

THE UNITED STATES ATTORNEY'S OFFICE  
DISTRICT of MARYLAND

FOR IMMEDIATE RELEASE

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**Pharmacy Store Employees Plead Guilty In Scheme To Defraud Health Care Benefit Programs*****Loss to Insurance Programs of More Than \$2.5 Million***

**Baltimore, Maryland** - Vipinkumar Patel (V. Patel), age 30, of Edgewood, Maryland; and Jigar Patel (J. Patel), age 27, of Columbia, Maryland, have each pleaded guilty to making false statements relating to health care matters in connection with a scheme to defraud Medicaid, Medicare and the Federal Employees Health Benefits Program by submitting false claims for prescription refills. Vipinkumar Patel pleaded guilty on August 19, 2014 and Jigar Patel pleaded guilty today.

The guilty pleas were announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Maryland Attorney General Douglas F. Gansler; Special Agent in Charge Stephen E. Vogt of the Federal Bureau of Investigation; Special Agent in Charge Scott Rezendes, Office of Personnel Management, Office of Inspector General; Special Agent in Charge Nicholas DiGiulio, Office of Investigations, Office of Inspector General of the Department of Health and Human Services; and Special Agent in Charge Robert Craig of the Defense Criminal Investigative Service - Mid-Atlantic Field Office.

“This scheme amounted to nothing more than ongoing theft from the taxpayers of Maryland,” said Attorney General Gansler. “Fortunately, our Medicaid Fraud Control Unit effectively pursues these crimes and in this case, working with our federal colleagues, we can preserve the integrity of these health care programs for the families who need them.”

“Pharmacies billing and retaining payment for drugs never dispensed are stealing untold millions from public and private health insurance programs,” said Nick DiGiulio, Special Agent in Charge for the Inspector General's Philadelphia office of the U.S. Department of Health and Human Services. “These schemes are a major focus of our office and we will continue to work with our law enforcement partners and the Department of Justice to stop these crimes.”

Both Vipinkumar Patel and Jigar Patel were citizens of, and licensed pharmacists in India, working in the United States under an H1-B visa, a temporary visa issued to persons in certain specialty occupations. Vipinkumar and Jigar Patel, who are not related, were hired as pharmacy technicians in 2009 and 2010, respectively, by the owner of Pharmicare, LLC, who agreed to sponsor their work permits.

According to their plea agreements, the Patels held the positions of pharmacy technician and lead pharmacy technician, starting at \$10/hour and eventually becoming salaried employees, making approximately \$1,400 biweekly. In addition, the Patels were provided with housing and transportation, making their total salary and benefits between \$70,000 and \$120,000. The value of the housing and transportation benefits were not disclosed on the Patels' income tax returns.

The Patels admitted that they billed insurance programs for prescription refills when the pharmacy customers had not requested the refill. As soon as a prescription was eligible for refill, the Patels would cause a false claim to be electronically submitted to a health care benefit program. These refills were often billed and filled without the customer's knowledge. The medications targeted for automatic refills were typically expensive HIV and cancer medications used by very ill customers. The claims for payment were not reversed when the customers did not receive the medications, which the customers had not requested in the first place. The Patels also knew that medications filled

but not delivered to the customer – usually because the customer had not requested the refill – were placed back on the shelves at the pharmacy to be re-used to fill other prescriptions.

In August 2013, a federal search warrant was executed at a then vacant home that was used to house Pharmicare employees. Federal agents recovered undelivered medications worth approximately \$87,749.48, as well as binders of alphabetically arranged signature logs which purported to confirm the delivery of medication to Pharmicare customers. However, the signature pages were undated and contained only the customer's name and signature. Many of the undelivered medications found at the home were actually billed and filled by Vipinkumar and Jigar Patel in their capacity as pharmacy technicians.

The Patels did not receive the profits from the fraud scheme directly, but were able to keep their jobs at Pharmicare and lawfully remain in the United States on their H1-B visas. The loss to the health care benefit programs to date is between \$2.5 million and \$7 million.

The defendants each face a maximum sentence of five years in prison for making a false statement in a health care matter. Sentencing is scheduled for Vipinkumar Patel for January 15, 2015, at 10:00 a.m. and for Jigar Patel on December 16, 2014, at 2:30 p.m. before U.S. District Judge James K. Bredar.

Reddy Vijay Annappareddy, age 46, of Fallston, Maryland, is scheduled to go to trial on November 11, 2014, on charges of health care fraud and aggravated identity theft in connection with the scheme. If convicted, Annappareddy faces a maximum sentence of 10 years in prison for health care fraud and a mandatory minimum of two years in prison, consecutive to any other sentence imposed, for aggravated identity theft, plus a \$250,000 fine.

United States Attorney Rod J. Rosenstein praised the Medicaid Fraud Control Unit of the Maryland Office of the Attorney General, FBI, OPM-OIG, HHS - OIG and DCIS for their work in the investigation. Mr. Rosenstein thanked Assistant United States Attorney Sandra Wilkinson and Special Assistant United States Attorney Catherine Pascale of the Medicaid Fraud Control Unit of the Maryland Office of the Attorney General, who are prosecuting the case.