

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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:  
UNITED STATES OF AMERICA :  
:  
- v. - :  
:  
MANISHKUMAR PATEL :  
:  
Defendant. :  
:  
----- X

SEALED INDICTMENT

23 Cr. ( )

98 CRIM 543

COUNT ONE  
(Conspiracy to Commit Health Care Fraud and Wire Fraud)

The Grand Jury charges:

OVERVIEW

1. MANISHKUMAR PATEL, the defendant, fraudulently obtained prescriptions for medically unnecessary durable medical equipment, pharmaceuticals, and laboratory tests. He then distributed those prescriptions to various companies in exchange for kickback payments, and those companies filled the prescriptions and sought payment from Medicare. Medicare paid at least approximately \$10 million to the various companies based on PATEL’s fraudulently obtained prescriptions.

THE MEDICARE PROGRAM

2. At all times relevant to this Indictment:  
a. Medicare is a federal health care program providing benefits to persons who are over the age of 65 or who are disabled. Medicare is administered by the Centers for Medicare and Medicaid Services (“CMS”), a federal agency under the United States Department of Health and Human Services (“HHS”).

b. Individuals who receive Medicare benefits are referred to as “Medicare beneficiaries.”

c. 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 by Title 18, United States Code, Section 24(b).

d. Medicare is divided into four parts which helped cover different types of services. One of those four parts was Medicare Part B (“Part B”), which provided medical insurance.

e. Among other things, Part B specifically covers medically necessary physician’s office services and outpatient care, including the ordering of durable medical equipment (“DME”), such as prosthetics, orthotics, and off-the-shelf ankle braces, knee braces, back braces, elbow braces, wrist braces, and hand braces

f. Medicare “providers” include DME supply companies, pharmacies, and clinical laboratories.

g. Generally, Medicare covers the costs of DME, pharmaceuticals, and laboratory testing only if, among other requirements, such items and services are reasonable, documented, and medically necessary, as defined by applicable Medicare regulations, and are actually provided as represented to Medicare. Medicare will not reimburse claims for services procured through kickbacks and bribes. Such claims are deemed false and fraudulent because they violate Medicare laws, regulations, and program instructions, as well as violating federal criminal law. For example, where a DME order is procured through the payment of a kickback in violation of the Anti-Kickback Statute—set forth at Title 42 United States Code, Section 1320a-7b—a claim to Medicare for reimbursement for that order is fraudulent and will not be reimbursed by Medicare.

By implementing these restrictions, Medicare aims to preserve its resources, which are largely funded by United States taxpayers, for those elderly and other qualifying beneficiaries who have a genuine need for medical services.

### THE FRAUDULENT SCHEME

3. From at least in or about 2019 through at least in or about 2022, MANISHKUMAR PATEL, the defendant, and a co-conspirator (“CC-1”) fraudulently sold prescriptions and doctors’ orders for DME, pharmaceuticals, and laboratory tests (collectively, “scripts”) to DME suppliers, pharmacies, and laboratories (collectively, the “Medicare Providers”).

4. In most cases, the process for obtaining the scripts began with call centers. Employees of call centers called Medicare beneficiaries, recorded those calls, and asked the beneficiaries perfunctory questions designed to justify a script that would be reimbursed by Medicare. MANISHKUMAR PATEL, the defendant, and CC-1 frequently referred to the information obtained by those call centers as “leads.” PATEL controlled at least one of the call centers and paid other call centers for the leads.

5. MANISHKUMAR PATEL, the defendant, and CC-1 then turned the leads into scripts. In some cases, they did so via cursory telemedicine appointments; in other cases, they did so via a practice called “doctor chasing,” in which the lead information was sent to a doctor who signed the script without seeing the patient and who was frequently unaware of the basis for the script; and in other cases, the doctor’s signature was forged. In most cases, the signed scripts did not reflect a doctor’s informed judgment that the script was medically necessary: the script was primarily based on information obtained by the call centers, the doctors typically had no history

with the patients, the doctors spoke with the patients either very briefly or not at all, and the doctors did not examine the patients in person.

6. MANISHKUMAR PATEL, the defendant, and CC-1 then sold the scripts to the Medicare Providers, who in turn filled the orders and billed Medicare.

7. MANISHKUMAR PATEL, the defendant, and CC-1 concealed their business relationships with the Medicare Providers. They entered into sham contracts with the Medicare Providers in which they agreed to provide generic marketing services in exchange for flat rates. In fact, the Medicare Providers entered into the contracts in order to buy scripts from PATEL and CC-1, and paid PATEL and CC-1 kickbacks on a per-script basis.

8. Because the scripts obtained by MANISHKUMAR PATEL, the defendant, and CC-1 were not medically necessary, many of the beneficiaries rejected the products that Medicare reimbursed on their behalf. For example:

a. On or about November 1, 2019, a co-conspirator (“CC-2”) who controlled a DME supplier and pharmacy wrote to PATEL, “Manish, we need to check why we are getting so many people rejecting the products. I have never seen so many people call before while I have been doing this.”

b. On or about November 18, 2019, CC-2 wrote to PATEL, “I have a costumer [sic] which has called me 4 times saying she never ordered her braces [name of beneficiary omitted]. I have spoken to this lady 4 times. I checked the recording and the person on the recording is not her. Call me to later discuss.”

c. On or about February 27, 2020, CC-2 wrote to PATEL, “I have received tons of letters from CMS [Centers for Medicare & Medicaid Services] and it doesn’t look good. I

can loose [sic] my accreditation . . . Remember we have always talked about we like to sleep at night. Since all this marketing problems I haven't been able to be sleep properly.”

9. Because MANISHKUMAR PATEL, the defendant, and CC-1 turned leads into scripts in various illegitimate ways, doctors frequently threatened to report PATEL for fraud. For example:

a. On or about June 4, 2019, a doctor faxed a DME script back to PATEL with the word “fraud” handwritten across it.

b. On or about July 17, 2019, CC-1 wrote to PATEL, “Please stop all the DME doc chase for [name omitted]. They are pissed. All the physicians are calling them and threatening to report as Medicare fraud. All the request which is going to physicians are without contacting patients. All patients are declining that they have asked for any braces.”

10. Because MANISHKUMAR PATEL, the defendant, and CC-1, were selling medically unnecessary scripts, Medicare frequently refused to reimburse for the scripts that PATEL sold to Medicare Providers, and PATEL repeatedly learned of Medicare’s refusal to reimburse. For example:

a. On or about March 6, 2019, PATEL wrote to CC-1, “we have 50% plus rejection ration [sic].”

b. On or about May 20, 2019, PATEL created a message thread he titled “Doc chase faxes update,” and wrote CC-1, “we are getting lot of rejections.”

c. On or about January 13, 2020, a co-conspirator (“CC-3”) who purchased scripts from PATEL wrote to PATEL, “just know that we are seeing over 50% get rejected . . . You dumped a bunch of crap on us and even [name omitted] said not to use it.”

11. In total, MANISHKUMAR PATEL, the defendant, and CC-1 sold scripts to Medicare Providers that resulted in payments by Medicare of at least approximately \$10 million.

STATUTORY ALLEGATIONS

12. From at least in or about 2019 through at least in or about 2022, in the Southern District of New York and elsewhere, MANISHKUMAR PATEL, the defendant, together with others known and unknown, knowingly and willfully combined, conspired, confederated, and agreed together and with each other to commit health care fraud and wire fraud, in violation of Title 18, United States Code, Sections 1347 and 1343.

13. It was a part and an object of the conspiracy that MANISHKUMAR PATEL, the defendant, together with others known and unknown, knowingly and willfully, would and did execute, and attempt 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, and under the custody and control of, a health care benefit program, as that term is defined in Title 18, United States Code, Section 24(b), in connection with the delivery of and payment for health care benefits, items, and services, to wit, PATEL and others engaged in a scheme to sell fraudulently obtained scripts for DME, pharmaceuticals, and laboratory tests, and to use those scripts to cause Medicare to pay for fraudulent claims filed by and on behalf of the Medicare Providers, in violation of Title 18, United States Code, Section 1347.

14. It was a further part and an object of the conspiracy that MANISHKUMAR PATEL, the defendant, together with others known and unknown, knowingly having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate

and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, PATEL and others engaged in a scheme to sell fraudulently obtained scripts for DME, pharmaceuticals, and laboratory tests, and to use those scripts to cause Medicare to pay for fraudulent claims filed by and on behalf of the Medicare Providers, in violation of Title 18, United States Code, Section 1343.

(Title 18, United States Code, Section 1349.)

**COUNT TWO**  
**(Health Care Fraud)**

The Grand Jury further charges:

15. The allegations contained in paragraphs 1 through 14 are repeated and realleged as if fully set forth herein.

16. From at least in or about 2019 through at least in or about 2022, in the Southern District of New York and elsewhere, MANISHKUMAR PATEL, the defendant, knowingly and willfully executed, and attempted to execute, a scheme and artifice to defraud a health care benefit program, as that term is defined in 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, a health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services, to wit, PATEL engaged in a scheme to sell fraudulently obtained scripts for DME, pharmaceuticals, and laboratory tests, and

to use those scripts to cause Medicare to pay for fraudulent claims filed by and on behalf of the Medicare Providers.

(Title 18, United States Code, Section 1347 and 2.)

**COUNT THREE**  
**(Wire Fraud)**

The Grand Jury further charges:

17. The allegations contained in paragraphs 1 through 14 are repeated and realleged as if fully set forth herein.

18. From at least in or about 2019 through at least in or about 2022, in the Southern District of New York and elsewhere, MANISHKUMAR PATEL, the defendant, knowingly having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, transmitted and caused to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, for the purpose of executing such scheme and artifice, to wit, PATEL engaged in a scheme to sell fraudulently obtained scripts for DME, pharmaceuticals, and laboratory tests, and to use those scripts to cause Medicare to pay for fraudulent claims filed by and on behalf of the Medicare Providers.

(Title 18, United States Code, Sections 1343 and 2.)

**COUNT FOUR**  
**(Conspiracy to Violate the Anti-Kickback Statute)**

The Grand Jury further charges:

19. The allegations contained in paragraphs 1 through 11 are repeated and realleged as if fully set forth herein.



20. From at least in or about 2019 through at least in or about 2022, in the Southern District of New York and elsewhere, MANISHKUMAR PATEL, the defendant, and others known and unknown, willfully and knowingly combined, conspired, confederated, and agreed together and with each other to commit an offense against the United States, to wit, to violate Title 42, United States Code, Section 1320a-7(b)(1)(B).

21. It was a part and an object of the conspiracy that MANISHKUMAR PATEL, the defendant, and others known and unknown, willfully and knowingly would and did solicit and receive remuneration (including kickbacks, bribes, and rebates), directly and indirectly, overtly and covertly, in cash and in kind, to a person to induce such person to purchase, lease, order, and arrange for and recommend purchasing, leasing, and ordering a good, facility, service, and item for which payment may be made in whole and in part under a Federal health care program, in violation of Title 42, United States Code, Section 1320a-7b(b)(2)(B), to wit, PATEL sold scripts to Medicare Providers who received reimbursements from Medicare.

#### OVERT ACTS

22. In furtherance of the conspiracy and to effect the illegal object thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about August 8, 2019, CC-2 made a kickback payment of approximately \$466.48 to MANISHKUMAR PATEL, the defendant, in exchange for PATEL steering scripts to him. The bank account controlled by CC-2 and the bank account controlled by PATEL were both located in the Southern District of New York.

b. On or about October 16, 2019, CC-2 made a kickback payment of approximately \$9,375 to PATEL in exchange for PATEL steering scripts to him. The bank

account controlled by CC-2 and the bank account controlled by PATEL were both located in the Southern District of New York.

c. On or about October 25, 2019, CC-2 made a kickback payment of approximately \$2,167 to PATEL in exchange for PATEL steering scripts to him. The bank account controlled by CC-2 and the bank account controlled by PATEL were both located in the Southern District of New York.

d. On or about November 1, 2019, CC-2 made a kickback payment of approximately \$11,250 to PATEL in exchange for PATEL steering scripts to him. The bank account controlled by CC-2 and the bank account controlled by PATEL were both located in the Southern District of New York.

e. On or about January 27, 2020, CC-2 made a kickback payment of approximately \$11,250 to PATEL in exchange for PATEL steering scripts to him. The bank account controlled by CC-2 and the bank account controlled by PATEL were both located in the Southern District of New York.

(Title 18, United States Code, Section 371.)

**COUNT FIVE**  
**(Violation of the Anti-Kickback Statute)**

The Grand Jury further charges:

23. The allegations contained in paragraphs 1 through 11 are repeated and realleged as if fully set forth herein.

24. From at least in or about 2019 through at least in or about 2022, in the Southern District of New York and elsewhere, MANISHKUMAR PATEL, the defendant, knowingly and willfully solicited and received remuneration (including kickbacks, bribes, and rebates), directly and indirectly, overtly and covertly, in cash and in kind, from one and more persons, in return for

purchasing, leasing, ordering, and arranging for and recommending the purchasing, leasing, and ordering of a good, facility, service, and item for which payment may be made in whole and in part under a Federal health care program, to wit, PATEL sold scripts for DME, pharmaceuticals, and laboratory tests to the Medicare Providers who received reimbursements from Medicare, and PATEL entered into fraudulent agreements, purportedly for marketing services, to conceal these sales.

(Title 42, United States Code, Section 1320a-7b(b)(1)(B), and  
Title 18, United States Code, Section 2.)

### **FORFEITURE ALLEGATIONS**

25. As a result of committing the health care fraud and Anti-Kickback Statute offenses charged in Counts One, Two, Four, and Five of this Indictment, MANISHKUMAR PATEL, the defendant, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(7), any and all property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of said offenses, including but not limited to a sum of United States currency representing the amount of proceeds obtained as a result of the offenses.

26. As the result of committing the wire fraud offenses charged in Counts One and Three of this Indictment, MANISHKUMAR PATEL, the defendant, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any and all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of said offenses, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offenses.

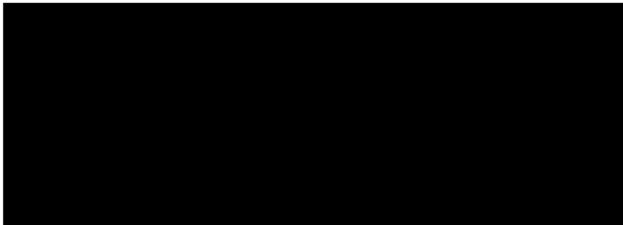
**Substitute Assets Provision**

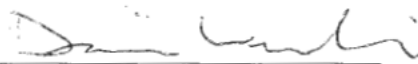
27. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- 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 Title 21, United States Code, Section 853(p), and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

(Title 18, United States Code, Sections 981 and 982;  
Title 21, United States Code, Section 853; and  
Title 28, United States Code, Section 2461.)



  
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DAMIAN WILLIAMS  
United States Attorney