

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 22-cr-
 :
 v. : 18 U.S.C. §§ 371, 1516(a)
 :
 CAMDEN TREATMENT : INFORMATION
 ASSOCIATES LLC :

The defendant having waived prosecution by Indictment, the Attorney for the United States for the District of New Jersey charges that, at all times relevant to this Criminal Information, unless otherwise specified:

COUNT 1
(Conspiracy to Violate the Anti-Kickback Statute)

Relevant Entities and Background

1. Camden Treatment Associates LLC (“CTA”) was a substance abuse treatment facility located in Camden, New Jersey.

2. “Company 1” was a company that provided methadone mixing services for substance abuse treatment facilities in New Jersey, including CTA. During the relevant time period, CTA was the primary client of Company 1.

3. CTA and Company 1 were owned and managed by related parties.

4. The Medicaid Program (“Medicaid”) was a jointly funded, federal-state health insurance program that provided certain health benefits to disabled and low-income individuals and families. The federal government provided matching funds to Medicaid and ensured that states, including New Jersey, complied with minimum standards in the administration of the program. Medicaid is a “Federal health care

program” as defined in 42 U.S.C. § 1320a-7b(f) and a “health care benefit program” that affected commerce as defined in 18 U.S.C. § 24(b).

5. CTA provided substance abuse treatment services for individuals suffering from opioid addiction, including counseling services and the dispensing of methadone. CTA billed and received payments from Medicaid for these services. CTA’s services were thus items or services for which payment was made in whole or in part under a Federal health care program.

6. By enrolling and participating as a provider in Medicaid, CTA agreed to abide by and certified that it understood that payment from Medicaid was conditioned upon compliance with certain laws, including the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b).

7. CTA did not have appropriate training and compliance programs and measures in place to prevent and identify violations of and adherence to relevant federal laws, including the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b), and obstructing a federal audit, 18 U.S.C. § 1516(a).

CTA’s Violation of the Anti-Kickback Statute

8. From at least as early as in or about 2009, and continuing through in or about 2015, within the District of New Jersey, and elsewhere, defendant

CAMDEN TREATMENT ASSOCIATES LLC (“CTA”)

knowingly and intentionally conspired and agreed with Company 1 and others to commit an offense against the United States, that is, to knowingly and willfully offer and pay remuneration, directly and indirectly, overtly and covertly, in cash and in kind, to induce the referral of methadone patients for methadone administration and

the ordering of services and items, namely methadone mixing services, for which payment may be made in whole or in part under a Federal health care program, namely, Medicaid, contrary to Title 42, United States Code, Section 1320a-7b(b)(2).

Object of the Conspiracy

9. The object of the conspiracy was for CTA, by ordering all of its methadone mixing services from Company 1 and paying Company 1 for those services, to cause payments to be made in the form of Company 1's profits. Such payments constituted kickbacks because CTA and Company 1 were owned and managed by related parties.

Manner and Means of the Conspiracy

10. As part of the conspiracy and as a result of the payments through Company 1, CTA was induced to order methadone mixing services from Company 1 and to have CTA patients receive treatment using methadone mixed by Company 1.

11. It was part of the conspiracy that, from 2011 through 2014, CTA received more than \$2.78 million from Medicaid for methadone administration services.

12. It was further part of the conspiracy that, from 2009 through early 2015, CTA paid Company 1 more than \$125,300.00 for methadone mixing services.

Overt Acts:

13. In furtherance of the conspiracy and to effectuate its object, CTA, Company 1, and others committed the following overt acts in the District of New Jersey and elsewhere:

- a. Company 1 provided methadone mixing services for CTA, including on or about: (i) August 29, 2013; (ii) November 21, 2014; and (iii) December 26, 2014.

- b. Company 1 submitted numerous invoices for payment for methadone mixing services to CTA, including in or about: (i) June 2013; (ii) October 2013; and (iii) November 2014.
- c. Company 1 received numerous payments from CTA, including: (i) approximately \$2,414.00 on or about October 2, 2013; (ii) approximately \$2,995.00 on or about October 3, 2013; and (iii) approximately \$2,995.00 on or about January 9, 2015.

In violation of Title 18, United States Code, Section 371.

COUNT 2
(Obstruction of a Federal Audit)

14. Paragraphs 1-7 and 9-13 are hereby realleged and incorporated as though set forth in full herein.

15. In or about June of 2015, an audit was initiated at CTA by a Medicaid contractor (“the Auditor”) of 500 claims from the time period of 2011 through 2013 that were submitted to Medicaid for payment. The objective of the audit was to determine whether the claims were billed in compliance with applicable federal and state Medicaid laws, regulations, and policies.

16. In or about January of 2016, the Auditor released to CTA’s management the preliminary results of its audit, which found numerous deficiencies and missing information in documentation.

17. On or about February 3, 2016, the Auditor met with CTA management at an “exit conference” to discuss the deficiencies and missing information. At or shortly after the exit conference, CTA was granted additional time to submit supplemental information and address the deficiencies.

18. Following the exit conference, certain members of CTA’s management met with each other and other CTA staff members on several occasions to address the deficiencies and missing information and documentation noted by the Auditor.

19. On or about February 17, 2016, May 10, 2016, and August 16, 2016, CTA submitted supplemental materials to the Auditor.

20. A review of the supplemental materials provided by CTA revealed that several documents purporting to justify the Medicaid claims in the audit were

fraudulently altered. For example: (a) patient and counselor signatures were added to patient files; (b) names of counselors listed as providing services to patients were changed; (c) credentials for staff members listed as performing services were added; (d) sign-off dates for services were added; and (e) entire patient notes were written and added to files to justify services rendered.

21. Metadata from CTA's electronic patient software program revealed that certain CTA staff members accessed and altered the 2011-2013 files at issue in the audit shortly after the February 3, 2016 exit conference with the Auditor, and those fraudulently altered documents were submitted to the Auditor.

22. By intentionally altering these documents, CTA endeavored to influence, obstruct, or impede a federal auditor in the performance of official duties and did so with intent to deceive or defraud the United States.

23. In or about February 2016, in the District of New Jersey and elsewhere, defendant

CAMDEN TREATMENT ASSOCIATES LLC ("CTA")

with the intent to deceive and defraud the United States, endeavored to influence, obstruct, and impede an auditor in the performance of official duties, and received, directly or indirectly, from Medicaid over \$100,000.00 between February 2015 and February 2016.

In violation of Title 18, United States Code, Section 1516(a).

A handwritten signature in black ink, appearing to read "Vikas Khanna" with a stylized flourish at the end.

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

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UNITED STATES OF AMERICA

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CAMDEN TREATMENT ASSOCIATES LLC

INFORMATION FOR
18 U.S.C. §§ 371, 1516

VIKAS KHANNA
ATTORNEY FOR THE UNITED STATES,
ACTING PURSUANT TO AUTHORITY CONFERRED BY 28 U.S.C. § 515
NEWARK, NEW JERSEY

CHRISTINA O. HUD
R. DAVID WALK, JR.
ASSISTANT U.S. ATTORNEYS
CAMDEN, NEW JERSEY
(856) 757-5026
