

THE UNITED STATES ATTORNEY'S OFFICE  
DISTRICT *of* NEW JERSEY

[U.S. Attorneys](#) » [District of New Jersey](#) » [News](#)

Department of Justice

U.S. Attorney's Office

District of New Jersey

FOR IMMEDIATE RELEASE

Tuesday, November 29, 2022

## **Two Owners of New Jersey Pharmaceutical Marketing Company Admit Role in \$38 Million Compounding Fraud Scheme**

NEWARK, N.J. – Two owners of a New Jersey pharmaceutical marketing company admitted their roles in a \$38 million compounded medication health care fraud scheme, U.S. Attorney Philip R. Sellinger announced.

Samantha Zaretsky, 42, of Wayne, New Jersey, and Lee Nichols, 43, of Fair Haven, New Jersey, pleaded guilty by videoconference before U.S. District Judge John Michael Vazquez to separate informations charging each with one count of conspiracy to commit health care fraud.

According to documents filed in this case and statements made in court:

Through their company, Synergy Medical LLC, Zaretsky and Nichols exploited the manner in which health insurance plans processed, screened, and paid for customized drugs known as “compounded medications,” causing tens of millions of dollars of losses to several health insurance plans over two years. Zaretsky and Nichols pocketed millions of dollars through this compounding fraud scheme.

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 medical professional determines that an FDA-approved medication does not meet the health needs of a particular patient.

From April 2014 to June 2016, Zaretsky and Nichols used Synergy as a platform through which they could market prescription-based compounded medications without regard to whether a health insurance beneficiary actually needed such a medication or whether an FDA-approved medication would have been

appropriate and sufficient.

Zaretsky and Nichols and their conspirators determined which combination of compounded ingredients was most financially lucrative. Through their sales representatives, they recruited health insurance beneficiaries who were willing to obtain these expensive, but medically unnecessary, compounded medications before a medical professional had evaluated the beneficiaries' unique and individualized need for the medications. After convincing the beneficiaries to obtain a pre-formulated compounded medication, in many cases, Zaretsky, Nichols, and their sales representatives steered beneficiaries to a medical professional with whom the beneficiaries had no prior doctor-patient relationship, such as a telemedicine company. Although the beneficiaries did not have a prior relationship with the telemedicine doctors, Zaretsky and Nichols paid that company for consulting with the beneficiaries. On at least one occasion, Zaretsky and Nichols paid an advanced practice nurse, whose license was inactive, to write prescriptions in exchange for cash. Once those medical professionals issued the prescriptions, Zaretsky and Nichols ensured that the prescriptions were steered to compounding pharmacies that paid them a kickback.

The health care fraud conspiracy charge carries a statutory maximum prison sentence of 10 years and a fine of \$250,000 or twice the gross gain or loss from the scheme, whichever is greatest. Sentencing is scheduled for April 23, 2023.

U.S. Attorney Sellinger credited special agents and an analyst of the FBI, under the direction of Special Agent in Charge James E. Dennehy in Newark, and Defense Criminal Investigative Service, under the direction of Special Agent in Charge Patrick J. Hegarty, with the investigation leading to today's guilty pleas.

The government is represented by Assistant U.S. Attorney George L. Brandley of the Health Care Fraud Unit in Newark.

---

**Attachment(s):**

[Download Zaretsky.Information.pdf](#)

[Download Nichols.Information.pdf](#)

**Topic(s):**

Health Care Fraud

**Component(s):**

[USAO - New Jersey](#)

**Press Release Number:**

22-443