

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

UNITED STATES OF AMERICA : Hon. Anne E. Thompson
:
v. : Crim. No. 21-
:
TERRI HAINES : 18 U.S.C. § 371

INFORMATION

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

1. Unless otherwise indicated, at all times relevant to this Information:

Relevant Individuals and Entities

- a. Defendant TERRI HAINES (“HAINES”) resided in Pennsylvania and owned GenRx Testing Solutions, LLC (“GenRx”).
- b. Dr. Lee Besen (“Besen”), a coconspirator not charged in this Information, was a physician licensed in Pennsylvania. He resided in Waverly, Pennsylvania and practiced medicine at his office in Peckville, Pennsylvania (the “Besen Office”).

Background on the Medicare Program and Genetic Testing

- c. Medicare was a federal program that provided free or below-cost health care benefits to certain individuals, primarily the elderly, blind, and disabled. Medicare was a “health care benefit program” as defined in 18 U.S.C.

§ 24(b) and a “Federal health care program” as defined in 42 U.S.C. § 1320a-7b(f). Individuals who received benefits under Medicare were commonly referred to as “beneficiaries.”

d. The Medicare Part B program was a federally funded supplemental insurance program that provided Medicare insurance benefits for individuals aged 65 or older, and for certain individuals who were disabled. The Medicare Part B program paid for various medical services for beneficiaries, including diagnostic genetic tests.

e. Genetic tests were laboratory tests designed to identify specific inherited mutations in a patient’s genes. These genetic variations may affect a patient’s risk of developing certain diseases.

f. Genetic tests related to a patient’s hereditary predisposition for cancer were commonly referred to as “CGx” tests.

g. To conduct a genetic test, a laboratory had to obtain a DNA sample from the patient, typically from the patient’s saliva by using a cheek (buccal) swab to collect sufficient cells to provide a genetic profile. The DNA sample was then submitted with a requisition form to the laboratory for analysis, such as CGx. The requisition form typically included information about the patient, the swab being submitted, and the referring physician. That physician or another authorized person had to confirm on the form that the genetic test was medically necessary.

h. If the patient had insurance, the laboratory typically submitted a claim for reimbursement for the test to the patient's insurance carrier.

Reimbursement rates for CGx at times exceeded \$6,000 per test.

The New Jersey Clinical Laboratory

i. "Laboratory-1," located in New Jersey, was a clinical laboratory that processed genetic tests and submitted claims to Medicare. HAINES was a Business Development Manager for Laboratory-1, and her company GenRx advertised itself as being "associated" with Laboratory-1. In that capacity, HAINES identified and solicited beneficiaries to receive CGx testing, and she sent those genetic tests to Laboratory-1. In exchange, Laboratory-1 paid and agreed to pay HAINES a commission based on the volume of CGx tests that she sent to Laboratory-1.

The Conspiracy

2. From in or about July 2019 to in or about October 2019, in the District of New Jersey and elsewhere, defendant

TERRI HAINES

did knowingly and intentionally conspire and agree with Besen and 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 genetic cancer screening tests, for which payment was 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

3. The goal of the conspiracy was for HAINES, Besen, and others, to unlawfully enrich themselves by receiving and paying kickbacks in exchange for collecting genetic samples from Medicare patients and steering those samples to Laboratory-1.

Manner and Means of the Conspiracy

4. It was part of the conspiracy that:

a. In or about the spring of 2019, HAINES and Besen agreed that HAINES would solicit CGx tests for Medicare beneficiaries at “health fairs” and pay Besen kickbacks and bribes to use his name and medical credentials to order those genetic tests, which HAINES would steer to Laboratory-1.

b. HAINES subsequently attended health fairs in and around Pennsylvania, collected DNA swabs for CGx tests, and submitted requisition forms for those tests to Laboratory-1 using Besen’s name and credentials.

c. Besen neither attended these health fairs, nor met with any of the Medicare beneficiaries for whom the CGx tests were ordered.

d. Resulting from the scheme, Medicare paid Laboratory-1 approximately \$341,269.50 for CGx tests.

Overt Acts

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

a. In or about July 2019, HAINES paid Besen a kickback and bribe of approximately \$1,500 in exchange for using Besen's name and medical credentials to order CGx tests.

b. On or about July 19, 2019, at a health fair in Swiftwater, Pennsylvania, HAINES used Besen's name and medical credentials to generate CGx test referrals for "Beneficiary-1," a Medicare beneficiary residing in Monroe County, Pennsylvania.

c. On or about August 19, 2019, HAINES and Besen caused Laboratory-1, located in New Jersey, to bill Medicare approximately \$10,820 for Beneficiary-1's CGx tests, for which Medicare reimbursed Laboratory-1 approximately \$7,223.

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

FORFEITURE ALLEGATION

1. Upon conviction of the Federal health care offense (as defined in 18 U.S.C. § 24) alleged in this Information, HAINES 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 alleged offenses.

SUBSTITUTE ASSETS PROVISION

2. If any of the above-described forfeitable property, as a result of any act or omission of HAINES:
- 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 HAINES up to the value of the above-described forfeitable property.


RACHAEL A. HONIG
Acting United States Attorney