

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

UNITED STATES OF AMERICA : Hon. Michael A. Shipp
:
v. : Crim. No. 18-462 (MAS)
:
ALEX FLEYSHMAKHER : 18 U.S.C. § 371
: 18 U.S.C. § 371

SUPERSEDING INFORMATION

The defendant having waived in open court prosecution by indictment, the Acting United States Attorney for the District of New Jersey charges:

COUNT 1
(Conspiracy to Offer and Pay Kickbacks)

Relevant Entities and Individuals

1. Unless otherwise indicated, at times relevant to this Superseding Information:
 - a. The “Prime Aid Pharmacies” were specialty pharmacies located in Union City, New Jersey (“Prime Aid Union City”) and Bronx, New York (“Prime Aid Bronx”), which prepared and supplied, among other things, expensive specialty medications, which were prescribed to treat a variety of conditions, including Hepatitis C, Crohn’s disease, and rheumatoid arthritis.
 - b. Defendant ALEX FLEYSHMAKHER (“ALEX FLEYSHMAKHER”) was a Prime Aid Union City employee and had an ownership interest in Prime Aid Bronx. He resided in Morganville, New Jersey.

c. Igor Fleyshmakher (“Igor Fleyshmakher”), a conspirator not charged in this Superseding Information, was ALEX FLEYSHMAKHER’s father and resided in Holmdel, New Jersey. He was an owner and 50% equity shareholder of Prime Aid Union City and had an ownership interest in Prime Aid Bronx.

d. Samuel “Sam” Khaimov (“Khaimov”), a conspirator not charged in this Superseding Information, was a licensed pharmacist and co-owner of Prime Aid Union City. Khaimov was the lead pharmacist of Prime Aid Bronx and resided in New York with his wife, Yana Shtindler (“Yana Shtindler”).

e. Yana Shtindler, a conspirator not charged in this Superseding Information, was the Administrator of Prime Aid Union City.

f. Ruben Sevumyants (“Sevumyants”), a conspirator not charged in this Superseding Information, was the operations manager of Prime Aid Union City and resided in Marlboro, New Jersey.

g. Eduard Shtindler (“Eduard Shtindler”), a conspirator not charged in this Superseding Information, was Yana Shtindler’s brother and a former employee of Prime Aid Union City.

h. Joel Grimshaw (“Grimshaw”), a conspirator not charged in this Superseding Information, was a sales representative of Prime Aid Union City.

i. “Doctor-1,” a conspirator not charged in this Superseding Information, was a doctor with an office in Hudson County, New Jersey.

j. “Individual-1,” a conspirator not charged in this Superseding Information, was an employee in a doctor’s office in Jersey City, New Jersey.

The Medicare and Medicaid Programs

k. The Medicare Program (“Medicare”) was a federally funded health care program, which provided payment for reasonable and medically necessary medical services for certain individuals, primarily the elderly, blind, and disabled.

l. Medicaid Programs (“Medicaid”) were jointly funded, federal-state health insurance programs for certain individuals, including but not limited to low-income adults.

m. Medicare and Medicaid were “health care benefit programs,” as defined by 18 U.S.C. § 24(b), that affected commerce. Medicare and Medicaid were also “Federal health care programs,” as defined by 42 U.S.C. § 1320a-7b(f).

The Conspiracy

2. From in or about 2008 to in or about August 2017, in the District of New Jersey and elsewhere, defendant

ALEX FLEYSHMAKHER

did knowingly and intentionally conspire and agree with Khaimov, Yana Shtindler, Eduard Shtindler, Igor Fleyshmakher, Sevumyants, Grimshaw, Doctor-1, Individual-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, that is, kickbacks and bribes, in exchange for the furnishing and arranging for the furnishing of items and services, namely, the referral of prescriptions for patients to the Prime Aid Pharmacies, located in Union City, New Jersey and Bronx, New York, for which payment was made in whole or in part under a Federal health care program, namely Medicare and Medicaid, contrary to Title 42, United States Code, Section 1320a-7b(b)(2)(A).

Goal of the Conspiracy

3. The goal of the conspiracy was for ALEX FLEYSHMAKHER, Khaimov, Yana Shtindler, Eduard Shtindler, Igor Fleyshmakher, Sevumyants, Grimshaw, and others to fraudulently obtain revenue for the Prime Aid Pharmacies by paying kickbacks and bribes to one or more doctors, members of doctors' offices, and others, including Doctor-1 and Individual-1, in exchange for sending or referring prescriptions for patients to the Prime Aid Pharmacies.

Manner and Means of the Conspiracy

4. It was part of the conspiracy that:

a. Khaimov directed employees of the Prime Aid Pharmacies, including Grimshaw, to make payments to doctors, including cash payments, to induce the doctors to send prescriptions to the Prime Aid Pharmacies.

b. In agreement with Khaimov and others, Igor Fleishmakher and Eduard Shtindler made payments to Doctor-1, including cash payments, to induce Doctor-1 to send prescriptions to Prime Aid Union City.

c. In agreement with Igor Fleishmakher, Khaimov, Yana Shtindler, Sevumyants, and others, ALEX FLEISHMAKHER repeatedly provided items of value, including cash payments and payments by check and wire, to Individual-1 to induce Individual-1 to steer prescriptions from the doctor's office where Individual-1 worked to Prime Aid Union City.

d. Sevumyants repeatedly provided items of value, including expensive meals and a designer bag, to Individual-1 to induce Individual-1 to steer perceptions from the doctor's office where Individual-1 worked to Prime Aid Union City.

e. The prescriptions generated through this scheme were paid in whole or in part by Medicare or Medicaid.

f. From the prescriptions that Individual-1 steered to Prime Aid Union City as part of the scheme, Prime Aid Union City received reimbursement payments from Medicare and Medicaid of approximately \$24,828,613.76.

Overt Acts

5. In furtherance of the conspiracy, and to achieve its illegal objectives, ALEX FLEISHMAKHER, Khaimov, Yana Shtindler, Eduard Shtindler, Igor

Fleyshmakher, Sevumyants, Grimshaw, Doctor-1, Individual-1, and others committed, and caused to be committed, the following acts in the District of New Jersey and elsewhere:

- a. In or about 2010, in agreement with Khaimov and Igor Fleyshmakher, Eduard Shtindler paid a cash bribe to Doctor-1 in Hudson County, New Jersey.
- b. In or about 2011, in agreement with Khaimov, Grimshaw paid a cash bribe to a New Jersey oncologist in North Bergen, New Jersey.
- c. In or about 2011, in agreement with Khaimov, Grimshaw delivered a cash bribe to the home of a gastroenterologist in Franklin Lakes, New Jersey.
- d. In or about 2012, at Khaimov and Grimshaw's direction, a Prime Aid employee delivered a cash bribe to the same gastroenterologist who resided in Franklin Lakes, New Jersey.
- e. In or about 2014, Khaimov directed an employee to deliver a bribe payment to a doctor whose office was in Queens, New York.
- f. On or about May 12, 2015, Sevumyants paid approximately \$350 for a meal for Individual-1 and Individual-1's family, which payment was a kickback and bribe to Individual-1.

g. On or about August 3, 2017, ALEX FLEYSHMAKHER wired Individual-1 an approximately \$3,000 kickback and bribe payment to Individual-1's bank account.

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

COUNT 2
(Conspiracy to Defraud the Internal Revenue Service)

6. The allegations contained in paragraphs 1(a), 1(b), 4(c), 4(e), and 5(g) of this Superseding Information are realleged here.

Relevant Entities and Individuals

7. At various times relevant to Count 2 of this Superseding Information:
- a. The Prime Aid Pharmacies each maintained operating bank accounts (the “Operating Accounts”), into which each pharmacy deposited receipts, including checks from insurance carriers.
 - b. “Individual-2,” a conspirator not charged in this Superseding Information, resided in Brooklyn, New York, and was ALEX FLEYSHMAKHER’s friend and business associate.
 - c. “Company-1” was a holding company linked to multiple bank accounts that ALEX FLEYSHMAKHER used as personal accounts. Company-1 conducted no actual business.

The Conspiracy

8. From in or about 2011 to in or about August 2018, in the District of New Jersey and elsewhere, defendant

ALEX FLEYSHMAKHER

knowingly and intentionally conspired with Individual-2 and others to defraud the

United States and the Internal Revenue Service by impeding, impairing, obstructing, and defeating the lawful government functions of the IRS to ascertain, compute, assess, and collect income taxes.

Goal of the Conspiracy

9. The goal of the conspiracy was for ALEX FLEYSHMAKHER, Individual-2, and others to enrich themselves and others by diverting gross receipts from the Prime Aid Pharmacies' Operating Accounts and then failing to report that income to the Internal Revenue Service.

Manner and Means of the Conspiracy

10. It was part of the conspiracy that:
- a. From in or about 2011 to in or about 2016, ALEX FLEYSHMAKHER diverted millions of dollars in insurance reimbursement checks made payable to the Prime Aid Pharmacies (the "Diverted Checks").
 - b. Aided by others, ALEX FLEYSHMAKHER surreptitiously obtained the Diverted Checks from mail that arrived at the Prime Aid Pharmacies, before those checks were accounted for or deposited into the Operating Accounts.
 - c. At first, to profit from the Diverted Checks, ALEX FLEYSHMAKHER paid Individual-2 a fee to cash the Diverted Checks at check cashing businesses in New York City and then deliver that cash to ALEX FLEYSHMAKHER at his home in New Jersey or his office in New York.

d. Later in the conspiracy, aided by Individual-2, ALEX FLEYSHMAKHER shifted to funneling the Diverted Checks through Canadian bank accounts controlled by individuals located in Canada. In turn, those individuals, for a fee, caused the funds to be wired back to ALEX FLEYSHMAKHER's Company-1 bank accounts in the United States.

e. In or about 2018, after law enforcement attempted to question Individual-2 about the Diverted Checks, Individual-2 and ALEX FLEYSHMAKHER agreed that ALEX FLEYSHMAKHER would pay for Individual-2's legal fees, and Individual-2 would not cooperate with law enforcement.

f. Over the course of the scheme, ALEX FLEYSHMAKHER, aided by Individual-2 and others, concealed the income derived from the Diverted Checks from the Internal Revenue Service by failing to disclose that income on his personal income tax returns, resulting in a tax loss of approximately \$9,098,112.

Overt Acts

11. In furtherance of the conspiracy, and to achieve its illegal objectives, ALEX FLEYSHMAKHER, Individual-2, and others committed, and caused to be committed, the following acts in the District of New Jersey and elsewhere:

a. On or about February 28, 2012, in New Jersey, ALEX FLEYSHMAKHER gave Individual-2 insurance reimbursement checks totaling approximately \$45,139 addressed to Prime Aid Union City that Individual-2

subsequently caused to be cashed in Brooklyn, New York.

b. On or about April 9, 2012, in New Jersey, ALEX FLEYSHMAKHER gave Individual-2 insurance reimbursement checks totaling approximately \$130,956 that were addressed to Prime Aid Union City that Individual-2 subsequently caused to be cashed in Brooklyn, New York.

c. On or about May 7, 2012, ALEX FLEYSHMAKHER gave Individual-2 insurance reimbursement checks totaling approximately \$158,088 that were addressed to Prime Aid Bronx that Individual-2 subsequently caused to be cashed in Brooklyn, New York.

d. On or about May 25, 2012, ALEX FLEYSHMAKHER gave Individual-2 insurance reimbursement checks totaling approximately \$113,065 that were addressed to Prime Aid Bronx that Individual-2 subsequently caused to be cashed in Brooklyn, New York.

e. On or about August 12, 2013, Individual-2, at ALEX FLEYSHMAKHER's direction, attempted to cash checks made payable to the Prime Aid Pharmacies totaling approximately \$40,000 through a check casher in Brooklyn, New York.

f. From on or about January 22, 2015 through January 28, 2015, ALEX FLEYSHMAKHER and Individual-2 exchanged text messages about approximately \$300,000 in insurance reimbursement checks made payable to the

Prime Aid Pharmacies that ALEX FLEYSHMAKHER, aided by Individual-2 and others, diverted to Canadian bank accounts.

g. On or about January 29, 2015, ALEX FLEYSHMAKHER, aided by Individual-2 and others, caused a wire payment of approximately \$198,236 to be sent from a Canadian bank account to one of ALEX FLEYSHMAKHER's Company-1 bank accounts in the United States.

h. On or about April 28, 2015, ALEX FLEYSHMAKHER and Individual-2 exchanged text messages about approximately \$900,000 in Diverted Checks that ALEX FLEYSHMAKHER, aided by Individual-2 and others, diverted to Canadian bank accounts.

i. From on or about April 28, 2015 through May 15, 2015, ALEX FLEYSHMAKHER, aided by Individual-2 and others, caused approximately three wire payments totaling approximately \$729,940 to be sent from a Canadian bank account to one of ALEX FLEYSHMAKHER's Company-1 bank accounts in the United States.

j. From on or about June 25, 2018 to June 29, 2018, after law enforcement attempted to question Individual-2 on or about June 18, 2018 about the Diverted Checks, ALEX FLEYSHMAKHER sent approximately three wire payments to Individual-2, totaling approximately \$75,000.

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

FORFEITURE ALLEGATION

1. Upon conviction of the Federal health care offense, *see* 18 U.S.C. § 24, charged in Count 1 of this Superseding Information, the defendant shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(7), all property, real or personal, that constitutes or is derived, directly and indirectly, from gross proceeds traceable to the commission of the offense.

SUBSTITUTE ASSETS PROVISION

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

- 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 shall be entitled, pursuant to 21 U.S.C. § 853(p) (as incorporated by 28 U.S.C. § 2461(c) and 18 U.S.C. § 982(b)), to forfeiture of any other property of the defendant up to the value of the above-described forfeitable property.



RACHAEL A. HONIG

Acting United States Attorney

CASE NUMBER: 18-CR-462 (MAS)

United States District Court
District of New Jersey

UNITED STATES OF AMERICA

v.

ALEX FLEYSHMAKHER

SUPERSEDING INFORMATION FOR

18 U.S.C. § 371;
18 U.S.C. § 371

RACHAEL A. HONIG
ACTING U.S. ATTORNEY
NEWARK, NEW JERSEY

JOSHUA L. HABER
ASSISTANT U.S. ATTORNEY
(973) 645-3978

USA-48AD 8
(Ed. 1/97)