action, or proceeding described in the first sentence of this Paragraph, and Defendant shall not argue or otherwise contend that the Government's claim, action, or proceeding is subject to an automatic stay; (ii) Defendant shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any claim, action, or proceeding that is brought by the Government within 60 calendar days of written notification to Defendant that the release has been rescinded pursuant to this Paragraph, except to the extent such defenses were

available before July 3, 2014; and (iii) the Government has an undisputed, noncontingent, and liquidated allowed claim against Defendant in the amount of the Settlement Amount set forth in Paragraph 3 above and the Government may pursue its claim in the case, action, or proceeding described in the first sentence of this Paragraph, as well as in any other case, action, or proceeding, and shall be allowed to offset the remaining unpaid balance of its claim from any amounts due and owing Defendant by any department, agency, or agent of the United States without seeking further authorization from any court under 11 U.S.C. § 362(a)(7).

- c. Defendant acknowledges that the agreements in this Paragraph are provided in exchange for valuable consideration provided in this Stipulation.

14. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare contractor (e.g., Medicare Administrative Contractor, fiscal intermediary, carrier) or any state payer, related to the Covered Conduct; and Defendant agrees not to resubmit to any Medicare contractor or any state payer any previously denied claims related to the Covered Conduct, agrees not to appeal any such denials of claims, and agrees to withdraw any such pending appeals.

15. Defendant agrees to the following:

- a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395kkk-1 and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf

of Defendant or Good Health Pharmacy, including its present or former officers, directors, employees, and agents in connection with:

- (1) the matters covered by this Stipulation;
- (2) the United States' audit(s) and civil investigation(s) of matters covered by this Stipulation;
- (3) Defendant's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with matters covered by this Stipulation (including attorneys' fees);
- (4) the negotiation and performance of this Stipulation; and
- (5) any payment Defendant makes to the United States pursuant to this Stipulation;

are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program (FEHBP) (hereinafter referred to as "Unallowable Costs").

- b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by Defendant, and Defendant shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States.
- c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Stipulation, Defendant shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs

(as defined in this Paragraph) included in payments previously sought by Defendant from the United States. Defendant agrees that the United States, at a minimum, shall be entitled to recoup from Defendant any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted requests for payment. Any payments due shall be paid to the United States pursuant to the direction of the Department of Justice and/or the affected agencies. The United States, including the Department of Justice and/or the affected agencies, reserves its right to audit, examine, or re-examine Defendant's books and records and to disagree with any calculation submitted by Defendant regarding any Unallowable Costs included in payments previously sought by Defendant, or the effect of any such Unallowable Costs on the amounts of such payments.

- d. Nothing in this Stipulation shall constitute a waiver of the rights of the United States to audit, examine, or re-examine Defendant's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

16. This Stipulation is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity except as otherwise provided herein.

17. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Stipulation.

18. Any failure by the Government to insist upon the full or material performance of any of the provisions of this Stipulation shall not be deemed a waiver of any of the provisions

hereof, and the Government, notwithstanding that failure, shall have the right thereafter to insist upon the full or material performance of any and all of the provisions of this Stipulation.

19. This Stipulation is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Stipulation is the United States District Court for the Southern District of New York. For purposes of construing this Stipulation, this Stipulation shall be deemed to have been drafted by all Parties to this Stipulation and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

20. This Stipulation constitutes the complete agreement between the Parties with respect to the subject matter hereof. This Stipulation may not be amended except by written consent of the Parties.

21. The undersigned counsel and other signatories represent and warrant that they are fully authorized to execute this Stipulation on behalf of the persons and the entities indicated below.

22. This Stipulation may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Stipulation. E-mails that attach signatures in PDF form or facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Stipulation.

23. Any notice pursuant to this Stipulation shall be in writing and shall, unless expressly provided otherwise herein, be delivered by hand, express courier, or e-mail transmission followed by postage-prepaid mail, and shall be addressed as follows:

TO THE UNITED STATES:

Jennifer Jude  
Assistant United States Attorney  
United States Attorney's Office  
Southern District of New York  
86 Chambers Street, Third Floor  
New York, New York 10007  
Email: jennifer.jude@usdoj.gov

TO DEFENDANT:

John Morrone, Esq.  
Kendra Pannitti, Esq.  
Frier Levitt  
84 Bloomfield Avenue  
Pine Brook, New Jersey 07058  
Email: jmorrone@frierlevitt.com  
kpannitti@frierlevitt.com

24. The effective date of this Stipulation is the date upon which the Stipulation is approved by the Court (the "Effective Date").

[Intentionally Left Blank]

Agreed to by:

**THE UNITED STATES OF AMERICA**

Dated: New York, New York  
November 19, 2020

AUDREY STRAUSS  
Acting United States Attorney for the  
Southern District of New York

By:



JENNIFER JUDE  
Assistant United States Attorney  
86 Chambers Street, Third Floor  
New York, New York 10007  
Tel.: (212) 637-2663  
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*Attorney for the United States of America*



**DEFENDANT**

*Plamus*

(Ramesh Taduvai)

Dated: New York New York

November 12<sup>th</sup>, 2020

John Morrone, Esq.  
Kendra Pannitti, Esq.  
Frier Levitt  
84 Bloomfield Avenue  
Pine Brook, New Jersey 07058  
Tel. (973) 852-8359

11/18/20

By:



~~JOHN MORRONE~~

*Kendra Pannitti*

*Attorneys for Defendant*

SO ORDERED:



P. Kevin Castel  
United States District Judge

Dated: Nov. 23, 2020