UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

FELONY

INDICTMENT FOR CONSPIRACY TO COMMIT
HEALTH CARE FRAUD AND HEALTH CARE FRAUD

UNITED STATES OF AMERICA	*	**CRIMINAL NO.**	24-00138
v.	*	**SECTION:**	SECT. I MAG.3
DENNIS MICHAEL PEYROUX	*	**VIOLATIONS:**	**18 U.S.C. § 1349** **18 U.S.C. § 1347**
	*		**18 U.S.C. § 2**

* * *

The Grand Jury charges that:

GENERAL ALLEGATIONS

At all times material herein:

The Medicare Program

1. The Medicare program ("Medicare") was a federal health insurance program, affecting commerce, that provided benefits to persons who were 65 years of age and older or disabled. The benefits available under Medicare were governed by federal statutes and regulations. The United States Department of Health and Human Services ("HHS"), through its agency, the Centers for Medicare and Medicaid Services ("CMS"), oversaw and administered Medicare.

2. Medicare was a "health care benefit program" within the meaning of Title 18, United States Code, Section 24(b), and a "[f]ederal health care program" within the meaning of Title 42, United States Code, Section 1320a-7b(f).

3. Individuals who received benefits under Medicare were commonly referred to as Medicare "beneficiaries." Each beneficiary was given a unique Medicare identification number. These beneficiary identification numbers were used to determine a beneficiary's eligibility for Medicare benefits and to submit claims to Medicare seeking reimbursement for covered benefits, items, and services.

4. As part of the Medicare enrollment process, health care providers ("providers") submitted enrollment applications to Medicare. The Medicare provider enrollment application required a provider, or an authorized representative of the provider, to certify that the provider would comply with all Medicare-related laws, rules, and regulations, including the Federal Anti-Kickback Statute, and that the provider "w[ould] not knowingly present or cause to be presented a false or fraudulent claim for payment by Medicare" and "w[ould] not submit claims with deliberate ignorance or reckless disregard of their truth or falsity."

5. A Medicare "provider number" was assigned to a provider upon approval of the provider enrollment application, after which, the provider was able to file claims with Medicare to obtain reimbursement for benefits, items, or services rendered to beneficiaries.

6. Medicare covered different types of benefits and was separated into different program "parts," including medical services ("Part B"). Part B covered diagnostic testing, among other things, when certain criteria were met.

7. Medicare, in receiving and adjudicating claims, acted through fiscal intermediaries called Medicare administrative contractors ("MACs"), which were statutory agents of CMS for

Medicare Part B. The MACs were private entities that reviewed claims and made payments to providers for services rendered to beneficiaries.

8. Medicare would not reimburse providers for claims that were not medically reasonable or necessary, or procured in violation of the Federal Anti-Kickback Statute, including the provision of the Federal Anti-Kickback Statute prohibiting the purchase, sale, and distribution of Medicare beneficiary identification numbers.

Over-the-Counter COVID-19 Tests

9. Starting on April 4, 2022, and continuing through the duration of the COVID-19 public health emergency, Medicare covered and paid for over-the-counter ("OTC") COVID-19 tests at no cost to beneficiaries. This program was intended to ensure beneficiaries had access to COVID-19 tests they needed to stay safe and healthy during the COVID-19 pandemic. Eligible providers capable of providing ambulatory health care services, which did not include chiropractors, were permitted to distribute to beneficiaries OTC COVID-19 tests that were approved, authorized, or cleared by the U.S. Food and Drug Administration.

10. Medicare would not pay for more than eight OTC COVID-19 tests, per calendar month, per beneficiary. Providers could distribute OTC COVID-19 tests only to beneficiaries who requested them, and providers were required to keep documentation showing a beneficiary's request for the tests. Medicare did not cover OTC COVID-19 tests distributed to beneficiaries during an inpatient stay at a hospital or skilled nursing facility.

The Defendant and Related Individuals and Entities

11. The defendant, **DENNIS MICHAEL PEYROUX ("PEYROUX")**, was a resident of Slidell, Louisiana, in the Eastern District of Louisiana. **PEYROUX** was a chiropractor and the owner of Global Medical Center, L.L.C. ("Global"), a Louisiana limited liability company doing

business in Slidell, Louisiana, in the Eastern District of Louisiana. Global operated as a chiropractic clinic and was also registered with Medicare as a medical supply company. Global submitted claims to Medicare for items and services supplied to beneficiaries.

12. Individual 1 was the owner and operator of Company 1, a purported marketing services company.

13. Individual 2 was a nurse practitioner and a former employee of Global. Individual 2 resigned from Global in or around May 2022.

COUNT 1
(Conspiracy to Commit Health Care Fraud)

A. AT ALL TIMES RELEVANT:

The General Allegations Section of this Indictment is re-alleged and incorporated by reference as if fully set forth herein.

A. THE CONSPIRACY:

Beginning in or around November 2022, and continuing through in or around May 2023, in the Eastern District of Louisiana, and elsewhere, the defendant, **DENNIS MICHAEL PEYROUX**, did knowingly and willfully conspire with others known and unknown to the Grand Jury, to execute, and attempt to execute, a scheme and artifice to defraud a health care benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, Medicare, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money owned by, and under the custody and control of, Medicare, in connection with the delivery of and payment for health care benefits, items, and services, in violation of Title 18, United States Code, Section 1347

B. PURPOSE OF THE CONSPIRACY:

It was a purpose of the conspiracy for **PEYROUX** and his co-conspirators to unlawfully enrich themselves by, among other things:

1. Purchasing, selling, and distributing, and arranging for the purchase, sale, and distribution, of beneficiary information, including beneficiary names, dates of birth, social security numbers, and beneficiary identification numbers;

2. Submitting, and causing the submission of, false and fraudulent claims to Medicare for OTC COVID-19 tests that were not requested by beneficiaries and ineligible for Medicare reimbursement;

3. Concealing the purchasing, selling, and distributing of beneficiary information, and the submission of false and fraudulent claims for OTC COVID-19 tests to Medicare; and

4. Diverting proceeds of the fraud for the personal use and benefit of **PEYROUX** and his co-conspirators, and to further the fraud.

C. MANNER AND MEANS OF THE CONSPIRACY:

The manner and means by which **PEYROUX** and his co-conspirators sought to accomplish the objects and purpose of the scheme included, among others, the following:

1. In 2000, and periodically thereafter, **PEYROUX** signed on behalf of Global, a Medicare provider enrollment application. In so doing, **PEYROUX** certified to Medicare that Global would comply with all Medicare rules and regulations and federal laws, including the Federal Anti-Kickback Statute, and that Global "w[ould] not knowingly present or cause to be presented a false or fraudulent claim for payment by Medicare."

2. Despite these certifications, starting in or around November 2022, **PEYROUX**, through Global and other entities, knowingly and willfully began transferring sums of money to

Individual 1, through Company 1, in exchange for beneficiary information for thousands of beneficiaries throughout the United States, including their names, dates of birth, and Medicare identification numbers, as well as falsified recordings of individuals purporting to be the beneficiaries requesting OTC COVID-19 tests.

3. For each beneficiary for whom **PEYROUX** purchased information, Global falsely and fraudulently billed Medicare for eight OTC COVID-19 tests per claim—the maximum allowable by Medicare under the program—even though the tests were typically not requested, which **PEYROUX** knew, and not eligible for reimbursement.

4. The amount **PEYROUX** paid Individual 1 in exchange for the beneficiary information was based on the volume and value of Medicare's reimbursement for the OTC COVID-19 tests billed by Global for the beneficiaries at **PEYROUX's** direction.

5. On several occasions, **PEYROUX**, through Global, falsely and fraudulently billed Medicare for OTC COVID-19 tests purportedly provided to beneficiaries who were already deceased, or were in hospice or inpatient care and therefore ineligible to receive OTC COVID-19 tests under the program, which **PEYROUX** knew.

6. In order to conceal the arrangement, **PEYROUX** and Individual 1 entered into a sham "patient education & supply services agreement" in which the parties purportedly agreed to comply with the Federal Anti-Kickback Statute, as well as perform a purported approval process wherein Global would receive and review a "Request and Authorization form" for an OTC COVID-19 test, and if allowable, authorize Individual 1 to ship the test. In reality, no such review took place. Instead, **PEYROUX** simply purchased a list of beneficiaries from Individual 1 and billed Medicare, through Global, for eight OTC COVID-19 tests for each beneficiary on the list.

7. Since chiropractors were not authorized to order OTC COVID-19 tests under Medicare's rules, in furtherance of the scheme, **PEYROUX** misappropriated the credentials of Individual 2, a nurse practitioner and former Global employee, and falsely listed Individual 2 as the referring provider on tens of thousands of OTC COVID-19 test claims submitted by Global to Medicare, without Individual 2's knowledge and consent, for beneficiaries Individual 2 did not know and did not treat, and for tests Individual 2 did not order.

8. In order to conceal the misconduct, when Global was audited by Novitas Solutions, Inc. ("Novitas"), the MAC for Louisiana, concerning claims submitted by Global for OTC COVID-19 tests, **PEYROUX** pressured Individual 2 into signing partially completed, purported "order" forms for the audited claims, in part, by falsely representing to Individual 2 that the tests were for Individual 2's prior local patients, when in fact, they were false and fraudulent orders for beneficiary names purchased from Individual 1. **PEYROUX** then submitted the false documentation to Novitas.

9. In total, from in or around November 2022, and continuing through in or around May 2023, in the Eastern District of Louisiana and elsewhere, **PEYROUX**, through Global, in conspiracy with others, submitted and caused the submission of approximately $3,300,924.50 in claims to Medicare for OTC COVID-19 tests that were not requested and ineligible for reimbursement, and received approximately $3,212,761.44 in reimbursement from Medicare based on those false and fraudulent claims.

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

COUNTS 2 – 3
(Health Care Fraud)

A. AT ALL TIMES RELEVANT:

The General Allegations Section of this Indictment is re-alleged and incorporated by reference as if fully set forth herein.

B. THE SCHEME:

On or about the dates set forth below, with respect to each count, in the Eastern of Louisiana, and elsewhere, the defendant, **DENNIS MICHAEL PEYROUX**, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, and aided and abetted others in executing, a scheme and artifice to defraud a health care benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, Medicare, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money owned by, and under the custody and control of, Medicare.

C. THE PURPOSE OF THE SCHEME:

The Purpose of the Conspiracy section of Count 1 of this Indictment is re-alleged and incorporated by reference as if fully set forth herein.

D. THE MANNER AND MEANS OF THE SCHEME:

The Manner and Means section of Count 1 of this Indictment is re-alleged and incorporated by reference as a description of the scheme and artifice.

E. THE OFFENSE:

In order to execute and attempt to execute the scheme to defraud and to obtain money and property, and to accomplish the objects of the scheme, the defendant, **DENNIS MICHAEL PEYROUX**, submitted, caused others to submit, and aided and abetted others in submitting, the

following false and fraudulent claims, seeking the identified dollar amounts, and representing that such benefits, items, and services were medically necessary and eligible for Medicare reimbursement, with each execution set forth below forming a separate count:

Count	Beneficiary	Date Claim Submitted	Date Services Purportedly Rendered	Description of Claim	Purported Referring Provider	Amount Billed
2	D.S.	02/13/2023	01/24/2023	K1034 (Provision of COVID-19 Test)	Individual 2	$96
3	C.S.	03/03/2023	02/23/2023	K1034 (Provision of COVID-19 Test)	Individual 2	$96

All in violation of Title 18, United States Code, Section 1347.

NOTICE OF FORFEITURE

1. The allegations of Counts 1 through 3 of this Indictment are incorporated by reference as though set forth fully herein for the purpose of alleging forfeiture to the United States.

2. As a result of the offenses alleged in Counts 1 through 3, the defendant, **DENNIS MICHAEL PEYROUX**, shall forfeit to the United States pursuant to Title 18, United States Code, Section 982(a)(7), any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offenses. The property to be forfeited includes, but is not limited to, the following:

> Approximately $440,270.65 in United States currency, seized from account number x2104, held at Capital One Business;
>
> Approximately $586,823.89 in United States currency, seized from account number x0169.

3. If any of the property described above as being subject to forfeiture, 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 shall seek a money judgment and, pursuant to Title 21, United States Code, Section 853(p), forfeiture of any other property of the defendant up to the value of said property.

A TRUE BILL:

[redacted]

GLENN S. LEON
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New Orleans, Louisiana
June 14, 2024

FORM OBD-34

No. _____

UNITED STATES DISTRICT COURT

Eastern *District of* Louisiana

Criminal *Division*

THE UNITED STATES OF AMERICA

vs.

DENNIS MICHAEL PEYROUX

INDICTMENT

INDICTMENT FOR CONSPIRACY TO COMMIT HEALTH CARE FRAUD AND HEALTH CARE FRAUD

VIOLATIONS: 18 U.S.C. § 1349 and 2
18 U.S.C. § 1347 and 2

[redacted]

Foreperson

Filed in open court this _____ *day of* _____ *A.D. 2024.*

_____
Clerk

Bail, $ _____

_____

KELLY Z. WALTERS
United States Department of Justice Trial Attorney