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**New York State Recovers Nearly \$450,000 in Restitution  
As Result of Pharmacy Fraud  
*Joint Investigation with FBI, OMIG, and NYC HRA Lead to Recovery***

*Albany, NY*— On April 20, the Deputy United States Attorney Boyd Johnson presented Michael E. Little, New York State's Deputy Medicaid Inspector General for Investigations, with a check for \$443,505, as part of a restitution agreement that resulted from the arrest, conviction and subsequent confinement of the owner and co-owner of three pharmacies in the New York City area. A formal check presentation ceremony took place at the United States Attorney's office of the Southern District of New York.

"This case demonstrates the value of teamwork when agencies collaborate," said James G. Sheehan, Medicaid Inspector General. "This was a complex investigation that took nearly five years to complete. Our investigative team, including undercover investigators, clinical staff, shoppers and other personnel, provided intelligence, technical assistance, billing information and continuous support throughout the investigation."

"The collaboration between federal, state and local officials to investigate and solve this case demonstrates that New York State is dedicated to preventing Medicaid fraud, waste and abuse," said Governor David A. Paterson. "I commend these agencies for the countless hours of hard work they invested in solving this case."

During the check presentation ceremony, Deputy United States Attorney Johnson and Assistant United States Attorney William Harrington commended the involved agencies. Mr. Harrington described the case as "a classic example" of how teamwork in a complex investigation can result in major arrests and significant restitution of funds.

OMIG's undercover investigators received plaques from Deputy United States Attorney Johnson, who noted that OMIG undercover operatives "provided the core evidence" resulting

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in successful prosecutions in this case. He praised them for their outstanding work and

dedication to duty. FBI lead agent Shawn Mullen also presented the OMIG undercover investigators with certificates of appreciation, signed by FBI Director Robert Mueller. Agent Mullen also praised the work of the OMIG from the beginning to the end of the investigation.

**Background on the case:** On September 13, 2006, the Federal Bureau of Investigation (FBI) arrested three people in connection with a conspiracy to defraud the Medicaid program of millions of dollars by billing the program for AIDS/HIV drugs and other medications that were never provided to Medicaid patients. These arrests were the result of a year-long joint investigation by the FBI, the New York State Office of the Medicaid Inspector General OMIG, and the New York City Human Resources Administration (HRA). OMIG's undercover shoppers provided core evidence that led to these arrests.

At that time, the United States Attorney of the Southern District of New York charged **Dr. Muhammed Ejaz Ahmad** and **Muhammad Nawaz Ahmad** co-owners of the three pharmacies, and **Mohammad Tanveer**, a pharmacy employee, with health care fraud and conspiracy to defraud the United States government.

Dr. Ahmad practiced at 1121 Coney Island Avenue in Brooklyn, NY. The three pharmacies co-owned by Muhammad Nawaz Ahmad and Dr. Ahmad's wife, Sobia Shaheen, were **Nash Pharmacy, 4707 Francis Lewis Boulevard, Bayside, NY, Stay Slim Pharmacy, 1166 Coney Island Avenue, Brooklyn, and ASA Pharmacy, 99-06 63<sup>rd</sup> Road, Rego Park, NY.** The U.S. District Court issued search warrants, leading to physical searches at each location. OMIG investigators and pharmacy staff provided assistance at each location. All providers, including individuals and pharmacies, were excluded from participating in the Medicaid program on September 19, 2006.

On May 22, 2008, Muhammad Ejaz Ahmad pleaded guilty to paying illegal kickbacks to Medicaid recipients. On September 17, 2009, United States District Court Judge John G. Koeltl sentenced him to 21 months in prison and ordered him to pay \$1,783,020 to the Medicaid program as restitution. The agreement provided that the federal government would receive \$887,011, while New York State and New York City would each receive \$443,505. That goal was accomplished during the check presentation ceremony on April 20, 2010.

*Established in 2006, New York State's Office of the Medicaid Inspector General plays a pivotal leadership role in the state's mission to eliminate and prevent fraud, waste and abuse in New York's Medicaid program. With six regional offices and headquarters in Albany, the OMIG has more than 600 employees investigating and auditing Medicaid providers of all levels across New York State.*