UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA	§	
	§	
v.	§	**Criminal No. ____________**
	§	
LUTHER JOHNSON III	§	
	§	
Defendant.	§	

INDICTMENT

The Grand Jury charges:

GENERAL ALLEGATIONS

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

The Federal Employee Compensation Act and Health Care Benefits

1. The Federal Employee's Compensation Act ("FECA") provided for payment of workers' compensation benefits to federal employees who suffered an injury, disease, or death in the performance of duty.

2. FECA was a health care benefit program as defined in 18 U.S.C. § 24(b), and affected interstate commerce.

3. The Department of Labor ("DOL") Office of Workers Compensation Program ("OWCP") administered the benefits under FECA. Providers of health care services were required to enroll with OWCP to receive a provider identification number and reimbursement under FECA. Form OWCP-1168 was used for enrollment and updating provider information. By completing and submitting Form OWCP-1168, a provider certified that all the Federal and State licensure and regulatory requirements applicable to their provider type were satisfied.

Coverage and Billing for Physical Therapy

4. OWCP providers were required to identify in each claim the services provided and use identifiers including American Medical Association Current Procedural Technology ("CPT") codes. All claims submitted were required to be supported by medical evidence. The submission of a claim and acceptance of payment by a provider signified that the service for which reimbursement was sought was performed as described, necessary, appropriate, and properly billed in accordance with accepted industry standards. It was not within industry standards, among other things, to charge for services not provided or to charge for services of a professional when an unlicensed, uncertified, and/or untrained aide performed the services. Payments were sent to providers via electronic funds transfer ("EFT"). Remittance notices that listed all the claims paid on each EFT were sent to providers.

5. CPT codes were designed to be a uniform and accurate method of reporting and communicating medical services and procedures between physicians, health care providers, patients, and third parties. The following CPT codes were intended to be used when a physician or qualified health care professional had direct one-on-one patient contact: 97110 for therapeutic procedures, 97530 for therapeutic activities, 97140 for manual therapy techniques, and 97124 for massage. For physical therapy codes, one unit of treatment was 15 minutes.

The Defendant, Relevant Entity, and Relevant Individual

6. Defendant LUTHER JOHNSON III was a resident of Houston, Texas. JOHNSON held no licenses with the Texas Board of Chiropractic Examiners ("TBCE").

7. CHIROPRACTOR 1 was a resident of Fort Bend County, Texas. CHIROPRACTOR 1 was a licensed chiropractor registered with the TBCE to provide chiropractic services in Texas.

8. Advanced Functional Rehab ("AFR") was a purported physical therapy business co-owned by JOHNSON and CHIROPRACTOR 1 and located in Bellaire, Texas.

COUNT ONE
Conspiracy to Commit Health Care Fraud
(18 U.S.C. § 1349)

9. Paragraphs 1 through 8 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

10. Beginning in or around January 2020, and continuing through in or around April 2026, in the Houston Division of the Southern District of Texas and elsewhere, the Defendant,

LUTHER JOHNSON III,

along with CHIROPRACTOR 1 and other individuals known and unknown to the grand jury, knowingly and willfully agreed and conspired with each other and others to commit health care fraud, in violation of 18 U.S.C. § 1347, that is, to execute a scheme and artifice to defraud FECA, a health care benefit program as defined in 18 U.S.C. § 24(b), and to obtain by means of materially false and fraudulent pretenses, representations, and promises, money owned by and under the custody and control of FECA.

Purpose of the Conspiracy

11. It was the purpose of the conspiracy for JOHNSON, CHIROPRACTOR 1, and others, to unlawfully enrich themselves through submitting and causing the submission of false and fraudulent claims for physical and massage therapy services that were not provided and not provided as billed.

Manner and Means

12. The manner and means by which JOHNSON, CHIROPRACTOR 1, and others effected the objects of the conspiracy and scheme to defraud included the following:

13. JOHNSON and CHIROPRACTOR 1 were the co-owners of AFR.

14. In or around September 2015, CHIROPRACTOR 1 filed, and caused to be filed, an OWCP-1168 application for AFR. The OWCP-1168 required licensure and certification information for all applicants. The OWCP-1168 listed CHIROPRACTOR 1 as the sole provider at AFR.

15. JOHNSON and CHIROPRACTOR 1 knew that JOHNSON was not a licensed and certified chiropractor and that he could not be enrolled as a DOL-OWCP provider.

16. AFR re-enrolled with DOL-OWCP in August 2018 and November 2019, again omitting JOHNSON from its application.

17. Throughout the conspiracy, JOHNSON and CHIROPRACTOR 1 nevertheless held out JOHNSON to patients and others as a chiropractor and JOHNSON often "supervised" purported physical therapy.

18. JOHNSON and CHIROPRACTOR 1 submitted and caused to be submitted false and fraudulent claims to DOL-OWCP for direct one-on-one physical therapy when the patients were, among other things:

a. Watching television;

b. Socializing with JOHNSON, CHIROPRACTOR 1, AFR staff, and other patients;

c. Sitting and using their personal phones;

d. Eating; and

e. Independently stretching or using treadmills, hand weights, and exercise bicycles.

19. JOHNSON and CHIROPRACTOR 1 submitted, and caused to be submitted, false

and fraudulent claims to DOL-OWCP for direct one-on-one patient massage therapy when the patients self-performed massages using a massage gun, or received a massage from an unlicensed employee with no formal medical training.

20. JOHNSON and CHIROPRACTOR 1 signed falsified daily treatment notes for physical therapy and massage therapy services that they did not provide or supervise and that did not accurately reflect the actual services provided at AFR. These treatment notes were then submitted to DOL-OWCP in support of AFR's false claims for payment.

21. Throughout the conspiracy, JOHNSON and CHIROPRACTOR 1 were sometimes not present at AFR on days that AFR billed DOL-OWCP for one-on-one physical therapy services.

22. When JOHNSON and CHIROPRACTOR 1 were not present, AFR utilized a home-security camera to monitor AFR's physical therapy room and to watch patients. JOHNSON and CHIROPRACTOR 1 knew this was not an acceptable means of providing physical therapy services.

23. When patients complained about the services at AFR, such as a requirement for some patients to visit AFR three times a week for two hours each day, JOHNSON would threaten patients that if they did not attend or did not stay at AFR for the entire time period, the patients would lose their workers' compensation benefits or would be required to return to work fulltime.

24. JOHNSON and CHIROPRACTOR 1 submitted, and caused to be submitted to FECA through OWCP, at least $3 million in claims for physical therapy and massage therapy that was not provided, not provided as billed, or otherwise ineligible for reimbursement, and for which FECA paid AFR approximately $2.7 million.

All in violation of Title 18, United States Code, Section 1349.

COUNTS TWO THROUGH THREE
Health Care Fraud
(18 U.S.C. § 1347 and 2)

25. Paragraphs 1 through 8 and 11 through 24 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

26. On or about the dates enumerated below, in the Houston Division of the Southern District of Texas and elsewhere, the Defendant

LUTHER JOHNSON III,

aided and abetted by, and aiding and abetting others known and unknown to the Grand Jury, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute and attempt to execute, a scheme and artifice to defraud a health care benefit program affecting commerce, as defined in 18 U.S.C. § 24(b), that is, FECA, and to obtain by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by and under the custody and control of FECA, as set forth below:

Count	Patient	Alleged Date of Service	Approx. Amount Billed	Approx. Amount Paid	Nature of Falsity, Included but Not Limited to:
2	"N.M."	March 30, 2026	$350	$321.95	services not provided as billed
3	T.W.	June 10, 2025	$400	$360.29	services not provided as billed

All in violation of 18 U.S.C. §§ 1347 and 2.

NOTICE OF CRIMINAL FORFEITURE
(18 U.S.C. § 982(a)(7), and 28 U.S.C. § 2461(c))

27. The factual allegations in the preceding paragraphs are incorporated by reference and re-alleged as though fully set forth herein.

28. Pursuant to 18 U.S.C. § 982(a)(7) and 28 U.S.C. § 2461(c), and upon conviction of

one or more of the offenses alleged in Counts One through Three of this Indictment, LUTHER JOHNSON III shall forfeit to the United States all right, title, and interest in any and all property, real or personal, involved in such offense(s), or any property traceable to such property involved in the offense(s), or conspiracy to commit such offense(s), including all property constituting proceeds obtained as a result of a Federal health care offense.

29. Defendant LUTHER JOHNSON III is notified that upon conviction, a money judgment may be imposed against him. If any of the property described above, as a result of any act or omission of the Defendant:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or 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 of America shall be entitled to forfeiture of substitute property up to the amount of the money judgment pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and Title 28, United States Code, Section 2461(c).

A TRUE BILL

Original Signature on File

FOREPERSON

JOHN G.E. MARCK
ACTING UNITED STATES ATTORNEY

LORINDA LARYEA
CHIEF
FRAUD SECTION, CRIMINAL DIVISION
U.S. DEPARTMENT OF JUSTICE

Emily Reeder-Ricchetti
EMILY REEDER-RICCHETTI
TRIAL ATTORNEY
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