

FILED

JUL 13 2009

**SUPERIOR COURT
CLERK'S OFFICE**

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION - CRIMINAL

State Grand Jury
Number SGJ576-09-7
Superior Court
Docket Number 09-07-00134-S

STATE OF NEW JERSEY)

v.)

INDICTMENT

KHASHAYAR SALARTASH,)

FARAH HOUTAN a/k/a)
FARAH IRANIPOUR HOUTAN)

and)

THE CENTER FOR LYMPHATIC)
DISORDERS, LLC a/k/a THE)
CENTER FOR VENOUS AND)
LYMPHATIC DISORDERS, LLC)

The Grand Jurors of and for the State of New Jersey, upon their oaths, present that:

COUNT ONE

(Conspiracy to Commit Health Care Claims Fraud and Medicaid Fraud - Second Degree)

KHASHAYAR SALARTASH

and

FARAH HOUTAN a/k/a FARAH IRANIPOUR HOUTAN

who are named as the defendants herein, and other persons whose identities are known and unknown to the Grand Jurors, who are named as coconspirators but not as defendants herein, between on or about

August 15, 2002, and on or about June 30, 2007, at the Township of Egg Harbor, in the County of Atlantic, elsewhere, and within the jurisdiction of this Court, with the purpose of promoting or facilitating the commission of the crimes of Health Care Claims Fraud, Medicaid Fraud and Misconduct by Corporate Official, did agree that:

A. One or more of them knowingly would engage in conduct which would constitute the aforesaid crimes, or

B. One or more of them knowingly would aid in the planning, solicitation or commission of said crimes, that is:

1. knowingly make, or cause to be made, false, fictitious, fraudulent, or misleading statements of material fact in any record, bill, claim or other document, in writing, electronically or in any other form, and did submit same or cause same to be submitted through THE CENTER FOR LYMPHATIC DISORDERS, LLC and/or KHASHAYAR SALARTASH for payment or reimbursement for health care services to certain Medicaid, Medicare and private carrier recipients whose identities are known to the Grand Jurors, even though the said health care services had not been provided, or had not been provided to the extent claimed, contrary to the provisions of N.J.S.A. 2C:21-4.2 and N.J.S.A. 2C:21-4.3a and c, and

2. knowingly and willfully falsify or cause to be falsified material information concerning the provision of certain health care services to certain Medicaid recipients whose identities are known

to the Grand Jurors, which information was used to support claims for payment submitted by THE CENTER FOR LYMPHATIC DISORDERS, LLC and/or KHASHAYAR SALARTASH, Medicaid providers pursuant to N.J.S.A. 30:4D-3(h), when in fact KHASHAYAR SALARTASH and FARAH HOUTAN, knew the information was false in that certain health care services had not been provided, or had not been provided to the extent claimed, to the Medicaid recipients whose identities are known to the Grand Jurors, contrary to the provisions of N.J.S.A. 30:4D-17(b), and

3. knowingly and willfully falsify material information or conceal or fail to disclose the occurrence of an event in the submission of THE CENTER FOR LYMPHATIC DISORDERS' Medicaid re-enrollment application, which affected THE CENTER FOR LYMPHATIC DISORDERS' initial or continued right for payment under the Medicaid Act, in violation of N.J.S.A. 30:4D-17(b)(3)(I), and

4. purposely and knowingly use, control or operate a corporation for the furtherance and promotion of a criminal object, thereby deriving a benefit of more than \$75,000.00, that is the said KHASHAYAR SALARTASH and FARAH HOUTAN did use, control or operate, THE CENTER FOR LYMPHATIC DISORDERS, a limited liability company of the State of New Jersey and a Medicaid provider, for the furtherance or promotion of the criminal objects of Health Care Claims Fraud and Medicaid Fraud, as alleged in counts two, three, four, five, six and seven which are re-alleged and incorporated by reference herein, contrary to the provisions of N.J.S.A. 2C:21-9c, and N.J.S.A. 2C:2-6

and against the peace of this State, the government and dignity of the same.

Among the means by which the said KHASHAYAR SALARTASH and FARAH HOUTAN did carry out the conspiracy are the following:

During the relevant time period KHASHAYAR SALARTASH was the physician in charge of THE CENTER FOR LYMPHATIC DISORDERS.

IT WAS FURTHER A PART OF THE SAID CONSPIRACY that during the relevant time period KHASHAYAR SALARTASH and FARAH HOUTAN did routinely submit or cause claims to be submitted to Medicaid, Medicare and private insurance carriers in an amount in excess of \$8,500,000 as if KHASHAYAR SALARTASH was rendering the services, knowing that KHASHAYAR SALARTASH did not render the services.

IT WAS FURTHER A PART OF THE SAID CONSPIRACY that during the relevant time period KHASHAYAR SALARTASH and FARAH HOUTAN did routinely submit or cause claims to be submitted to Medicaid, Medicare and private insurance carriers knowing that the services at THE CENTER FOR LYMPHATIC DISORDERS were rendered by unlicensed and/or unsupervised personnel, including a physical therapist, licensed practical nurses (LPNs) and a massage therapist with no physician on the premises or in the suite where the services were being rendered.

IT WAS FURTHER A PART OF THE SAID CONSPIRACY that during the relevant time period KHASHAYAR SALARTASH and FARAH HOUTAN did submit or cause claims to be submitted to Medicaid, Medicare and private

insurance carriers, whose identities are known to the Grand Jurors, for surgical procedures using CPT codes 38300 and 38305, knowing that no surgical procedures were rendered.

IT WAS FURTHER A PART OF THE SAID CONSPIRACY that during the relevant time period KHASHAYAR SALARTASH and FARAH HOUTAN did submit or cause claims to be submitted to Medicaid, Medicare and private insurance carriers, whose identities are known to the Grand Jurors, for surgical procedures using CPT codes 38300 and 38305, knowing that only physical therapy services were rendered.

IT WAS A PART OF THE SAID CONSPIRACY that during the relevant time period KHASHAYAR SALARTASH and FARAH HOUTAN did agree that THE CENTER FOR LYMPHATIC DISORDERS would only submit physical therapy claims to New Jersey Carpenters Insurance Company, but agreed to submit surgical claims to all other insurance carriers, including Medicaid and Medicare.

IT WAS FURTHER A PART OF THE SAID CONSPIRACY that during the relevant time period KHASHAYAR SALARTASH did continue to refer and re-certify patients approximately every ten to fifteen weeks for additional treatment, knowing that said treatments were not medically necessary.

IT WAS FURTHER A PART OF THE SAID CONSPIRACY that during the relevant time period KHASHAYAR SALARTASH and FARAH HOUTAN did submit or cause claims to be submitted to private insurance carriers, whose identities are known to the Grand Jurors, using a place of service

code for an outpatient hospital facility (code 22), when in fact services were rendered in an office (code 11).

IT WAS FURTHER A PART OF THE SAID CONSPIRACY that during the relevant time period KHASHAYAR SALARTASH and FARAH HOUTAN did submit or cause claims to be submitted using modifiers "58" and "59" to circumvent the postoperative and multiple procedure edits.

IT WAS FURTHER A PART OF THE SAID CONSPIRACY that during the relevant time period KHASHAYAR SALARTASH and FARAH HOUTAN did agree to not collect co-payments from patients, or not to collect co-payments to the extent required, and misrepresented or failed to disclose their practice of not collecting co-payments to Medicare and the private insurance carriers, whose identities are known to the Grand Jurors, .

IT WAS FURTHER A PART OF THE SAID CONSPIRACY that during the relevant time period KHASHAYAR SALARTASH and FARAH HOUTAN did submit or cause a Medicaid re-enrollment application to be submitted that misrepresented or failed to disclose that Alimorad Salartash and KHASHAYAR SALARTASH held an ownership interest in another Medicaid provider; misrepresented or failed to disclose that Ben Oguntuase held an ownership interest in THE CENTER FOR LYMPHATIC DISORDERS and listed THE CENTER FOR LYMPHATIC DISORDERS as a group practice, specializing in surgery, instead of a physical therapy clinic.

IT WAS FURTHER A PART OF THE SAID CONSPIRACY that during the relevant time period KHASHAYAR SALARTASH and FARAH HOUTAN did submit

or cause a Medicare Provider Background Questionnaire to be submitted that misrepresented the names and schedules of the physicians who worked at THE CENTER FOR LYMPHATIC DISORDERS and that co-payments were being collected.

The Grand Jurors aforesaid, upon their oaths, do further present that in pursuance of the said conspiracy, the following overt acts, among others, were committed:

OVERT ACTS

1. Between on or about August 15, 2002 to December 31, 2002, KHASHAYAR SALARTASH and Farhad "Fred" Nejad, the owner and operator of Atlantic Pro Med Billing had a conversation, wherein KHASHAYAR SALARTASH informed Fred Nejad about the type of procedure that would be performed at THE CENTER FOR LYMPHATIC DISORDERS. KHASHAYAR SALARTASH requested that Fred Nejad conduct research to determine what codes should be used for the procedure. When Fred Nejad researched the codes using an on-line Medicare website, he printed a Medicare bulletin, that listed physical therapy codes in the 97000 series as the appropriate codes for the lymphedema procedure. He provided KHASHAYAR SALARTASH with a copy of the Medicare bulletin.

2. Between on or about September 1, 2002 to December 31, 2002, KHASHAYAR SALARTASH and Fred Nejad had a conversation, wherein KHASHAYAR SALARTASH informed Fred Nejad that he learned from a conference or seminar that CPT codes 38300 and 38305 should be used for lymphedema treatment and asked Fred Nejad to research the codes.

When Fred Nejad researched the codes using a medical coding program, he noticed that the codes were surgical codes. He informed KHASHAYAR SALARTASH that the codes were surgical codes and provided KHASHAYAR SALARTASH with a copy of the research.

3. Between on or about January 1, 2003 and April 30, 2003, KHASHAYAR SALARTASH revised or caused THE CENTER FOR LYMPHATIC DISORDERS' billing forms to be revised to include the surgical codes, 38300 and 38305. THE CENTER FOR LYMPHATIC DISORDERS' staff began using the revised billing forms to submit or cause claims to be submitted to the billing company, Atlantic Pro Med Billing.

4. On or about September 3, 2004, KHASHAYAR SALARTASH and FARAH HOUTAN revised or caused THE CENTER FOR LYMPHATIC DISORDERS' billing forms to be revised to return to using the physical therapy code 97140 "Lymphedema Manual Therapy" for New Jersey Carpenters Insurance only, after KHASHAYAR SALARTASH received correspondence from New Jersey Carpenters Funds which stated that CPT 38305 was under the heading "incision" and informed KHASHAYAR SALARTASH that the proper code for the lymphedema procedure was CPT 97140. THE CENTER FOR LYMPHATIC DISORDERS' staff began using these revised billing forms to submit claims to the billing company, Atlantic Pro Med Billing.

5. Between on or about January 1, 2003 and April 30, 2003, FARAH HOUTAN and Fred Nejad, had a conversation, wherein Fred Nejad informed FARAH HOUTAN that the claims were being denied because

multiple procedures were being performed the same day or within the same week. FARAH HOUTAN instructed Fred Nejad to use the modifier code necessary to process the multiple procedures.

6. Between on or about January 1, 2003 and May 1, 2003, FARAH HOUTAN and Fred Nejad, had a conversation, wherein Fred Nejad informed FARAH HOUTAN that Horizon was denying the surgical claims because the place of service code was for an office. FARAH HOUTAN told Fred Nejad that she would contact Horizon and get back to him. Within about one week, FARAH HOUTAN telephoned Fred Nejad and instructed him to change the place of service code to 22 for an outpatient hospital facility.

7. On or about February 15, 2005, at the Township of Egg Harbor, in the County of Atlantic, the said KHASHAYAR SALARTASH and FARAH HOUTAN did submit or cause a Medicaid re-enrollment application to be submitted to Medicaid misrepresenting that THE CENTER FOR LYMPHATIC DISORDERS was a group practice, specializing in surgery; misrepresenting and failing to disclose that KHASHAYAR SALARTASH and Alimorad Salartash held an ownership interest in another Medicaid provider and failing to disclose that Ebenezer Oguntuase was a part-owner of THE CENTER FOR LYMPHATIC DISORDERS.

8. On or about September 9, 2005, at the Township of Egg Harbor, in the County of Atlantic, the said KHASHAYAR SALARTASH and FARAH HOUTAN did submit or cause to be submitted a Medicare Provider Background Questionnaire, misrepresenting the names and work

schedules of physicians who worked at THE CENTER FOR LYMPHATIC DISORDERS and misrepresenting THE CENTER FOR LYMPHATIC DISORDERS' failure to collect co-payments as required.

All in violation of N.J.S.A. 2C:5-2, N.J.S.A. 2C:21-4.2, N.J.S.A. 2C:21-4.3a and c, N.J.S.A. 30:4D-17(b), N.J.S.A. 2C:21-9c, N.J.S.A. 2C:2-6 and against the peace of this State, the government and dignity of the same.

COUNT TWO

(Health Care Claims Fraud - Second Degree)

KHASHAYAR SALARTASH

between on or about August 15, 2002 and on or about June 30, 2007, at the Township of Egg Harbor, in the County of Atlantic, elsewhere, and within the jurisdiction of this Court, did knowingly make, or cause to be made, false, fictitious, fraudulent, or misleading statements of material fact in or cause a material fact to be omitted from any record, bill, claim or other document, in writing, electronically or in any other form, and did submit same or cause same to be submitted for payment or reimbursement for health care services, that is, the said KHASHAYAR SALARTASH, who is a practitioner, did submit or did cause to be submitted claims for health care services provided to certain Medicaid, Medicare and private insurance beneficiaries whose identities are known to the Grand Jurors, when in fact such health care services had not been provided as claimed, and said claims contained the material misrepresentations that services were performed by KHASHAYAR SALARTASH or under his direct supervision by licensed personnel and that services were performed in an outpatient hospital instead of an office, contrary to the provisions of N.J.S.A. 2C:21-4.2 and N.J.S.A. 2C:21-4.3a and against the peace of this State, the government and dignity of the same.

COUNT THREE

(Health Care Claims Fraud - Second Degree)

KHASHAYAR SALARTASH

on or about September 9, 2005, at the Township of Egg Harbor, in the County of Atlantic, elsewhere, and within the jurisdiction of this Court, did knowingly make, or cause to be made, false, fictitious, fraudulent, or misleading statements of material fact in or cause a material fact to be omitted from any record, bill, claim or other document, in writing, electronically or in any other form, and did submit same or cause same to be submitted for payment or reimbursement for health care services, that is, the said KHASHAYAR SALARTASH, who is a practitioner, did submit or did cause to be submitted a Medicare Provider Background Questionnaire that misrepresented the names and work schedules of the physicians who worked at THE CENTER FOR LYMPHATIC DISORDERS and further misrepresented that co-payments were being collected, contrary to the provisions of N.J.S.A. 2C:21-4.2 and N.J.S.A. 2C:21-4.3a and against the peace of this State, the government and dignity of the same.

COUNT FOUR

(Health Care Claims Fraud - Second Degree)

KHASHAYAR SALARTASH

between on or about August 15, 2002 and on or about June 30, 2007, at the Township of Egg Harbor, in the County of Atlantic, elsewhere, and within the jurisdiction of this Court, did knowingly make, or cause to be made, false, fictitious, fraudulent, or misleading statements of material fact in or cause a material fact to be omitted from any record, bill, claim or other document, in writing, electronically or in any other form, and did submit same or cause same to be submitted for payment or reimbursement for health care services, that is, the said KHASHAYAR SALARTASH, who is a practitioner, did submit or did cause to be submitted claims for health care services provided to certain Medicaid, Medicare and private insurance beneficiaries whose identities are known to the Grand Jurors, when in fact said claims contained the material misrepresentations that services were medically necessary, contrary to the provisions of N.J.S.A. 2C:21-4.2 and N.J.S.A. 2C:21-4.3a and against the peace of this State, the government and dignity of the same.

COUNT FIVE

(Health Care Claims Fraud - Second Degree)

FARAH HOUTAN a/k/a FARAH IRANIPOUR HOUTAN

and

THE CENTER FOR LYMPHATIC DISORDERS, LLC

a/k/a CENTER FOR VENOUS AND LYMPHATIC DISORDERS, LLC

between on or about August 15, 2002 and on or about June 30, 2007, at the Township of Egg Harbor, in the County of Atlantic, elsewhere, and within the jurisdiction of this Court, did knowingly make, or cause to be made, false, fictitious, fraudulent, or misleading statements of material fact in any record, bill, claim or other document, in writing, electronically or in any other form, and did submit same or cause same to be submitted through THE CENTER FOR LYMPHATIC DISORDERS, LLC, for payment or reimbursement for health care services; that is, the said FARAH HOUTAN, who is not a practitioner, and THE CENTER FOR LYMPHATIC DISORDERS did knowingly commit Health Care Claims Fraud, in that the said FARAH HOUTAN and THE CENTER FOR LYMPHATIC DISORDERS did knowingly make, or cause to be made, false, fictitious, fraudulent and misleading statements of material fact in five or more claims that were submitted for payment or reimbursement through THE CENTER FOR LYMPHATIC DISORDERS, LLC to the New Jersey Medical Assistance and Health Services Program (hereinafter referred to as Medicaid), Medicare and various private insurance carriers whose identities are known to the Grand Jurors, in the aggregate amount of at least \$1,000.00, for health care

services provided at THE CENTER FOR LYMPHATIC DISORDERS, LLC to certain Medicaid, Medicare and private carrier recipients whose identities are known to the Grand Jurors, even though the said health care services had not been provided to the extent claimed, by billing for services as if the services were rendered by KHASHAYAR SALARTASH or under his direct supervision, when the services were actually rendered by unsupervised licensed practical nurses and an unsupervised massage therapist and by billing for services as if they were rendered in an outpatient hospital, when in fact they were rendered in an office, contrary to the provisions of N.J.S.A. 2C:21-4.2, N.J.S.A. 2C:21-4.3c and N.J.S.A. 2C:2-6, and against the peace of the State, the government and dignity of this same.

COUNT SIX

(Medicaid Fraud - Third Degree)

KHASHAYAR SALARTASH,

FARAH HOUTAN a/k/a FARAH IRANIPOUR HOUTAN

and

THE CENTER FOR LYMPHATIC DISORDERS, LLC

a/k/a CENTER FOR VENOUS AND LYMPHATIC DISORDERS, LLC

between on or about August 15, 2002, and on or about June 30, 2007, at the Township of Egg Harbor, in the County of Atlantic, elsewhere, and within the jurisdiction of this Court, did knowingly and willfully make or cause to be made false statements of material fact for use in determining the rights to payment under the New Jersey Medical Assistance and Health Services Act, N.J.S.A. 30:4D-1 et seq., in that the said KHASHAYAR SALARTASH, FARAH HOUTAN and THE CENTER FOR LYMPHATIC DISORDERS did knowingly and willfully falsify or cause to be falsified material information concerning the provision of certain health care services to certain Medicaid recipients whose identities are known to the Grand Jurors, which information was used to support claims for payment submitted by KHASHAYAR SALARTASH and THE CENTER FOR LYMPHATIC DISORDERS, Medicaid providers pursuant to N.J.S.A. 30:4D-3(h), when in fact KHASHAYAR SALARTASH, FARAH HOUTAN and THE CENTER FOR LYMPHATIC DISORDERS, knew the information was false in that certain health care services had not been provided, or had not been provided to the extent claimed, to the Medicaid recipients whose identities are known to the Grand

Jurors, contrary to the provisions of N.J.S.A. 30:4D-17(b) and N.J.S.A. 2C:2-6, and against the peace of this State, the government and dignity of the same.

COUNT SEVEN

(Medicaid Fraud - Third Degree)

KHASHAYAR SALARTASH,

FARAH HOUTAN a/k/a FARAH IRANIPOUR HOUTAN

and

THE CENTER FOR LYMPHATIC DISORDERS, LLC
a/k/a CENTER FOR VENOUS AND LYMPHATIC DISORDERS, LLC

between on or about August 15, 2002, and on or about June 30, 2007, at the Township of Egg Harbor, in the County of Atlantic, elsewhere, and within the jurisdiction of this Court, did knowingly and willfully make or cause to be made false statements of material fact for use in determining the rights to payment under the New Jersey Medical Assistance and Health Services Act, N.J.S.A. 30:4D-1 et seq. ("Medicaid Act"), in that the said KHASHAYAR SALARTASH, FARAH HOUTAN and THE CENTER FOR LYMPHATIC DISORDERS submitted a Medicaid re-enrollment application, wherein the said KHASHAYAR SALARTASH, FARAH HOUTAN and THE CENTER FOR LYMPHATIC DISORDERS did knowingly and willfully falsify or cause to be falsified material information or conceal or fail to disclose the occurrence of an event, which affected the said KHASHAYAR SALARTASH, FARAH HOUTAN and THE CENTER FOR LYMPHATIC DISORDERS' initial or continued right to receive any benefit or payment under the Medicaid Act, when in fact KHASHAYAR SALARTASH and THE CENTER FOR LYMPHATIC DISORDERS, both Medicaid providers pursuant to N.J.S.A. 30:4D-3(h), and FARAH HOUTAN knew the

information was false, concealed or omitted, in that the re-enrollment application concealed or omitted, that KHASHAYAR and Alimorad Salartash held an ownership interest in another Medicaid provider, that THE CENTER FOR LYMPHATIC DISORDERS was a physical therapy clinic, not a private group practice, specializing in general surgery and that physical therapist Ebenezer Oguntuase was a part-owner of THE CENTER FOR LYMPHATIC DISORDERS, contrary to the provisions of N.J.S.A. 30:4D-17(b)(3)(I) and N.J.S.A. 2C:2-6, and against the peace of this State, the government and dignity of the same.

COUNT EIGHT

(Misconduct by Corporate Official - Second Degree)

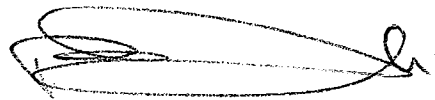
KHASHAYAR SALARTASH

and

FARAH HOUTAN a/k/a FARAH IRANIPOUR HOUTAN

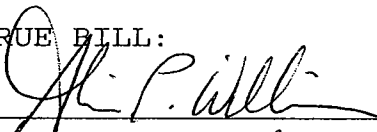
between on or about August 15, 2002, and on or about June 30, 2007, at the Township of Egg Harbor, in the County of Atlantic, elsewhere, and within the jurisdiction of this Court, did purposely and knowingly use, control or operate a corporation for the furtherance and promotion of a criminal object, thereby deriving a benefit of more than \$75,000, that is the said KHASHAYAR SALARTASH and FARAH HOUTAN did use, control or operate, THE CENTER FOR LYMPHATIC DISORDERS, a limited liability company of the State of New Jersey and a Medicaid provider, for the furtherance or promotion of the criminal objects of Health Care Claims Fraud and Medicaid Fraud, as alleged in counts two, three, four, five, six and seven which are re-alleged and incorporated by reference herein, contrary to the provisions of N.J.S.A. 2C:21-9c, and N.J.S.A. 2C:2-6 and against the peace of this

State, the government and dignity of the same.



Riza Dagli, DAG
Acting Insurance Fraud Prosecutor
Division of Criminal Justice

A TRUE BILL:



ALTERNATE Foreperson

Dated: July 13, 2009

FILED

JUL 13 2009

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION - CRIMINAL

**SUPERIOR COURT
CLERK'S OFFICE**

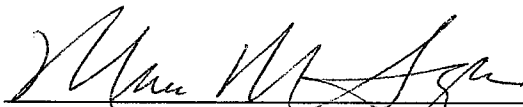
State Grand Jury
Number SGJ576-09-7
Superior Court
Docket Number 09-07-00134-S

STATE OF NEW JERSEY)	
)	
v.)	ORDER OF VENUE
)	
KHASHAYAR SALARTASH)	
)	
FARAH HOUTAN)	
a/k/a)	
FARAH IRANIPOUR HOUTAN)	
)	
and)	
)	
THE CENTER FOR LYMPHATIC)	
DISORDERS, LLC a/k/a THE)	
CENTER FOR VENOUS AND)	
LYMPHATIC DISORDERS, LLC)	

An Indictment having been returned to this Court by the State Grand Jury in the above captioned matter

IT IS ORDERED on this 13th day of July, 2009, pursuant to paragraph 8 of the State Grand Jury Act, that the County of Atlantic be and hereby is designated as the County of venue for the purpose of trial.

IT IS FURTHER ORDERED that the Clerk of the Superior Court shall transmit forthwith the Indictment in this matter and a certified copy of this Order to the Criminal Division Manager of the County of Atlantic for filing.


 Linda R. Feinberg, A.J.S.C.
 Maria Marinari Syrek, J.S.C. P.J.Ch.