

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 13-
 :
 v. :
 :
 : 18 U.S.C. §1952(a)(3) and 2
 JOEL FISCHGRUND :

I N F O R M A T I O N

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

1. At all times relevant to this Information:

a. The defendant JOEL FISCHGRUND was a medical doctor licensed to practice medicine in the State of New Jersey.

b. Biodiagnostic Laboratory Services, LLC ("BLS") was a clinical blood laboratory headquartered in Parsippany, New Jersey that, among other things, performed tests on the blood specimens of patients referred to BLS by doctors, and then billed payors and others for those tests and related services.

c. Craig Nordman worked for BLS directly, and also on behalf of BLS through an entity called Advantech Sales, LLC ("Advantech").

d. David Nicoll was an owner and the President of BLS, and generally directed and supervised Craig Nordman's activities for, and on behalf of, BLS.

e. The Medicare Program ("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 "Federal health care program" as defined in Title 42, United States Code, Section 1320a-7b(f) and a "health care benefit program" as defined in Title 18, United States Code, Section 24(b). Individuals who receive benefits under Medicare are commonly referred to as "beneficiaries."

f. The Medicare Part B program was a federally funded supplemental insurance program that provided supplementary Medicare insurance benefits for individuals aged sixty-five or older, and certain individuals who are disabled. The Medicare Part B program paid for various medical services for beneficiaries, including blood tests and related services.

g. BLS was an approved Medicare provider, and Medicare paid BLS for performing blood tests and related services on beneficiaries who were referred to BLS by physicians participating in Medicare.

h. BLS also billed, and was paid by, various private healthcare insurance companies (the "Private Insurers") in the business of providing health care insurance to individuals and entities under various insurance policies (the "insureds"), pursuant to which the Private Insurers paid BLS for blood tests and related

services performed for insureds who had been referred to BLS by physicians.

2. From at least in or about September 2012 until in or about March 2013, in Morris County, in the District of New Jersey, and elsewhere, defendant

JOEL FISCHGRUND

knowingly and intentionally used and caused to be used the mail and facilities in interstate commerce with the intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of an unlawful activity, that is, commercial bribery, contrary to N.J.S.A. §2C:21-10 and Title 18, United States Code, Section 1952(a)(3) and, thereafter, did perform and attempt to perform acts to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of such unlawful activity, to include, as follows:

a. In or about September 2012, David Nicoll caused to be offered, and defendant JOEL FISCHGRUND accepted, bribes to induce defendant JOEL FISCHGRUND to refer the blood specimens of his patients to BLS for testing and related services. To disguise these bribes, BLS and defendant JOEL FISCHGRUND used a consulting agreement entered into between defendant JOEL FISCHGRUND and Advantech pursuant to which the monthly bribe payments to defendant JOEL

FISCHGRUND from BLS were falsely characterized as consulting fees (the "Consulting Agreement").

b. Among other things, under the Consulting Agreement, BLS purportedly paid defendant JOEL FISCHGRUND \$1,500 per month to fill out an Advantech "Consultant Advisory Board Data Sheet" each month, which posed generic questions that took little or no time to complete (the "Consultant Sheets"). From in or about September 2012 onwards, defendant JOEL FISCHGRUND was subjectively aware that the questions asked of him on the Consultant Sheets, and the information he provided in response to those questions, had no commercial value to Advantech and that the Consulting Agreement was, in fact, a sham arrangement intended to conceal the payment of bribes by BLS through Advantech to defendant JOEL FISCHGRUND in return for blood referrals. Knowing that, defendant JOEL FISCHGRUND continued to:

(1) fill out and submit Consultant Sheets to Advantech, as per the Consulting Agreement;

(2) refer the blood specimens of his patients to BLS in return for monthly bribe payments; and

(3) receive bribes of \$1,500 per month for those blood specimen referrals, under the guise of acting as an Advantech consultant.

c. Between in or about September 2012 and in or about March 2013, BLS paid defendant JOEL FISCHGRUND \$10,500 in bribes under the Consulting Agreement. In return, defendant JOEL FISCHGRUND, among other things, referred patient blood specimens to BLS that BLS used to submit claims to Medicare and the Private Insurers and collect from those payors of approximately \$67,000.

d. The claims BLS submitted for blood testing and other services to Medicare and the Private Insurers included charges for tests on blood specimens referred to BLS by defendant JOEL FISCHGRUND in return for bribe payments.

e. On or about November 20, 2012 defendant JOEL FISCHGRUND caused a Consultant Sheet to be sent to Advantech through the mails.

f. On or about December 3, 2012, Craig Nordman delivered, or caused the delivery of, a check to defendant JOEL FISCHGRUND to induce defendant JOEL FISCHGRUND to refer the blood specimens of patients to BLS for testing and related services. The check, bearing #1275, was drawn on an Advantech account in the amount of \$1,500 and signed by Craig Nordman.

g. On or about December 4, 2012, defendant JOEL FISCHGRUND caused check #1275 to be deposited into a bank account that he controlled.

In violation of Title 18, United States Code, Section 1952(a)(3) and Title 18, United States Code, Section 2.

FORFEITURE ALLEGATION

1. The allegations contained in this Information are hereby realleged and incorporated by reference for the purpose of noticing forfeiture pursuant to Title 18, United States Code, Section 982(a)(7).

2. Upon conviction of the offense contrary to Title 18, United States Code, Section 1952(a)(3), the defendant, JOEL FISCHGRUND, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(7), all right, title, and interest in the sum of \$91,669, which constitutes or is derived, directly or indirectly, from gross proceeds traceable to the offense of conviction.

3. If any of the property described above, 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 Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(a)(7), to forfeiture of any other property of the defendant JOEL FISCHGRUND up to the value of the property described in the preceding paragraph.



PAUL J. FISHMAN
UNITED STATES ATTORNEY

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INFORMATION FOR

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