

STATE OF NEW YORK

OFFICE OF THE ATTORNEY GENERAL LETITIA JAMES

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In the Matter of:

MVM Pharmacy, Inc. d/b/a Port Morris Pharmacy

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SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the “Agreement”) is entered into among the State of New York (the “State”), by the Office of the Attorney General, through the Medicaid Fraud Control Unit (“MFCU”), and MVM Pharmacy, Inc. d/b/a Port Morris Pharmacy (“MVM”). The State and MVM shall be collectively referred to herein as the “Parties.”

WHEREAS, MVM is a corporation organized under the laws of the State of New York with its principal place of business at 800 E. 138th Street, Bronx, NY 10454;

WHEREAS, MVM is enrolled as a provider of medical services in the New York State Medical Assistance Program (the “Medicaid Program” or “Medicaid”) under Provider ID No. 03120427 and NPI No. 1821238288;

WHEREAS, the Medicaid Program reimburses enrolled healthcare providers for services rendered to beneficiaries of the program; this includes healthcare services reimbursed directly by the New York State Department of Health (“NYS DOH”) on a fee-for-service basis and healthcare services reimbursed through Managed Care Organizations (“MCOs”).

WHEREAS, MVM submitted and caused to be submitted claims for reimbursement to Medicaid, and received reimbursement directly from DOH on a fee-for-service basis for pharmacy services during the period January 6, 2014 through March 31, 2023 (the “Claims Period”);

WHEREAS, pursuant to 8 N.Y.C.R.R. § 29.2(a)(3), 18 N.Y.C.R.R. 504.3, and 18 N.Y.C.R.R. § 515.2(b)(6) MVM was required to maintain records and documentation necessary to fully disclose the nature and extent of the services or supplies furnished, or to otherwise demonstrate MVM's right to receive Medicaid reimbursements;

WHEREAS, during all times relevant to this Agreement, MVM executed annual Certification Statements For Provider Billing Medicaid through the State's Medicaid Fiscal Agent ("Certification Statements"), pursuant to 18 NYCRR §§ 504.1 (b)(1), 504.9, certifying that all claims that MVM submitted for reimbursement to Medicaid were made in full compliance with applicable federal and state laws and regulations and pertinent provisions of the eMedNY Provider Manual and all revisions thereto, and that MVM understood and agreed that it would be subject to and bound by all rules, regulations, policies, standards, fee codes, and procedures of NYSDOH and the Office of the Medicaid Inspector General ("OMIG") as set forth in statute or title 18 of the Official Compilation of Codes, Rules and Regulations of New York State and other publications of NYSDOH, including eMedNY Provider Manuals and other official bulletins of NYSDOH;

WHEREAS, MFCU conducted an investigation of MVM and determined that during the Claims period, MVM presented claims for payment for pharmacy services to which it was not entitled and Medicaid relied upon such claims to pay MVM;

WHEREAS, as a result of MFCU's MFCU the State has found that the MVM engaged in the following conduct (the "Covered Conduct"):

During the Claims Period, MVM filed claims with the Medicaid program, and received payment thereon, for pharmaceutical services, including drugs and other items for which MVM did not have sufficient documentation of purchase or possession, as required by New York Medicaid rules and regulations, commonly referred to as an "inventory shortage."

WHEREAS, as a result of the Covered Conduct, MVM caused the State to suffer damages of at least the amount to be repaid under this Agreement;

WHEREAS, the State has civil claims against MVM as a result of the Covered Conduct, including under N.Y. Executive Law § 63-c, and the common law;

WHEREAS, MVM wishes to resolve its civil liability for the Covered Conduct;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, the Parties agree as follows:

TERMS AND CONDITIONS

1. As repayment to the State for the Covered Conduct, MVM shall pay to the State Eight Hundred Twenty-Five Thousand Dollars (\$825,000.00) (the “Settlement Amount”) no later than forty-five (45) days after the Effective Date of this Agreement. The entire Settlement Amount constitutes restitution.

2. Subject to the provisions in Paragraph 3 below (concerning reserved claims), and conditioned upon full payment of the Settlement Amount by MVM, the State releases MVM, its successors, assigns, present and former parents, subsidiaries, and affiliates from any civil monetary claim against MVM for the Covered Conduct under N.Y. Executive Law § 63-c, and the common law theories of payment by mistake, money had and received, unjust enrichment, and breach of contract.

3. Notwithstanding the releases given in Paragraph 2 above, or any other term of this Agreement, the State specifically does not release:

- a. Any liability arising under state tax law;
- b. Any criminal liability;

- c. Any administrative liability, including mandatory or permissive exclusion from the State's Medicaid Program;
- d. Any liability that MVM has or may have to the State or to individual consumers or state program payors under any statute, regulation, or rule not expressly covered by the releases in Paragraph 10 above, including but not limited to any and all claims involving unfair and/or deceptive acts and practices and/or violations of consumer protection laws;
- e. Any liability pursuant to New York State Financial Law §§ 187, *et seq.*; Executive Law § 63(12); Social Services Law § 145-b; disgorgement; or fraud;
- f. Any liability to the State (or its agencies) for any conduct other than the Covered Conduct;
- g. Any liability for personal injury, patient abuse, or neglect, arising from the Covered Conduct;
- h. Any liability of individuals or entities other than MVM for the Covered Conduct;
- i. Any liability that may be asserted by or on behalf of any payor or insurer paid by the State's Medicaid Program on a capitated basis, other than liability of MVM to the State for the Covered Conduct; and
- j. Any liability based upon obligations created by this Agreement.

4. In consideration of the obligations of the State set forth in this Agreement, MVM, for itself and for its successors, assigns, present and former parents, subsidiaries, and affiliates waives, discharges, and fully releases the State, its agencies, officers, political subdivisions,

employees, servants, and agents, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that MVM asserted, could have asserted, or may assert in the future, against the State, its agencies, officers, political subdivisions, employees, servants, and agents, relating to the Covered Conduct and the State's investigation and prosecution thereof.

5. MVM waives and shall not assert any defenses they may have to criminal prosecution or administrative action for the Covered Conduct, which defenses may be based in whole, or in part, upon a contention made under the Double Jeopardy Clause of the Fifth Amendment of the Constitution, or under the Excessive Fines Clause of the Eighth Amendment of the Constitution, and shall not assert that this Agreement bars a remedy sought in such criminal prosecution or administrative action.

6. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by the State Medicaid Program, or any other state payor, for the Covered Conduct, and MVM agrees not to resubmit to the State Medicaid Program, or any other state payor, any previously denied claims, which denials were based upon the Covered Conduct, and agrees not to appeal or cause the appeal of any such denials of claims.

7. MVM shall not seek payment for any claims for reimbursement to the State Medicaid Program covered by this Agreement from any healthcare beneficiaries or their parents, sponsors, legally responsible individuals, or third-party payors.

8. MVM agrees to the following:

- a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395lll and 1396-1396w-5; and the

regulations and official program directives promulgated thereunder) incurred by or on behalf of MVM or any of its present or former officers, directors, trustees, employees, shareholders, and agents in connection with:

- i. the matters covered by this Agreement;
- ii. the State's audit and any civil and/or criminal investigation of the matters covered by this Agreement;
- iii. the investigation, defense, and corrective actions undertaken by MVM in response to the State's audit and any civil and/or criminal investigation in connection with the matters covered by this Agreement (including attorneys' fees);
- iv. the negotiation and performance of this Agreement; and
- v. the payments that MVM makes relating to this Agreement, including costs and attorneys' fees,

are unallowable costs for government contracting purposes and under the Medicaid Program ("Unallowable Costs").

- b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for in non-reimbursable cost centers by MVM, and MVM shall not charge such Unallowable Costs directly or indirectly to any contracts with the Medicaid Program or seek payment for such Unallowable Costs through any Consolidated Fiscal Report, cost report, cost statement, information statement, or payment request submitted by MVM to the Medicaid Program.

- c. Treatment of Unallowable Costs Previously Submitted for Payment: MVM further agrees that, within ninety (90) days of the Effective Date of this Agreement, it shall identify to applicable Medicaid fiscal agents any Unallowable Costs that were included in payments previously sought from the Medicaid Program, including but not limited to payments sought in any cost reports, cost submissions, information reports, or payment requests already submitted by MVM and shall request and agree that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the Unallowable Costs. MVM agrees that the State, at a minimum, shall be entitled to recoup from MVM any overpayment, plus applicable interest and penalties, as a result of the inclusion of such Unallowable Costs on previously submitted cost reports, cost statements, information reports, appeals, or requests for payment. Any payments due after the adjustments have been made shall be paid to the State. The State reserves its right to disagree with any calculations submitted by MVM on the effect of inclusion of Unallowable Costs on MVM's Consolidated Fiscal Reports, cost reports, cost statements, or information reports, appeals, or other payment requests.
- d. Nothing in this Agreement shall constitute a waiver of the rights of the State to audit, examine, or re-examine the books and records of MVM to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

9. MVM will not assert any claim for any tax rebate or refund, or other government payment from the State, until the Settlement Amount plus applicable interest is satisfied. In the State's sole discretion, the State may recoup or offset any such payment, without further notice to MVM, for credit towards the Settlement Amount plus applicable interest.

10. No provision of this Agreement constitutes an agreement by the State concerning the characterization of the Settlement Amount for purposes of New York Tax Law. MVM shall not deduct or discharge the Settlement Amount as part of its New York State tax obligations.

11. MVM will not submit any insurance claims for the Covered Conduct.

12. MVM agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any finding in this Agreement or creating the impression that this Agreement is without factual basis. Nothing in this Paragraph affects MVM's (a) testimonial obligations, if any, or (b) right to take any good faith legal or factual positions in defense of litigation or other proceedings to which the State is not a party.

13. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to choice of law or conflict of laws principles. The Parties consent to the jurisdiction of Supreme Court, Bronx County in any action brought by the State to enforce or interpret this Agreement.

14. Any failure by the State to insist upon the strict performance of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and the State, notwithstanding that failure, shall have the right thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

15. The undersigned represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

16. This Agreement shall be deemed to have been mutually prepared by the Parties hereto and shall not be construed against any of them solely by reason of authorship.

17. The Parties each acknowledge and represent that they have entered into this Agreement freely, voluntarily, and upon due deliberation, with the advice of counsel and without any degree of coercion, duress or compulsion whatsoever.

18. This Agreement shall be binding on all successors, transferees, heirs, and assigns of MVM.

19. Except as otherwise stated in this Agreement, this Agreement is intended to be for the benefit of the Parties only, and by this instrument the Parties do not release any liability against any other person or entity.

20. Each Party to this Agreement shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

21. All payments by MVM pursuant to this Agreement shall be made by wire transfer in accordance with written wire instructions to be provided by the State.

22. All notices pursuant to this Agreement shall be in writing and shall, unless expressly provided otherwise herein, be given by hand delivery, by any nationally recognized overnight courier service, and/or by email followed by postage via first-class U.S. mail, addressed as follows:

TO THE STATE:

Chief, Civil Enforcement Division
Medicaid Fraud Control Unit
New York State Office of the Attorney General
28 Liberty Street, 13th Floor
New York, NY 10005
Telephone: (212) 417-5300
MFCUNotices@ag.ny.gov

TO MVM:

Jeff Granat, Esq.
JACOBSON GOLDBERG & KULB, LLP
585 Stewart Avenue, Suite 500
Garden City, New York 11530
Tel: 516-222-2330
E-mail: jgranat@jngllp.com

Mahmoud Ramadan, Esq.
Law Offices of Mahmoud Ramadan
299 Broadway - Suite 1405
New York, NY 10007
Tel: (212) 227-4747
mr@mramlaw.com

23. The effective date of this Agreement shall be the date of the signature of the last signatory to this Agreement (“Effective Date”).

24. This Agreement constitutes the complete agreement between the Parties with respect to MVM’s civil liability under the provisions released in Paragraph 2, above, relating to the Covered Conduct, and it may not be changed in any respect, except by a writing duly executed by the Parties or their authorized representatives.

25. Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

26. This Agreement may be executed in counterparts, each of which shall constitute an original, and all of which shall constitute one and the same Agreement.

WHEREFORE, the Parties have read the foregoing Agreement and accept and agree to the provisions contained herein and hereby have caused this Agreement to be signed as of the date adjacent to their signatures.

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SIGNATURES APPEAR ON THE FOLLOWING PAGES

THE STATE OF NEW YORK

LETITIA JAMES

Attorney General of the State of New York

BY: _____



Dated: June 16, 2025

Todd Pettigrew
Regional Director
Medicaid Fraud Control Unit
One Blue Hill Plaza, 10th Floor
Pearl River, New York 10965

MVM Pharmacy, Inc. d/b/a Port Morris Pharmacy

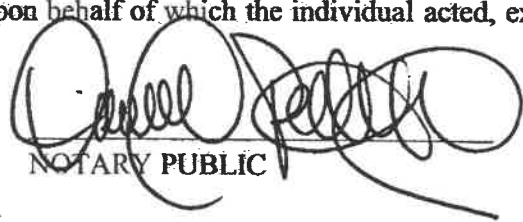
BY: _____



Dated: 5/15/2021

State of New Jersey)
)ss:
County of Middlesex)

On the 16th day of may in the year 2025, before me, the undersigned, a Notary Public in and for said State, personally appeared monu kumar, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity as Owner of MVM Pharmacy, Inc. d/b/a Port Morris Pharmacy, and that by his signature on the instrument, the individual or the entity upon behalf of which the individual acted, executed the instrument.


NOTARY PUBLIC

BY: _____ Dated: _____

Attorney for

BY: _____ Dated: _____

State of)
)ss:
County of)

On the ____ day of ____, in the year 2025, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity as Owner of MVM Pharmacy, Inc. d/b/a Port Morris Pharmacy, and that by his signature on the instrument, the individual or the entity upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

Approved as to Form:

BY:  Dated: 5/23/25

Mahmoud Ramadan, Esq.
Law Offices of Mahmoud Ramadan
299 Broadway - Suite 1405
New York, NY 10007
Tel: (212) 227-4747
mr@mramlaw.com

THE STATE OF NEW YORK

LETITIA JAMES

Attorney General of the State of New York

BY: 

Dated: June 16, 2025

Todd Pettigrew
Regional Director
Medicaid Fraud Control Unit
One Blue Hill Plaza, 10th Floor
Pearl River, New York 10965

MVM Pharmacy, Inc. d/b/a Port Morris Pharmacy

BY: Ronald A. Mohammed

Dated: 5/16/25

State of New York)
)ss:
County of Bronx)

On the 16th day of may, in the year 2025, before me, the undersigned, a Notary Public in and for said State, personally appeared Ronald Mohammed, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity as Owner of MVM Pharmacy, Inc. d/b/a Port Morris Pharmacy, and that by his signature on the instrument, the individual or the entity upon behalf of which the individual acted, executed the instrument.



Ingrid Valdez
NOTARY PUBLIC

BY: Jeffrey Granat

Jeff Granat, Esq.
JACOBSON GOLDBERG & KULB, LLP
585 Stewart Avenue, Suite 500
Garden City, New York 11530
Tel: 516-222-2330
E-mail: jgranat@jngllp.com

BY: Ronald A. Mohammed

Dated: 5/16/25

State of New York)
County of Bronx) ss:

On the 11th day of May, in the year 2025, before me, the undersigned, a Notary Public in and for said State, personally appeared Ronald Mohammed, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity as Owner of MVM Pharmacy, Inc. d/b/a Port Morris Pharmacy, and that by his signature on the instrument, the individual or the entity upon behalf of which the individual acted, executed the instrument.



NOTARY PUBLIC

BY: Mahmoud Ramadan, Esq.

Dated: _____

Law Offices of Mahmoud Ramadan
299 Broadway - Suite 1405
New York, NY 10007
Tel: (212) 227-4747
mr@mramlaw.com