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8 **BEFORE THE**
9 **BOARD OF PHARMACY**
10 **DEPARTMENT OF CONSUMER AFFAIRS**
11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation Against:

Case No. 7081

13 **INSURE NUTRITION, INC.**
14 **DBA SPECIALTY MED SERVICES,**
15 **TARGOL BOOSTANI,**
16 **AFROOZ JAVANFARD**
440 S. Hindry Avenue, Unit F
Inglewood, CA 90301

DEFAULT DECISION AND ORDER

[Gov. Code, §11520]

Pharmacy Permit No. PHY 51985

Respondent.

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19 **FINDINGS OF FACT**

20 1. On or about March 21, 2021, Complainant Anne Sodergren, in her official capacity as
21 the Executive Officer of the Board of Pharmacy, Department of Consumer Affairs, filed
22 Accusation No. 7081 against Insure Nutrition, Inc. dba Specialty Med Services, Targol Boostani,
23 Afrooz Javanfard (Respondent) before the Board of Pharmacy. (Accusation attached as Exhibit
24 A.)

25 2. On or about April 6, 2015, the Board of Pharmacy (Board) issued Permit No. PHY
26 51985 to Respondent. The Permit expired on August 1, 2018, and has not been renewed.

27 3. On or about March 29, 2021, Respondent was served by Certified and First Class
28 Mail copies of the Accusation No. 7081, Statement to Respondent, Notice of Defense, Request

1 for Discovery, and Discovery Statutes (Government Code sections 11507.5, 11507.6, and
2 11507.7) at Respondent's address of record which, pursuant to Business and Professions Code
3 section 4100, is required to be reported and maintained with the Board. Respondent's address of
4 record was and is: 440 S. Hindry Avenue, Unit F, Inglewood, CA 90301.

5 4. Service of the Accusation was effective as a matter of law under the provisions of
6 Government Code section 11505(c) and/or Business and Professions Code section 124.

7 5. Government Code section 11506(c) states, in pertinent part:

8 (c) The respondent shall be entitled to a hearing on the merits if the respondent
9 files a notice of defense . . . and the notice shall be deemed a specific denial of all
10 parts of the accusation . . . not expressly admitted. Failure to file a notice of defense
11 . . . shall constitute a waiver of respondent's right to a hearing, but the agency in its
12 discretion may nevertheless grant a hearing.

13 6. The Board takes official notice of its records and the fact that Respondent failed to
14 file a Notice of Defense within 15 days after service upon them of the Accusation, and therefore
15 waived their right to a hearing on the merits of Accusation No. 7081.

16 7. California Government Code section 11520(a) states, in pertinent part:

17 (a) If the respondent either fails to file a notice of defense . . . or to appear at
18 the hearing, the agency may take action based upon the respondent's express
19 admissions or upon other evidence and affidavits may be used as evidence without
20 any notice to respondent

21 8. Pursuant to its authority under Government Code section 11520, the Board finds
22 Respondent is in default. The Board will take action without further hearing and, based on the
23 relevant evidence contained in the Default Decision Investigatory Evidence Packet in this matter,
24 as well as taking official notice of all the investigatory reports, exhibits and statements contained
25 therein on file at the Board's offices regarding the allegations contained in Accusation No. 7081,
26 finds that the charges and allegations in Accusation No. 7081, are separately and severally, found
27 to be true and correct by clear and convincing evidence.

28 9. The Board finds that the actual costs for Investigation and Enforcement are \$1,603.75
as of April 22, 2021.

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DETERMINATION OF ISSUES

1. Based on the foregoing findings of fact, Respondent Insure Nutrition, Inc. dba Specialty Med Services, Targol Boostani, Afrooz Javanfard has subjected its Permit No. PHY 51985 to discipline.

2. The agency has jurisdiction to adjudicate this case by default.

3. The Board of Pharmacy is authorized to revoke Respondent's Permit based upon the following violations alleged in the Accusation which are supported by the evidence contained in the Default Decision Investigatory Evidence Packet in this case:

a. Business and Professions Code section 4301, subdivision (l), in conjunction with California Code of Regulations, title 16, section 1770, on the grounds of unprofessional conduct, in that Respondent Specialty Med Services committed a substantially related crime, as follows: On or about December 8, 2020 , after pleading guilty, Respondent Specialty Med Services was convicted of three felony counts, Count 1, violating Title 18, United States Code section 371 [conspiracy], Count 2 , violating Title 18, United States Code section 1349 [fraud conspiracy], and Count 3, violating Title 18, United States Code section 1347 [health care fraud], in the criminal proceeding entitled *United States of America v. Rodefshalom, et al.* (U.S. Dist. Ct. W.D.Pa., 2020, No. 1:20-CR-0009).

b. Business and Professions Code section 4301, subsection (f), in that it committed acts of dishonesty, fraud, or deceit by knowingly and willfully executing and attempting to execute a scheme to defraud a healthcare benefit program.

c. Business and Professions Code section 4301, in that they knowingly made and signed documents that falsely represented the existence or nonexistence of a state of facts.

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ORDER

IT IS SO ORDERED that Permit No. PHY 51985, issued to Respondent Insure Nutrition, Inc. dba Specialty Med Services, Targol Boostani, Afrooz Javanfard, is revoked.

Pursuant to Government Code section 11520, subdivision (c), Respondent may serve a written motion requesting that the Decision be vacated and stating the grounds relied on within seven (7) days after service of the Decision on Respondent. The agency in its discretion may vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute.

This Decision shall become effective at 5:00 p.m. on June 23, 2021.

It is so ORDERED on May 24, 2021.



Greg Lippe
Board President
FOR THE BOARD OF PHARMACY
DEPARTMENT OF CONSUMER AFFAIRS

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DOJ Matter ID:LA2021600643

Attachment:
Exhibit A: Accusation

Exhibit A

Accusation

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440 S. Hindry Avenue, Unit F
Inglewood, CA 90301

ACCUSATION

17 Pharmacy Permit No. PHY 51985

18 Respondent.

19
20 **PARTIES**

21 1. Anne Sodergren (Complainant) brings this Accusation solely in her official capacity
22 as the Executive Officer of the Board of Pharmacy (Board), Department of Consumer Affairs.

23 2. On or about April 6, 2015, the Board of Pharmacy issued Permit Number PHY 51985
24 to Insure Nutrition, Inc. dba Specialty Med Services (Respondent Specialty Med Services), with
25 Targol Boostani designated as the President and 50% shareholder from April 6, 2015 to August 1,
26 2018, Afrooz Javanfard designated as Secretary and 50% shareholder from April 6, 2015 to
27 August 1, 2018. The Permit expired on August 1, 2018, and has not been renewed.

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chapter. A plea or verdict of guilty or a conviction following a plea of nolo contendere is deemed to be a conviction within the meaning of this provision. The board may take action when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under Section 1203.4 of the Penal Code allowing the person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment.

8. Section 4307 states, in pertinent part:

(a) Any person who has been denied a license or whose license has been revoked or is under suspension, or who has failed to renew his or her license while it was under suspension, or who has been a manager, administrator, owner, member, officer, director, associate, partner, or any other person with management or control of any partnership, corporation, trust, firm, or association whose application for a license has been denied or revoked, is under suspension or has been placed on probation, and while acting as the manager, administrator, owner, member, officer, director, associate, partner, or any other person with management or control had knowledge of or knowingly participated in any conduct for which the license was denied, revoked, suspended, or placed on probation, shall be prohibited from serving as a manager, administrator, owner, member, officer, director, associate, partner, or in any other position with management or control of a licensee as follows:

(1) Where a probationary license is issued or where an existing license is placed on probation, this prohibition shall remain in effect for a period not to exceed five years.

(2) Where the license is denied or revoked, the prohibition shall continue until the license is issued or reinstated.

REGULATORY PROVISIONS

9. California Code of Regulations, title 16, section 1770, states:

For the purpose of denial, suspension, or revocation of a personal or facility license pursuant to Division 1.5 (commencing with Section 475) of the Business and Professions Code, a crime or act shall be considered substantially related to the qualifications, functions or duties of a licensee or registrant if to a substantial degree it evidences present or potential unfitness of a licensee or registrant to perform the functions authorized by his license or registration in a manner consistent with the public health, safety, or welfare.

COST RECOVERY

10. Section 125.3 states, in pertinent part, that the Board may request the administrative law judge to direct a licensee found to have committed a violation or violations of the licensing act to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

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FIRST CAUSE FOR DISCIPLINE

(Conviction of a Substantially Related Crime)

11. Respondent Specialty Med Services is subject to disciplinary action under section 4301, subdivision (l), in conjunction with California Code of Regulations, title 16, section 1770, on the grounds of unprofessional conduct, in that Respondent Specialty Med Services committed a substantially related crime, as follows:

a. On or about December 8, 2020 , after pleading guilty, Respondent Specialty Med Services was convicted of three felony counts, Count 1, violating Title 18, United States Code section 371 [conspiracy], Count 2 , violating Title 18, United States Code section 1349 [fraud conspiracy], and Count 3, violating Title 18, United States Code section 1347 [health care fraud], in the criminal proceeding entitled *United States of America v. Rodefshalom, et al.* (U.S. Dist. Ct. W.D.Pa., 2020, No. 1:20-CR-0009). As part of the plea agreement, all defendants agreed to pay \$54,500,000 in restitution and voluntarily forfeit \$48,284,978.20.

b. The circumstances underlying the conviction are that from between September 2013 through May 2018, Nima Rodefshalom (Rodefshalom), Mehran David Kohanbash (Kohanbash), and Joseph Kohan (Kohan) conspired with others, including Respondent Specialty Med Services, to engage in a healthcare fraud scheme that involved targeting bariatric surgical patients with misleading advertisements for nutritional shakes. The online advertisements and pharmacy website falsely claimed the nutritional shakes would be covered by the patient's health insurance. In addition to the nutritional shakes, the patients were convinced by the pharmacies to solicit their physicians for medications that were both expensive and medically unnecessary. These additional medications were either compounded or manufactured by other pharmacies that were under the management and control of Rodefhaslom, Kohanbash, and Kohan. They also purchased generic prescription drugs and over-the counter products and relabeled them so their pharmacies could appear to be the original manufacturer, which enabled them to charge higher prices for medications that would otherwise have been less expensive. In furtherance of the fraud scheme, the pharmacies used prepaid debit cards to charge fictitious transactions at the same dollar amount of the copay to falsely represent that copays were actually being collected when in

fact they had not. Both private insurances carries and government-run health programs were defrauded when reimbursement claims for these medications were submitted.

SECOND CAUSE FOR DISCIPLINE

(Dishonesty, Fraud, or Deceit)

12. Respondent Specialty Med Services is subject to disciplinary action under section 4301, subsection (f), in that it committed acts of dishonesty, fraud, or deceit by knowingly and willfully executing and attempting to execute a scheme to defraud a healthcare benefit program. Complainant refers to, and by this reference incorporates, the allegations set forth above in paragraph 11, as though set forth fully herein.

THIRD CAUSE FOR DISCIPLINE

(Knowingly Made or Signed Any Documents That

Falsely Represent the Existence or Nonexistence of a State Of Facts)

13. Respondent Specialty Med Services is subject to disciplinary action under section 4301, in that they knowingly made and signed documents that falsely represented the existence or nonexistence of a state of facts. Complainant refers to and by this reference incorporates the allegations set forth above in paragraph 11, as though set forth fully herein.

OTHER MATTERS

14. Pursuant to Code section 4307, if discipline is imposed on Pharmacy Permit Number PHY 51985, issued to Respondent Specialty Med Services, Respondent Specialty Med Services shall be prohibited from serving as a manager, administrator, owner, member, officer, director, associate, or partner of a licensee for five years if Pharmacy Permit Number PHY 51985 is placed on probation or until Pharmacy Permit Number PHY 51985 is reinstated if it is revoked.

15. Pursuant to Code section 4307, if discipline is imposed on Pharmacy Permit Number PHY 51985, issued to Respondent Specialty Med Services, while Targol Boostani, and/or Afrooz Javanfard have been an officer, director, and/or owner and had knowledge of or knowingly participated in any conduct for which the licensee was disciplined, Targol Boostani, and/or Afrooz Javanfard shall be prohibited from serving as a manager, administrator, owner, member, officer, director, associate, or partner of a licensee for five years if Pharmacy Permit Number

PHY 51985 is placed on probation or until Pharmacy Permit Number PHY 51985 is reinstated if it is revoked.

PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Board of Pharmacy issue a decision:

1. Revoking or suspending Permit Number PHY 51985, issued to Insure Nutrition, Inc. dba Specialty Med Services, Targol Boostani, Afrooz Javanfard;

2. Ordering Specialty Med Services to pay the Board of Pharmacy the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 125.3;

3. Prohibiting Insure Nutrition, Inc. dba Specialty Med Services, from serving as a manager, administrator, owner, member, officer, director, associate, or partner of a licensee for five years if Pharmacy Permit Number PHY 51985 is placed on probation or until Pharmacy Permit Number PHY 53936 is reinstated if it is revoked;

4. Prohibiting Targol Boostani and/or Afrooz Javanfard from serving as a manager, administrator, owner, member, officer, director, associate, or partner of a licensee for five years if Pharmacy Permit Number PHY 51985 is placed on probation or until Pharmacy Permit Number PHY 51985 is reinstated if it is revoked; and,

5. Taking such other and further action as deemed necessary and proper.

DATED: 3/21/2021

Signature on File

ANNE SODERGREN
Executive Officer
Board of Pharmacy
Department of Consumer Affairs
State of California
Complainant

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