

Department of Justice

U.S. Attorney's Office

District of New Jersey

FOR IMMEDIATE RELEASE

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Former Pharmacy Owner Admits Role in Large-Scale Illegal Kickback Scheme

NEWARK, N.J. – A Morris County, New Jersey, pharmacist today admitted participating in a conspiracy to pay bribes and kickbacks for compounded pain creams, U.S. Attorney Craig Carpenito announced.

Rbert Fazzini, 53, of Succasunna, New Jersey, pleaded guilty by videoconference before U.S. District Judge Susan D. Wigenton to an information charging him with one count of conspiring to violate the anti-kickback statute.

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

Fazzini was a licenced pharmacist and owner of the now-closed White's Pharmacy in Morristown, New Jersey. In the summer and fall of 2015, Fazzini participated in a bribe and kickback conspiracy stemming from a scheme to obtain millions of dollars in health benefits from the federal workers' compensation program by prescribing and dispensing expensive compound pain creams. A Jersey City doctor prescribed compound pain creams for his patients, and a conspirator helped steer those prescriptions to White's Pharmacy. In exchange for this arrangement, Fazzini routinely paid the conspirator bribes and kickbacks of approximately 50 percent of the reimbursement income White's Pharmacy received for the pain cream prescriptions. Fazzini and the conspirator attempted to conceal some of these payments by having Fazzini write checks to a relative and different entities associated with the conspirator.

As part of his plea agreement, Fazzini agreed that the improper benefit conferred was between \$500,000 and \$1.5 million for the charged conspiracy to violate the federal anti-kickback statute.

The count of conspiracy to violate the federal anti-kickback statute is punishable by a maximum of five years in prison and a fine of \$250,000, or twice the gross gain or loss derived from the offense, whichever is greater. Sentencing is scheduled for Dec. 8, 2020.

U.S. Attorney Carpenito credited special agents of the FBI, under the direction of Acting Special Agent in Charge Joe Denahan in Newark; the U.S. Postal Service, Office of Inspector General, under the direction of Special Agent in Charge of the Northeast Area Field Office Matthew M. Modafferi; the Department of Labor, Office of Inspector General, New York Region, under the direction of Special Agent in Charge Michael C. Mikulka; and special agents of IRS-Criminal Investigation, under the direction of Special Agent in Charge Michael Montanez, with the investigation leading to today's guilty plea.

The government is represented by Assistant U.S. Attorneys Joshua L. Haber and Nicole F. Mastropieri of the Health Care Fraud Unit in the Criminal Division, Newark.