

ORIGINAL

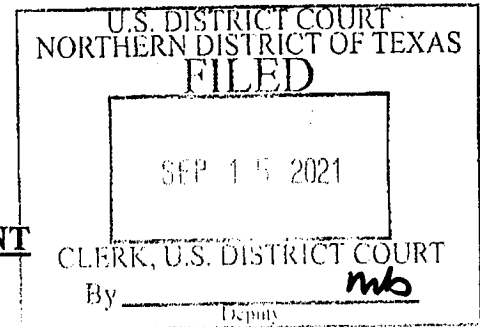
IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

UNITED STATES OF AMERICA

Criminal No. 3:19-CR-00439-X

v.

BOBBI STROUD (1)
BRUCE STROUD (2)
KENRIC GRIFFIN (3)



SUPERSEDING INDICTMENT

The Grand Jury charges:

General Allegations

At all times material to this Superseding Indictment, unless otherwise specified:

1. In or around the charged period, defendants **Bobbi Stroud, Bruce Stroud, and Kenric Griffin**, and their co-conspirators unlawfully submitted, and caused to be submitted false and fraudulent claims to a Federal health care program, i.e., Medicare, for prescriptions for durable medical equipment (“DME”), i.e., orthotic braces. Medicare paid at least the approximate amount of \$6.5 million on these false and fraudulent claims. These prescriptions, as the defendants knew and intended, were among other things, induced through the payment and receipt of unlawful kickbacks and bribes, in violation of the Federal anti-kickback statute. Defendants **Bobbi Stroud, Bruce Stroud, and Kenric Griffin**, and their co-conspirators distributed payments from a Federal health care program, i.e., Medicare, among themselves to unlawfully enrich and benefit themselves and others.

The Defendants and Related Entities

2. New Horizons Durable Medical Equipment (“New Horizons”) was a Texas registered business entity purportedly doing business in Desoto, Texas.

3. Striffin Medical Supply (“Striffin”) was a Texas registered business entity purportedly doing business in McKinney, Texas.

4. 4B Ortho Supply (“4B Ortho”) was a Texas registered business entity purportedly doing business in Little Elm, Texas.

5. Defendant **Bobbi Stroud**, a resident of Collin County, Texas, was an owner and operator of 4B Ortho and employee of New Horizons and Striffin.

6. Defendant **Bruce Stroud**, a resident of Collin County, Texas, was an owner and operator of New Horizons, Striffin, and 4B Ortho.

7. Defendant **Kenric Griffin**, a resident of Collin County, Texas, was an owner and operator of New Horizons and Striffin.

8. William Novack was the principal and owner of True Alliance Health Group (“True Alliance”) a marketing company located in the state of Florida.

9. Emmanuel Silva was the principal and owner of U.S. Care Associates, LLC (“U.S. Care”) a marketing company located in the state of Florida.

10. Sean Aaronson was an employee of U.S. Care.

The Medicare Program and Durable Medical Equipment (Generally)

11. The Medicare Program (“Medicare”) was a federal healthcare program providing benefits to individuals who were sixty-five years of age or older, or disabled.

Medicare was administered by the Centers for Medicare and Medicaid Services (“CMS”), a federal agency under the United States Department of Health and Human Services.

Medicare was a “healthcare benefit program” as defined by Title 18, United States Code, Section § 24(b).

12. Medicare Part B covered physician services and outpatient care, including an individual’s access to DME, such as orthotic devices. Medicare paid health care providers fees for services rendered to beneficiaries.

13. Individuals who qualified for Medicare benefits were commonly referred to as Medicare “beneficiaries.” Each beneficiary was given a Medicare identification number.

14. Orthotic devices were a type of DME that included rigid and semi-rigid devices such as ankle braces, knee braces, back braces, elbow braces, wrist braces, and hand braces (collectively “orthotics”).

15. DME companies, physicians, and other healthcare providers that provided services to Medicare beneficiaries were referred to as Medicare “providers.” To participate in Medicare, providers were required to submit an application in which the providers agreed to comply with all Medicare-related laws and regulations. If Medicare approved a provider’s application, Medicare assigned the provider a Medicare “provider number.” A healthcare provider with a Medicare provider number could file claims with Medicare to obtain reimbursement for services rendered to beneficiaries.

16. Enrolled Medicare providers agreed to abide by the policies and procedures, rules, and regulations governing reimbursement. To receive Medicare funds,

enrolled providers were required to abide by the Federal anti-kickback statute and other laws and regulations. Providers were given access to Medicare manuals and services bulletins describing billing procedures, rules, and regulations.

17. Medicare reimbursed DME companies and other healthcare providers for services rendered to beneficiaries. To receive payment from Medicare, providers submitted or caused the submission of claims to Medicare, either directly or through a billing company.

18. A claim for DME submitted to Medicare qualified for reimbursement only if it was medically necessary to the treatment of the beneficiary's illness or injury and prescribed by the beneficiary's physician.

Count One

**Conspiracy to Defraud the United States and to
Pay and Receive Health Care Kickbacks
(Violation of 18 U.S.C. § 371 (42 U.S.C. §§ 1320a-7b(b)(1) and (2))**

19. All previous paragraphs of this Superseding Indictment are realleged and incorporated by reference as though fully set forth herein.

20. From in or around January 2017, and continuing through in or around April 2019, the exact dates being unknown to the Grand Jury, in the Dallas Division of the Northern District of Texas, and elsewhere, the defendants,

**BOBBI STROUD,
BRUCE STROUD, and
KENRIC GRIFFIN,**

did knowingly and willfully combine, conspire, confederate, and agree with each other, and others known and unknown to the Grand Jury, to commit certain offenses against the United States, that is,

a. to defraud the United States by impairing, impeding, obstructing, and defeating through deceitful and dishonest means, the lawful government functions of the United States Department of Health and Human Services in its administration and oversight of Medicare, and to commit certain offenses against the United States, that is:

b. to violate Title 42, United States Code, Section 1320a-7b(b)(1)(A) and (B), by knowingly and willfully soliciting and receiving remuneration, specifically, kickbacks and bribes, directly and indirectly, overtly and covertly, in return for referring individuals for the furnishing and arranging for the furnishing of any item and service for which payment may be made in whole or in part by a Federal health care program, that is,

Medicare; and for the purchasing, leasing, ordering and arranging for and recommending the purchasing, leasing and ordering of any good, item and service for which payment may be made in whole and in part by a Federal health care program, that is, Medicare; and

c. to violate Title 42, United States Code, Section 1320a-7b(b)(2)(A) and (B), by knowingly and willfully offering and paying remuneration, specifically, kickbacks and bribes, directly and indirectly, overtly and covertly, in cash and in kind, including by wire transfer, to a person to induce such person to refer an individual to a person for the furnishing and arranging for the furnishing of any item and service for which payment may be made in whole and in part by a Federal health care program, that is, Medicare; and to purchase, lease, order, and arrange for and recommend the purchasing, leasing, and ordering of any good, item, and service for which payment may be made in whole and in part by a Federal health care program, that is, Medicare.

Purpose of the Conspiracy

21. It was a purpose of the conspiracy for defendants **Bobbi Stroud, Bruce Stroud, and Kenric Griffin**, and their co-conspirators to unlawfully enrich themselves and others known and unknown to the Grand Jury by: (a) soliciting, receiving, offering, and paying unlawful kickbacks and bribes in return for recruiting and referring Medicare beneficiaries to New Horizons, Striffin, and 4B Ortho; (b) soliciting, receiving, offering, and paying kickbacks and bribes in connection with the acquisition, via telehealth referrals, of Medicare beneficiaries' doctor's orders for DME; (c) submitting and causing the submission of false and fraudulent claims to Medicare for health care benefits, i.e.

Medicare beneficiaries' doctor's orders for DME; (d) concealing the unlawful kickbacks and bribes; and (e) diverting proceeds for their personal use and benefit, the use and benefit of others, and to further the conspiracy.

Manner and Means of the Conspiracy

22. The manner and means by which **Bobbi Stroud, Bruce Stroud, Kenric Griffin, William Novack, Emmanuel Silva, Sean Aaronson, and others** sought to accomplish the purpose and object of the conspiracy included, among other things, the following:

23. Defendants **Bobbi Stroud, Bruce Stroud, and Kenric Griffin** operated New Horizons and Striffin; and defendants **Bobbi Stroud and Bruce Stroud** operated 4B Ortho to achieve the objective of their scheme to defraud: to unlawfully enrich themselves by paying unlawful kickbacks and bribes for the referral of Medicare beneficiaries and for whom false and fraudulent claims were submitted to Medicare.

24. Defendants **Bruce Stroud and Kenric Griffin** submitted enrollment applications to Medicare under the names of New Horizons and Striffin for the purpose of submitting false and fraudulent claims to Medicare for reimbursement.

25. Defendants **Bobbi Stroud and Bruce Stroud** submitted an enrollment application to Medicare under the name of 4B Ortho for the purpose of submitting false and fraudulent claims to Medicare for reimbursement.

26. Defendants **Bobbi Stroud, Bruce Stroud, and Kenric Griffin**, through New Horizons, paid unlawful kickbacks and bribes to William Novack, through True

Alliance, in exchange for completed prescriptions for DME and other Medicare-required documents (collectively referred to as “doctors’ orders”).

27. Defendants **Bobbi Stroud, Bruce Stroud, and Kenric Griffin**, through Striffin, paid unlawful kickbacks and bribes to Emmanuel Silva, through U.S. Care, in exchange for completed doctors’ orders for DME.

28. The doctors who signed the doctors’ orders purchased by **Bobbi Stroud, Bruce Stroud, and Kenric Griffin** often did so regardless of medical necessity, in the absence of a pre-existing doctor-patient relationship, without a physical examination, and sometimes based solely on a short telephonic conversation.

29. Defendants **Bobbi Stroud, Bruce Stroud, and Kenric Griffin**, through New Horizons, Striffin, and 4B Ortho submitted false and fraudulent claims to Medicare for reimbursement based on the doctors’ orders for DME that was often medically unnecessary.

30. During the course of the conspiracy, from in or about March 2017 through in or about April 2019, approximately 52 Medicare beneficiaries were cycled between New Horizons, Striffin, and 4B Ortho and were billed for similar or same DME supplies.

31. Over the course of the conspiracy, New Horizons billed Medicare for DME services purportedly provided to approximately 96 Medicare beneficiaries who resided in Dallas County, Texas, i.e., the Northern District of Texas.

32. To conceal the illegal kickbacks and bribes, **Bobbi Stroud, Bruce Stroud, Kenric Griffin**, William Novack, Emmanuel Silva, and others created sham contracts and documentation that disguised the kickback payments to True Alliance and U.S. Care

as payments for purported marketing and business process outsourcing services, among others.

33. From in or about June 2017 through in or about November 2017, **Bobbi Stroud, Bruce Stroud, and Kenric Griffin**, through New Horizons, paid unlawful kickbacks and bribes in the amount of approximately \$130,000 to William Novack, through True Alliance, in exchange for doctors' orders for DME.

34. From in or about January 2017 through in or about April 2019, **Bobbi Stroud, Bruce Stroud, and Kenric Griffin**, through New Horizons, submitted and caused the submission of approximately \$7.8 million in false and fraudulent claims to Medicare for DME and were paid approximately \$4 million on those claims.

35. From in or about January 2018 through in or about April 2019, **Bobbi Stroud, Bruce Stroud, and Kenric Griffin**, through Striffin, submitted and caused the submission of approximately \$2.3 million in false and fraudulent claims to Medicare for DME and were paid approximately \$1.1 million on those claims.

36. From in or about January 2018 through in or about April 2019, **Bobbi Stroud and Bruce Stroud**, through 4B Ortho, submitted and caused the submission of approximately \$2.7 million in false and fraudulent claims to Medicare for DME and were paid approximately \$1.4 million on those claims.

37. From in or about January 2017 through in or about April 2019, the exact dates being unknown, **Bobbi Stroud, Bruce Stroud, and Kenric Griffin**, through New Horizons, Striffin, and 4B Ortho, collectively, submitted and caused the submission of at least approximately \$12.8 million in claims to Medicare for DME, the vast majority of

which were the product of illegal kickbacks and bribes. Medicare paid New Horizons, Striffin, and 4B Ortho, collectively, at least approximately \$6.5 million. These false and fraudulent claims were based upon the doctors' orders that William Novack, through True Alliance, and that Emmanuel Silva, through U.S. Care, as well as other co-conspirators known and unknown to the Grand Jury, provided to **Bobbi Stroud, Bruce Stroud, and Kenric Griffin** in exchange for unlawful kickbacks and bribes.

Overt Acts

38. In furtherance of the conspiracy, and to accomplish its object and purpose, the conspirators committed and caused to be committed, in the Dallas Division of the Northern District of Texas, and elsewhere, the following overt acts:

a. On or about January 1, 2017, defendant **Bruce Stroud**, on behalf of New Horizons, executed a Sales and Marketing Agreement with U.S. Care.

b. On or about July 20, 2017, defendant **Bobbi Stroud** emailed William Novack's employee at True Alliance, stating, "I noticed there was a patient removed from our file today that we processed this morning – [A.S.]. I wanted to make sure that [A.S.] wasn't given to someone else."

c. On or about September 18, 2017, defendant **Bruce Stroud** sent an email to Sean Aaronson and to defendant **Kenric Griffin** related to a complaint by a patient and the patient's family member "claiming that they were solicited to [sic]. And never wanted/ordered product. saying its medicare fraud. Kenric talked with the daughter on friday and she was pissed. They have already sent everything back same day and sent kenric tracking info."

d. On or about September 27, 2017, defendant **Bruce Stroud**, on behalf of 4B Ortho, executed a Business Process Outsourcing and Call Center Services Agreement with True Alliance.

e. On or about September 28, 2017, defendant **Bruce Stroud**, on behalf of 4B Ortho, executed a Marketing Services Agreement with True Alliance.

f. On or about September 28, 2017, defendant **Bruce Stroud**, on behalf of Striffin, executed a Business Process Outsourcing and Call Center Services Agreement with True Alliance.

g. On or about September 28, 2017, defendant **Bruce Stroud**, on behalf of Striffin, executed a Marketing Services Agreement with True Alliance.

h. On or about September 29, 2017, defendant **Bruce Stroud** emailed a representative of True Alliance to provide signed agreements for purported marketing and business process outsourcing services, on behalf of Striffin. In the email, **Bruce Stroud** stated, "Please see attached for [S]triffin medical. Funds have been sent."

i. On or about September 29, 2017, defendant **Bruce Stroud** emailed a representative of True Alliance to provide signed agreements for purported marketing and business process outsourcing services, on behalf of 4B Ortho. In the email, **Bruce Stroud** stated, "Please see attached for 4B. [F]unds will be transferred today."

All in violation of Title 18, United States Code, Section 371.

COUNTS 2-8

**Payment and Receipt of Kickbacks
(Violations of 42 U.S.C. § 1320a-7b(b)(2)(A) & 18 U.S.C. § 2)**

39. The Grand Jury re-alleges and incorporates by reference all previous paragraphs, excluding paragraphs 19 and 20, as if fully alleged herein.

40. On or about the dates enumerated in the table below, in the Northern District of Texas, and elsewhere, the defendants listed in the table below, aiding and abetting and aided and abetted by others known and unknown to the Grand Jury, did knowingly and willfully offer and pay remuneration, that is, kickbacks and bribes, directly and indirectly, overtly and covertly, in cash and in kind, including by direct deposit and check as set forth below, to a person to induce such person to refer an individual for the furnishing and arranging for the furnishing of any item and service for which payment may be made in whole or in part under a Federal health care program, that is, Medicare; and to purchase, lease, order, and arrange for, and recommend the purchasing, leasing, ordering, and arranging for any good, facility, service, and item for which payment may be made in whole or in part under a Federal health care program, that is, Medicare, as set forth below:

Count	Defendants	Approximate Date	Approximate Amount	Description of Payment Method and Entity Receiving Payment
2	Bobbi Stroud, Bruce Stroud, & Kenric Griffin	June 12, 2017	\$5,000.00	ONLINE OR MOBILE WIRE TRANSFER REF # XXX0263 BNF from New Horizons to True Alliance
3	Bobbi Stroud, Bruce Stroud, & Kenric Griffin	June 19, 2017	\$5,000.00	ONLINE OR MOBILE WIRE TRANSFER REF # XXX0337 BNF from New Horizons to True Alliance
4	Bobbi Stroud, Bruce Stroud, & Kenric Griffin	July 3, 2017	\$10,000.00	ONLINE OR MOBILE WIRE TRANSFER REF # XXX0774 BNF from New Horizons to True Alliance
5	Bobbi Stroud, Bruce Stroud, & Kenric Griffin	August 14, 2017	\$5,000.00	ONLINE OR MOBILE WIRE TRANSFER REF # XXX0327 BNF from New Horizons to True Alliance
6	Bobbi Stroud, Bruce Stroud, & Kenric Griffin	February 4, 2019	\$10,000.00	ONLINE OR MOBILE WIRE TRANSFER REF # XXX945 from Striffin to U.S. Care
7	Bobbi Stroud, Bruce Stroud, & Kenric Griffin	March 4, 2019	\$10,000.00	ONLINE OR MOBILE WIRE TRANSFER REF # XXX771 from Striffin to U.S. Care
8	Bobbi Stroud, Bruce Stroud, & Kenric Griffin	April 1, 2019	\$10,000.00	ONLINE OR MOBILE WIRE TRANSFER REF # XXX471 from Striffin to U.S. Care

Each in violation of Title 42, United States Code, Section 1320a-7b(b)(2)(A), and

Title 18, United States Code, Section 2.

Forfeiture Notice

(18 U.S.C. §§ 981(a)(1)(C), 982(a)(7), and 28 U.S.C. § 2461)

41. Pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, upon conviction of Count One, the defendants, **Bobbi Stroud, Bruce Stroud, and Kenric Griffin**, shall forfeit to the United States, any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to Count One.

42. Pursuant to 18 U.S.C. § 982(a)(7), upon conviction of Count Two through Eight, the defendants, **Bobbi Stroud, Bruce Stroud, and Kenric Griffin**, shall forfeit to the United States, any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to Count Two through Eight.


43. Defendants **Bobbi Stroud, Bruce Stroud, and Kenric Griffin** are notified that upon conviction, a money judgment may be imposed for the gross proceeds of Counts One through Eight. Pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c), if any of the property described above, as a result of any act or omission of a defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred, sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

the United States intends to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

(Continued on the next page.)

A TRUE BILL




FOREPERSON

PRERAK SHAH
ACTING ATTORNEY
FOR THE UNITED STATES

JOSEPH S. BEEMSTERBOER
United States Department of Justice
Fraud Section, Criminal Division
Acting Chief

ALLAN MEDINA
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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

THE UNITED STATES OF AMERICA

v.

BOBBI STROUD (1)
BRUCE STROUD (2)
KENRIC GRIFFIN (3)

SUPERSEDING INDICTMENT

18 U.S.C. § 371 (42 U.S.C. §§ 1320a-7b(b)(1) and (2))
Conspiracy to Defraud the United States and to Pay and Receive Health Care Kickbacks
(Count 1)

42 U.S.C. § 1320a-7b(b) (2) & 18 U.S.C. § 2
Payment and Receipt of Kickbacks
(Counts 2-8)

18 U.S.C. § 982(a)(7)
Forfeiture Notice

A true bill rendered

FORT WORTH

Filed in open court this 15th day of September, 2021.

FOREPERSON

Summons to be Issued for KENRIC GRIFFIN

**BOBBI AND BRUCE STROUD Were Arrested and Placed on Pre-Trial Release on
9/18/2019**

UNITED STATES MAGISTRATE JUDGE
Criminal Court Number: 3:19-CR-439-X