

Violations of Laws and Regulatory Bodies Responsible for This Fraudulent Attempt

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Fraud and abuse in the healthcare sector are serious crimes that directly affect the livelihoods as well as care outcomes for the patients. Fraud also brings other dire consequences for the organization including defamation, license dismissal, financial losses, and above all, serious risk to a patient's life. Fraud can be committed by any individual including nurses, doctors, volunteers, or other professionals who intentionally deceive the organization in order to receive unlawful benefits from the care system. Healthcare providers often intentionally submit double billing for the service provided once to obtain an extra amount of money for the practice that is not being served. It can also be committed by people working in the care systems such as Medicare or Medicaid employees or employers (Rudman et al., 2009). For instance, an employee can forge prescriptions to illegally obtain controlled substances from the Medicaid system. However, there are organizations that ensure all laws and regulations set by the healthcare system are abide by on the part of each individual providing his/her services in the care sector through organizational audits annually. This paper reviews a fraud case committed during Covid-19 by money launderers in New York-area pharmacies, laws conspirators violated, and the outcomes of that fraudulent case.

Summary of the Fraud Incident

Two New York men named Arkadiy Khaimov of age 39 and Peter Khaim age 42 were found guilty of conspiring for committing money laundering using New York-area pharmacies. They submitted forged claims to Medicare and laundered the criminal proceeds through the conspirator pharmacies they operated or owned. This all happened specifically in Covid-19 peak time when the World was brutally shattered and everyone was crawling for their survival. Both conspirators along with the aides manipulated Medicare and exploited Covid emergency for their own unlawful gains. To continue with their plan, they submitted million-dollar claims for Panretin Gel 0.1% and Targretin Gel 1%, the expensive cancer medications that were not prescribed by the physicians. Instead of dispensing those medications to the patients, they stocked them and later dispensed them during the peak Covid period when pharmacies were closed. The fraudulent game did not end there as they funneled obtained money through many shell companies. Several companies that were designed to look like legitimate wholesalers helped conspirators funneled their money including sham pharmacy wholesale companies' bank accounts that Khaimov and Khaim controlled and used to send illegitimate money to the companies in China. Through China, the amount obtained through fraudulent proceeds was distributed to people in Uzbekistan. Moreover, Khaim and Khaimov purchased real estate, luxury houses, and other expensive items.

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According to the documents presented in the court, Khaim and Khaimov were involved in a conspiracy of money laundering and identity theft. The center for Medicare was also responsible for this forgery as it did not look for the loopholes in the demand and fraudulent dispensation of expensive cancer medication during Covid time. During the pandemic time, people were restricted to their homes and were unaware of how their personal and health information was used for false claims and money laundering. Regulatory bodies in this case were responsible as a statutory authority being the executive branch of the government dealing with the healthcare sector for the circulation of medication through illegal means in New York. They were supposed to execute their functions of overseeing the circulation, regulation, and use of public goods as these bodies are open to legal review (Mackey et al., 2020). Medicare was also responsible for this fraud as they dispensed such an important and expensive medication on fictitious bills and demands.

Fundamental Communication During the Investigation

During a forensic investigation, communication is significant because there are a lot of things to be discussed. In this case of fraud, experts of the regulatory bodies conducting the investigation should communicate well with the litigation team, offending organization, and conspirators to keep the investigation free and clean. The Federal Bureau of Investigation, OIG, and IRS-CI investigated the case which could have been done during this fraudulent attempt happened. Furthermore, fraud could be detected during the second phase of money laundering when the amount was funneled to Uzbekistani immigrant community through sham wholesale companies' bank accounts. Healthcare fraud and money laundering could be detected through data mining in the context of the provision of medicine and money dispensed and obtained illegally in this case. Data mining unlike traditional methods of detecting fraud in the healthcare sector helps to extract useful information to identify fraudulent claims and unauthorized benefits (Joudaki et al., 2015). Healthcare authorities in combination with the FBI, OIG, and other investigative mediums could detect the claims by using supervised and unsupervised data used during money laundering.

The Outcome of Khaim and Khaimov's Fraud Case

The FBI, IRS-CI, FDIC-OIG, and HHS-OIG investigated the case, and both defendants pleaded guilty to offences connected with the healthcare-fraud and money-laundering scheme. The final sentences are now known. Arkadiy Khaimov was sentenced on April 3, 2024, to six years in federal prison. Peter Khaim was sentenced on June 24, 2024, to 97 months in federal prison. These outcomes replace the

article's earlier predictions about future sentencing dates and an expected sentence of almost 20 years. Regulatory bodies such as the Health Care Fraud Strike Force, the Centers for Medicare & Medicaid Services, and HHS-OIG continue to use investigations, data analysis and organizational oversight to identify and limit fraudulent activity in the healthcare sector.

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