

ATTACHMENT A

**(Conspiracy to violate the
Federal Anti-Kickback Statute)**

From in or about January 2019 to in or about December 2020, in Morris and Hudson Counties, in the District of New Jersey and elsewhere, defendant

SRINIVASA RAJU

did knowingly and intentionally conspire and agree with others 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 a pharmacy in Morris County, New Jersey, 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).

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

ATTACHMENT B

I, Henry A. Mackey, a Special Agent with the Federal Bureau of Investigation (“FBI”), having conducted an investigation and having discussed this matter with other law enforcement officers who have participated in this investigation, have knowledge of the following facts. Because this Complaint is being submitted for the limited purpose of establishing probable cause, I have not included each and every fact known to me concerning this investigation. Rather, I have set forth only the facts that I believe are necessary to establish probable cause. Unless specifically indicated, all dates described in this affidavit are approximate and all conversations and statements described in this affidavit are related in substance and in part.

Background

1. At various times relevant to this Complaint:
 - a. Defendant SRINIVASA RAJU (“RAJU”) worked for a pharmacy located in Morris County, New Jersey (the “Pharmacy”). RAJU performed various tasks for the Pharmacy, including coordinating prescription deliveries and helping solicit doctors’ employees to send prescriptions to the Pharmacy. RAJU was the brother-in-law of one of the Pharmacy’s owners.
 - b. “Individual-1” worked as a pharmacy technician and sales representative for the Pharmacy.¹
 - c. “Individual-2” worked as the Pharmacy’s delivery driver.
 - d. “Individual-3” worked as an administrator and receptionist at the Jersey City, New Jersey office of a doctor who specialized in rheumatology (“Doctor-1”).
 - e. 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 42 U.S.C. § 1320a-7b(f) and a “health care benefit program” as defined in 18 U.S.C. § 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

¹ In or about February 2020, Individual-1 was arrested and charged by criminal complaint in the District of New Jersey for conspiring to violate the federal anti-kickback statute, contrary to 42 U.S.C. § 1320a-7b(b)(1), in violation of 18 U.S.C. § 371. That matter is still pending, and the scheme described in that complaint is highly similar to the one charged in this case.

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.

The Conspiracy

2. From in or about January 2019 to in or about December 2020, RAJU conspired with Individual-1, Individual-2, and others to pay bribes to Individual-3 to induce Individual-3 to send prescriptions, including for Medicare patients, from Doctor-1's office to the Pharmacy.

3. The scheme began when RAJU and Individual-1 agreed to give gift cards to Individual-3 totaling several hundred dollars, in exchange for Individual-3 steering prescriptions to the Pharmacy. Individual-1 either delivered the gift cards to Individual-3 directly or gave them to Individual-2 to deliver to Individual-3.

4. Soon after, RAJU, aided by Individual-1 and others, also started paying Individual-3 kickbacks and bribes by cash and check, with RAJU agreeing to pay approximately \$100 for every new prescription Individual-3 sent the Pharmacy. RAJU typically handed the cash or check to Individual-1 or Individual-2 inside the Pharmacy and directed the payment to be delivered to Individual-3.

5. To conceal some of these kickbacks and bribes to Individual-3, RAJU furnished approximately eight checks, totaling approximately \$8,000, which were made out to Individual-3's relative (the "Relative") in the guise of paying the Relative for computer services. In fact, however, RAJU had never met or communicated with the Relative, and those checks were all bribes and kickbacks to Individual-3. Each check was for approximately \$1,000 and dated on or about May 21, June 11, June 20, August 6, September 11, October 10, November 11, and November 21, 2019, respectively. Most of the checks were drawn from the Pharmacy's bank account, and some checks were drawn from bank accounts of sister pharmacies also located in Morris County, New Jersey. RAJU gave each check to either Individual-1 or Individual-2 to deliver to Individual-3.²

² After Individual-1's February 2020 arrest discussed above, Individual-1 stopped working at the Pharmacy, without explanation. While it is unclear if RAJU learned about Individual-1's arrest, he knew that Individual-1 abruptly quit. Subsequently, in or about March 2020, RAJU contacted Individual-1's Relative for the first time and paid the Relative approximately \$400 to perform IT work for a pharmacy in or around Wildwood, New Jersey. RAJU's outreach to the Relative was an apparent attempt to obscure the illicit nature of the checks made out to the Relative in or about 2019, before RAJU had ever met or communicated with the Relative.

6. In text messages, Individual-1 and Individual-2 referenced RAJU and discussed the kickback and bribe payments. The following are examples, in substance and part, of such texts on or about the following dates (all quoted texts have been translated from Spanish):

a. June 20, 2019: Individual-1, referring to a \$1,000 bribe and kickback, texted Individual-3, “He [referring to RAJU] gave me a check for 1000,” and “I will send it tomorrow.”

b. June 28, 2019: Individual-1 texted Individual-3 that “we’ll send you the new ones [sic] \$,” which referred to a kickback and bribe RAJU and Individual-1 planned to send Individual-3 in exchange for receiving new prescriptions.

c. November 12, 2019: Individual-1 texted Individual-3, “I will send you the 400 this week,” referring to a \$400 kickback and bribe payment.

7. In recorded meetings and phone calls, RAJU and Individual-2 also discussed the kickback and bribery scheme with each other and with Individual-3. The following are examples, in substance and part, of such calls and in-person discussions on or about the following dates:

a. October 5, 2020: Individual-2 was recorded inside Doctor-1’s office handing Individual-3 prescription medications from the Pharmacy, along with an envelope containing a cash kickback and bribe of approximately \$300, consisting of six \$50 bills. Later that day, during a recorded phone call with RAJU, Individual-3 thanked RAJU (whom Individual-3 referred to as “Sam”) for the kickback and bribe payment that Individual-2 had just delivered, stating “I want to thank you for the money.” RAJU responded, “No problem, no problem.” At the end of the conversation, Individual-3 again stated, “Thank you so much for sending me the money,” and RAJU replied, “Yeah, no problem.”

b. November 23, 2020: during a recorded meeting inside the Pharmacy, Individual-2 asked RAJU if he had something that “need[ed]” to be dropped off that day to Individual-3 (instead of referring to Individual-3 by name, they used the street address of Doctor-1’s office). RAJU responded “yeah” and began counting a wad of cash, which he placed inside a white envelope. RAJU first instructed Individual-2 to “give” Individual-3 “200 bucks for Thanksgiving,” and then asked Individual-2, “What do you think, I should give \$300? What do you think?” RAJU counted out additional cash, sealed the envelope containing the cash, and handed it to Individual-2 to deliver to Individual-3.

8. On or about December 21, 2020, a different Pharmacy delivery driver

dropped off a cash bribe of approximately \$250 to Individual-3, which was inside a Christmas card sealed in a red envelope, with Individual-3's name written on the outside of the envelope. On or about January 21, 2021, during a recorded phone call, Individual-3 thanked RAJU for the "Christmas gift" and the "money for Christmas." RAJU replied, "Yeah, no problem."

9. In total, over the course of the conspiracy, the Pharmacy dispensed approximately \$1,900,000 worth of medications that were prescribed by Doctor-1 and paid for in whole or in part by Medicare.