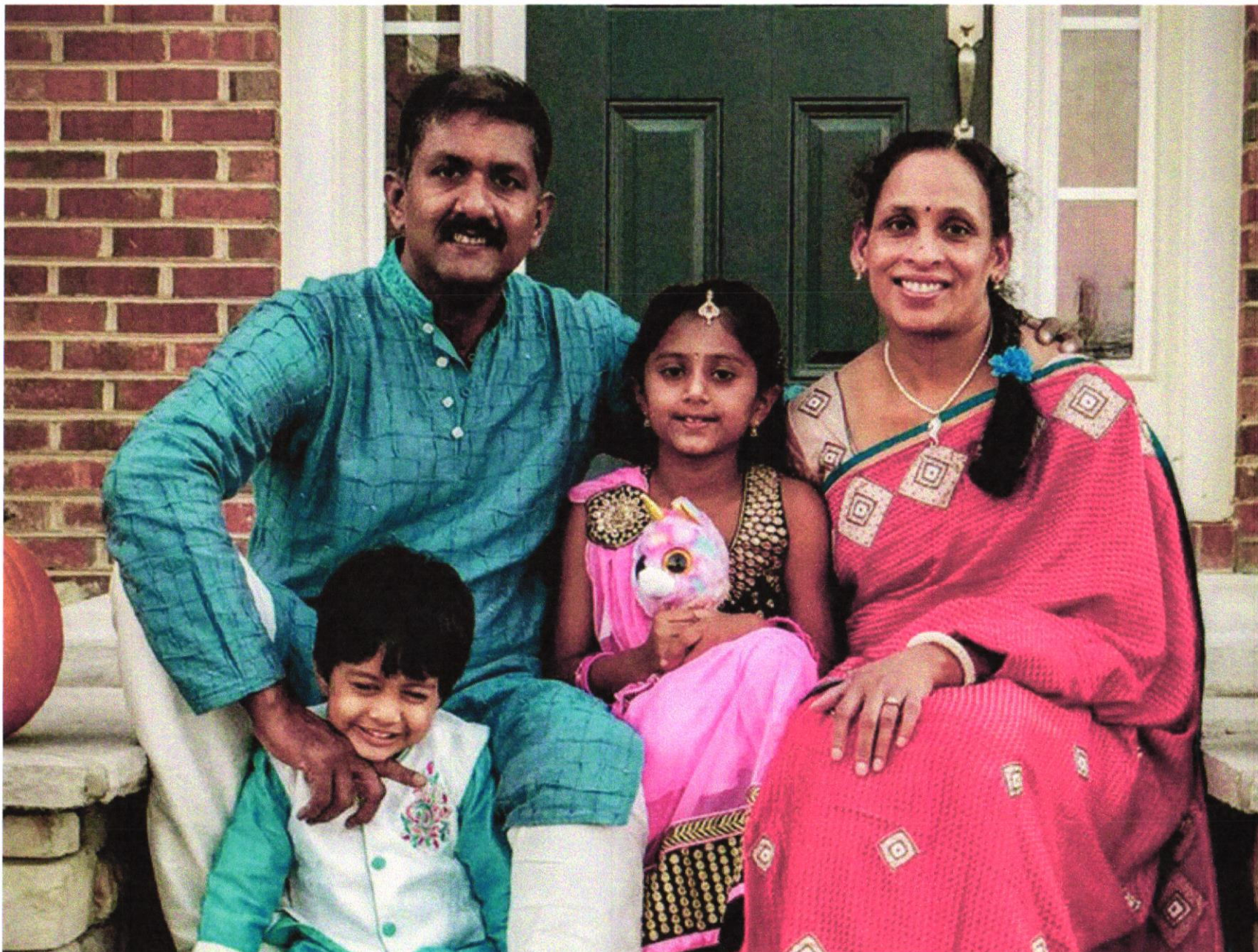


Stack 2
Group 3
Set 5



Reddy Annappareddy in 2016 with his wife Seeta Kallam, and their daughter Sravya Lalana Annappareddy, 7, and son Aviv Arya Annappareddy, 3.

Courtesy of Reddy Annappareddy

The defense team kept digging and found more. During the trial, the government highlighted an email Annappareddy got from a pharmacy technician. The message mentioned expensive medications, the kind prosecutors said the pharmacy chain was billing but never delivering.

The lead FBI agent, Maura Lating, testified during the trial that she had checked phone records and found that Annappareddy never responded to the email message. Prosecutors emphasized the point, winning a special jury instruction signaling it was an admission of his intent to defraud the government.

Turns out, the new defense team figured out investigators failed to obtain correct phone records. Authorities had subpoenaed records from the wrong telecommunications provider. And the defense went on to prove that far from whitewashing the problem, Annappareddy called the pharmacy tech right away, five times.

There were now two strikes against the prosecution. The third would be the most important, from the point of view of the judge.

Defense lawyer Greenberg recalled the day the whole case changed. "Friday, August 19, 2016, in the evening," he said. "I was eating dinner with my family. It happens to be my birthday and this email comes across from the lead prosecutor with a whole bunch of attachments. I was like, 'What is this?' "

Greenberg sneaked a peek at his phone underneath the dining room table. After months of badgering, the government had been forced to disclose a half page memo about destroying documents. In the memo, an FBI agent was describing an order from the lead prosecutor, Sandra Wilkinson, to get rid of four boxes, out of hundreds the authorities had gathered.

"Those documents went to the heart of the case," Greenberg said later. "They were delivery signature logs that showed that patients had received prescriptions. And one of the main issues in the case was, 'Were those prescriptions actually delivered?' And the documents Ms. Wilkinson ordered destroyed would have shown the prescriptions were, in fact, delivered."

The document destruction tipped the balance in the case. Only days later, inside a Baltimore courtroom, Judge George Russell found the government team had violated Annappareddy's right to due process. He said the conduct by federal prosecutors and agents "does shock the conscience of this court." And he dismissed the prosecution with prejudice, meaning the Justice Department could not bring the case again.

Sol Wisenberg, who closely followed the case, said the judge had had enough.

"Almost every motion this new defense team made after the conviction to come in and get new evidence, the government opposed," Wisenberg said. "Every piece of exculpatory evidence that came out, the government had opposed coming out. And I think the judge was very troubled by that."

Sitting in the courtroom that day, wearing his blue cotton shirt with the Pharmacare logo, Annappareddy said his life changed again.

"I got hurt, you know, I got destroyed," he said. "But I still consider myself lucky. Imagine if I didn't fight after the conviction."

Months later, in his town house, where a former employee and his wife live in a downstairs apartment to help cover the rent, Annappareddy considered what's next for him.

"What else can I do?" he said. "My license is gone now, I'm in the process of reinstating my license. Can I do a pharmacy business again? Probably not, because this nightmare will be in the back of my mind."

The case is still reverberating. Weeks ago, the court threw out the convictions of some of Annappareddy's co-defendants, possibly saving them all from deportation. Defense lawyer Greenberg said he isn't done fighting.

"This is a situation that really cries out for an independent investigation," he said. "A private citizen would be prosecuted if she intentionally destroyed evidence that is material to a pending case. I find it shocking that the U.S. Attorney's Office has allowed Sandra Wilkinson to remain the head of the major crimes section after Judge Russell made these findings."

A spokeswoman for the U.S. attorney at the time, Rod Rosenstein, declined comment. Rosenstein recently became the deputy attorney general, the second in command at the Justice Department.

In court last year, prosecutor Sandra Wilkinson told the judge she did not destroy the boxes of evidence in bad faith. Wilkinson said she thought she had consent to get rid of them. And, in any event, she said, the documents had not been produced or mentioned in the course of Annappareddy's trial. Wilkinson said the problem with the phone records was a mistake. And she said Annappareddy's defense team had been "ruthless" in exploiting every mistake by the prosecution.

The Justice Department wouldn't characterize its investigation into the matter. But a spokesman there said any judicial finding of misconduct must be reported to authorities in Washington headquarters. After that, the department's Office of Professional Responsibility typically launches an investigation, in secret.

Between 2014 and 2016, the spokesman said OPR closed 71 cases. Fifty of them resulted in findings of intentional misconduct or bad judgment.

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The judge told him to go home, on house arrest, and prepare to spend the next 12 years in federal prison. Annappareddy took a different approach. "The government is saying fraud, and I'm not fraud," he said. "I'm going to fight it. I told my wife, 'I'm going to fight this again.' "

He found new lawyers. And what they uncovered would upend his life, all over again.

Josh Greenberg joined the defense only after Annappareddy's conviction. Greenberg spent hours sifting through evidence. Before long, he had found a pattern of problems with the Justice Department's theory. And he demanded a new trial.

"Let me tell you, this was a colossal screw up," said Sol Wisenberg, a former prosecutor who closely follows allegations of government misconduct. He wasn't involved in the case, but said it's one for the books. "The thing about this case is you had an accumulation of outrageous conduct."

The first thing to add up, Wisenberg said, was false evidence, presented at trial, which the government later acknowledged was incorrect. The evidence related to how much money government health insurance programs lost to Annappareddy's pharmacies. At trial, federal prosecutors claimed millions of dollars in losses. But after Annappareddy's lawyers started digging, they found the opposite: rather than losses, they said, there was a surplus. Government experts had double counted and made other basic mistakes.

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Getting a case dismissed because of government misconduct is rare, representing only a tiny fraction of the tens of thousands of prosecutions the Justice Department pursues every year. By that measure, Annappareddy beat the odds.

His encounter with the justice system represented a startling turnaround for a man featured in a public radio podcast for his unlikely career arc, from working nights at a Rite Aid to being named entrepreneur of the year for the state of Maryland.

Annappareddy said he came to the attention of prosecutors, the FBI and Maryland Medicaid fraud investigators after a disgruntled employee tried to blow the whistle on him. But he does know that the feds took the case seriously — eventually charging four people who worked for him, and hoping to win their cooperation against him at trial.

That trial didn't go well for Annappareddy. The lead prosecutor, Assistant U.S. Attorney Sandra Wilkinson, told the jury he presided over a sham, billing government health insurance programs for expensive prescription pills to treat HIV and cancer that customers never received. The prosecutor said he fleeced the government out of

Federal judge dismisses fraud case, blasts prosecutors' actions



The Baltimore Sun |

Sep 06, 2016 | 8:32 PM

A federal judge has dismissed fraud charges against the owner of a local pharmacy chain, accusing prosecutors of failing to disclose evidence, presenting "significant" false testimony at trial and destroying evidence.

U.S. District Judge George L. Russell III called the actions of federal prosecutors improper and said they "shock the conscience of this court," according to transcripts of the hearing held last week, during which charges were dismissed against Reddy Annappareddy, the head of Pharmacare and Caremerica, a chain of pharmacies that operated in Maryland, Pennsylvania and the District of Columbia.

Annappareddy, 48, was charged in July 2013 with health care fraud and aggravated identity theft. Prosecutors alleged that he defrauded Medicare, Medicaid and private insurers by submitting false claims for prescription refills that were neither requested by the customers nor received by them. The indictment also alleged that the insurers were not paid back when the customers did not receive the medications.

Annappareddy was convicted by a federal jury in December 2014. He then hired new lawyers, Mark Schamel and Joshua Greenberg of Washington, who successfully pressed for a new trial. He was scheduled to be retried later this month.

His attorneys argued last week that the charges against their client should be dismissed because federal prosecutors misinformed jurors, destroyed evidence and presented false evidence at his trial, which they said showed a "pattern of outrageous prosecutorial misconduct," according to one motions filing.

In dismissing the charges, Russell said Annappareddy's "constitutional due process rights were violated, and they were violated by mistakes the government made," according to the transcript.

Annappareddy could not be reached for comment Tuesday. His attorneys did not respond to a request for comment Tuesday.

Marcia Murphy, a spokeswoman for the U.S. attorney's office in Maryland, said in an email that "supervisors are reviewing the judge's ruling and will take appropriate steps."

Annappareddy's attorneys argued in court filings that prosecutors intentionally destroyed exculpatory evidence.

In response, prosecutors argued that Annappareddy's attorneys had "numerous occasions" to review four boxes of files that were "among the hundreds" kept in a warehouse before they were destroyed, and "had the opportunity to copy on those same multiple occasions and did not assert a right to after trial."

"I did not do this in bad faith. I believed in my heart that I had consent. And I knew that the defense had been through these documents many, many times, as we did, and none of them were used," said Assistant U.S. Attorney Sandra Wilkinson, who tried the case.

Russell questioned why prosecutors would not preserve evidence while a motion for a new trial was pending.

Annappareddy's attorneys also said prosecutors "presented false evidence and arguments to the jury" and the court about a lack of response by Annappareddy to an email from a pharmacy technician, which was used as the "centerpiece of the government's case at the first trial."

His attorneys said phone records showed Annappareddy did respond with a phone call, instead of an email, but that information was not presented at trial.

Wilkinson told the judge that her office did not have the phone records at the time. "We never got them, because we subpoenaed the wrong service provider," she told the judge, according to the transcript.

The judge also found that prosecutors failed to turn over information about discrepancies in the amount of loss suffered by the government programs calculated by expert witnesses. The judge found that the witness' opinions of the losses, which were less than those of the government's auditor, should have been turned over to defense attorneys.

Four of Annappareddy's co-defendants previously pleaded guilty in the case.

Vipinkumar Patel and Jigar Patel pleaded guilty to making false statements relating to health care matters. Jigar was sentenced to 13 months and Vipinkumar has yet to be sentenced.

Ram Guruvareddy pleaded guilty to obstruction of a health care fraud investigation and received five months of probation, according to court records.

Venkata Srinivas Mannava pleaded guilty to conspiracy to commit health care fraud and unlawful acts with a controlled substance and received three years of probation.

James Wyda, the head federal public defender in Maryland, said he was surprised by the judge's comments in dismissing the case. Russell used words such as "shocking" to describe the government's conduct in the trial.

Kobie Flowers, a Washington-based defense attorney who previously served as a federal public defender and as a prosecutor in the Justice Department's Civil Rights Division, said the issues raised by the Annappareddy case "are certainly troubling. ... It really undercuts the faith that we ask our society to put in our justice system."

Baltimore Sun writers Justin Fenton and Allan Vought contributed to this article. twitter.com/janders5

- Can I do lawsuit against

MMP agora during Federal probe?

Report: FBI Investigating Alan Foster for Alleged Fraud Amid Lonzo Ball Lawsuit



Jae C. Hong/Associated Press

The FBI has launched an investigation into Big Baller Brand co-founder Gregory Alan Foster for alleged fraud, according to the *Los Angeles Times*' [Tania Ganguli and Richard Winton](#).

Ganguli notes that the FBI investigation could be at least two months old:

[Los Angeles Lakers](#) point guard [Lonzo Ball](#) and Big Baller Brand [filed a lawsuit](#) against Foster earlier this month, saying he was conspiring "to steal millions of dollars."

The lawsuit says Foster—who owns 16.3 percent of the company—made at least \$1.5 million in unexplained cash withdrawals between 2016 and 2018. The lawsuit is seeking more than \$2 million in damages.

Lonzo told ESPN.com's [Ramona Shelburne](#) that he cut ties with Foster because he "used his access to my business and personal finances to enrich himself. As a result, I have decided to sever all ties with Alan, effective immediately."

According to Shelburne, Foster was sentenced to over seven years in prison back in 2002 after "pleading guilty to one count of mail fraud and two counts of money laundering as part of a scheme that defrauded 70 investors of \$4 million." Per Shelburne, the pending lawsuit says Foster never informed the Ball family of his criminal history.

Foster's relationship with the Ball family spans nearly a decade, dating back to Lonzo's days in grade school. As Ganguli and Winton noted, LaVar Ball had previously called Foster his "brother," while Lonzo suggested the business partner was "like my second dad."

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Amid Lanzo Ball Lawsuit Report: FBI Investigating Alan Foster for Alleged Fraud



Los Angeles Times

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LaVar Ball Accused Of Embezzling \$2.5 Million From The Family Companies

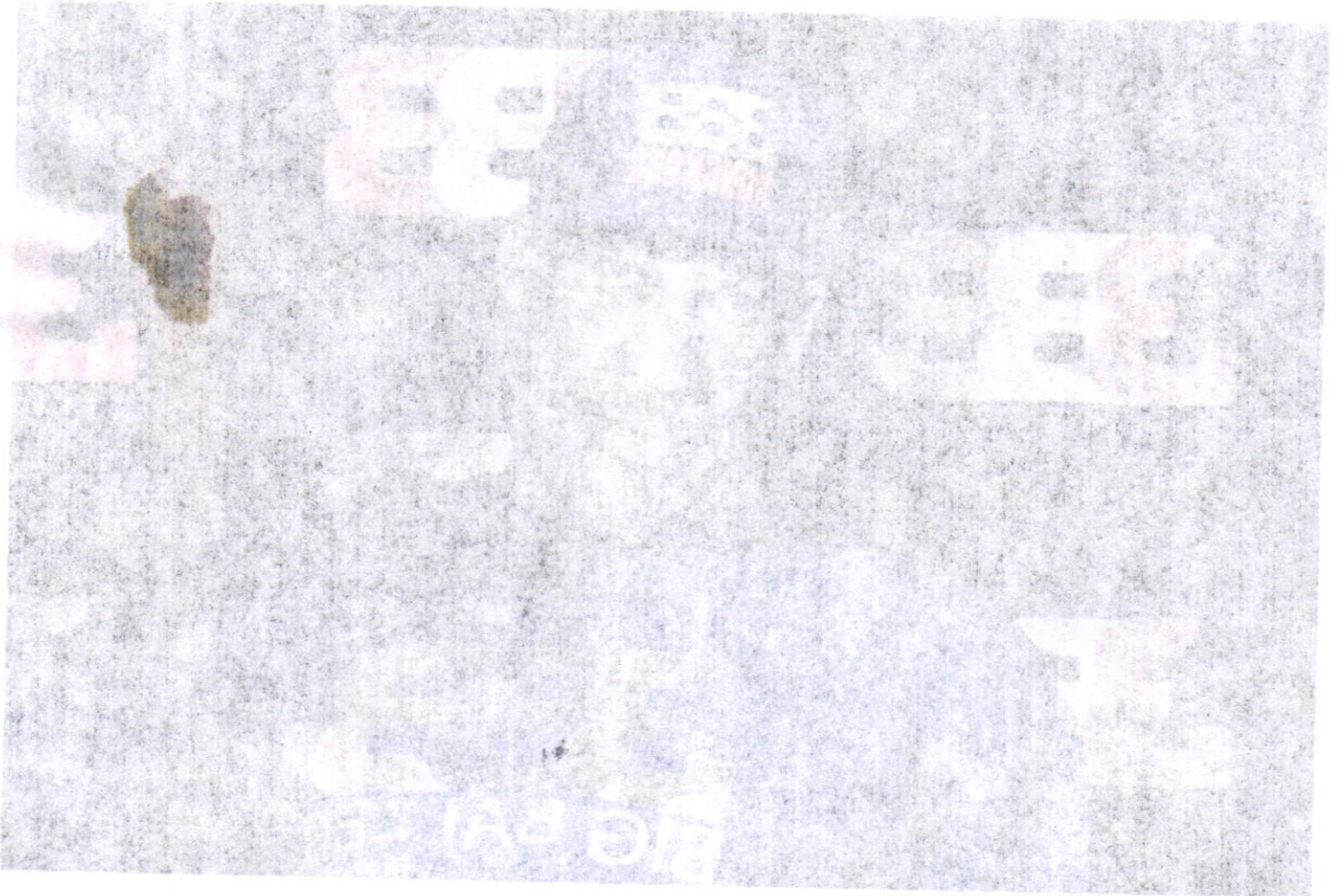


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LaVar Ball has been sued by his ex-business partner who is accusing the basketball father of embezzling over \$2.5 million from the family-owned companies and exploiting his own children for personal wealth and fame.

According to new legal documents, obtained by The Blast, **Alan Foster** is suing Lavar Ball alleging he diverted and spent company money, to fund his own extravagant lifestyle.

Lavar Ball Accused Of Embezzling \$2.5 Million From The Family Companies



View photos

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