UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

22-60160-CR-SMITH/VALLE

Case No. _____

18 U.S.C. § 1349
18 U.S.C. § 982(a)(7)

UNITED STATES OF AMERICA

vs.

KAMRAN CHOUDHRY,

Defendant.

_____/

INFORMATION

The United States Attorney charges that:

GENERAL ALLEGATIONS

At all times material to this Information:

The Medicare Program

1. The Medicare Program ("Medicare") was a federally funded program that provided free and below-cost health care benefits to individuals, primarily the elderly, blind, and disabled. The benefits available under Medicare were governed by federal statutes and regulations. The United States Department of Health and Human Services ("HHS"), through its agency, the Centers for Medicare & Medicaid Services ("CMS"), oversaw and administered Medicare. Individuals who received benefits under Medicare were commonly referred to as Medicare "beneficiaries."

2. Medicare was a "health care benefit program," as defined by Title 18, United States Code, Section 24(b), and a "Federal health care program," as defined by Title 42, United States Code, Section 1320a-7b(f).

3. Medicare covered different types of benefits and was separated into different program "parts." Medicare "Part A" covered, among others, health services provided by hospitals, skilled nursing facilities, hospices, and home health agencies. Medicare "Part B" covered, among other things, medical items and services provided by physicians, medical clinics, laboratories, and other qualified health care providers, such as office visits, minor surgical procedures, durable medical equipment ("DME"), and laboratory testing, that were medically necessary and ordered by licensed medical doctors or other qualified health care providers.

4. Medicare "providers" included physicians, DME companies, independent clinical laboratories, and other health care providers who provided items or services to beneficiaries. To bill Medicare, a provider was required to submit a Medicare Enrollment Application Form ("Provider Enrollment Application") to Medicare. The Provider Enrollment Application contained certifications that the provider was required to make before the provider could enroll with Medicare. Specifically, the Provider Enrollment Application required the provider to certify, among other things, that the provider would abide by the Medicare laws, regulations, and program instructions, including the Federal Anti-Kickback Statute, and that the provider would not knowingly present or cause to be presented a false or fraudulent claim for payment by Medicare.

5. A Medicare "provider number" was assigned to a provider upon approval of the provider's Medicare Enrollment Application. A health care provider that received a Medicare provider number was able to file claims with Medicare to obtain reimbursement for items and services provided to beneficiaries.

6. A Medicare claim was required to contain certain important information, including: (a) the beneficiary's name and Health Insurance Claim Number ("HICN"); (b) a description of the health care benefit, item, or service that was provided or supplied to the beneficiary; (c) the billing

codes for the benefit, item, or service; (d) the date upon which the benefit, item, or service was provided or supplied to the beneficiary; (e) the name of the referring physician or other health care provider; and (f) the referring provider's unique identifying number, known either as the Unique Physician Identification Number ("UPIN") or National Provider Identifier ("NPI"). The claim form could be submitted in hard copy or electronically via interstate wire.

7. When submitting claims to Medicare for reimbursement, providers were required to certify that: (a) the contents of the forms were true, correct, and complete; (b) the forms were prepared in compliance with the laws and regulations governing Medicare; and (c) the items and services that were purportedly provided, as set forth in the claims, were medically necessary.

8. Medicare claims were required to be properly documented in accordance with Medicare rules and regulations. Medicare would not reimburse providers for claims that were procured through the payment of kickbacks and bribes.

9. When initially enrolling or updating ownership or management information, the Provider Enrollment Application required the provider to disclose all owners and any individuals or businesses with managing control over the provider. This disclosure obligation included any individual or entity with five (5) percent or more ownership, managing control, or a partnership interest, regardless of the percentage of ownership the partner had.

10. This disclosure obligation was necessary, in part, because, under Title 42, Code of Federal Regulations, Section 424.530, CMS could deny a provider's enrollment in the Medicare program if, among other reasons, the "provider, supplier, or any owner or managing employee of the provider or supplier was, within the preceding 10 years, convicted . . . of a Federal or State felony offense that CMS determines is detrimental to the best interests of the Medicare program and its beneficiaries."

Part B Coverage and Regulations

11. CMS acted through fiscal agents called Medicare administrative contractors ("MACs"), which were statutory agents for CMS for Medicare Part B. The MACs were private entities that reviewed claims and made payments to providers for items and services rendered to beneficiaries. The MACs were responsible for processing Medicare claims arising within their assigned geographical area, including determining whether the claim was for a covered item or service.

12. Payments under Medicare Part B were often made directly to the health care provider rather than to the patient or beneficiary. For this to occur, the beneficiary would assign the right of payment to the health care provider. Once such an assignment took place, the health care provider would assume the responsibility for submitting claims to, and receiving payments from, Medicare.

Durable Medical Equipment

13. DME was reusable medical equipment such as orthotic devices, walkers, canes, or hospital beds. Orthotic devices were a type of DME that included knee braces, back braces, shoulder braces, and wrist braces (collectively, "braces").

14. A claim for DME submitted to Medicare qualified for reimbursement only if the DME was medically necessary for the treatment of the beneficiary's illness or injury, ordered by a licensed provider, and actually provided to the beneficiary.

Telemedicine

15. Telemedicine provided a means of connecting patients to doctors by using telecommunications technology, such as the internet or telephone, to interact with a patient.

16. Telemedicine companies provided telemedicine services, or telehealth services, to individuals by hiring doctors and other health care providers. Telemedicine companies typically paid doctors a fee to conduct consultations with patients. In order to generate revenue, telemedicine companies typically either billed insurance or received payment from patients who utilized the services of the telemedicine company.

17. Medicare Part B covered expenses for specific telehealth services if certain requirements were met. These requirements included that: (a) the beneficiary was located in a rural or health professional shortage area; (b) services were delivered via an interactive audio and video telecommunications system; and (c) the beneficiary was in a practitioner's office or a specified medical facility—not at a beneficiary's home—during the telehealth service with a remote practitioner. In or around March 2020, in response to the COVID-19 pandemic, some of these requirements were amended temporarily to, among other things, cover telehealth services for certain office and hospital visits, even if the beneficiary was not located in a rural area or a health professional shortage area and even if the telehealth services were furnished to beneficiaries in their home.

The Defendant, Related Entities, and Relevant Persons

18. Nero Med Tech LLC d/b/a Nero Med Tech Supplies, LLC ("NERO"), a limited liability company formed under the laws of Florida, was a medical supply company enrolled with Medicare that purportedly provided DME to individuals, including Medicare beneficiaries. NERO had a listed place of business in Broward County, Florida.

19. Trinity Med Supplies LLC ("TRINITY"), a limited liability company formed under the laws of Florida, was a medical supply company enrolled with Medicare that purportedly provided DME to individuals, including Medicare beneficiaries. TRINITY had a listed place of

business in Broward County, Florida.

20. Company 1, a limited liability company formed under the laws of Florida, was purportedly a marketing company. Company 1 had a listed place of business in Palm Beach County, Florida.

21. Company 2, a corporation formed under the laws of Florida, was purportedly a marketing company. Company 2 had a listed place of business in Broward County, Florida.

22. Defendant **KAMRAN CHOUDHRY**, a resident of Broward County, was a beneficial owner of NERO and TRINITY.

23. Conspirator 1, a resident of Palm Beach County, was a beneficial owner of NERO and TRINITY, and an officer of Company 1 and Company 2.

24. Conspirator 2, a resident of Palm Beach County, was the listed owner of NERO.

Conspiracy to Commit Health Care Fraud
(18 U.S.C. § 1349)

From in or around February 2020, and continuing through in or around December 2020, in Broward County, in the Southern District of Florida, and elsewhere, the defendant,

KAMRAN CHOUDHRY,

did knowingly and willfully, that is, with the intent to further the object of the conspiracy, combine, conspire, confederate, and agree with others known and unknown to the Grand Jury, including Conspirator 1 and Conspirator 2, to commit health care fraud, that is to knowingly and willfully execute a scheme and artifice to defraud a health care benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, Medicare, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, said health care benefit program, in connection

with the delivery of and payment for health care benefits, items, and services, in violation of Title 18, United States Code, Section 1347.

Purpose of the Conspiracy

25. It was a purpose of the conspiracy for the defendant and his co-conspirators to unlawfully enrich themselves by, among other things: (a) offering, paying, and causing the payment of kickbacks and bribes to marketers in exchange for the referral of Medicare beneficiaries and doctors' orders for DME to NERO and TRINITY; (b) offering, paying, and causing the payment of kickbacks and bribes to telemedicine companies in exchange for ordering and arranging for the ordering of DME for Medicare beneficiaries, without regard to the medical necessity of the prescribed DME or whether the DME was eligible for Medicare reimbursement; (c) submitting and causing the submission, via interstate wire communication, of false and fraudulent claims to Medicare through NERO and TRINITY for DME that was not medically necessary and not eligible for Medicare reimbursement; (d) concealing and causing the concealment of false and fraudulent claims to Medicare; and (e) diverting fraud proceeds for their personal use and benefit, the use and benefit of others, and to further the fraud.

Manner and Means of the Conspiracy

The manner and means by which the defendant and his co-conspirators sought to accomplish the object and purpose of the conspiracy included, among other things:

26. **KAMRAN CHOUDHRY** and Conspirator 1 acquired beneficial ownership interests in NERO and TRINITY.

27. **KAMRAN CHOUDHRY** executed and submitted a false CMS Form 855S, on behalf of TRINITY, falsely certifying that he was the sole owner and manager of TRINITY.

28. Conspirator 2 executed and submitted a false CMS Form 855S, on behalf of NERO, falsely certifying that s/he was the sole owner and manager of NERO.

29. **KAMRAN CHOUDHRY** and Conspirator 1 recruited and paid individuals to serve as nominee owners of DME suppliers, including Conspirator 2, in order to conceal their identities as the beneficial owners of the DME suppliers.

30. **KAMRAN CHOUDHRY**, Conspirator 1, Conspirator 2, and others, through and on behalf of NERO and TRINITY, paid and caused to be paid kickbacks and bribes to patient recruiters and marketers in exchange for referring beneficiaries and doctors' orders for DME to NERO and TRINITY.

31. **KAMRAN CHOUDHRY**, Conspirator 1, Conspirator 2, and others, through and on behalf of NERO and TRINITY, negotiated the kickback and bribe arrangements, and disguised the true nature and source of these kickbacks and bribes as being for other purported services, such as "logistical management" or "brand awareness" services, and further concealed such payments by entering into sham contracts.

32. Conspirator 1 and others, through and on behalf of NERO, TRINITY, Company 1, and Company 2, offered and paid, and caused to be paid, illegal kickbacks and bribes to telemedicine companies in exchange for doctors' orders for DME that was not medically necessary and not eligible for Medicare reimbursement. These doctors' orders were written by doctors contracted with the telemedicine companies who did not have a pre-existing doctor-patient relationship with the beneficiaries, were not treating the beneficiaries, did not conduct a physical examination, and did not conduct a proper telemedicine visit.

33. **KAMRAN CHOUDHRY**, Conspirator 1, Conspirator 2, and others submitted, and caused the submission of, false and fraudulent claims to Medicare, through the use of interstate

wire communications, on behalf of NERO, totaling approximately $759,755, for DME that was not medically necessary and not eligible for reimbursement. As a result of these false and fraudulent claims, NERO received payment from Medicare in the approximate amount of $410,568.

34. **KAMRAN CHOUDHRY**, Conspirator 1, Conspirator 2, and others submitted, and caused the submission of, false and fraudulent claims to Medicare, through the use of interstate wire communication, on behalf of TRINITY, totaling approximately $1,037,975, for DME that was not medically necessary and not eligible for reimbursement. As a result of these false and fraudulent claims, TRINITY received payment from Medicare in the approximate amount of $552,155.

35. **KAMRAN CHOUDHRY**, Conspirator 1, Conspirator 2, and other co-conspirators used the fraud proceeds to benefit themselves and others, and to further the fraud.

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

FORFEITURE ALLEGATIONS

1. The allegations of this Information are hereby re-alleged and by this reference fully incorporated herein for the purpose of alleging forfeiture to the United States of certain property in which the defendant, **KAMRAN CHOUDHRY**, has an interest.

2. Upon conviction of a violation of Title 18, United States Code, Section 1349, as alleged in this Information, the defendant shall forfeit to the United States any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense, pursuant to Title 18, United States Code, Section 982(a)(7).

All pursuant to Title 18, United States Code, Section 982(a)(7), and the procedures set forth in Title 21, United States Code, Section 853, as incorporated by Title 18, United States Code, Section 982(b)(1).

JUAN ANTONIO GONZALEZ
UNITED STATES ATTORNEY

LORINDA I. LARYEA, ACTING CHIEF
CRIMINAL DIVISION, FRAUD SECTION
U.S. DEPARTMENT OF JUSTICE

PATRICK J. QUEENAN
TRIAL ATTORNEY
CRIMINAL DIVISION, FRAUD SECTION
U.S. DEPARTMENT OF JUSTICE

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

UNITED STATES OF AMERICA

v.

KAMRAN CHOUDHRY,

/

Defendant.

CASE NO.: _____

CERTIFICATE OF TRIAL ATTORNEY*

Superseding Case Information:

New Defendant(s) (Yes or No) **No**
Number of New Defendants ____
Total number of New Counts ____

Court Division (select one)

☐ Miami ☐ Key West ☐ FTP
☑ FTL ☐ WPB

I do hereby certify that:

1. I have carefully considered the allegations of the indictment, the number of defendants, the number of probable witnesses and the legal complexities of the Indictment/Information attached hereto.

2. I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, Title 28 U.S.C. §3161.

3. Interpreter: (Yes or No) **No**
   List language and/or dialect:

4. This case will take **0** days for the parties to try.

5. Please check appropriate category and type of offense listed below:

(Check only one)		(Check only one)
I	☑ 0 to 5 days	☐ Petty
II	☐ 6 to 10 days	☐ Minor
III	☐ 11 to 20 days	☐ Misdemeanor
IV	☐ 21 to 60 days	☑ Felony
V	☐ 61 days and over	

6. Has this case been previously filed in this District Court? (Yes or No) **No**
   If yes, Judge _____ Case No. _____
7. Has a complaint been filed in this matter? (Yes or No) **No**
   If yes, Magistrate Case No. _____
8. Does this case relate to a previously filed matter in this District Court? (Yes or No) **No**
   If yes, Judge _____ Case No. _____
9. Defendant(s) in federal custody as of _____
10. Defendant(s) in state custody as of _____
11. Rule 20 from the _____ District of _____
12. Is this a potential death penalty case? (Yes or No) **No**
13. Does this case originate from a matter pending in the Northern Region of the U.S. Attorney's Office prior to August 8, 2014 (Mag. Judge Shaniek Maynard? (Yes or No) **No**
14. Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to October 3, 2019 (Mag. Judge Jared Strauss? (Yes or No) **No**

By: _____

PATRICK J. QUEENAN
DOJ Trial Attorney
Court ID No. A5502715

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: KAMRAN CHOUDHRY

Case No:

Count #: 1

Title 18, United States Code, Section 1349

Conspiracy to Commit Health Care Fraud

* **Max. Term of Imprisonment: 10 years**
* **Mandatory Min. Term of Imprisonment (if applicable): N/A**
* **Max. Supervised Release: 3 years**
* **Max. Fine: $250,000 or twice the gross gain or loss from the offense**

***Refers only to possible term of incarceration, supervised release and fines. It does not include restitution, special assessments, parole terms, or forfeitures that may be applicable.**

AO 455 (Rev. 01/09) Waiver of an Indictment

UNITED STATES DISTRICT COURT

for the

Southern District of Florida

United States of America	)	
v.	)	Case No.
	)	
Kamran Choudhry,	)	
Defendant	)	

WAIVER OF AN INDICTMENT

I understand that I have been accused of one or more offenses punishable by imprisonment for more than one year. I was advised in open court of my rights and the nature of the proposed charges against me.

After receiving this advice, I waive my right to prosecution by indictment and consent to prosecution by information.

Date: _____

_____
Defendant's signature

_____
Signature of defendant's attorney

RICHARD MERLINO, ESQ.
Printed name of defendant's attorney

_____
Judge's signature

_____
Judge's printed name and title