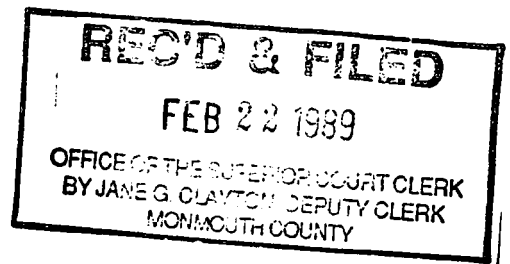


PETER N. PERRETTI, JR.  
ATTORNEY GENERAL OF NEW JERSEY

By: Linda S. Ershow-Levenberg  
Deputy Attorney General  
Division of Law - Room 316  
1100 Raymond Boulevard  
Newark, New Jersey 07102  
Tel. (201) 648-4727



SUPERIOR COURT OF NEW JERSEY  
CHANCERY DIVISION: MONMOUTH COUNTY  
DOCKET NO. C-2656-89

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PETER N. PERRETTI, JR.,	:	
ATTORNEY GENERAL OF NEW JERSEY,	:	Civil Action
and STATE BOARD OF MEDICAL	:	
EXAMINERS,	:	VERIFIED COMPLAINT
	:	
Plaintiffs,	:	
	:	
v.	:	
	:	
RAYMOND J. SALANI, JR., and	:	
NUTRI-CARE HEALTH CENTERr,	:	
INC.,	:	
	:	
Defendants.	:	

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Peter N. Perretti, Jr., Attorney General of New Jersey, with offices located at 1100 Raymond Boulevard, Newark, New Jersey, and the State Board of Medical Examiners, located at 28 West State Street, Trenton, New Jersey, by Linda S. Ershow-Levenberg, Deputy Attorney General, by way of Complaint against defendant says:

COUNT I

1. The Attorney General of New Jersey is charged with the responsibility of enforcing the laws of the State of New Jer-

sey, pursuant to N.J.S.A. 52:17A-4(h) and N.J.S.A. 45:1-14 et seq., and is empowered pursuant to N.J.S.A. 45:1-23 to bring proceedings to seek and obtain injunctive and other appropriate relief in the Superior Court for violation of any Act including, but not limited to, the unlicensed practice of medicine. The Attorney General is also responsible for administering and enforcing the Consumer Fraud Act, N.J.S.A. 56:8-1 et seq and the Insurance Fraud Act, N.J.S.A. 17:33A-1 et seq.

2. The New Jersey Board of Medical Examiners is charged with the responsibility of regulating the practice of medicine pursuant to N.J.S.A. 45:9-1 et seq.

3. Defendant Raymond J. Salani, Jr., is an individual with offices at 59 Avenue of the Common, Shrewsbury, New Jersey called Nutri-Care Health Centers.

4. At no time relevant to this Complaint (1981 to the present) was defendant in possession of a license or certificate or otherwise registered to practice medicine in the State of New Jersey.

5. The tax identification number assigned to Nutri-care Health Center Inc. or Nutricare Research is 22-224-6534.

6. At all times relevant to this complaint, Raymond J. Salani Jr. was the sole shareholder of Nutri-care Health Center and Nutricare Research, with offices at 59 Avenue of the Common, Shrewsbury N.J., and he directly or indirectly controlled the operation, management or direction of those entities.

7. From 1983 to July 1988, pursuant to an alleged pre-determined "protocol," defendant regularly ordered blood tests and other laboratory work for his clients from Rush Laboratories (National Health Labs). Such ordering of tests is generally done without the prior involvement of a plenary licensed physician or a dentist in the evaluation of the client.

8. Since at least August 1, 1988, defendant has regularly ordered blood tests and other laboratory work for his clients from MDS Laboratories. Such ordering of tests is often done without the prior involvement of a plenary licensed physician or a dentist in the evaluation of the client.

9. Defendant himself, or with the aid of computer programs, has analyzed the results of these tests, offered diagnoses, and determined his prescribed course of treatment, including dietary changes and the prescription or sale of food, vitamin or mineral supplements.

10. Defendant prescribes and sells food, vitamin or mineral supplements to cure or ameliorate physical conditions experienced by his clients and reported to him, and he has advised his clients that deficiencies of specific substances are causing them to suffer from the medical or physical conditions they describe to him.

11. Defendant has signed the "Physician's Statement" provided to his clients for submission to their insurance companies for reimbursement.

12. Defendant writes a diagnosis on the aforesaid "Physician's Statement" which clients may or do submit to their insurance companies for reimbursement.

13. On the "Physician's Statement" given to clients for submission to insurance companies and on the order form for lab tests utilized from 1983 to 1985 were the words "Mill Run Associates, Dr. Willard H. Cook, M.D.," but in truth and in fact, Dr. Cook frequently never saw the clients at all or saw them for an evaluation after the treatment regimen or lab tests prescribed by defendant had already begun.

14. The referral form for a blood test at Rush Labs that defendant gave to Catherine A. in 1983 had the name "Dr. Raymond Salani," who is a dentist and is defendant's father, stamped on the line that says "referring physician," although Dr. Salani, DDS, never saw the patient or evaluated her condition.

15. In connection with the above activities and on business cards for Nutricare Health Center, defendant (who possesses a "Ph.D." from Donsbach University, an unaccredited correspondence school located in the State of California) utilizes the title "Dr." and his office telephones have been answered by the receptionist with the words "Doctor's office" or "Dr. Salani."

16. Defendant has sold to his clients products whose labels bore the words, "This product is provided only for distribution by a licensed healthcare practitioner."

17. By using the term "doctor" or "Dr." in connection with his name to imply he is a licensee, and by offering or under-

taking to treat conditions or ailments by means of prescribing large quantities of mineral, enzyme, vitamin and food supplements, and by ordering and interpreting blood chemistries and lab tests without input from any physician whatsoever, defendant has engaged in the unlicensed practice of medicine in violation of N.J.S.A. 45:9-18 and 45:9-22.

#### COUNT II

1. Plaintiffs repeat the allegations of Count I as if fully set forth herein.

2. Defendant has engaged in deceptive and fraudulent billing practices with the design to enable clients of his nutritional counseling service to receive reimbursement from their insurance companies for services rendered by defendant.

3. "Physician's Statements" of defendant's office charges were given to patients that contained no signature but were preprinted with the words "Mill Run Associates, J. Willard Cook, M.D." but stated defendants' tax I.D. number.

4. All of the statements described in Paragraph 3 above reflected bills for services performed, if at all, by defendant himself or his staff at Nutri-Care Health Centers. None of those services were performed by Dr. Cook.

5. Some of the bills charged for tests that were never performed, or were performed at Rush Laboratories and paid for there by the client, or charged rates well beyond the rate charged by the lab itself.

6. Defendant knew or had reason to know that his clients would submit those statements to insurance companies in an effort to obtain payment for defendant's services.

7. Defendant himself signed at least five of these "Physician's Statements."

8. Defendant knew or had reason to know that insurance companies would infer from the format and wording on his "Physician's Statement" that the services charged for were rendered by J. Willard Cook, M.D., contrary to the true state of facts.

9. Claims for defendant's services were processed or paid by the following insurance companies, among others, for patients identified in the Affidavits verifying this Complaint: Prudential Government Employees' Hospital Association of Kansas City, Missouri; New Jersey Blue Cross/Blue Shield; TransAmerica Insurance Company; Bell Labs Medical Expense Plan, and Phoenix Mutual Life Insurance Company.

10. By all of the foregoing, defendant has engaged in fraudulent and deceptive billing practices.

11. Defendant violated N.J.S.A. 17:33A-4(a) by knowingly submitting or preparing claim forms containing false material facts that were part of or in support of a claim by him for payment under insurance policies.

12. Each such false submission constitutes a separate actionable offense and renders defendant subject to the imposition of penalties pursuant to N.J.S.A. 17:33A-5a.

COUNT III

1. Plaintiffs repeat the allegations of Counts I and II as if fully set forth herein.

2. At no time pertinent to this complaint (1981 to the present) has defendant or his corporation, Nutri-Care Health Center Inc., possessed a license to operate a bioanalytical laboratory pursuant to N.J.S.A. 45:9-42.4 and 42.7.

3. At no time pertinent to this complaint has the premises of the Nutri-Care Health Center, 59 Avenue of the Commons, Shrewsbury, New Jersey, (or any prior address) been licensed as a bioanalytical laboratory pursuant to N.J.S.A. 45:9-42.26 et seq.

4. At no time pertinent to this complaint have any of the employees of Nutri-Care Health Center, Inc. held a license to operate a bioanalytical laboratory at 59 Avenue of the Commons, Shrewsbury, New Jersey or any of Nutri-Care's prior addresses.

5. At all times pertinent to this complaint, defendant or his assistants under his direction have performed, and continue to perform, urinalysis tests and possibly other tests for clients of Nutri-Care Health Center, without either the direction or supervision of a licensed physician or bioanalytical laboratory director.

6. At all times pertinent to this complaint, defendant or his assistants under his direction have collected urine specimens from clients of Nutri-Care Health Center for the purpose of performing urine testing and reading the results thereof, and have charged a fee for that activity.

7. The conduct described herein violates N.J.S.A. 45:9-42.28 and N.J.S.A. 45:9-42.42.

COUNT IV

1. Plaintiffs repeat the allegations of Counts I-III as if fully set forth herein.

2. The acts and practices set forth in Counts I, II, and III above, among others, are deceptive or fraudulent and constitute misrepresentation or the use of unconscionable commercial practices. These specific acts and practices include:

(a) Billing clients for blood tests and urinalysis tests that were never performed.

(b) Ordering "heavy metal screening" blood tests for persons for whom such a test is not indicated, and ordering a rerun of an entire series when such is not indicated.

(c) Interviewing clients in an office which has on its wall behind the desk diplomas and certificates bearing the words "Dr. Raymond Salani, D.D.S."

(d) Providing clients with bills on an erratic basis which fail to accurately reflect charges actually being incurred and fail to keep clients apprised of the true cost of the program.

(e) Misrepresenting to clients the true cost of all services which would be charged as additional fees to the basic cost of the program.



(f) Charging exorbitant fees for review of blood-tests.

(g) Representing to clients that they would be expected to purchase vitamins and other supplements without also disclosing that they would be expected to purchase them from defendant at exorbitant fees or that there would be additional purchases necessary.

(h) Prescribing supplements without also disclosing that excessive quantities of vitamins, minerals and food supplements are not absorbed by the body and therefore may produce no beneficial effect.

(i) Prescribing supplements without ensuring that a physician evaluates the vitamin, mineral and food supplements prescribed so as to protect the patient against adverse reactions, or to protect against adverse interactions between a client's medications and the prescribed supplements.

(j) Prescribing megadoses of supplements without also disclosing to clients that excessive doses of vitamins and minerals can cause adverse physiological reactions.

#### COUNT V

1. Plaintiffs repeat the allegations of Counts I-IV as if fully set forth herein.

2. The Attorney General and the New Jersey State Board of Medical Examiners are now and have been investigating the practices of Raymond J. Salani, Jr. and Nutri-Care Health Centers with regard to their services and billing practices in an effort to evaluate whether violations of N.J.S.A. 45:9-1 et seq. and 45:1-23 have been or are occurring.

3. Pursuant to N.J.S.A. 45:1-18(e), plaintiffs are authorized to issue subpoenas to compel defendant to produce "any record, book, document, account or paper maintained by [him] ... in the regular course of ... engaging in [his] occupation."

4. Pursuant to N.J.S.A. 45:1-19, the Attorney General is authorized to apply to the Superior Court to obtain an order compelling compliance with lawfully issued subpoenas.

5. On April 5, 1988, respondent was personally served by John Czuba of the Enforcement Bureau with a subpoena duces tecum which demanded the production of original "patient records" and business forms, as more particularly set forth in Exhibit A. The return date on the subpoena was April 11, 1988. To date, defendant has failed to produce said documents.

6. On October 26, 1988, defendant was personally served by Harold J. Rausch, of the New Jersey Division of Consumer Affairs Enforcement Bureau, with a subpoena duces tecum which demanded the production of all records in his possession pertaining to client James A., as more particularly set forth in Exhibit B. The return date on the subpoena was November 1, 1988. To date, defendant has failed to produce said documents.

7. Defendant's failure to produce the documents demanded has impeded The Board and the Attorney General in its investigation of this matter.

WHEREFORE, it is respectfully demanded that an Order and Judgment be entered:

1. Preliminarily and permanently enjoining defendant Raymond J. Salani, Jr., from engaging in the unlicensed practice of medicine, including:

(a) ordering of blood work, urinalysis and other laboratory tests which can only be ordered by a physician after examination of the patient;

(b) rendering any diagnosis or treatment in response to the presentation of any set of signs, symptoms, complaints or any combination thereof;

(c) prescribing or selling food, vitamin or mineral supplements for treatment of any set of signs, symptoms or complaints or combinations thereof;

(d) listing a diagnosis and treatment of disease entities on his billing or other statements;

(e) having his office phone answered by the phrase "Dr.'s office" or words of similar import;

(f) using the term "doctor" in any form in connection with health-related activities of diagnosing, evaluating and prescribing for conditions and ailments described by his clients, and

(g) performing urinalysis on specimens collected from his clients.

2. Directing the payment of civil penalties and costs in favor of plaintiffs and against defendant pursuant to N.J.S.A. 45:1-23 and 1-25; N.J.S.A. 56:8-8, 8-11 and 8-13, and N.J.S.A. 17:33A-1 et seq.

3. Directing restoration of all monies unlawfully acquired from C.B., T.F., K.G., S.C., and J.A., for the services rendered by defendant pursuant to N.J.S.A. 45:1-23 and 56:8-8.

4. Permanently enjoining both defendants pursuant to the provisions of N.J.S.A. 45:9-42.43 and .44 from conducting the activities of a bioanalytic laboratory on the premises of Nutri-Care Health Center, 59 Avenue of the Commons, Shrewsbury, N.J., until such time as licenses are obtained from the Board of Medical Examiners and from the Commissioner of Health to do so;

5. Directing defendant to relinquish to the Attorney General the records demanded in the subpoenas served upon him on April 5, 1988 and October 26, 1988;

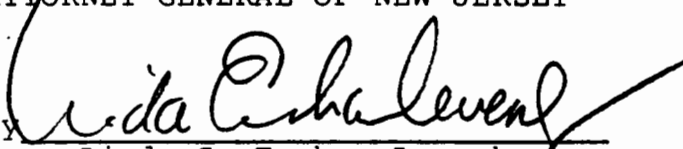
6. Permanently enjoining both defendants from prescribing and selling food vitamin and mineral supplements without fully disclosing the anticipated cost thereof as well as the biochemical and scientific facts about those supplements necessary to enable the customer to make an informed choice as to the safety and efficacy of the supplements.

7. Granting such other relief as this Court may deem necessary and appropriate in view of established facts and the

intent of the laws regulating (a) the practice of medicine, (b) insurance, and (c) consumer protection in the State of New Jersey.

PETER N. PERRETTI, JR.  
ATTORNEY GENERAL OF NEW JERSEY

By

  
Linda S. Ershow-Levenberg  
Deputy Attorney General

DATED:

2/21/89