

LED

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

JAN 18 2008

S. DISTRICT COURT
E. DIST. OF MO.
ST. LOUIS

UNITED STATES OF AMERICA,

Plaintiff,

v.

KRISHNARAO REDNAM,

Defendant.

4: NO 08CR00038ERW

INFORMATION

THE UNITED STATES ATTORNEY CHARGES:

1. At all times relevant to this Information, Defendant was a resident of St. Louis County, Missouri, within the Eastern District of Missouri. Defendant was a licensed physician and ophthalmologist. Defendant practiced medicine at various office locations in St. Louis City and St. Louis County as part of a group of physicians. Defendant injected various drugs into the eyes of patients who experienced macular degeneration. A majority of defendant's patients were beneficiaries of the Government's Medicare program.

2. Macugen®, Lucentis®, and Avastin® are each drugs that can be injected into the human eye to treat macular degeneration. When these drugs are medically necessary and actually provided to Medicare beneficiaries, a health care provider may submit claims for payment to Medicare for these injections using the following health insurance claim ("HIC") numbers: Lucentis®, HIC#J3590; Macugen®, HIC#J2503; and Avastin®, HIC #J9035. Medicare payment for the appropriate injection of each of these drugs varied, but the approximate Part B reimbursement amounts for each injection of each drug during the times relevant to this Information were:

(a) Lucentis®, \$1,653.60, (b) Macugen®, \$843.76, and Avastin® \$45.58.

3. In January 2007, defendant's employer conducted an audit to determine why the medical practice group's revenues were significantly higher than expected. Among other issues, the audit compared the number of defendant's purchases of the injectable drugs referenced in the paragraph above from various pharmacies against the number of claims for reimbursement for the three drugs that defendant submitted and presented to various payors, including the Medicare program. The audit discovered that during the period from February 3, 2005 to May 31, 2007, defendant had submitted approximately 1180 claims for reimbursement for Macugen®, but had purchased approximately 608 single use syringes of Macugen®. Further, the audit discovered that during that during the time period of April 25, 2006 through May 31, 2007, defendant had submitted approximately 301 claims for reimbursement for Lucentis®, but had purchased approximately 237 single use packages of Lucentis®.

4. The audit's results generally suggested that defendant's patients often actually received Avastin® injections when health care programs received claims for reimbursement indicating that patients had received Macugen®. As Macugen® is significantly more expensive than Avastin® to acquire, it triggers significantly greater reimbursement per claim from Medicare and other payors. The audit's results further suggested that although Lucentis® was purchased in a single use format, defendant "split" the single use dose and provided it to multiple patients. In conclusion, the audit suggested that the unexpectedly higher revenue was caused by defendant purchasing a relatively inexpensive drug (Avastin®) and billing it as an expensive drug (Macugen®), or purchasing single use vials of Lucentis® while providing them to multiple patients.

5. In late January 2007, defendant's employer notified defendant of the audit and its findings. Further, defendant's employer notified defendant that it would be making a voluntary disclosure of the audit's findings to the Government, which would likely trigger a Government investigation.

6. Subsequently, on April 13, 2007, defendant's employer made a voluntary disclosure to the Government, and the Government began investigating the allegations to determine if there were provable violations of federal criminal law, including submitting false claims, making a false statement to the Medicare program, and health care fraud. 18 U.S.C. §§ 287, 1035, and 1347. The Government's investigation utilized criminal investigators from the Federal Bureau of Investigation and the Office of Inspector General for the U.S. Department of Health and Human Services who were duly authorized to conduct investigations for prosecutions of health care offenses. On April 18, 2007, the Government served a subpoena on defendant's employer, seeking, among other documents, the medical files for various patients receiving injections of the drugs discussed above. Defendant's employer promptly informed multiple employees of the existence of the subpoena and the legal duties it created, including defendant. In response to these events, defendant retained his own counsel which conducted a similar audit that ultimately reached similar and more detailed conclusions than the employer's earlier audit.

7. Since the Government's subpoena was addressed to defendant's corporate employer, defendant's employer began identifying and collecting responsive records with the assistance of multiple employees. Collection of the patient records sought by the Government's subpoena occurred from on or about April 18, 2007 through on or about May 31, 2007. Many of the records

sought by the subpoena, especially patients' records, were physically located in office space used primarily by defendant.

8. At times during on or about April 18, 2007 through on or about May 31, 2007, defendant remained at his office past regular business hours, after all other employees left. While alone in the office, defendant reviewed patients' files that were responsive to the Government's subpoena and disposed of some of those records. During this time frame, other clinic employees saw defendant leaving the office with paper bags full of medical records. Defendant disposed of these records instead of providing them to his employer for eventual production to the Government with the intent to obstruct the Government's investigation. As these records contained information about defendant's injections and corresponding claims to Medicare and other payors, these documents were material to the Government's investigation.

9. Further, late at night in his office, defendant also retrieved the files of multiple patients who had received injections that were responsive to the Government's subpoena. Defendant reviewed these files to determine if they contained any proof that suggested Medicare and other payors had received claims for the wrong drug, specifically Macugen® instead of Avastin®. Defendant located patients' files where patients had received an injection on a date certain and the files contained two signed patient consent forms for Macugen® and Avastin® bearing that same date. Defendant then, on occasion, removed and destroyed parts of these files containing information that conflicted with the billing outcomes, with the intent to make the patient's file support the billing for the more expensive drug while containing no proof that Avastin® was actually provided to the patient. As these records contained information about defendant's injections and corresponding

claims to Medicare and other payors, these documents were material to the Government's investigation.

COUNT ONE

10. The United States incorporate by reference paragraphs 1-9 herein.


11. On or about April 18, 2007 through on or about May 31, 2007, in St. Louis County, Missouri, within the Eastern District of Missouri,

KRISHNARAO REDNAM

defendant herein, willfully did prevent, obstruct, mislead and delay the communication of material records and information relating to violations of a federal health care offenses to criminal investigators. All in violation of 18 U.S.C. §§ 1518(a) and 2.

Respectfully submitted,

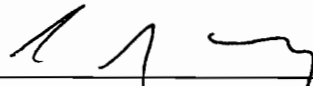
CATHERINE L. HANAWAY
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UNITED STATES OF AMERICA)
EASTERN DIVISION)
EASTERN DISTRICT OF MISSOURI)

I, ANDREW J. LAY, United States Attorney for the Eastern District of Missouri, being
duly sworn, do say that the foregoing information is true as I verily believe.




ANDREW J. LAY, # 28542

Subscribed and sworn to before me this 27th of December, 2007.



CLERK, U.S. DISTRICT COURT

By: 

DEPUTY CLERK

USDC-EDMO

CRIMINAL CASE COVER SHEET

INFORMATION

Division of Filing: Eastern
County of Offense:
Matter to be Sealed: No
Type of Charge: **FILED**

Defendant Information:

Defendant's Name KRISHNARAO REDNAM

Alias Name _____

Birthdate 8-1-49

Social Security No. 117-58-4718

Not Available _____

Not Available _____

JAN 18 2008

U. S. DISTRICT COURT
E. DIST. OF MO.
ST. LOUIS

4:08CR00038ERW

Related Case Information:

Superseding Indictment/Information? ___ Yes ___ X No If yes, original case number: _____

Is this a New Defendant in the Superseding Indictment/Information? ___ Yes ___ No

Prior Complaint? ___ Yes ___ X No If yes, Complaint No. _____

Complaint: ___ Pending ___ Dismissed

Defendant has had an appearance before a Magistrate? ___ Yes ___ X No If yes, Magistrate name: _____

Victim-Witness Act applies: _____

Name of AUSA: Andrew J. Lay

Agency: _____

Recommended Bond/Detention: \$100,000 personal recognizance bond with surrender of passport and travel restrictions

Interpreter Needed:

___ Yes Language and/or dialect _____

X No

___ Not known at this time

Location Status:

Arrest Date _____

___ Currently in Federal Custody

___ Currently in State Custody Writ required ___ Yes ___ No

___ Currently on bond set by Court

X Defendant not in custody

U.S.C. Citations and Total # of Counts against this Defendant: 1

Index Key/Code/Offense Level/AOcd/Sev	Description of Offense Charged	Count(s)	Penalty Information
18:1518(a)2	Obstruction of a criminal investigation regarding federal health care offenses.	One	INMT 5 years; FNMT \$250,000 or both; Supervised Release NMT 3 years; \$100 Special Assessment

Date 01-18-08

Signature of AUSA

Andrew J. Lay

Case: **4:08-cr-00038**

Assigned To : **Webber, E. Richard**

Assign. Date : **1/18/2008**

Description:

Case: 4:07-wi-00032

Assigned To : **Jackson, Carol E.**

Assign. Date : 12/27/2007

Description: