

IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE DISTRICT OF SOUTH CAROLINA
GREENVILLE DIVISION

UNITED STATES OF AMERICA

CR. NO. 6:26-202

18 U.S.C. § 1347

18 U.S.C. § 1349

18 U.S.C. § 2

vs.

18 U.S.C. § 981(a)(1)(C)

18 U.S.C. § 982(a)(7)

28 U.S.C. § 2461(c)

KEVIN S. MURDOCK

THOMAS C. LEE

VIDHYA V. NARAYANAN

INDICTMENT

INTRODUCTION & BACKGROUND

1. During all times relevant to this Indictment, Premier Medical, Inc. d/b/a Premier Medical Laboratory Services (“Premier”) was owned and operated by KEVIN S. MURDOCK. THOMAS C. LEE and VIDHYA V. NARAYANAN were both officers and employees of Premier. Premier offered diagnostic testing services for medical providers, including but not limited to COVID-19 testing. Premier was headquartered in Greenville, South Carolina, and it provided the lab testing services described herein in the District of South Carolina and elsewhere.

2. The U.S. Department of Health and Human Services (“HHS”) established partnerships with private companies, including e3Health Solutions, LLC, doing business as eTrueNorth, to establish COVID-19 testing locations across the United States. Premier served as a subcontractor for eTrueNorth and thus processed and resulted hundreds of thousands of COVID-19 tests during the pandemic. “Resulting” a test is the process of obtaining the final, documented outcome of the test.

3. Individuals sought testing for COVID-19 for a variety of reasons, including for diagnosis when suffering from COVID-19 symptoms, and in advance of engaging in certain

activities, like airplane travel and planned contact with others who, due to age or health conditions, were at higher risk of death or severe illness from COVID-19. Some individuals used their test results to help determine whether to engage in future activities, such as travel or contact with others.

4. The Defendants KEVIN S. MURDOCK, THOMAS C. LEE, VIDHYA V. NARAYANAN, and others devised a multi-part scheme to fraudulently generate revenue from health care benefit programs related to the COVID-19 pandemic:

a. “Pooling” tests is one way the Defendants engaged in fraud. The Defendants concealed from eTrueNorth that Premier was pooling tests rather than running individual tests as required by the applicable contracts. In the pooling process, multiple samples are combined or pooled and then resulted through one test, rather than by running individual tests for each sample. By pooling, a lab is able to process through more samples, and at a faster rate, than if the lab ran individual tests. The Defendants directed employees to pool samples and to hide the fact they were pooling from customers. Defendants’ deception caused eTrueNorth to submit false claims to the federal government for thousands of individual tests that in truth had been pooled.

b. Manipulating thresholds is another way the Defendants engaged in fraud. In COVID-19 testing, when the interpretive software identifies the presence of COVID-19, a fluorescence signal is generated by the reaction. The number of reaction cycles it takes to reach that threshold is called the “cycle threshold” value, or the Ct value. The Ct value is validated for the test being conducted. The lower the Ct value (meaning, the fewer cycles needed to turn a test positive), the greater the amount of viral RNA present in the original sample. If the reaction crosses the interpretive software’s predetermined threshold

prior to reaching the Ct value, the software declares the test positive. Because of COVID-19 contamination issues at Premier, the interpretive software thresholds were manually adjusted to result tests. Premier's practice of threshold adjustments was done with the knowledge and direction of the Defendants. Such a practice lowers the instrument sensitivity, masks contamination, and increases the likelihood of false negatives. This manipulation of the interpretive software thresholds was done because of Premier's focus on profit rather than patient care. Premier's manipulation of the interpretive software threshold settings rendered test results for hundreds of thousands of individuals unreliable. Despite that, Premier billed for those tests as if they were valid and reliable. Unaware of Premier's conduct altering the interpretive software thresholds, eTrueNorth billed for test results of such low quality they were virtually worthless and thus ineligible for reimbursement. Further, Premier billed Medicare, TRICARE, and other health insurance companies for results where they manipulated the interpretive software thresholds.

5. The multipart scheme to defraud healthcare benefit programs resulted in unwarranted payments of millions of dollars.

COUNT 1

(Conspiracy to Commit Health Care Fraud)

THE GRAND JURY CHARGES:

6. That beginning at a date unknown to the Grand Jury but from at least in or about the summer of 2020, and continuing thereafter until the date of this Indictment, in the District of South Carolina and elsewhere, the Defendants, KEVIN S. MURDOCK, THOMAS C. LEE, VIDHYA V. NARAYANAN, and others known and unknown to the Grand Jury, knowingly and willfully did combine, conspire, confederate, agree and have a tacit understanding with each other

to violate Title 18, United States Code, Section 1347 by knowingly and willfully executing a scheme and artifice to defraud a healthcare benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, Medicare, TRICARE, Medicaid, the CARES Act, the HRSA COVID-19 Uninsured Program, the ICATT program, and other health care benefit providers, and to obtain, by means of material false and fraudulent pretenses, representations, and promises, money owned by and under the custody and control of Medicare, TRICARE, Medicaid, the HRSA COVID-19 Uninsured Program, and other health care benefit programs, in connection with the delivery of and payment for health care benefits and services in regard to the performing of COVID-19 testing.

MANNER AND MEANS

7. Paragraphs 1-5 from the Introduction and Background are incorporated herein by reference.

All in violation of Title 18, United State Code, Section 1349.

COUNTS 2-16
(Health Care Fraud)

THE GRAND JURY FURTHER CHARGES:

8. The allegations of paragraphs 1 through 5 of the Introduction and Background are alleged herein as setting forth a scheme and artifice to defraud.

9. On or about each of the dates reflected below, in the District of South Carolina and elsewhere, the Defendants, KEVIN S. MURDOCK, THOMAS C. LEE, VIDHYA V. NARAYANAN, and others known and unknown to the Grand Jury, aiding and abetting each other, did knowingly and willfully execute and attempt to execute a scheme and artifice to defraud a health care benefit program, and to obtain by means of material, false and fraudulent pretenses, representations, and promises, any of the money and property owned by, and under the custody

and control of, a health care benefit program in connection with the delivery of and payment for health care benefits, items, and services, as for more fully set forth below:

Count	Date	Description
2	03/24/2021	Premier resulted the COVID-19 test for "SM" through pooling, although it billed eTrueNorth for a single test and thus caused HHS to be fraudulently billed for a single test. In addition, Premier did a threshold adjustment, causing the results to be invalid, but it was billed to eTrueNorth and thus HHS as a valid test.
3	03/24/2021	Premier resulted the COVID-19 test for "HM" through pooling, although it billed eTrueNorth for a single test and thus caused HHS to be fraudulently billed for a single test. In addition, Premier did a threshold adjustment, causing the results to be invalid, but it was billed to eTrueNorth and thus HHS as a valid test.
4	03/27/2021	Premier resulted the COVID-19 test for "MG" through pooling, although it billed eTrueNorth for a single test and thus caused HHS to be fraudulently billed for a single test. In addition, Premier did a threshold adjustment, causing the results to be invalid, but it was billed to eTrueNorth and thus HHS as a valid test.
5	04/02/2021	Premier resulted the COVID-19 test for "MH" through pooling, although it billed eTrueNorth for a single test and thus caused HHS to be fraudulently billed for a single test. In addition, Premier did a threshold adjustment, causing the results to be invalid, but it was billed to eTrueNorth and thus HHS as a valid test.
6	07/13/2021	Premier resulted the COVID-19 test for "AM" through pooling, although it billed eTrueNorth for a single test and thus caused HHS to be fraudulently billed for a single test. In addition, Premier did a threshold adjustment, causing the results to be invalid, but it was billed to eTrueNorth and thus HHS as a valid test.
7	08/13/2021	Premier resulted the COVID-19 test for "EW" through pooling, although it billed eTrueNorth for a single test and thus caused HHS to be fraudulently billed for a single test. In addition, Premier did a threshold adjustment, causing the results to be invalid, but it was billed to eTrueNorth and thus HHS as a valid test.
8	08/21/2021	Premier resulted the COVID-19 test for "JK" through pooling, although it fraudulently billed eTrueNorth for a single test and thus caused HHS to be billed for a single test. In addition, Premier did a threshold adjustment, causing the results to be invalid, but it was

		billed to eTrueNorth and thus HHS as a valid test.
9	08/21/2021	Premier resulted the COVID-19 test for "DM" through pooling, although it fraudulently billed eTrueNorth for a single test and thus caused HHS to be billed for a single test. In addition, Premier did a threshold adjustment, causing the results to be invalid, but it was billed to eTrueNorth and thus HHS as a valid test.
10	08/21/2021	Premier resulted the COVID-19 test for "HD" through pooling, although it fraudulently billed eTrueNorth for a single test and thus caused HHS to be billed for a single test. In addition, Premier did a threshold adjustment, causing the results to be invalid, but it was billed to eTrueNorth and thus HHS as a valid test.
11	09/04/2021	Premier resulted the COVID-19 test for "BG" through pooling, although it fraudulently billed eTrueNorth for a single test and thus caused HHS to be billed for a single test. In addition, Premier did a threshold adjustment, causing the results to be invalid, but it was billed to eTrueNorth and thus HHS as a valid test.
12	03/19/2021	Premier fraudulently resulted the COVID-19 test for "GY" through threshold adjustment, and the claim was billed to Tricare as if it were a valid test.
13	03/20/2021	Premier fraudulently resulted the COVID-19 test for "AK" through threshold adjustment, and the claim was billed to Tricare as if it were a valid test.
14	03/26/2021	Premier fraudulently resulted the COVID-19 test for "DI" through threshold adjustment, and the claim was billed to Tricare as if it were a valid test.
15	03/31/2021	Premier fraudulently resulted the COVID-19 test for "AGR" through threshold adjustment, and the claim was billed to Tricare as if it were a valid test.
16	07/07/2021	Premier fraudulently resulted the COVID-19 test for "TK" through threshold adjustment, and the claim was billed to Tricare as if it were a valid test.

All in violation of Title 18, United States Code, Sections 1347 and 2.

FORFEITURE

WIRE FRAUD/HEALTH CARE FRAUD CONSPIRACY:

As a result of the foregoing violations of 18 U.S.C. §§ 1347 and 1349, as charged in this Indictment, upon conviction, Defendants, KEVIN S. MURDOCK, THOMAS C. LEE, and VIDHYA V. NARAYANAN, shall forfeit to the United States any property, real or personal, constituting, derived from or traceable to proceeds the Defendants obtained directly or indirectly as a result of such offenses.

PROPERTY:

Pursuant to 18 U.S.C. §§ 981(a)(1)(C), 982(a)(7), and 28 U.S.C. § 2461(c), the property which is subject to forfeiture upon conviction of Defendants for the violations charged in this Indictment includes, but is not limited to, the following:

Proceeds/Forfeiture Judgment:

A sum of money equal to all proceeds the Defendants obtained, directly or indirectly, from the offenses charged in this Indictment, and all interest and proceeds traceable thereto, and/or such sum that equals all property derived from or traceable to their violation of 18 U.S.C. §§ 1347 and 1349.

SUBSTITUTE ASSETS:

If any of the property described above, as a result of any act or omission of a Defendant-

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third party;
- (3) has been placed beyond the jurisdiction of the court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p) to seek forfeiture of any other property of the said Defendants up to the value of the forfeitable property described above.

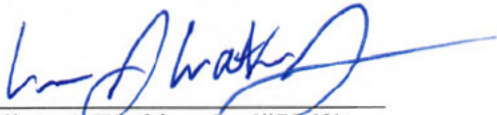
All pursuant to Title 18, United States Code, Sections 981(a)(1)(C), 982(a)(7) and Title 28,
United States Code, Section 2461(c).

A True BILL

REDACTED

FOREPERSON

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