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PRESS RELEASE

Ohio Man Admits Role in $24 Million Health Care Fraud and Kickback Scheme

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For Immediate Release

U.S. Attorney's Office, District of New Jersey

NEWARK, N.J. – An Ohio man and owner of several marketing companies today admitted his role in conspiracies to commit health care fraud and to pay and receive illegal kickbacks, Attorney for the United States Vikas Khanna announced.

Mark Belter, 49, of North Ridgeville, Ohio, pleaded guilty via videoconference before U.S. District Judge Esther Salas to an information charging him with conspiracy to violate the Federal Anti-Kickback statute and conspiracy to commit health care fraud.

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

From June 2017 through September 2020, Belter participated in a scheme with pharmacies, telemedicine companies, and doctors to submit false claims to health care benefit programs, including Medicare and TRICARE, based on a circular scheme of kickbacks and bribes. Belter controlled several marketing companies through which he and his conspirators identified Medicare and TRICARE beneficiaries to target for expensive drugs. The marketing companies called beneficiaries to pressure them to agree to try expensive medications, regardless of

medical necessity. Belter and others would deliberately conceal the name of the prescribing doctor – whom the beneficiary had never met before – to increase the likelihood that the beneficiary would agree to accept the medications. Portions of the telephone calls were recorded.

Belter and his companies then paid kickbacks to telemedicine companies, which in turn paid kickbacks to doctors, to obtain prescriptions for the medications. Belter transmitted to the telemedicine companies the beneficiaries' medical information, the telephone call recording, and pre-marked prescription pads for particular drugs that would yield exorbitant reimbursements. Belter, the marketing companies, and the pharmacies with which they had relationships chose particular drugs for the prescriptions largely based on reimbursement amount and not medical need. The doctors paid by the telemedicine companies signed the prescriptions regardless of medical necessity, often without ever speaking to the patient.

Belter and his conspirators then directed the prescriptions to pharmacies with which Belter had additional kickback arrangements. The pharmacies submitted claims for reimbursement to health care benefit programs including Medicare and TRICARE, and thereafter sent a portion of the proceeds to Belter and his companies as payment for the prescriptions generated through the conspiracy. In total, Belter and his conspirators caused the submission of false and fraudulent claims to health care benefit programs totaling in excess of $24 million of prescription drugs. Belter and his companies received kickbacks and bribes totaling more than $6 million in exchange for prescription referrals to a pharmacy located in New Jersey.

The conspiracy charges are each punishable by a maximum of five years in prison, along with fines, restitution, and penalties as to both counts. Both charges are punishable by a fine of $250,000, or twice the gross gain or loss from the offense. Sentencing is scheduled for Sept. 27, 2023.

Attorney for the United States Khanna credited special agents of the FBI, under the direction of Special Agent in Charge James E. Dennehy in Newark, U.S. Department of Health and Human Services Office of Inspector General, under the direction of Special Agent in Charge Naomi Gruchacz, and U.S. Department of Defense, Office of Inspector General, Defense Criminal Investigative Service, Northeast Field Office, under the direction of Special Agent in Charge Patrick J. Hegarty, with the investigation leading to the guilty plea.

The government is represented by Assistant U.S. Attorneys Katherine M. Romano of the Health Care Fraud Unit and Barbara Ward, Senior Trial Counsel of the Asset Recovery and Money Laundering Unit, in Newark.

belter.information.pdf (280.59 KB)