

Department of Justice
U.S. Attorney's Office
District of New Jersey

FOR IMMEDIATE RELEASE

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Atlantic County Man Sentenced to 37 Months in Prison for Health Care Fraud Conspiracy Targeting State Health Benefits Programs

CAMDEN, N.J. – An Atlantic County man was sentenced today to 37 months for his role in defrauding New Jersey state and local health benefits programs and other insurers by submitting fraudulent claims for medically unnecessary prescriptions, Attorney for the United State Vikas Khanna announced.

Brian Pugh, 45, of Absecon, New Jersey, previously pleaded guilty before U.S. District Judge Robert B. Kugler to a superseding information charging him with one count of conspiring to defraud a health care benefits program. Judge Kugler imposed the sentence today in Camden federal court.

According to documents in this matter and statements made in court:

Pugh was part of a criminal conspiracy in which state and local government employees were recruited and compensated to receive medically unnecessary compound prescription medications. Pugh and his conspirators defrauded New Jersey health benefits programs and other insurers of more than \$50 million. Pugh directly caused the pharmacy benefits administrator to pay more than \$1.4 million for medically unnecessary compound prescription medications for individuals he recruited into the scheme, and he received more than \$430,000 in the conspiracy.

In addition to the prison term, Judge Kugler sentenced Pugh to three years of supervised release and ordered restitution of more than \$1.4 million and forfeiture of \$437,604.

Attorney for the United States Khanna credited special agents of the FBI's Atlantic City Resident Agency, under the direction of Special Agent in Charge James E. Dennehy in Newark; special agents of IRS - Criminal Investigation, under the direction of Acting Special Agent in Charge Tammy Tomlins in Newark; and the U.S. Department of Labor Office of Inspector General, New York Region, under the direction of Special Agent in Charge Jonathan Mellone, with the investigation leading to today's sentencing.

The government is represented by Assistant U.S. Attorneys Christina O. Hud, Acting Chief of the Health Care Fraud Unit; R. David Walk Jr., Chief of the Opioid Abuse Prevention & Enforcement Unit; and Desiree L. Grace, Deputy Chief of the Criminal Division.

Topic(s):
Health Care Fraud

Component(s):
[USAO - New Jersey](#)

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