

SUPPRESSED

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ILLINOIS

UNITED STATES OF AMERICA,

Plaintiff,

vs.

NAEEM MAHMOOD KOHLI,

Defendant.

CRIMINAL NO. 14-40038-JPG

Title 18, United States Code,
Sections 982, 1347, and 1957

Title 21, United States Code,
Sections 841 and 853

FILED

MAR 19 2014

CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF ILLINOIS
EAST ST. LOUIS OFFICE

INDICTMENT

THE GRAND JURY CHARGES:

INTRODUCTION

1. **NAEEM MAHMOOD KOHLI** is a physician, licensed in the State of Illinois, who operated as the Kohli Neurology and Sleep Center, located at 500 N. Maple, in Effingham, Illinois.

2. **KOHLI** was also licensed to prescribe controlled substances in the State of Illinois until May 8, 2013, when he surrendered his Drug Enforcement Administration (DEA) Registration.

3. Federal law provides that licensed health care professionals may only issue a prescription for a controlled substance if they are doing so in the usual course of professional practice and for a legitimate medical purpose. Therefore, health care providers that prescribe controlled drugs outside the usual course of professional practice and not for a legitimate medical purpose are violating the Controlled Substances Act. For example, a prescription is not for a legitimate purpose and is not within the usual course of professional practice if the health care provider who issues the prescription knows that the person to whom it is issued is abusing or diverting the controlled substance.

SCHEME TO DEFRAUD

4. **KOHLI** was engaged in a scheme to defraud health care benefit programs by running a prescription service for drug addicts, commonly known as a "Pill Mill." In doing so, **KOHLI** acted outside the usual course of professional conduct and without a legitimate medical purpose. In the course of writing prescriptions for controlled substances, **KOHLI** also falsely billed health care benefit programs for services which **KOHLI** did not perform as claimed.

MANNER AND MEANS

5. First, **KOHLI** caused materially false and fraudulent claims to be made to health care benefit programs by billing Current Procedural Terminology (CPT) code 99215 for office visits during which **KOHLI** wrote prescriptions for controlled substances even though **KOHLI** spent little or no time with the patient. The American Medical Association (AMA) defines CPT code 99215 as follows:

99215 – Office or other outpatient visit for the evaluation and management of an established patient, which requires at least two of these three key components:

- A comprehensive history;
- A comprehensive examination;
- Medical decision making of high complexity.

Counseling and/or coordination of care with other providers or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs. Usually, the presenting problem(s) are of moderate to high severity. Physicians typically spend 40 minutes face-to-face with the patient and/or family.

Claims to and payments by health care benefit programs required the use of the mail and interstate wire facilities. Payments for these false and fraudulent claims were deposited into various bank accounts under **KOHLI**'s control.

6. Second, **KOHLI** caused materially false and fraudulent claims to be made to health care

benefit programs by causing controlled substances to be dispensed illegally. Acting outside the usual course of professional practice, **KOHLI** prescribed controlled drugs to patients, which were not for a legitimate medical purpose, as evidenced by the following acts:

- (a) indiscriminately prescribing controlled drugs in excessive amounts;
- (b) prescribing controlled drugs that a patient requested;
- (c) continuing to prescribe controlled drugs in spite of patients' deteriorating conditions, contraindications, and obvious signs of abuse, including:
 - (1) multiple "red flags";
 - (2) failed urine drug screens;
 - (3) violations of Opioid Medication Agreements;
 - (4) contacts from family members reporting abuse and addiction; and
 - (5) contacts from other health care professionals regarding abuse and addiction;
- (d) prescribing controlled drugs in a way that was likely to cause and did cause dependence and addiction or that worsened existing addictions,
- (e) failing to treat patients for the causes of pain or other disease conditions;
- (f) failing to monitor or use objective treatment information, including:
 - (1) failing to obtain urine drug screens on a consistent and timely basis; and
 - (2) disregarding results of urine drug screens;
- (g) failing to prevent diversion of controlled drugs by patients; and
- (h) continuing to prescribe drugs in the same manner, despite notice that the prescription practices resulted in:
 - (1) increased scrutiny by Health Care Benefit Programs; and
 - (2) obvious drug-seeking behavior and addiction.

7. In addition to the payments obtained by **KOHLI** from health care benefit programs from the execution of his schemes, **KOHLI** obtained substantial funds directly from addicted patients. Each time a patient returned for a prescription of a controlled substance **KOHLI** required the patient to pay a substantial amount of money by cash, check or charge. In fact, even though **KOHLI** was a Medicaid provider, **KOHLI** refused to accept Medicaid payments for most office visits, but insisted upon the payment from the patient.

8. **KOHLI** prescribed controlled substances at such dosage frequencies, in such amounts, and in such combinations, as were likely to cause patients to become dependent on those drugs,

and to become dependent on **KOHLI** for providing prescriptions for those drugs. As a result, patients frequently returned to **KOHLI** for paid office visits to obtain the prescriptions for controlled substances.

Count 1
Health Care Fraud

9. Paragraphs 1 through 8 are incorporated and re-alleged as part of Count 1.

10. Beginning in or around May 2009, and continuing thereafter until May 8, 2013, in Effingham County, within the Southern District of Illinois,

NAEEM MAHMOOD KOHLI,

defendant herein did knowingly and willfully execute a scheme to defraud Medicare, a healthcare benefit program, in connection with the delivery of and payment for healthcare benefits and services by submitting false claims, causing the submission of false claims, and obtaining reimbursement using materially false and fraudulent representations in the manner described in paragraphs 1 through 8 of this indictment; all in violation of Title 18, United States Code, Section 1347.

Count 2
Health Care Fraud

11. Paragraphs 1 through 8 are incorporated and re-alleged as part of Count 2.

12. Beginning in or around May 2009, and continuing thereafter until May 8, 2013, in Effingham County, within the Southern District of Illinois,

NAEEM MAHMOOD KOHLI,

defendant herein did knowingly and willfully execute a scheme to defraud Medicaid, a healthcare benefit program, in connection with the delivery of and payment for healthcare benefits and services by submitting false claims, causing the submission of false claims, and

obtaining reimbursement using materially false and fraudulent representations in the manner described in paragraphs 1 through 8 of this indictment; all in violation of Title 18, United States Code, Section 1347.

Count 3
Health Care Fraud

13. Paragraphs 1 through 8 are incorporated and re-alleged as part of Count 3.

14. Beginning in or around May 2009, and continuing thereafter until May 8, 2013, in Effingham County, within the Southern District of Illinois,

NAEEM MAHMOOD KOHLI,

defendant herein did knowingly and willfully execute a scheme to defraud Blue Cross / Blue Shield, a healthcare benefit program, in connection with the delivery of and payment for healthcare benefits and services by submitting false claims, causing the submission of false claims, and obtaining reimbursement using materially false and fraudulent representations in the manner described in paragraphs 1 through 8 of this indictment; all in violation of Title 18, United States Code, Section 1347.

Count 4
Illegal Dispensation of a Schedule II Controlled Substance – Oxycodone

15. Paragraphs 1 through 8 are incorporated and re-alleged as part of Count 4.

16. On or about September 19, 2011, in Effingham County, within the Southern District of Illinois,

NAEEM MAHMOOD KOHLI,

defendant herein, a physician licensed by DEA registration to prescribe and dispense schedule II controlled substances when acting within the usual course of professional practice and for a legitimate medical purpose, did knowingly and intentionally cause to be illegally dispensed to his

patient, Todd F, ninety (90) pills, each pill containing thirty (30) milligrams of Oxycodone, a Schedule II controlled substance, and did so by writing the prescription for this drug while acting outside the usual course of professional practice and not for a legitimate medical purpose; in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

Count 5

Illegal Dispensation of a Schedule II Controlled Substance – Oxycodone

17. Paragraphs 1 through 8 are incorporated and re-alleged as part of Count 5.

18. On or about April 9, 2012, in Effingham County, within the Southern District of Illinois,

NAEEM MAHMOOD KOHLI,

defendant herein, a physician licensed by DEA registration to prescribe and dispense schedule II controlled substances when acting within the usual course of professional practice and for a legitimate medical purpose, did knowingly and intentionally cause to be illegally dispensed to his patient, Ryan F, ninety (90) pills, each pill containing thirty (30) milligrams of Oxycodone, a Schedule II controlled substance, and did so by writing the prescription for this drug while acting outside the usual course of professional practice and not for a legitimate medical purpose; in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

Count 6

Illegal Dispensation of a Schedule II Controlled Substance – Oxycodone

19. Paragraphs 1 through 8 are incorporated and re-alleged as part of Count 6.

20. On or about May 14, 2012, in Effingham County, within the Southern District of Illinois,

NAEEM MAHMOOD KOHLI,

defendant herein, a physician licensed by DEA registration to prescribe and dispense schedule II controlled substances when acting within the usual course of professional practice and for a legitimate medical purpose, did knowingly and intentionally cause to be illegally dispensed to his

patient, Krysty W, one hundred and sixty (160) pills, each pill containing ten (10) milligrams of Oxycodone, a Schedule II controlled substance, and did so by writing the prescription for this drug while acting outside the usual course of professional practice and not for a legitimate medical purpose; in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

Count 7

Illegal Dispensation of a Schedule II Controlled Substance – Oxycodone

21. Paragraphs 1 through 8 are incorporated and re-alleged as part of Count 7.

22. On or about May 14, 2012, in Effingham County, within the Southern District of Illinois,

NAEEM MAHMOOD KOHLI,

defendant herein, a physician licensed by DEA registration to prescribe and dispense schedule II controlled substances when acting within the usual course of professional practice and for a legitimate medical purpose, did knowingly and intentionally cause to be illegally dispensed to his patient, Charles W, one hundred and fifty (150) pills, each pill containing ten (10) milligrams of Oxycodone, a Schedule II controlled substance, and did so by writing the prescription for this drug while acting outside the usual course of professional practice and not for a legitimate medical purpose, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

Count 8

Illegal Dispensation of a Schedule II Controlled Substance – Oxycodone

23. Paragraphs 1 through 8 are incorporated and re-alleged as part of Count 8.

24. On or about August 8, 2012, in Effingham County, within the Southern District of Illinois,

NAEEM MAHMOOD KOHLI,

defendant herein, a physician licensed by DEA registration to prescribe and dispense schedule II controlled substances when acting within the usual course of professional practice and for a legitimate medical purpose, did knowingly and intentionally cause to be illegally dispensed to his patient, Tamela B, sixty (60) pills, each pill containing ten (10) milligrams of Oxycodone a Schedule II controlled substance, and did so by writing the prescription for this drug while acting outside the usual course of professional practice and not for a legitimate medical purpose; in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

Count 9

Illegal Dispensation of a Schedule II Controlled Substance – Oxycodone

25. Paragraphs 1 through 8 are incorporated and re-alleged as part of Count 9.

26. On or about April 22, 2013, in Effingham County, within the Southern District of Illinois,

NAEEM MAHMOOD KOHLI,

defendant herein, a physician licensed by DEA registration to prescribe and dispense schedule II controlled substances when acting within the usual course of professional practice and for a legitimate medical purpose, did knowingly and intentionally cause to be illegally dispensed to his patient, Michael K, ninety (90) pills, each pill containing fifteen (15) milligrams of Oxycodone, a Schedule II controlled substance, and did so by writing the prescription for this drug while acting outside the usual course of professional practice and not for a legitimate medical purpose; in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

Count 10

Illegal Dispensation of a Schedule II Controlled Substance – Oxycodone

27. Paragraphs 1 through 8 are incorporated and re-alleged as part of Count 10.

28. On or about April 24, 2013, in Effingham County, within the Southern District of Illinois,

NAEEM MAHMOOD KOHLI,

defendant herein, a physician licensed by DEA registration to prescribe and dispense schedule II controlled substances when acting within the usual course of professional practice and for a legitimate medical purpose, did knowingly and intentionally cause to be illegally dispensed to his patient, Aaron T, one hundred and twenty (120) pills, each pill containing ten (10) milligrams of Oxycodone, a Schedule II controlled substance, and did so by writing the prescription for this drug while acting outside the usual course of professional practice and not for a legitimate medical purpose; in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

Count 11

Illegal Dispensation of a Schedule II Controlled Substance – Oxycodone

29. Paragraphs 1 through 8 are incorporated and re-alleged as part of Count 11.

30. On or about April 24, 2013, in Effingham County, within the Southern District of Illinois,

NAEEM MAHMOOD KOHLI,

defendant herein, a physician licensed by DEA registration to prescribe and dispense schedule II controlled substances when acting within the usual course of professional practice and for a legitimate medical purpose, did knowingly and intentionally cause to be illegally dispensed to his patient, Patsy W, one hundred and thirty (130) pills, each pill containing ten (10) milligrams of Oxycodone, a Schedule II controlled substance, and did so by writing the prescription for this drug while acting outside the usual course of professional practice and not for a legitimate medical purpose; in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

Count 12

Illegal Dispensation of a Schedule II Controlled Substance – Hydromorphone

31. Paragraphs 1 through 8 are incorporated and re-alleged as part of Count 12.

32. On or about May 1, 2013, in Effingham County, within the Southern District of Illinois,

NAEEM MAHMOOD KOHLI,

defendant herein, a physician licensed by DEA registration to prescribe and dispense schedule II controlled substances when acting within the usual course of professional practice and for a legitimate medical purpose, did knowingly and intentionally cause to be illegally dispensed to his patient, Ashley D, one hundred and twenty (120) pills, each pill containing four (4) milligrams of Hydromorphone, a Schedule II controlled substance, and did so by writing the prescription for this drug while acting outside the usual course of professional practice and not for a legitimate medical purpose; in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

Count 13

Illegal Dispensation of a Schedule II Controlled Substance – Methadone

33. Paragraphs 1 through 8 are incorporated and re-alleged as part of Count 13.

34. On or about May 6, 2013, in Effingham County, within the Southern District of Illinois,

NAEEM MAHMOOD KOHLI,

defendant herein, a physician licensed by DEA registration to prescribe and dispense schedule II controlled substances when acting within the usual course of professional practice and for a legitimate medical purpose, did knowingly and intentionally cause to be illegally dispensed to his patient, Rachel P, one hundred and twenty (120) pills, each pill containing ten (10) milligrams of Methadone, a Schedule II controlled substance, and did so by writing the prescription for this drug while acting outside the usual course of professional practice and not for a legitimate medical purpose; in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

Count 14

**ENGAGING IN A MONETARY TRANSACTION OVER \$10,000 IN PROPERTY
DERIVED FROM SPECIFIC UNLAWFUL ACTIVITY**

35. Paragraphs 1 through 8 are incorporated and re-alleged as part of Count 14.

36. On or about September 22, 2011, in Effingham County, within the Southern District of Illinois,

NAEEM MAHMOOD KOHLI,

defendant herein, did knowingly engage in a monetary transaction in criminally derived property of a value greater than \$10,000, that being the deposit into his personal account at Fifth Third Bank of check 1161 written in the amount of \$20,000 and drawn on an account at Crossroads Bank into which funds had been deposited which were derived from the specified unlawful activities of mail fraud and wire fraud (Title 18, United States Code, Sections 1341 and 1343) and which monetary transaction involved the deposit, withdrawal, transfer and exchange, in and affecting interstate commerce, of funds and a monetary instrument by, through, and to a financial institution, all in violation of Title 18, United States Code, Section 1957.

Count 15

**ENGAGING IN A MONETARY TRANSACTION OVER \$10,000 IN PROPERTY
DERIVED FROM SPECIFIC UNLAWFUL ACTIVITY**

37. Paragraphs 1 through 8 are incorporated and re-alleged as part of Count 15.

38. On or about September 22, 2011, in Effingham County, within the Southern District of Illinois,

NAEEM MAHMOOD KOHLI,

defendant herein, did knowingly engage in a monetary transaction in a criminally derived property of a value greater than \$10,000, that being the deposit into his personal account at Fifth

Third Bank of check 3496 written in the amount of \$15,000 and drawn on his business account at Crossroads Bank into which funds had been deposited which were derived from the specified unlawful activities of mail fraud and wire fraud (Title 18, United States Code, Sections 1341 and 1343) and which monetary transaction involved the deposit, withdrawal, transfer and exchange, in and affecting interstate commerce, of funds and a monetary instrument by, through, and to a financial institution, all in violation of Title 18, United States Code, Section 1957.

FIRST FORFEITURE ALLEGATION

39. As a result of the foregoing offenses described in Counts 1 - 3,

NAEEM MAHMOOD KOHLI

defendant herein, shall forfeit to the United States pursuant to Title 18, United States Code, Section 982(a)(7) any and all property constituting or derived from any proceeds said defendant obtained directly or indirectly as a result of the violation and any and all property used or intended to be used in any manner or part to commit and to facilitate the commission of the violation alleged in Counts 1 -3 of this Indictment. The property includes but is not limited to the following:

1. BANK ACCOUNTS:

- a. Crossroads Bank Account No. 32549;**
- b. Crossroads Bank Account No. 448095;**
- c. Crossroads Bank Account No. 448109;**
- d. First Mid-Illinois Bank and Trust Account No. 1817710;**
- e. First Mid-Illinois Bank and Trust Account No. 2113139;**
- f. First Mid-Illinois Bank and Trust Account No. 1818172; and**
- g. Fifth Third Bank Account No. 7690733634.**

2. \$225,043.62 IN UNITED STATES FUNDS.

3. SUBSTITUTE PROPERTY:

In the event that any of the foregoing property is found not to be directly forfeitable, the United States intends to forfeit same as substitute property pursuant to Title 18, United States Code, Section 982(b)(1) and Title 21, United States Code, Section 853(p) to the extent permitted by law. Further, if any of the foregoing property, as a result of any act or omission of the defendant, (A) cannot be located upon the exercise of due diligence, (B) has been transferred or sold to, or deposited with, a third party, (C) has been placed beyond the jurisdiction of the Court, (D) has been substantially diminished in value, or (E) has been commingled with other property which cannot be divided without difficulty, it is the intention of the United States, pursuant to Title 18, United States Code, Section 982(b)(1) and Title 21, United States Code, Section 853(p), to forfeit other property of the defendant up to the value of the foregoing property. Said substitute property may include, but is not limited to, the following:

Real property, including all attachments, improvements, and appurtenances, located at 708 East Evergreen, Effingham, Effingham County, Illinois, and more fully described as follows:

Lot 2 of MAXEDON SUBDIVISION (reference being made to Plat #248-A and Book 1457 page 155 in the Recorder's Office of Effingham County), situated in the City of Effingham, County of Effingham, State of Illinois.

SUBJECT to rights of way for drainage ditches, drain tiles, feeders, laterals and underground pipes, if any.

SUBJECT to prior conveyances of an undivided one-half interest in and to all of the oil, gas, and other minerals as contained in the Mineral Deed dated May 28, 1941 and recorded in Book 210 page 49.

SUBJECT to an Oil and Gas Lease dated September 14, 1954 as referred to in an Assignment of Lease dated December 11, 1954 and recorded in Book 289 page 499.

SUBJECT to Right of Way Easements to Central Illinois Public Service Company dated February 4, 1974 and recorded in Book 479 pages 319 and 321.

SUBJECT to utility easements shown on the plats of Wesley Subdivision and Maxedon Subdivision.

SUBJECT to terms and conditions contained in Ordinance No. 53-99 recorded December 27, 1999 in Book 1507 page 29, prohibiting the use of ground water as potable water supply by the installation or use of potable water supply wells or by any other method.

**SUBJECT to rights of tenants in possession.
Parcel No. 03-16-011-068**

All in violation of Title 18, United States Code, Section 1347.

SECOND FORFEITURE ALLEGATION

40. As a result of the foregoing offenses described in Counts 4 - 13,

NAEEM MAHMOOD KOHLI

defendant herein, shall forfeit to the United States pursuant to Title 21, United States Code, Section 853 any and all property constituting or derived from any proceeds said defendant obtained directly or indirectly as a result of the violation and any and all property used or intended to be used in any manner or part to commit and to facilitate the commission of the violation alleged in Counts 4 -13 of this Indictment. The property includes but is not limited to the following:

1. REAL PROPERTY:

Real property, including all attachments, improvements, and appurtenances located at 500 North Maple Street, Effingham, Effingham County, Illinois, and more fully described as follows:

Lot B of a Subdivision of Lot Ten (10) of part of the East Half (E 1/2) of the Northwest Quarter (NW 1/4) of the Southeast Quarter (SE 1/4) of Section Twenty


(20), Township Eight (8) North, Range Six (6) East of the Principal Meridian, reference being had to a plat of said subdivision of Lot Ten (10) recorded in Plat Book 5 on page 58 in the Recorder's Office of Effingham County, Illinois, situated in the City of Effingham, County of Effingham and State of Illinois.
Parcel No. 03-16-011-088

2. BANK ACCOUNTS:

- a. Crossroads Bank Account No. 32549;
- b. Crossroads Bank Account No. 448095;
- c. Crossroads Bank Account No. 448109;
- d. First Mid-Illinois Bank and Trust Account No. 1817710;
- e. First Mid-Illinois Bank and Trust Account No. 2113139;
- f. First Mid-Illinois Bank and Trust Account No. 1818172; and
- g. Fifth Third Bank Account No. 7690733634.


3. \$64,000.00 IN UNITED STATES FUNDS.

All in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).


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STEPHEN R. WIGGINTON
United States Attorney

Recommended Bond: Detention