

ORIGINAL FILED

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

SEP 3 2010

MADELINE COX ARLEO  
U.S. MAG. JUDGE

UNITED STATES OF AMERICA

Hon. Madeline Cox Arleo

v.

Magistrate No. 10-8214

YOUSUF MASOOD, MARUK MASOOD,  
HAMID BHATTI, CARLOS QUIJADA, and  
HAKIM MUTA MUHAMMAD

**CRIMINAL COMPLAINT**

I, the undersigned complainant, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

I further state that I am a Special Agent with the Federal Bureau of Investigation and that this Complaint is based on the following facts:

SEE ATTACHMENT B

Mary Gardocki, Special Agent  
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,  
September 3, 2010 at Newark, New Jersey

HONORABLE MADELINE COX ARLEO  
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

**ATTACHMENT A**

**Count 1**  
**(Conspiracy to Commit Health Care Fraud)**

From at least in or about July 2009 through at least in or about July 2010, in the District of New Jersey, and elsewhere, Defendants

**YOUSUF MASOOD, MARUK MASOOD,**

**HAMID BHATTI, CARLOS QUIJADA, and HAKIM MUTA MUHAMMAD**

did knowingly and intentionally conspire and agree with one another and others to commit offenses against the United States, namely, to execute and attempt to execute a scheme to defraud a health care benefit program; namely the New Jersey Medicaid program, and to obtain, by means of false and fraudulent pretenses, representations, promises, money and property owned by, or under the custody and control of, a health care benefit program; namely the New Jersey Medicaid program, in connection with the delivery of or payment for health care benefits, items, and services, as described in Attachment B below, contrary to Title 18, United States Code, Section 1347,

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

**Count 2**  
**(Conspiracy to Violate Section 1957 of Title 18)**

From at least in or about July 2009 through at least in or about July 2010, in the District of New Jersey, and elsewhere, Defendants

**YOUSUF MASOOD and MARUK MASOOD**

did knowingly conspire and agree with each other and with others to engage and attempt to engage in monetary transactions by, through, and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, specifically wire transfers totaling more than \$1,500,000, such property having been derived from a specified unlawful activity, namely health care fraud in violation of Title 18, United States Code, Section 1347, contrary to Title 18, United States Code, Section 1957,

In violation of Title 18, United States Code, Section 1956(h).

## **ATTACHMENT B**

### **INTRODUCTION**

I, Mary Gardocki, have been a Special Agent of the Federal Bureau of Investigation (“FBI”) for approximately 5 years, and I have been personally involved in the investigation of this matter. The information contained in this Complaint is based upon my personal knowledge, as well as information obtained from other sources, including: a) statements made or reported by various witnesses with knowledge of relevant facts; b) my review of publicly available information relating to the defendants; and c) my review of consensual audio and video recordings. Because this Complaint is being submitted for the limited purpose of establishing probable cause, it does not include every fact that I have learned during the course of the investigation. Where the content of documents and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

1. At all times relevant to this Complaint, Defendant YOUSUF MASOOD was a doctor specializing in Internal Medicine and licensed to practice in the State of New Jersey, with a medical practice located at 701 Newark Avenue, Suite 101 in Elizabeth, New Jersey (herein referred to as the “Newark Avenue Office”). A significant portion of patients treated at the Newark Avenue Office were Medicaid beneficiaries. During the time period relevant to this Complaint, Defendant YOUSUF MASOOD received more than \$13.7 million in Medicaid reimbursement for services purportedly provided to patients at the Newark Avenue Office. In addition, according to New Jersey Medicaid records, Defendant YOUSUF MASOOD prescribed more drugs to Medicaid patients in 2009 than any other doctor in New Jersey. Defendant YOUSUF MASOOD prescribed more than \$9 million in Medicaid drugs in 2009 – the next

highest prescribing doctor in New Jersey prescribed less than \$6 million.

2. At all times relevant to this Complaint, Defendant MARUK MASOOD was the wife of Defendant YOUSUF MASOOD and worked in the capacity of office manager of the Newark Avenue Office. In this capacity, witnesses have revealed that Defendant MARUK MASOOD was intimately involved in the hiring of employees for the Newark Avenue Office, the coordination of patient care (ie. managing the Newark Avenue Office's patient appointment schedule and assigning care providers to examine patients), and the submission of billing to Medicaid. According to information obtained from the New Jersey Office of the Attorney General, Division of Consumer Affairs, at no time has MARUK MASOOD held any medical license in the State of New Jersey.

3. At all times relevant to this Complaint, Defendant HAMID BHATTI was employed by Defendant YOUSUF MASOOD and Defendant MARUK MASOOD at the Newark Avenue Office. According to information obtained from the New Jersey Office of the Attorney General, Division of Consumer Affairs, at no time has Defendant HAMID BHATTI held any medical license in the State of New Jersey.

4. At all times relevant to this Complaint, Defendant CARLOS QUIJADA was employed by Defendant YOUSUF MASOOD and Defendant MARUK MASOOD at the Newark Avenue Office. According to information obtained from the New Jersey Office of the Attorney General, Division of Consumer Affairs, at no time has Defendant CARLOS QUIJADA held any medical license in the State of New Jersey.

5. From at least as early as in or about November 2009 until at least in or about July 2010, Defendant HAKIM MUTA MUHAMMAD was employed by Defendant YOUSUF

MASOOD and Defendant MARUK MASOOD at the Newark Avenue Office. According to information obtained from the New Jersey Office of the Attorney General, Division of Consumer Affairs, at no time has Defendant HAKIM MUTA MUHAMMAD held any medical license in the State of New Jersey.

**THE MEDICAID PROGRAM AND BILLING PROCEDURES**

6. Medicaid is a jointly funded, Federal-State health insurance program that provides certain health benefits to the disabled and individuals and families with low incomes and resources. Medicaid was created on July 30, 1965, through Title XIX of the Social Security Act. See Title 42, United States Code, Section 1396 *et seq.* In New Jersey, the Medicaid Program is administered by the New Jersey Department of Human Services.

7. Providers apply to participate in the Medicaid program in New Jersey through the state's fiscal agent, Unisys Corporation. Unisys Corporation is a private company that acts as a third-party administrator – it receives and processes the bills for medical services for beneficiaries; however, the money to pay for such services originates from and belongs to the State of New Jersey and the Federal Government (which provide matching funds to the State under the Medicaid Program). Upon acceptance into New Jersey's Medicaid program, providers are assigned a unique provider identification number (provider number) by the fiscal agent. Only providers who have been assigned a provider number can be reimbursed by the Medicaid program. The procedure and units of service are material elements on the claim form because they determine the reimbursement to the provider. Defendant YOUSUF MASOOD had a provider number with the New Jersey Medicaid program. Defendant MARUK MASOOD did not have a New Jersey Medicaid provider number, nor did Defendant HAMID BHATTI,

Defendant CARLOS QUIJADA, or Defendant HAKIM MUTA MUHAMMAD. Defendant MARUK MASOOD, Defendant HAMID BHATTI , Defendant CARLOS QUIJADA, and Defendant HAKIM MUTA MUHAMMAD, were, in fact, not eligible to receive a provider number, as they were not licensed medical professionals in the state of New Jersey.

8. If the service provided is a service that must, per state law, be rendered by a licensed or certified individual, than New Jersey regulations require that a current valid license be held by the individual providing the services, if Medicaid is billed for those services.

9. Outpatient codes for which Medicaid can be billed must be designated with codes described in the manual of Physician's Current Procedural Terminology (CPT) published by the American Medical Association. Each of the codes in the CPT manual describes a specific procedure that can be completed by a health care provider. Many procedure codes found within the CPT manual are designated as Evaluation and Management codes (E&M Codes). E&M codes are designated for evaluation and management of a patient and require direct "face-to-face" physician contact with the patient or family by a licensed practitioner.

10. CPT code 99205 is an E&M Code to be used for an office or other outpatient visit for the evaluation and management of a new patient, which is estimated to take 60 minutes and which requires three key components: history, physical, and medical decision-making.

11. CPT code 99213 is an E&M Code to be used for an office visit or other outpatient visit for the evaluation and management of an established patient, which is estimated to take 15 minutes and requires at least two of three key components: history, physical, and medical decision-making.

12. CPT code 99214 is an E&M Code to be used for an office visit or other

outpatient visit for the evaluation and management of an established patient, which is estimated to take 25 minutes and requires at least two of three key components: history, physical, and medical decision-making.

13. CPT code 99215 is an E&M Code to be used for an office visit or other outpatient visit for the evaluation and management of an established patient, which is estimated to take 40 minutes which requires at least two of three key components: comprehensive history, comprehensive physical, and medical decision-making of high complexity.

14. CPT code 99244 is an E&M Code to be used for an office consultation for a new or established patient, which is estimated to take 60 minutes and which requires three key components: history, physical, and medical decision-making.

15. CPT code 99354 is an E&M Code to be used for an office visit or other outpatient setting with prolonged physician services – one hour beyond the usual service, which is defined as the typical/average time units associated with the companion evaluation and management service (such as 99213) as noted in the CPT code.

#### **OBJECT OF THE CONSPIRACY**

16. It was the object of the conspiracy for Defendant YOUSUF MASOOD and Defendant MARUK MASOOD, Defendant HAMID BHATTI, Defendant CARLOS QUIJADA, and Defendant HAKIM MUTA MUHAMMAD to fraudulently obtain monies from the New Jersey Medicaid program based on representations that services were provided by Defendant YOUSUF MASOOD when, in truth, Defendant YOUSUF MASOOD played virtually no role in the provision of these services, and they were instead provided – if at all – by Defendant HAMID BHATTI, Defendant CARLOS QUIJADA, and Defendant HAKIM MUTA MUHAMMAD,



none of whom was licensed to practice medicine in the State of New Jersey.

**MANNER AND MEANS OF THE CONSPIRACY**

17. It was part of the conspiracy that throughout the time period relevant to the Complaint, Defendant YOUSUF MASOOD and Defendant MARUK MASOOD submitted billings to the Medicaid program representing that Defendant YOUSUF MASOOD had provided services to Medicaid beneficiaries, including utilizing the CPT codes 99205, 99213, 99214, 99215, 99244, and 99354.

18. It was further part of the conspiracy that on at least thousands of occasions, however, those services – to the extent services were provided at all – were provided not by Defendant YOUSUF MASOOD or any other licensed doctor, but by Defendant HAMID BHATTI, Defendant CARLOS QUIJADA, or Defendant HAKIM MUTA MUHAMMAD.

19. It was further part of the conspiracy that patients with appointments at the Newark Avenue Office regularly met only with Defendant HAMID BHATTI, Defendant CARLOS QUIJADA, or Defendant HAKIM MUTA MUHAMMAD, who were referred to as “Dr. B.,” “Dr Q.,” “Dr. Bhatti,” “Dr. Quijada,” or “Dr. Muhammad” by office staff in the presence of patients, and who introduced themselves as “Dr. B.,” “Dr Q.,” “Dr. Bhatti,” “Dr. Quijada,” or “Dr. Muhammad” to patients. As Defendant YOUSUF MASOOD and Defendant MARUK MASOOD were aware, however, Defendant HAMID BHATTI, Defendant CARLOS QUIJADA, and Defendant HAKIM MUTA MUHAMMAD were not medical doctors, and in fact held no medical license in the State of New Jersey. Defendant HAMID BHATTI, Defendant CARLOS QUIJADA, and Defendant HAKIM MUTA MUHAMMAD were paid an hourly wage – as low as \$17/hour – by Defendant YOUSUF MASOOD and Defendant MARUK MASOOD

for their work at the Newark Avenue Office.

20 As such, on at least thousands of occasions, Defendant YOUSUF MASOOD and Defendant MARUK MASOOD falsely and fraudulently billed the New Jersey Medicaid program for services supposedly provided directly by Defendant YOUSUF MASOOD or in his immediate presence when, in truth, Defendant YOUSUF MASOOD virtually played no role in the provision of these services.

### **BILLINGS DURING PERIODS OF TRAVEL**

21. For example, according to travel records, from on or about July 31, 2009 through on or about August 4, 2009, Defendant YOUSUF MASOOD was in the Dominican Republic, and thus could not have been providing or supervising the provision of services at the Newark Avenue Office. However, during this time period, Defendant YOUSUF MASOOD and Defendant MARUK MASOOD caused bills to be submitted to Medicaid for 120 E&M CPT codes, resulting in payments from the New Jersey Medicaid program totaling more than approximately \$14,000 for those codes (4 claims for 99205; 11 claims for 99213; 92 claims for 99214; 13 claims for 99244) for services purportedly provided during that time period.

22. As a further example, according to travel records, from on or about August 30, 2009 through on or about September 7, 2009, Defendant YOUSUF MASOOD was in Europe, and thus could not have been providing or supervising the provision of services at the Newark Avenue Office. However, during this time period, Defendant YOUSUF MASOOD and Defendant MARUK MASOOD caused bills to be submitted to Medicaid for 182 E&M CPT codes, resulting in payments from the New Jersey Medicaid program totaling more than approximately \$21,000 for those codes (5 claims for 99205; 1 claim for 99213; 162 claims for

99214; 14 claims for 99244) for services purportedly provided during that time period.

23. As a further example, according to travel records, from on or about August 1, 2010 through on or about August 8, 2010, Defendant YOUSUF MASOOD was in Bermuda, and thus could not have been providing or supervising the provision of services at the Newark Avenue Office. However, during this time period, Defendant YOUSUF MASOOD and Defendant MARUK MASOOD caused bills to be submitted to Medicaid for 315 E&M CPT codes, resulting in payments from the New Jersey Medicaid program totaling more than approximately \$30,000 for those codes (301 claims for 99213; 14 claims for 99244) for services purportedly provided during that time period.

**BILLINGS FOR TREATMENT OF CS-1, CS-2, and SA-1**

24. Throughout the time period relevant to this Complaint, on numerous instances individuals have visited the Newark Avenue Office for appointments, under the surveillance of law enforcement. On numerous occasions, the individuals received services from Defendant HAMID BHATTI, Defendant CARLOS QUIJADA, or Defendant HAKIM MUTA MUHAMMAD, and not from Defendant YOUSUF MASOOD or any other licensed physician.

25. For example, on or about February 17, 2010, a confidential source (CS-1) visited the Newark Avenue Office for an appointment. During the appointment, CS-1 was seen only by Defendant CARLOS QUIJADA, and not by Defendant YOUSUF MASOOD or any other licensed physician. During the visit, office staff referred to Defendant CARLOS QUIJADA as "Dr. Q." Following CS-1's visit on February 17, 2010, Defendant YOUSUF MASOOD and Defendant MARUK MASOOD caused bills to be submitted to Medicaid for E&M CPT code 99213 for CS-1.

26. As a further example, on or about March 18, 2010, CS-1 visited the Newark Avenue Office for an appointment. During the appointment, CS-1 was seen only by Defendant HAMID BHATTI, and not by Defendant YOUSUF MASOOD or any other licensed physician. During the visit, office staff referred to Defendant HAMID BHATTI as "Dr. B." Following CS-1's visit on March 18, 2010, Defendant YOUSUF MASOOD and Defendant MARUK MASOOD caused bills to be submitted to Medicaid for E&M CPT codes 99213 and 99354 for CS-1.

27. As a further example, on or about April 28, 2010, a confidential source (CS-2) visited the Newark Avenue Office for an appointment. During the appointment, CS-2 was seen only by Defendant HAKIM MUTA MUHAMMAD, and not by Defendant YOUSUF MASOOD or any other licensed physician. Following CS-2's visit on April 28, 2010, Defendant YOUSUF MASOOD and Defendant MARUK MASOOD caused bills to be submitted to Medicaid for E&M CPT code 99213 for CS-2.

28. As a further example, on or about May 26, 2010, CS-1 visited the Newark Avenue Office for an appointment. During the appointment, CS-1 was seen only by Defendant HAMID BHATTI, and not by Defendant YOUSUF MASOOD or any other licensed physician. Following CS-1's visit on May 26, 2010, Defendant YOUSUF MASOOD and Defendant MARUK MASOOD caused bills to be submitted to Medicaid for E&M CPT code 99213 for CS-1.

29. As a further example, on or about May 26, 2010, CS-2 visited the Newark Avenue Office for an appointment. During the appointment, CS-2 was seen only by Defendant HAKIM MUTA MUHAMMAD, and not by Defendant YOUSUF MASOOD or any other licensed physician. Following CS-2's visit on May 26, 2010, Defendant YOUSUF MASOOD

and Defendant MARUK MASOOD caused bills to be submitted to Medicaid for E&M CPT code 99213 for CS-2.

30. As a further example, on or about May 26, 2010, a Special Agent with the Federal Bureau of Investigation working in an undercover capacity (SA-1) visited the Newark Avenue Office for an appointment. During the appointment, SA-1 was seen only by Defendant CARLOS QUIJADA, and not by Defendant YOUSUF MASOOD or any other licensed physician. Following SA-1's visit on May 26, 2010, Defendant YOUSUF MASOOD and Defendant MARUK MASOOD caused bills to be submitted to Medicaid for E&M CPT code 99244 for SA-1.

31. As a further example, on or about June 8, 2010, SA-1 visited the Newark Avenue Office for an appointment. During the appointment, SA-1 was seen only by Defendant CARLOS QUIJADA, and not by Defendant YOUSUF MASOOD or any other licensed physician. Following SA-1's visit on June 8, 2010, Defendant YOUSUF MASOOD and Defendant MARUK MASOOD caused bills to be submitted to Medicaid for E&M CPT code 99213 for SA-1.

32. As a further example, on or about June 30, 2010, CS-1 visited the Newark Avenue Office for an appointment. During the appointment, CS-1 was seen only by Defendant HAKIM MUTA MUHAMMAD, and not by Defendant YOUSUF MASOOD or any other licensed physician. Following CS-1's visit on June 30, 2010, Defendant YOUSUF MASOOD and Defendant MARUK MASOOD caused bills to be submitted to Medicaid for E&M CPT code 99213 for CS-1.

33. As a further example, on or about June 30, 2010, CS-2 visited the Newark

Avenue Office for an appointment. During the appointment, CS-2 was seen primarily by Defendant HAMID BHATTI. During Defendant HAMID BHATTI's examination of CS-2, Defendant HAMID BHATTI asked that Defendant YOUSUF MASOOD enter the examination room to look at CS-2's EKG results, which Defendant YOUSUF MASOOD subsequently did. During the visit, office staff referred to Defendant HAMID BHATTI as "Dr. B." Following CS-2's visit on June 30, 2010, Defendant YOUSUF MASOOD and Defendant MARUK MASOOD caused bills to be submitted to Medicaid for E&M CPT code 99213 for CS-2.

34. As a further example, on or about August 2, 2010, CS-1 visited the Newark Avenue Office for an appointment. During the appointment, CS-1 was seen only by Defendant CARLOS QUIJADA, and not by Defendant YOUSUF MASOOD or any other licensed physician. Following CS-1's visit on August 2, 2010, Defendant YOUSUF MASOOD and Defendant MARUK MASOOD caused bills to be submitted to Medicaid for E&M CPT code 99213 for CS-1.

35. As a further example, on or about August 2, 2010, CS-2 visited the Newark Avenue Office for an appointment. During the appointment, CS-2 was seen only by Defendant HAKIM MUTA MUHAMMAD, and not by Defendant YOUSUF MASOOD or any other licensed physician. Following CS-2's visit on August 2, 2010, Defendant YOUSUF MASOOD and Defendant MARUK MASOOD caused bills to be submitted to Medicaid for E&M CPT code 99213 for CS-2.

36. As a further example, on or about August 2, 2010, SA-1 visited the Newark Avenue Office for an appointment. During the appointment, SA-1 was seen only by Defendant HAMID BHATTI, and not by Defendant YOUSUF MASOOD or any other licensed physician.

Following SA-1's visit on August 2, 2010, Defendant YOUSUF MASOOD and Defendant MARUK MASOOD caused bills to be submitted to Medicaid for E&M CPT code 99213 for SA-1.

37. According to individuals employed by Defendant YOUSUF MASOOD and Defendant MARUK MASOOD at the Newark Avenue Office during the time period relevant to the Complaint, approximately two-thirds or more of the patients with appointments at the Newark Avenue Office were provided services not by Defendant YOUSUF MASOOD or any other licensed physician, but by Defendant HAMID BHATTI, Defendant CARLOS QUIJADA, or Defendant HAKIM MUTA MUHAMMAD. During this time period, Defendant YOUSUF MASOOD and Defendant MARUK MASOOD caused bills to be submitted to Medicaid for more than 20,000 E&M CPT codes, resulting in payments from the New Jersey Medicaid program totaling more than approximately \$2.7 million for those E&M CPT codes. As such, Defendant YOUSUF MASOOD and Defendant MARUK MASOOD obtained at least approximately \$1.8 million from NJ Medicaid based upon fraudulent billings during the time period relevant to the Complaint.

38. During the time period relevant to the Complaint, at least approximately \$1.8 million paid by the New Jersey Medicaid program to Defendant YOUSUF MASOOD and Defendant MARUK MASOOD based upon fraudulent billings was direct deposited by New Jersey Medicaid into a bank account belonging to Defendant YOUSUF MASOOD ("the direct deposit account"). Money from that direct-deposit account was then transferred to various other accounts belonging to Defendant YOUSUF MASOOD and Defendant MARUK MASOOD.

39. For example, on March 30, 2010, a wire transfer in the amount of

\$1,410,124.76 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 the property located at 83 Emerald Valley Lane, Basking Ridge for \$1,400,000.00. This deed was recorded in Somerset County, New Jersey.

40. As further example, on May 12, 2010, a wire transfer in the amount of \$137,989.00 was sent from the direct-deposit account to an account maintained by an entity representing the Federal National Mortgage Association (aka Fannie Mae). The money was used to purchase the property located at 238 Rosso Drive, Davenport, Florida 33837. This deed was recorded in Polk County, Florida.



### **Forfeiture Allegation**

1. The allegations contained in Counts 1 and 2 of this Complaint are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Sections 982(a)(1).

2. Pursuant to Title 18, United States Code, Section 982(a)(1), upon conviction of an offense in violation of Title 18, United States Code, Section 1957, the defendants, YOUSUF MASOOD and MARUK MASOOD, shall forfeit to the United States of America any property, real or personal, involved in such offense, and any property traceable to such property. The property to be forfeited includes, but is not limited to, the following: the real property located at 83 Emerald Valley Lane, Basking Ridge 07920, registered to Maruk Masood at Block 11401, Lot 25; and the real property located at 238 Rosso Drive, Davenport, Florida 33837, registered to Yousuf Masood at Parcel # 13267-704002-000820.

3. If any of the property described above, as a result of any act or omission of the defendants:

- 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 of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982.