FOR IMMEDIATE RELEASE   Friday, October 7, 2022

Doctor Admits Criminal HIPAA Scheme for Wrongful Disclosure of Protected Patient Health Information to Pharmaceutical Sales Representative

CAMDEN, N.J. – A former physician with medical practices in New Jersey, New York, and Florida admitted wrongfully disclosing patients' protected personal health information, Attorney for the United States Vikas Khanna announced today.

Frank Alario, 65, of Delray Beach, Florida, pleaded guilty before Judge Robert B. Kugler to conspiring to wrongfully disclose patients' individually identifiable health information to pharmaceutical sales representative Keith Ritson in violation of the criminal provisions of the Health Insurance Portability and Accountability Act (HIPAA).

According to documents filed in this case and statements made in court:

From 2014-16, Ritson was a pharmaceutical sales representative who promoted compound prescription medications and other medications. Compound medications are specialty medications mixed by a pharmacist to meet the specific medical needs of an individual patient. Although compounded drugs are not approved by the Food and Drug Administration (FDA), they are properly prescribed when a physician determines that an FDA-approved medication does not meet the health needs of a particular patient, such as if a patient is allergic to a dye or other ingredient.

As an outside pharmaceutical sales representative not associated with Alario's medical practices, Ritson was not permitted to access and obtain the individually identifiable health information and protected health information of Alario's patients. As part of the scheme, Alario permitted Ritson to have significant access to his office, medical files, and patient information. Alario allowed Ritson to be present in the office both during and outside normal business hours and to have access to areas of the office restricted to staff, including areas with patient files and office computers. Alario permitted Ritson to look up patients' information in files and on office computers to determine if patients had insurance that covered the compound medications. Ritson then would earmark files in advance so that Alario knew to whom to prescribe the medications. Alario also brought Ritson into patient exam rooms during appointments and gave patients the impression that Ritson was employed by or affiliated with the medical practice, which facilitated and caused the disclosure of confidential health information to Ritson. Ritson would use patients' confidential information to fill out prescription forms that Alario would authorize, and then Ritson received commissions on those prescriptions.

Alario was previously charged in an indictment alongside Ritson with conspiring to violate HIPAA and other offenses. The charges remain pending against Ritson, who is scheduled to go on trial before Judge Kugler in Camden federal court on Nov. 7, 2022. The charges against him are merely accusations, and he is presumed innocent unless and until proven guilty.

Alario faces a maximum penalty of one year in prison and a $50,000 fine. Sentencing is scheduled for Feb. 7, 2023.

Attorney for the United States Khanna credited agents of the FBI's Atlantic City Resident Agency, under the direction of Special Agent in Charge James E. Denney in Newark; special agents of IRS - Criminal Investigation, under the direction of Acting Special Agent in Charge Tammy Tomlins in Newark; and the U.S. Department of Labor Office of Inspector General, New York Region, under the direction of Special Agent in Charge Jonathan Mellone, with the investigation leading to today's guilty plea.

The government is represented by Assistant U.S. Attorney Christina O. Hud of the Criminal Division and R. David Walk Jr., Chief of the Opioid Abuse Prevention and Enforcement Unit.

Attachment(s):
Download Alario.SInformation.pdf

Component(s):
USAO - New Jersey

Topic(s):
Health Care Fraud

Press Release Number:
22-370