

Department of Justice

U.S. Attorney's Office

District of New Jersey

FOR IMMEDIATE RELEASE

Wednesday, February 15, 2023

Doctor Admits Health Care Fraud Conspiracy

CAMDEN, N.J. – A doctor who owns a medical clinic in Newark today admitted defrauding New Jersey state and local health benefits programs and other insurers by submitting fraudulent claims for medically unnecessary prescriptions, Attorney for the United States Vikas Khanna announced.

Saurabh Patel, 51, of Woodbridge, New Jersey, pleaded guilty by videoconference before U.S. District Judge Robert B. Kugler to a superseding information charging him with one count of conspiring to commit health care fraud. Saurabh Patel was previously charged by indictment with conspiring in the health care fraud scheme with a family member, Kaival Patel, 52, of West New York, New Jersey. Kaival Patel was also charged with conspiracy to commit money laundering, substantive counts of money laundering, and making false statements to federal agents. The charges against Kaival Patel are merely accusations, and he is presumed innocent unless and until proven guilty. He is scheduled to proceed to trial later this year.

According to court documents 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.

Patel is a medical doctor who owns and operates a clinic in Newark. Despite having no background in pharmaceuticals or medicine, Kaival Patel and his wife created and operated a company called ABC Healthy Living LLC (ABC) to market medical products and services, including compound prescription medications. A pharmaceutical sales representative, Paul Camarda, also created a company and worked with Kaival Patel to promote compound medications. Camarda pleaded guilty before Judge Kugler in Camden federal court on July 6, 2021, to health care conspiracy and conspiring to commit money laundering and obstruct justice. He awaits sentencing.

The conspirators learned that certain state and local government employees had insurance that would reimburse up to thousands of dollars for a one-month supply of certain compound medications. Kaival Patel and Camarda approached Saurabh Patel and convinced him to authorize prescriptions for the compound medications for which they received commissions, regardless of whether or not those prescriptions were medically necessary. The conspirators steered individuals who were paid to receive the compound medications to Saurabh Patel's medical practice for the purpose of receiving his authorization on the fraudulent prescriptions. This enabled Saurabh Patel to receive insurance payments for those patient visits and procedures. In addition to the people steered to Saurabh Patel's medical practice as part of the scheme, Kaival Patel also instructed Saurabh Patel on which insurance companies covered the compound medications and requested that he prescribe those medications to existing patients of his practice with those insurance plans in order to further benefit Kaival Patel and his wife.

Saurabh Patel faces a maximum penalty of 10 years in prison and a \$250,000 fine. Sentencing is scheduled for June 27, 2023.

Attorney for the United States Khanna credited agents of the IRS Office of Criminal Investigation, under the direction of Acting Special Agent in Charge Tammy Tomlins in Newark; FBI's Atlantic City Resident Agency, under the direction of Special Agent in Charge James E. Dennehy 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 Christina O. Hud, Senior Trial Counsel in the Health Care Fraud Unit; R. David Walk Jr., Chief of the Opioid Abuse Prevention and Enforcement Unit; and Assistant U.S. Attorney Daniel A. Friedman of the Criminal Division in Camden.

The charges and allegations against Kaival Patel are merely accusations, and he is presumed innocent unless and until proven guilty.

Defense counsel:

Mary E. Toscano Esq. and Joseph B. Shumofsky Esq., Newark

Attachment(s):

[Download patel.sinformation.pdf](#)

Topic(s):

Health Care Fraud

Component(s):

[USAO - New Jersey](#)

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