



***United States Attorney  
District of New Jersey***

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**NEW JERSEY DOCTOR ARRESTED, CHARGED WITH FOUR OTHERS IN  
\$1.8 MILLION MEDICAID FRAUD INVOLVING FAKE PHYSICIANS**

***Defendant Wrote More Medicaid Prescriptions in 2009 Than Any Other New Jersey Doctor***

NEWARK, N.J. – A doctor with a practice in Elizabeth, New Jersey that received more than \$13.7 million in Medicaid payments over the past year is charged, along with four others, with fraudulently obtaining at least \$1.8 million from Medicaid by billing for services actually provided by people illegally posing as physicians, United States Attorney Paul J. Fishman announced.

The criminal Complaint alleges that Yousuf Masood, 46, of Warren, New Jersey, used unlicensed individuals to treat patients in his Elizabeth, New Jersey office and billed Medicaid as if he had provided the services – even at times when he was out of the country. Yousuf Masood is charged along with his office manager and wife, Maruk Masood, 42, with conspiracy to commit health care fraud and money laundering offenses. Three other individuals: Hamid Bhatti, 32, of Rahway, N.J.; Hakim Muta Muhammad, 30, of Newark, N.J.; and Carlos Quijada, 30, of Hawthorne, N.J., are charged with conspiracy to commit health care fraud for pretending to be doctors during patient visits.

The Masoods were arrested at their home this morning by special agents of the Federal Bureau of Investigation and the Drug Enforcement Administration. Muhammad and Quijada were arrested this morning at the Elizabeth practice; Bhatti is expected to surrender to federal authorities. The arrested defendants are scheduled to appear this afternoon before United States Magistrate Judge Madeline Cox Arleo in Newark federal court.

According to the Complaint unsealed today:

Yousuf Masood and Maruk Masood employed Bhatti, Muhammad, and Quijada at Yousuf Masood's office in Elizabeth, paying them a wage as low as \$17 an hour. Patients with appointments at the office regularly met only with Bhatti, Muhammad, or Quijada – none of whom is licensed to practice medicine in the State of New Jersey, but who introduced themselves as "doctor" to patients. The office staff also referred to them as "Dr. B.," "Dr. Q.," "Dr. Bhatti," "Dr. Quijada," or "Dr. Muhammad" in the presence of patients. Though they knew Bhatti, Muhammad and Quijada were not doctors, Yousuf Masood and Maruk Masood billed Medicaid as if Yousuf Masood had provided the services they provided to patients. Medicaid was billed for numerous services supposedly rendered by Yousuf Masood in New Jersey while he was in the Dominican Republic, Europe, and Bermuda.

According to individuals employed by the office, approximately two-thirds or more of patients with appointments at the office saw Bhatti, Muhammad, or Quijada and not Yousuf Masood. In addition to the millions of dollars Yousuf Masood collected from Medicaid for services he allegedly provided to patients, Yousuf Masood was the top prescriber of drugs to Medicaid patients in New Jersey in 2009, prescribing more than \$9 million in Medicaid drugs that year. The next-highest prescribing doctor in New Jersey prescribed less than \$6 million.

At least \$1.8 million was paid to the defendants by the New Jersey Medicaid program based on fraudulent billings. After Medicaid directly deposited the money into a bank account belonging to Yousuf Masood, the money was transferred to various other accounts belonging to Yousuf and Maruk Masood.

For example, on March 30, 2010, a wire transfer for over \$1.4 million was sent from the direct-deposit account to an attorney trust account, after which that same money was used, on March 24, 2010, to purchase a Basking Ridge, N.J. property. On May 12, 2010, a wire transfer in the amount of \$137,989 was sent from the direct-deposit account to an account maintained by an entity representing the Federal National Mortgage Association, and was then used to purchase a property in Davenport, Fla.

If the Masoods are convicted of the money laundering conspiracy charge, the properties will be forfeited to the United States. The government also executed nine seizure warrants pertaining to millions of dollars in funds allegedly obtained as a result of the alleged health care fraud and held in various accounts controlled by the defendants.

U.S. Attorney Fishman stated: “The defendants are charged with an unconscionable fraud which not only ripped off a vital government program, but exposed patients to treatment by people without medical licenses. In order to perpetrate the scheme, the practice’s billings brazenly claimed one doctor saw many patients at once – even when he was across the ocean. This case is an example of the type of criminal activity our new Health Care and Government Fraud Unit is designed to combat.”

“The concerns here are many,” said Michael B. Ward, Special Agent In Charge of the FBI’s Newark Division. “Unsuspecting patients were placed at risk through deceit and substandard medical care, while taxpayers were being defrauded of millions of dollars. The fact that such a fraud could be accomplished for as little as \$17 an hour serves as a reminder for the need for law enforcement to maintain focus in pursuit of health care fraud matters.”

John G. McCabe, Acting Special Agent in Charge of the Drug Enforcement Administration’s New Jersey Division stated: “This investigation is another example of DEA’s Tactical Diversion Squad and our law enforcement partners working towards the same goal of protecting the public from unscrupulous members of the medical profession that through fraud and illegal activities cost the taxpayers billions.”

If convicted of the conspiracy to commit health care fraud charge, each defendant faces a maximum potential penalty of 10 years in prison and a fine of \$250,000, or twice the gross gain or loss from the offense. The Masoods each face an additional maximum potential penalty on the conspiracy to commit money laundering charge of 10 years in prison and a fine of \$250,000, or twice the gross gain or loss from the offense.

U.S. Attorney Fishman credited special agents of the FBI, under the direction of Special Agent in Charge Michael B. Ward, and the DEA, under the direction of Acting Special Agent in Charge John G. McCabe Jr., with the investigation leading to the charges. Fishman also thanked the Office of the Attorney General, Divisions of Consumer Affairs and Criminal Justice for their assistance. He added that the investigation is continuing.

The government is represented by Assistant U.S. Attorney Jacob T. Elberg, of the U.S. Attorney's Office Health Care and Government Fraud Unit, and Assistant U.S. Attorney Peter Gaeta, of the Office's Asset Forfeiture and Money Laundering Unit.

The charges and allegations contained in the Complaint are merely accusations, and the defendants are considered innocent unless and until proven guilty.

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