

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA	:	Hon.
	:	
v.	:	Criminal No. 20-
	:	
THOMAS BOWERS	:	18 U.S.C. § 1349

INFORMATION

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey charges:

1. At all times relevant to this Information:

Background

- a. Defendant THOMAS BOWERS (“defendant BOWERS”) was a resident of New Jersey.
- b. “Marketing Company-1” was a company based in New Jersey that marketed various compounded drugs. Defendant BOWERS worked as a sales representative for Marketing Company-1.
- c. “Compounding” was a practice in which a pharmacist or physician combined, mixed, or altered ingredients of a drug to create a medication tailored to an individual patient’s needs. Pharmacies engaged in the practice of compounding were referred to as “compounding pharmacies.”
- d. The Food and Drug Administration (“FDA”) did not approve compounded drugs and thus did not verify the safety, potency, effectiveness, or

manufacturing quality of compounded drugs.

e. Generally, a physician prescribed compounded drugs when an FDA-approved drug did not meet the health needs of a particular patient. For example, if a patient was allergic to a specific ingredient in an FDA-approved medication, such as a dye or preservative, a compounded drug could be prepared excluding the substance that triggered the allergic reaction. Compounded drugs also could be prescribed when a patient could not consume a medication by traditional means, such as an elderly patient or child who could not swallow an FDA-approved pill and who needed the drug in a liquid form that was not otherwise available.

f. The New Jersey School Employee's Health Benefits Program ("SEHBP") was a health insurance plan that offered health care coverage to state and local government employees, retirees, and eligible dependents. SEHBP was a "health care benefit program" that affected commerce, as defined by 18 U.S.C. § 24(b).

g. Defendant BOWERS and certain of his family members received health care benefits through SEHBP.

2. From in or about December 2014 through in or about March 2016, in the District of New Jersey and elsewhere, defendant

THOMAS BOWERS

did knowingly and intentionally conspire and agree with others to knowingly and willfully execute, and attempt to execute, a scheme and artifice to defraud a health care benefit program, as defined by 18 U.S.C. § 24(b), namely SEHBP, and to obtain, by means of false and fraudulent pretenses, representations, and promises, any of the money owned by, and under the custody and control of, a health care benefit program, namely SEHBP, in connection with the delivery of or payment for health care benefits, items and services, contrary to Title 18, United States Code, Section 1347.

Goal of the Conspiracy

3. The goal of the conspiracy was for defendant BOWERS and others to unlawfully enrich themselves by causing SEHBP to issue reimbursements for medically unnecessary compounded drugs and receiving a percentage of those reimbursements.

Manner and Means of the Conspiracy

4. The manner and means by which defendant BOWERS and others sought to accomplish the goal of the conspiracy included, among other things, the following:

a. Defendant BOWERS acted as a sales representative for Marketing Company-1 and sold various compounded drugs, including pain creams, scar creams, wound creams, and metabolic supplements and vitamins.

b. Various compounding pharmacies (collectively, the “Compounding Pharmacies”) filled the prescriptions that defendant BOWERS obtained from prescribing physicians.

c. The Compounding Pharmacies paid Marketing Company-1 a percentage of the reimbursement payment they received from SEHBP for each prescription for compounded drugs billed to SEHBP, regardless of medical necessity.

d. Defendant BOWERS caused individuals, including himself, to receive medically unnecessary compounded medications. Specifically, defendant BOWERS caused prescribing physicians to write prescriptions for: (i) individuals with whom they did not have any interaction for purposes of determining that a prescription for a compounded drug was medically necessary; or (ii) individuals for whom they deliberately conducted a cursory examination that was insufficient to legitimately deem a compounded drug medically necessary.

e. Through these methods, defendant BOWERS caused SEHBP to be billed for medically unnecessary compounded medications.

f. As a result of defendant BOWERS’s participation in the scheme to bill for medically unnecessary compounded drugs, defendant BOWERS caused a loss to SEHBP of at least \$593,678.71.

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

FORFEITURE ALLEGATION

1. Upon conviction of conspiracy to commit health care fraud, contrary to 18 U.S.C. § 1347, in violation of 18 U.S.C. § 1349, as alleged in this Information, defendant BOWERS shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(7), all property, real or personal, obtained by defendant BOWERS that constitutes or is derived, directly and indirectly, from gross proceeds traceable to the commission of such offense.

Substitute Assets Provision

2. If any of the above-described forfeitable property, 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 person;
- (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 subdivided without difficulty;

the United States shall be entitled to forfeiture of substitute property, pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b).


CRAIG CARPENITO
United States Attorney

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INFORMATION FOR

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