

Department of Justice

U.S. Attorney's Office

District of New Jersey

FOR IMMEDIATE RELEASE

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Medical Sales Representative Found Guilty of Role in Multimillion-Dollar Health Care Fraud, Wire Fraud, Anti-Kickback Statute and Travel Act Conspiracies

CAMDEN, N.J. – A medical sales representative from Gloucester County, New Jersey, was convicted today on 18 counts related to defrauding public health insurance plans out of more than \$4.6 million, Attorney for the United States Vikas Khanna announced.

Steven Monaco, 40, of Sewell, New Jersey, was convicted on April 19, 2022, of one count of conspiracy to commit health care fraud and wire fraud, eight counts of health care fraud, eight counts of wire fraud, and one count of conspiracy to violate the Anti-Kickback Statute and the Travel Act, following a nine-day trial before U.S. District Judge Robert B. Kugler.

According to documents filed in this case and the evidence at trial:

Monaco was a leader of two related fraud schemes that resulted in millions of dollars of loss to public health insurance plans. In the first scheme, Monaco, as a sales representative for a medical diagnostic laboratory, orchestrated a kickback scheme with a doctor, Daniel Oswari. Monaco arranged for Oswari's medical assistant to be placed on the payroll of the laboratory while continuing to work as a medical assistant for Oswari's practice. In exchange, Oswari referred all his lab work to the laboratory for testing between late 2013 and 2016, and Monaco received \$36,000 in commissions from the laboratory.

In the second fraud scheme, Monaco and his conspirator, pharmaceutical sales representative Richard Zappala, discovered that certain insurance plans – including New Jersey state and local government plans – paid for very expensive compounded prescription medications between 2014 and 2016. Monaco and Zappala organized a scheme in which they received a percentage of the insurance reimbursement for compounded medication prescriptions that they arranged. Monaco and Zappala approached medical professionals and paid them to sign medically unnecessary prescriptions for the compounded medications. Monaco paid Oswari and his staff to identify and prescribe the compound medications to patients of Oswari's practice with the requisite insurance plans, as well as other people that Oswari did not medically evaluate. Monaco also arranged for other medical professionals – including Dr. Michael Goldis and his cousin, physician's assistant Jason Chacker – to sign medically unnecessary prescriptions for members of Monaco's family and others whom these medical professionals did not examine. Monaco directly compensated Chacker with money and tickets to sporting events, and Zappala paid Goldis cash to sign the medically unnecessary prescriptions for members of Monaco's family and others. Monaco also directly paid individuals who had coverage under the public insurance plans and agreed to receive prescriptions for the compounded medications. As a result of this scheme, Monaco received approximately \$350,000 and caused a loss of over \$4.6 million to the insurance plans.

Monaco was initially charged in an indictment in 2019 with Oswari, Goldis, and medical assistant Aaron Jones. Oswari pleaded guilty in December 2019 to fraud and kickback charges. Goldis pleaded guilty in June 2020 to four counts of making false statements relating to health care matters. Jones pleaded guilty in March 2022 to health care fraud conspiracy. Zappala also pleaded guilty in

September 2017 to conspiracy to commit health care fraud. Chacker pleaded guilty in October 2019 to conspiracy to commit health care fraud. Oswari, Goldis, Chacker, and Zappala all await sentencing.

The health care fraud and wire fraud conspiracy count on which Monaco was convicted carries a maximum potential penalty of 20 years in prison. The Anti-Kickback Statute and Travel Act conspiracy carries a maximum penalty of five years in prison. The health care fraud counts each carry a maximum of 10 years in prison, and the wire fraud counts each carry a maximum of 20 years in prison. All the counts also carry a \$250,000 fine, or twice the gain or loss from the offense. Sentencing for Monaco is scheduled for Aug. 24, 2022.

Attorney for the United States Khanna credited agents of the FBI's Atlantic City Resident Agency, under the direction of Special Agent in Charge George M. Crouch Jr. in Newark; IRS Office of 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 conviction.

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

Topic(s):
Health Care Fraud

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Component(s):

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