

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA	:	Hon.
	:	
	:	Crim. No. 24-
v.	:	
	:	<u>Count 1</u>
	:	18 U.S.C. § 371
JESSE FOOTE	:	(Conspiracy to Violate the Anti-
	:	Kickback Statute)
	:	
	:	<u>Count 2</u>
	:	18 U.S.C. § 1349
	:	(Conspiracy to Commit Health
	:	Care Fraud)

**INFORMATION**

The defendant having waived in open court prosecution by Indictment, the Attorney for the United States, Acting Under Authority Conferred by 28 U.S.C. § 515, charges:

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

**Overview of the Conspiracy**

1. From at least as early as in or around December 2017 to in or around March 2021, Defendant JESSE FOOTE and others worked together with overseas telemarketing call centers, durable medical equipment (“DME”) suppliers, telemedicine companies, and doctors to unlawfully profit by submitting and causing to be submitted false and fraudulent claims to federal health care benefit programs

based on a circular scheme of kickbacks and bribes paid to, and solicited and received from, each other and others.

2. Defendant FOOTE and other conspirators caused the submission of false and fraudulent claims to health care benefit programs that were ineligible for federal health care benefit program reimbursement, in part, because they were procured through fraud and through the payment of kickbacks and bribes. The value of the kickbacks and bribes paid and received by FOOTE totaled at least approximately \$6,374,469.56, and FOOTE received at least approximately \$1,504,522 directly from Medicare based on false and fraudulent claims submitted by DME companies that he controlled.

**The Defendant and Other Individuals and Entities**

3. Unless otherwise indicated, at all times relevant to this Information:
- a. FOOTE was a resident of Fairfield, Connecticut.
  - b. FOOTE owned and operated Minuteman Energy, LLC (“Minuteman”) from his home in Connecticut.
  - c. FOOTE owned and operated 4700 ServiMed Corp. (“4700 ServiMed”), a DME supplier located in Sunrise, Florida.
  - d. FOOTE owned and operated True Medical Supplies LLC, a DME supplier located in Delray Beach, Florida.
  - e. Empire Pain Center Holdings (“Empire”) was a company located in Eatontown, New Jersey. Empire was controlled by Eric Karlewicz a/k/a “Anthony Mazza,” and Nicco Romanowski, two co-conspirators not charged in this Information.

f. Sales Drive Marketing LLC (“Sales Drive”) was a company controlled by Matthew Witkowski, a co-conspirator not charged in this Information.

g. RediDoc LLC was a company located in Phoenix, Arizona. RediDoc was a purported telemedicine company doing business throughout the United States, and was owned and operated by Stephen Luke and David Laughlin, two co-conspirators not charged in this Information.

### **Medicare and TRICARE**

h. Medicare was a federally funded program established to provide medical insurance benefits for individuals aged 65 and older and certain disabled individuals who qualified under the Social Security Act. Individuals who received benefits under Medicare were referred to as “Medicare beneficiaries.”

i. Medicare was divided into four parts: hospital insurance (Part A); medical insurance (Part B); Medicare Advantage (Part C); and prescription drug benefits (Part D). Medicare Part B covered non-institutional care that included physician services and supplies, such as DME, that were needed to diagnose or treat medical conditions that met accepted standards of practice.

j. TRICARE was a federal health care benefit program for the United States Department of Defense (DoD) Military Health System that provided health insurance coverage for DoD beneficiaries worldwide, including active-duty military service members, National Guard and Reserve members, retirees, their families, and survivors. The Defense Health Agency, an agency of the DoD, oversaw and administered TRICARE.

k. Both Medicare and TRICARE were “health care benefit programs” that affected commerce as defined in 18 U.S.C. § 24(b) and “federal health care programs” as defined in 42 U.S.C. § 1320a-7b(f). “Beneficiaries” were individuals covered by these programs and other health insurance plans.

l. For a DME supplier to bill Medicare Part B, that supplier had to enroll with Medicare as a Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (“DMEPOS”) supplier by completing a Form CMS-855S.

m. As provided in the Form CMS-855S, to enroll as a DMEPOS supplier, every DMEPOS supplier had to meet certain standards to obtain and retain billing privileges with Medicare, such as, but not limited to, the following: (1) provide complete and accurate information on the Form CMS-855S, with any changes to the information on the form reported within 30 days; (2) disclose persons and organizations with ownership interests or managing control; (3) abide by applicable Medicare laws, regulations, and program instructions, such as, but not limited to, the Federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)); (4) acknowledge that the payment of a claim by Medicare is conditioned upon the claim and the underlying transaction complying with such laws, regulations, and program instructions; and (5) refrain from knowingly presenting or causing to be presented a false or fraudulent claim for payment by Medicare and submitting claims with deliberate ignorance or reckless disregard of their truth or falsity.

n. Medicare-authorized suppliers of health care services, such as DMEPOS suppliers, could submit claims to Medicare only for reasonable and

necessary medical services. Medicare would not reimburse claims for items or services that it knew were procured through kickbacks or bribes. Medicare would not reimburse for items or services that were medically unnecessary or not provided as represented. By implementing these restrictions, Medicare aimed to preserve its resources, which were largely funded by United States taxpayers, for elderly and other qualifying beneficiaries who had a genuine need for medical services.

### **Telemedicine**

o. “Telemedicine” refers to the practice of medicine by doctors using telecommunications technology, such as video or telephone, to connect with patients. Telemedicine companies, like RediDoc, hired doctors and other health care providers, purportedly to furnish telemedicine services to patients.

### **The Conspiracy**

4. From in or around December 2017 through in or around March 2021, in the District of New Jersey and elsewhere, defendant

### **JESSE FOOTE**

knowingly and intentionally conspired and agreed with Karlewicz, Witkowski, Luke, Laughlin, and others known and unknown, to commit certain offenses against the United States, namely:

(a) to knowingly and willfully solicit and receive remuneration, directly and indirectly, overtly and covertly, in cash and in kind, that is, kickbacks and bribes, in return for referring an individual to a person for the furnishing and arranging for the furnishing of any item and service, namely, the referral of doctor’s

orders for DME, for which payment may be made in whole and in part under a federal health care program, namely, Medicare, contrary to Title 42, United States Code, Section 1320a-7b(b)(1)(A); and

(b) to knowingly and willfully offer and pay remuneration, directly and indirectly, overtly and covertly, in cash and in kind, that is, kickbacks and bribes, to any person to induce such person to refer an individual to a person for the furnishing and arranging for the furnishing of any item and service, namely, to telemarketing call centers in return for beneficiary information and to telemedicine companies in return for signed doctors' orders for DME, for which payment may be made in whole and in part under a federal health care program, namely, Medicare, contrary to Title 42, United States Code, Section 1320a-7b(b)(2)(A).

#### **Goal of the Conspiracy**

5. The goal of the conspiracy was for FOOTE to unlawfully profit by receiving kickbacks and bribes in exchange for doctors' orders for DME. FOOTE paid kickbacks and bribes to telemarketing call centers in return for the call centers generating "leads," consisting of contacts with Beneficiaries and pre-written doctors' orders for DME. FOOTE then paid kickbacks and bribes to telemedicine companies, including RediDoc, which the telemedicine companies in turn paid to doctors so that the doctors would sign the DME orders. FOOTE sold signed doctors' orders to others, and the doctors' orders were ultimately fulfilled by DME suppliers controlled by FOOTE and others, which submitted claims to federal health care benefit programs and received lucrative reimbursements.

## Manner and Means of the Conspiracy

6. It was part of the conspiracy that:
  - a. FOOTE identified Beneficiaries to target for DME by purchasing “leads” from various sources, including overseas call centers. The “leads” consisted of beneficiary information, pre-written doctors’ orders, and telephone call recordings.
  - b. The call recordings generally consisted of a portion of a telemarketer’s telephone conversation with a Beneficiary, in which the telemarketer elicited responses from the Beneficiary to a series of questions about the Beneficiary’s insurance information, health conditions, and consent to receive DME. The telemarketers utilized various strategies to elicit consent from the Beneficiaries, including at times falsely representing that they were calling from the “verification department” of “Medicare” to offer free items, and using confusing, compound questions to elicit “yes” responses. The Beneficiaries resided across the United States, including in New Jersey.
  - c. FOOTE transmitted to telemedicine companies, including RediDoc, the Beneficiaries’ medical information, the pre-written doctors’ orders, and the telephone call recordings. FOOTE, through Minuteman, paid RediDoc kickbacks in return for RediDoc obtaining signed doctors’ orders for DME.
  - d. Luke and Laughlin, through RediDoc, in turn paid doctors and other health care providers to approve the pre-written doctors’ orders that they had received from FOOTE. RediDoc paid the doctors on a per-patient basis based on how many Beneficiary “consultations” the doctors did. Typically, the amount paid to the

doctors ranged from approximately \$20 to \$30 per “consultation.” The doctors often approved the orders without having had any contact with the Beneficiary and without making a *bona fide* assessment that DME was medically necessary.

e. RediDoc secured thousands of doctors’ orders for FOOTE from its doctors, who were located in dozens of states around the country, including New Jersey, and for which RediDoc paid the doctors several million dollars in total. After securing signed doctors’ orders, Luke and Laughlin, through RediDoc, steered the orders to marketing companies and DME suppliers around the country at the direction of FOOTE.

f. FOOTE directed orders for patients from all over the country to specific DME suppliers and marketing companies with whom FOOTE had kickback arrangements, including Empire, located in New Jersey, and Sales Drive. The orders were ultimately directed to DME suppliers, which then dispensed the DME and submitted claims for reimbursement to health care benefit programs, including Medicare.

g. During the conspiracy, FOOTE paid RediDoc and other telemedicine companies, through Minuteman, at least approximately \$626,215 in kickback and bribe payments for DME orders that the telemedicine companies facilitated through their paid doctors. FOOTE paid at least approximately \$994,170 in kickbacks and bribes to overseas lead generators.



h. During the conspiracy, FOOTE, through Minuteman, received kickbacks and bribes totaling more than approximately \$4,754,084.58 from DME suppliers and marketing companies, in exchange for signed doctors' orders.

i. FOOTE paid and received at least approximately \$6,374,469.56 in kickbacks and bribes during the conspiracy.

**Overt Acts**

7. In furtherance of the conspiracy and to achieve its illegal objectives, FOOTE and others committed, and caused to be committed, the following overt acts in the District of New Jersey and elsewhere:

a. On or about the approximate dates listed below in July 2018, FOOTE, through Minuteman, made six payments to RediDoc totaling approximately \$37,000, each of which represented a bribe and kickback to RediDoc for signed doctors' orders for DME:

<b>Date</b>	<b>Amount</b>
7/3/2018	\$5,000
7/5/2018	\$5,000
7/9/2018	\$7,500
7/11/2018	\$7,500
7/12/2018	\$7,000
7/16/2018	\$5,000

b. On or about the approximate dates listed below in February 2019, FOOTE, through Minuteman, received two payments totaling approximately \$32,745 from Empire, each of which represented a bribe and kickback to Minuteman in return for FOOTE directing doctors' orders to Empire:

<b>Date</b>	<b>Amount</b>
2/6/2019	\$14,680
2/13/2019	\$18,065

c. On or about the approximate dates listed below in March and April 2019, FOOTE, through Minuteman, received four payments totaling approximately \$91,311, from Sales Drive, each of which represented a bribe and kickback to Minuteman in return for FOOTE directing doctors' orders to Sales Drive:

<b>Date</b>	<b>Amount</b>
3/12/2019	\$17,501
3/15/2019	\$15,617
3/19/2019	\$24,600
4/5/2019	\$33,593

d. On or about the approximate dates listed below in January and February 2020, FOOTE, through Minuteman, made approximately eight payments totaling approximately \$158,900, to a telemarketing company located in India, each of which represented a bribe and kickback in return for the company providing FOOTE with leads:

<b>Date</b>	<b>Amount</b>
1/6/2020	\$18,900
1/13/2020	\$20,000
1/21/2020	\$15,000
1/27/2020	\$18,000
2/4/2020	\$32,000
2/11/2020	\$19,000
2/18/2020	\$17,000
2/25/2020	\$19,000

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

**COUNT 2**  
**(Conspiracy to Commit Health Care Fraud)**

8. The allegations contained in paragraphs 1-3 and 5-7 of Count 1 are realleged here.

9. From in or around December 2017 through in or around March 2021, in the District of New Jersey and elsewhere, defendant

**JESSE FOOTE**

knowingly and intentionally conspired and agreed with others to knowingly and willfully execute a scheme and artifice to defraud health care benefit programs, including Medicare, which was a health care benefit program as defined under 18 U.S.C. § 24(b), and to obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, a health care benefit program in connection with the delivery of and payment for health care benefits, items, and services, contrary to Title 18, United States Code, Section 1347.

**Goal of the Conspiracy**

10. The goal of the conspiracy was for FOOTE and his co-conspirators to profit by defrauding health care benefit programs by causing them to pay for expensive medical equipment regardless of medical necessity.

### **Manner and Means of the Conspiracy**

11. It was part of the conspiracy that:
  - a. FOOTE and others generated doctors' orders for DME regardless of medical necessity to be approved by doctors being paid kickbacks by telemedicine companies, including RediDoc. FOOTE purchased "leads" from overseas call centers, which contacted Beneficiaries by telephone and pressured the Beneficiaries to accept DME, regardless of medical necessity. Portions of the telephone calls were recorded.
  - b. Many of the Beneficiaries were elderly, and the telemarketers used various strategies to persuade the Beneficiaries to agree to receive DME, including at times falsely representing that they were calling from the "verification department" of "Medicare" to offer free items, and using confusing, compound questions to elicit positive responses.
  - c. The telemarketers sought to convince the Beneficiaries to accept multiple items of DME, regardless of medical necessity. For example, in one call recording that FOOTE transmitted to RediDoc seeking a doctor's order for DME, the Beneficiary indicated that he had pain in his right knee, but not his left. The telemarketer falsely told the Beneficiary that under Medicare, the Beneficiary could receive not just one knee brace but offered to send two braces that the telemarketer said would be covered by the Beneficiary's insurance (i.e., Medicare).
  - d. FOOTE sent information about the Beneficiaries, including the call recordings and pre-written DME orders, to telemedicine companies, including RediDoc. RediDoc arranged for the DME orders to be signed by a doctor whom

RediDoc was paying on a per-order basis. The doctors paid by RediDoc often signed DME orders without ever speaking to the patient, much less establishing a doctor-patient relationship with the patient.

e. Once a doctor signed the orders regardless of medical necessity, FOOTE then sold the doctors' orders to others, including Empire and Sales Drive, at a profit. The doctors' orders were ultimately transmitted to DME companies, which dispensed the DME and were reimbursed by health care benefit programs. Empire, for example, had kickback relationships with DME suppliers across the country, including in New Jersey, and received a portion of the insurance reimbursements from those DME suppliers as a kickback in return for having steered the doctors' orders to the supplier.

f. FOOTE also owned and controlled his own DME suppliers, 4700 ServiMed and True Medical Supplies LLC, which he used to fulfill DME orders generated through the telemarketing scheme and to submit claims for reimbursement to insurers, including Medicare. As a result of claims submitted by his DME companies regardless of medical necessity, FOOTE received at least approximately \$1,504,522 in reimbursements, including at least approximately \$1,252,219 that Medicare paid to 4700 ServiMed, an authorized DMEPOS supplier that FOOTE controlled.

g. As a result of the false and fraudulent claims that flowed from the doctors' orders that FOOTE and his co-conspirators worked to generate without regard for medical necessity, Medicare and other insurers paid at least approximately

\$7,878,991.56.

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

## FORFEITURE ALLEGATION

1. Upon conviction of the Federal health care offenses (as defined in 18 U.S.C. § 24) alleged in Counts 1 and 2 of this Information, FOOTE shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(7), all property, real and personal, FOOTE obtained that constitutes or is derived, directly and indirectly, from gross proceeds traceable to the commission of such offenses.

## SUBSTITUTE ASSETS PROVISION

2. If any of the above-described forfeitable property, as a result of any act or omission by FOOTE:

- 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,

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.



---

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

CASE NUMBER: 24-

---

---

**United States District Court  
District of New Jersey**

---

---

**UNITED STATES OF AMERICA**

**v.**

**JESSE FOOTE**

---

---

**INFORMATION FOR**

18 U.S.C. § 371

18 U.S.C. § 1349

---

---

VIKAS KHANNA

ATTORNEY FOR THE UNITED STATES

ACTING UNDER AUTHORITY

CONFERRED BY 28 U.S.C. § 515

NEWARK, NEW JERSEY

---

---

KATHERINE M. ROMANO

ASSISTANT U.S. ATTORNEY

(973) 353-6095

---

---