

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Criminal No. 19-cr-716-4 (RBK)
	:	
v.	:	18 U.S.C. § 1349
	:	
AARON JONES	:	<u>SUPERSEDING INFORMATION</u>
	:	

The defendant having waived in open court prosecution by indictment, the Attorney for the United States, acting pursuant to authority conferred by 28 U.S.C. § 515, charges:

COUNT 1
(Conspiracy to Commit Health Care Fraud)

1. At all times relevant to this Superseding Information:
 - a. Defendant AARON JONES was a resident of New Jersey and a medical assistant.
 - b. Richard Zappala, who is listed as a co-conspirator but not as a defendant herein, was a pharmaceutical sales representative.
 - c. Michael Goldis was a doctor of osteopathy licensed to practice medicine in New Jersey.
 - d. Steven Monaco, who is listed as a co-conspirator but not as a defendant herein, was a sales representative for a laboratory.
 - e. Medical Practice 1, a medical practice located in Stratford, New Jersey, was owned by Michael Goldis and employed defendant AARON JONES as a medical assistant.

2. At all times relevant to this Superseding Information:

a. In New Jersey, the State Health Benefits Program (“SHBP”) offered medical and prescription drug coverage to qualified state and local government public employees, retirees, and eligible dependents. The School Employees’ Health Benefits Program (“SEHBP”) offered medical and prescription drug coverage to qualified local education public employees, retirees, and eligible dependents. SHBP and SEHBP each were “health care benefit programs” that affected commerce as defined in Title 18, United States Code, Section 24(b).

b. “Pharmacy Benefits Administrator” provided pharmacy benefit management services for SHBP and SEHBP beneficiaries pursuant to a contract with the State of New Jersey. Pharmacy Benefits Administrator also provided pharmacy benefit management services for beneficiaries of other insurance plans. Pharmacy Benefits Administrator adjudicated claims for reimbursement from pharmacies and paid pharmacies for valid claims. Pharmacy Benefits Administrator then billed the State of New Jersey based on the amount paid to the pharmacies for claims on behalf of SHBP and SEHBP beneficiaries and billed other insurance plans based on the amount paid to the pharmacies for claims under other insurance plans. Pharmacy Benefits Administrator was a “health care benefit program” that affected commerce as defined in Title 18, United States Code, Section 24(b).

c. In general, compounding was a practice in which a licensed pharmacist combined, mixed, or altered ingredients of one or more drugs in response to a prescription to create a medication tailored to the medical needs of an individual

patient. Compounded drugs were not approved by the United States Food and Drug Administration (“FDA”); that is, the FDA did not verify the safety, potency, effectiveness, or manufacturing quality of compounded drugs.

d. Compounded drugs could be appropriately prescribed by a physician when an FDA-approved medication did not meet the health needs of a particular patient. For example, if a patient was allergic to a specific ingredient in an FDA-approved medication, such as a dye or preservative, a compounded drug could be prepared excluding the ingredient that triggers the allergic reaction.

e. “Compounding Pharmacy 1” was a pharmacy located in Louisiana that prepared compound medications. Compounding Pharmacy 1 received prescriptions for compound medications via fax from medical practices in New Jersey, including Medical Practice 1. Compounding Pharmacy 1 would fill the prescription by preparing the compound medication and mailing it to the individual. Compounding Pharmacy 1 would bill Pharmacy Benefits Administrator for the prescription and receive payment from Pharmacy Benefits Administrator.

f. “Compounding Pharmacy 2” was a pharmacy located in Pennsylvania that prepared compound medications. Compounding Pharmacy 2 received prescriptions for compound medications via fax from medical practices in New Jersey, including Medical Practice 1. Compounding Pharmacy 2 would fill the prescription by preparing the compound medication and mailing it to the individual. Compounding Pharmacy 2 would bill Pharmacy Benefits Administrator for the prescription and receive payment from Pharmacy Benefits Administrator.

3. From in or about January 2014 through in or about April 2016, in the District of New Jersey, and elsewhere, defendant

AARON JONES

did knowingly and willfully conspire and agree with others to execute a scheme and artifice to defraud a health care benefit program and to obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, or 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.

Object of the Conspiracy

4. It was the object of the conspiracy for defendant AARON JONES and others to unlawfully enrich themselves by causing the submission of false and fraudulent insurance claims for compound prescription medications to Pharmacy Benefits Administrator, and by receiving a portion of the money that Pharmacy Benefits Administrator paid to Compounding Pharmacy 1 and Compounding Pharmacy 2 for those compound prescription medications.

Manner and Means of the Conspiracy

5. It was part of the conspiracy that Richard Zappala had agreements to receive a percentage of the amount that Compounding Pharmacy 1 and Compounding Pharmacy 2 received from Pharmacy Benefits Administrator for prescriptions obtained by him and those working with him, including defendant AARON JONES and Steven Monaco.

6. It was further part of the conspiracy that defendant AARON JONES was paid by Richard Zappala to identify patients at Medical Practice 1 who had insurance benefits under SHBP and SEHBP and prescription drug benefits administered by Pharmacy Benefits Administrator that would cover the compound prescription medications.

7. It was further part of the conspiracy that defendant AARON JONES forged the signature of Michael Goldis on numerous compound medication prescriptions, including prescriptions for individuals who were not Michael Goldis' patients and prescriptions with patient information provided by Steven Monaco.

8. It was further part of the conspiracy that defendant AARON JONES secured or caused to be secured the signature of Michael Goldis on other compound medication prescriptions, regardless of whether or not the individuals receiving those prescriptions had a medical necessity for the compound medications.

9. It was further part of the conspiracy that defendant AARON JONES and others caused Pharmacy Benefits Administrator to pay Compounding Pharmacy 1 and Compounding Pharmacy 2 over \$1,037,917.31 for compound medications.

10. It was further part of the conspiracy that defendant AARON JONES received approximately \$10,000.00 in payments for causing the submission of false and fraudulent claims for compound medications.

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

FORFEITURE ALLEGATION

1. As a result of committing the offense alleged in Count 1 of this Superseding Information, defendant AARON JONES shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(7), all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the offense alleged in Count 1, including but not limited to a forfeiture money judgment in the amount of \$10,000.00, representing all property constituting or derived from proceeds traceable to the commission of the offense alleged in Count 1 to which he pleads guilty.

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 person;
- 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 subdivided 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 said defendant up to the value of the above forfeitable property.



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

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18 U.S.C. § 1349

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