



Amtrak OIG-supported investigation leads to charges in California health care fraud scheme

For Immediate Release

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SAN FRANCISCO — The co-founders of a San Francisco-based microbiome testing company were charged Thursday with multiple federal crimes including conspiracy to commit securities fraud, conspiracy to commit health care fraud, money laundering, and related offenses in connection with alleged schemes to defraud health insurance providers and investors to raise capital for their now-bankrupt company, uBiome.

According to the indictment, Zachary Schulz Apte, 36, and Jessica Sunshine Richman, 46, who both resided in San Francisco at relevant times, co-founded uBiome in October 2012. Ultimately, they adopted several fraudulent practices with respect to its clinical tests, according to the indictment. Specifically, the defendants developed, implemented, and oversaw practices designed to deceive approving health care providers and reimbursing insurance providers regarding tests that were not validated and not medically necessary. The indictment alleges that between 2015 and 2019, uBiome submitted more than \$300 million in reimbursement claims to private and public health insurers of which uBiome was paid more than \$35 million. Amtrak's health care plans were billed approximately \$62,000 as part of the scheme and paid a total of approximately \$18,000 to uBiome. In April 2019, Amtrak OIG supported the execution of an FBI-led search warrant operation at uBiome's headquarters in San Francisco.

Apte and Richman were charged with conspiracy to commit health care fraud, one count each; Health Care Fraud, 14 counts each; Aggravated Identity Theft and Aiding and Abetting, six counts each; Conspiracy to Commit Wire Fraud and Securities Fraud, one count each; Wire Fraud and Aiding and Abetting, 10 counts each; Fraud in Connection with the Purchase and Sale of Securities, nine counts each; and Engaging in Monetary Transactions with Proceeds of Specified Unlawful Activity, (Apte, two counts; Richman, four counts).

"We are very proud of this well-coordinated, joint effort—a true partnership between the U.S. Attorney's Office and multiple investigative agencies like Amtrak's Office of Inspector General," said Thomas M. Hopkins, the Special Agent in Charge of Amtrak OIG's Western Field Office. "Because of this joint effort and efforts like it, we continue to achieve success across the country in bringing justice to those who target Amtrak's health care plan, its employees and their dependents."

The charges and allegations contained in the indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

The case is being prosecuted by the Special Prosecutions Section of the U.S. Attorney's Office, Northern District of California. The case was investigated by Amtrak OIG, FBI, United States Postal Inspection Service, U.S. Department of Health and Human Services OIG, Defense

Criminal Investigative Service, U.S. Department of Veterans Affairs OIG, Office of Personnel Management OIG, and the U.S. Department of Labor Employee Benefits Security Administration. Additional assistance was provided by the California Division of Medi-Cal Fraud & Elder Abuse, and the California Departments of Insurance and Justice. More information is available in the press release from the U.S. Attorney's Office: <https://direc.to/fy3D>.

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