

PRESS RELEASE

Atlantic County Man Sentenced to 18 Months in Prison for Health Care Fraud Conspiracy Targeting State Health Benefits Programs

Thursday, June 8, 2023

For Immediate Release

U.S. Attorney's Office, District of New Jersey

CAMDEN, N.J. – A retail director for a local candy company was sentenced today to 18 months in prison for defrauding New Jersey state health benefits programs out of over \$2 million by submitting fraudulent claims for medically unnecessary prescriptions, Attorney for the United States Vikas Khanna announced.

Nicholas Tedesco, 49, of Linwood, New Jersey, previously pleaded guilty before U.S. District Judge Robert B. Kugler to an information charging him with conspiracy to commit health care fraud. Judge Kugler imposed the sentence today in Camden federal court.

Nicholas Tedesco's brother and a leader in the conspiracy, Matthew Tedesco, pleaded guilty to his role in the scheme on Aug. 17, 2017 and is scheduled to be sentenced on Oct. 26, 2023. Nicholas Tedesco's co-defendant, Christopher Broccoli, pleaded guilty to his role in the scheme on July 28, 2022, and is scheduled to be sentenced on July 26, 2023. Two doctors involved in the scheme, John Gaffney and Brian Sokalsky, also pleaded guilty for their roles in the conspiracy and are scheduled to be sentenced on Oct. 16, 2023, and Aug. 22, 2023, respectively.

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

From January 2015 through April 2016, Nicholas Tedesco and others, working under conspiracy leader Matthew Tedesco, recruited individuals in New Jersey to obtain very expensive and medically unnecessary compounded medications from an out-of-state pharmacy, Central Rexall Drugs Inc. in Louisiana. The conspirators knew that certain

compound medication prescriptions – including pain, scar, antifungal, and libido creams, as well as vitamin combinations – were reimbursed for thousands of dollars for a one-month supply. The conspirators also knew that some New Jersey state and local government and education employees, including teachers, firefighters, municipal police officers, and state troopers, had insurance coverage for these particular medications.

Nicholas Tedesco recruited and paid several individuals to receive the medically unnecessary medications and to recruit others to receive them, including co-defendant Christopher Broccoli. The medically unnecessary prescriptions for individuals recruited by Nicholas Tedesco were authorized by Gaffney and Sokalsky.

In addition to the prison term, Judge Kugler sentenced Nicholas Tedesco to three years of supervised release. As part of the plea agreement, Nicholas Tedesco must forfeit \$782,767 in criminal proceeds and pay restitution of \$2.04 million.

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

The government is represented by Senior Trial Counsel Christina O. Hud of the Health Care Fraud Unit and Deputy Criminal Chief R. David Walk Jr. of the Criminal Division.

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Topic

HEALTH CARE FRAUD

Component

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