
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Mag. No. 18-6511 (JAD)
 :
 v. : Hon. Joseph A. Dickson
 :
 RUBEN SEVUMYANTS : **CRIMINAL COMPLAINT**

I, Amanda Brenner, 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

continued on the attached page and made a part hereof.



Amanda Brenner, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
on January 23, 2018, at Newark, New Jersey



HONORABLE JOSEPH A. DICKSON
UNITED STATES MAGISTRATE JUDGE

ATTACHMENT A

From at least as early as in or around June 2015 through on or about September 11, 2017, in Hudson County, in the District of New Jersey, and elsewhere, defendant

RUBEN SEVUMYANTS

knowingly and intentionally conspired and agreed with others to execute a scheme and artifice to defraud the Medicare program, a health care benefit program as defined under Title 18, United States Code, Section 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 said 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.

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

ATTACHMENT B

I, Amanda Brenner, am a Special Agent with the Federal Bureau of Investigation. I have knowledge of the following facts based upon both my investigation and discussions with other law enforcement personnel and others. Because this affidavit is being submitted for the sole purpose of establishing probable cause to support the issuance of a complaint, I have not included each and every fact known to the government concerning this matter. Where statements of others are set forth herein, these statements are related in substance and in part. Where I assert that an event took place on a particular date, I am asserting that it took place on or about the date alleged.

The Defendant and Pharmacy

1. At all times relevant to this Complaint:
 - a. Defendant Ruben Sevuyants resided in Marlboro, New Jersey and was the operations manager of Pharmacy #1, located in Union City, New Jersey.
 - b. Pharmacy #1 was a specialty pharmacy and health care supplier, located in Union City, New Jersey, which, among other things, prepared and supplied medications, which were prescribed to treat a variety of conditions, including Hepatitis C, Crohn's disease, and rheumatoid arthritis, since approximately 2010.
 - c. Amerihealth Caritas was a health insurance company that provided managed care solutions, including Medicare, Medicaid, pharmacy benefits management, and third-party management and administrative services.
 - d. Connecticut Medicaid was a public program that provides health care coverage to low income residents of Connecticut, including children, pregnant women, parents, seniors and individuals with disabilities.

The Medicare Program

2. The Medicare Program ("Medicare") is a federal program that provides free or below-cost health care benefits to certain individuals, primarily the elderly, blind, and disabled. Medicare is a "Federal health care program" as defined in Title 42, United States Code, Section 1320a-7b(f) and a "health care benefit program" as defined in Title 18, United States Code, Section 24(b). Individuals who receive benefits under Medicare are commonly referred to as

“beneficiaries.” Medicare has an optional Part D program, which, for a monthly premium, provides coverage for the cost of prescription drugs for people on Medicare. This coverage is provided by insurance companies and other private companies approved by Medicare.

3. Medicaid is a program jointly funded by the federal government and individual states to assist poor persons and other qualified persons in paying for the costs of health care. Medicaid works by reimbursing hospitals, physicians and other health care suppliers, such as pharmacies, for providing health care services and items to qualified individuals at fixed rates in a manner similar to Medicare.

The Scheme to Defraud

4. As a specialty pharmacy, Pharmacy #1 must submit claims seeking reimbursement for prescriptions from insurance carriers, including Medicare and Medicaid, using certain codes specific to the medication being dispensed. The codes, known as National Drug Codes (NDC), are assigned by the Food and Drug Administration. Each drug has a unique NDC, which would be used by an insurance plan, among other factors, in determining the price point at which the dispensing pharmacy will be reimbursed. Under Medicaid and Medicare regulations, the Medicaid and Medicare programs have specific requirements that need to be met by the pharmacy in order for a pharmacy to obtain said reimbursement.

5. In addition, Medicare and Medicaid rules generally permit specialty pharmacies, such as Pharmacy #1, to submit claims for medications before a prescription has been filled. The specialty pharmacy must supply the patient with the prescribed medication using a commercial delivery service, in-house delivery service by the pharmacy, or by patient pick up, within 14 days of the claim.

6. Multiple individuals associated with Pharmacy #1 have informed law enforcement agents with the Federal Bureau of Investigation and the United States Department of Health and Human Services – Office of the Inspector General that Pharmacy #1 regularly billed Medicare, Medicaid, Amerihealth Caritas and other payors for dispensing medications that were never actually dispensed to patients.

7. Furthermore, one health insurance provider informed law enforcement that it had concluded a 2014 audit of Pharmacy #1 that revealed a pattern and practice by Pharmacy #1 of billing for medication that was not dispensed to patients. In or around April 2015, the health insurance provider notified an executive at Pharmacy #1 of the audit’s results. In response, the executive at Pharmacy #1 stated that Pharmacy #1 would implement a corrective action plan and reverse any charges. Despite this representation, Pharmacy #1 continued to bill insurers for medications that were not dispensed. In the late Summer and early Fall of 2015, a compliance

officer at Pharmacy #1 notified the same executive at Pharmacy #1, a pharmacist at Pharmacy #1, and defendant Ruben Sevumyants about hundreds of instances where Pharmacy #1 billed other health insurance providers for medications not dispensed. The executive then determined that the executive and defendant Ruben Sevumyants alone would “handle” this issue without the assistance of the pharmacist. Nevertheless, Pharmacy #1 did not cease billing for medications that were not dispensed to patients. Since the Fall of 2015, several other health insurance providers have informed law enforcement of audits they conducted from 2015 to the present that show Pharmacy #1 continued to bill for medication that was not dispensed to patients.

8. On or about August 9, 2017, law enforcement officers executed a search warrant at Pharmacy #1.

9. During a search of Pharmacy #1, law enforcement officers seized, among other things, a number of Pharmacy #1’s computers, including one used by defendant Ruben Sevumyants. Documents recovered from defendant Ruben Sevumyants’s computer demonstrate that defendant Ruben Sevumyants repeatedly forged documents to perpetuate the “bill, but not ship” fraud described above. Specifically, on multiple occasions, health insurance providers, such as Amerihealth Caritas and Connecticut Medicaid, questioned Pharmacy #1 and defendant Ruben Sevumyants about medications for which the health insurance provider was billed and had sent payment, but for which the patients never received their medications. In response to such inquiries, on multiple occasions, defendant Ruben Sevumyants forged Federal Express shipping records to make it appear that the medications were shipped to the patients when, in fact, they were not. Defendant Ruben Sevumyants then sent the forged shipping records to the health insurance providers in response to their inquiries.

10. Based on billing and shipping records, Pharmacy #1 fraudulently received in excess of \$1.5 million from health insurance providers based on billing for prescriptions that Pharmacy #1 never actually dispensed to patients.