

FOR IMMEDIATE RELEASE

Wednesday, April 21, 2021

Morris County Man Admits Role in Health Care Fraud Conspiracy, Conspiring to Obstruct Justice

CAMDEN, N.J. – A Morris County man today admitted defrauding New Jersey county health benefits programs and obstructing justice by seeking to provide false information to federal agents and the grand jury investigating the scheme, Acting U.S. Attorney Rachael A. Honig announced.

Rocco Cammalleri, 49, of Budd Lake, New Jersey, pleaded guilty by videoconference before U.S. District Judge Robert B. Kugler to an information charging him with one count of conspiracy to commit health care fraud and one count of conspiracy to obstruct justice.

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

Compounded 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.

In 2015, the conspirators learned that certain New Jersey local government employees, including county prison guards, had insurance coverage for these compounded medications. An entity referred to as the "Pharmacy Benefits Administrator" provided pharmacy benefit management services for the Bergen County Prescription Benefits Program (BCPBP), which covered certain local government employees, including county prison guards. The Pharmacy Benefits Administrator paid prescription drug claims and then billed the BCPBP for the amounts paid.

The conspirators learned that certain compounded medication prescriptions – including vitamins and pain, scar, antifungal, migraine, and libido creams – reimbursed thousands of dollars for a one-month supply. From September 2015 through April 2017, the conspirators – a including Cammalleri and an individual referred as Individual 2 – recruited local government employees and others to obtain medically unnecessary compounded medications. Cammalleri, who had no medical or sales background or training, recruited several individuals to receive medically unnecessary compound medications. Cammalleri and Individual 2 directed the recruits to an unnamed doctor – referred to as Individual 1 – to obtain his authorization for the compounded prescription medications. The recruits agreed to receive the very expensive compounded medications not because they needed

them, but rather because they were paid to do so. Cammalleri received \$175,467 in payments for the prescriptions he arranged and agreed to receive, and caused \$2.98 million in fraudulent claims for compounded medications.

In 2017, Individual 2 informed Cammalleri that a federal grand jury was investigating the health care fraud conspiracy. Individual 2 and Cammalleri conspired to obstruct the federal investigation by providing and seeking to provide false information to federal agents and the grand jury.

The health care fraud conspiracy count to which Cammalleri pleaded guilty carries a maximum potential penalty of 10 years in prison and a \$250,000 fine, or twice the gain or loss from the offense, whichever is greater. The obstruction of justice conspiracy count carries a maximum penalty of five years in prison and a \$250,000 fine, or twice the gross gain or loss from the offense, whichever is greater. Sentencing is scheduled for Nov. 18, 2021.

Acting U.S. Attorney Rachael A. Honig credited special agents of IRS - Criminal Investigation, under the direction of Special Agent in Charge Michael Montanez in Newark; special agents of the FBI's Atlantic City Resident Agency, under the direction of Special Agent in Charge George M. Crouch Jr. in Newark; and special agents of the U.S. Department of Labor Office of Inspector General, New York Region, under the direction of Special Agent in Charge Michael C. Mikulka, with the investigation leading to today's guilty plea.

The government is represented by Assistant U.S. Attorneys Christina O. Hud and R. David Walk Jr. of the U.S. Attorney's Office in Camden.

Attachment(s):

 [Download Cammalleri.Information.pdf](#)

Topic(s):

Health Care Fraud

Component(s):

USAO - New Jersey

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