

ROP/CDM/NSG: July 2017
(by information)

**IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF ALABAMA
JASPER DIVISION**

UNITED STATES OF AMERICA)

)

v.)

)

Case No. _____

18 U.S.C. §§ 371, 1347, 1957

BRIDGET MCCUNE)

INFORMATION

The United States Attorney charges that:

At all times relevant to this Information:

INTRODUCTION

I. PHARMACEUTICAL SERVICES

1. Pharmacies may dispense pre-manufactured and compounded medications.

2. A pre-manufactured medication is a medication that is mass-produced for use by a large population of patients. A pre-manufactured medication is purchased by a pharmacy in the same form in which the pharmacy dispenses it to patients. Pre-manufactured medications include prescription topical products, pain patches, pain sprays, and dietary supplements.

3. A traditionally compounded medication is a customized combination

of medicines initiated and prescribed by a prescriber based upon the prescriber-patient-pharmacist relationship and taking into consideration the particular patient's diagnoses, medical condition, individual health factors, and reaction to other medications. A prescriber issues a prescription for these medications after determining that commercially available medications are not as beneficial or may be inappropriate and/or harmful to the patient. The ingredients of such compounded medication are mixed together by the compounder in the exact strength and dosage required by an individual patient.

4. The U.S. Food and Drug Administration ("FDA") offers the following examples of when drugs would be compounded: **(a)** if a patient has an allergy and needs a medication to be made without a certain dye preservative; and **(b)** if an elderly patient or child cannot swallow a pill and needs a medicine in a liquid form that is not otherwise available.

5. Due to the unique and individualized nature of compounded medications, such medications are neither commercially available nor distributed in mass quantities.

6. Because compounded pharmaceuticals are custom made to fit the unique needs of each patient, the FDA does not regulate or approve compounded medications and therefore does not verify the safety or effectiveness of compounded

drugs. In the state of Alabama, the Alabama Board of Pharmacy regulates the practice of pharmacy, including traditional pharmacy compounding.

II. PRIVATELY INSURED DRUG PLANS

7. Commercial insurance companies, employers, and private entities offer prescription drug plans. A beneficiary in a privately insured drug plan could fill a prescription at a pharmacy and use her or his plan to pay for some or all of the prescription.

8. Blue Cross Blue Shield of Alabama (“BCBSAL”) is a private insurance company providing prescription drug insurance coverage in the state of Alabama and elsewhere. BCBSAL is a “health care benefit program” affecting commerce, as defined by Title 18, United States Code, Section 24(b), and as that term is used in Title 18, United States Code, Section 1347.

III. GOVERNMENT INSURED DRUG PLANS (MEDICARE AND TRICARE)

A. MEDICARE

9. The Medicare Program (“Medicare”) is a federally funded program that provides free or below-cost health care benefits to certain individuals, primarily the elderly, blind, and disabled.

10. Medicare programs covering different types of benefits are separated into different program “parts.” Part D of Medicare (the “Medicare Part D Program”) subsidizes the costs of certain prescription drugs, including certain compounded

drugs, for Medicare beneficiaries in the United States.

11. Medicare is a “health care benefit program,” affecting commerce, as defined by Title 18, United States Code Section 24(b), and as that term is used in Title 18, United States Code, Section 1347.

12. Medicare is a “Federal health care program,” affecting commerce, as defined by Title 42, United States Code, Section 1320a-7b(f), and as that term is used in Title 42, United States Code, Sections 1320a-7b(b).

B. TRICARE

13. TRICARE is a healthcare program of the United States Department of Defense (“DOD”) Military Health System that provides coverage for DOD beneficiaries worldwide, including active duty service members, National Guard and Reserve members, retirees, their families, and survivors. TRICARE provides coverage for certain prescription drugs, including certain compounded drugs.

14. TRICARE is a “health care benefit program,” affecting commerce, as defined by Title 18, United States Code Section 24(b), and as that term is used in Title 18, United States Code, Section 1347.

15. TRICARE is a “Federal health care program,” affecting commerce, as defined by Title 42, United States Code, Section 1320a-7b(f), and as that term is used in Title 42, United States Code, Section 1320a-7b(b).

IV. THIRD PARTY ADMINISTRATORS

16. A Pharmacy Benefit Manager (“PBM”) is a third party administrator of prescription drug programs, including privately or government insured drug plans, and acts on behalf of one or more prescription drug plans.

17. A Pharmacy Services Administrative Organization (“PSAO”) is also a third party entity, which provides various services such as contract negotiation and communication to pharmacies. Pharmacies may contract with PSAOs, which in turn contract with PBMs, such that PSAO member pharmacies may participate in a PBM network.

18. A pharmacy could participate in a privately or government insured plan by entering an agreement directly with the insured plan, or indirectly by joining a PBM’s pharmacy network through an agreement with a PBM or a PSAO.

19. When a pharmacy receives a prescription from a privately or government insured beneficiary, the pharmacy is to collect any applicable co-pay from the beneficiary, dispense the drug to the beneficiary, and submit a claim for reimbursement to the PBM that represents the beneficiary’s insured drug plan. The plan or PBM determines whether the pharmacy is entitled to payment for each claim. The pharmacy periodically receives payment for submitted claims from the Plan, PBM, or a PSAO. If payment is made by a PBM or PSAO, those entities are

ultimately reimbursed, directly or indirectly, by the insured plan.

20. Prime Therapeutics (“Prime”) is a PBM for BCBSAL and other insurance plans, Express Scripts Incorporated (“ESI”) is a PBM for TRICARE and other insurance plans, and Caremark LLC d/b/a CVS/Caremark (“CVS/Caremark”) is a PBM for Medicare and other insurance plans.

21. Prime, ESI, and CVS/Caremark are “health care benefit programs,” as defined by Title 18, United States Code, Section 24(b), that affected commerce, as that term is used in Title 18, United States Code, Section 1347.

22. Leader Drug Stores, Inc. (hereafter “Leader”) and AmerisourceBergen Elevate Provider Network (formerly Good Neighbor Pharmacy Provider Network) (hereafter “Good Neighbor”) and others are PSAOs through which pharmacies could enter PBMs’ pharmacy networks.

23. To become a PBM network pharmacy, a pharmacy agreed to be bound by, and comply with, all applicable State and Federal laws, specifically including those addressing fraud, waste, and abuse. A pharmacy also agreed to be bound by the PBM’s rules and regulations.

V. THE DEFENDANT, CO-CONSPIRATORS, & PHARMACIES

24. Northside Pharmacy d/b/a Global Compounding Pharmacy (hereafter “Global”) was an Alabama company that provided pharmaceutical services. It

operated from two locations. It compounded and shipped its pre-manufactured and compounded products from its pharmacy location, 922 20th Street, Haleyville, Alabama. It processed prescriptions, including initial receipt, billing, and patient contact, from its billing center located at 4700 140th Avenue North, Suites 111 and 112, Clearwater, Florida. The billing center was referred to as the Clearwater Call Center.

25. Global shipped many of its pre-manufactured and compounded drugs from its Haleyville, Alabama location to customers within and outside Alabama via United States Postal Service (“USPS”) and private interstate mail carriers such as United Parcel Service (“UPS”). Global also shipped medications from affiliate pharmacies located in Alabama and elsewhere.

26. Global employed pharmacists, pharmacy technicians, and other employees who worked from the Haleyville, Alabama location. Additionally, Global hired outside sales representatives, who worked from various locations throughout the United States, were primarily responsible for generating prescriptions from prescribers, and reported to regional district managers. Global also hired inside sales representatives, sometimes also referred to as pharmacy technicians, who worked at the Clearwater Call Center, and who were generally responsible for billing and patient contact.

27. Global contracted with BCBSAL to provide health insurance to employees and their dependents, who were located in Alabama and elsewhere in the United States.

28. Global contracted, including through PSAOs, to participate in the pharmacy networks of various PBMs, including Prime, ESI, and CVS/Caremark, and Global billed for prescription drugs through its contracts with these PBMs and PSAOs, as well as through the PBM/PSAO contracts of its affiliate pharmacies, including Carrollton Pharmacy d/b/a The Prescription Shop (“TPS”).

29. On or about May 29, 2015, Prime informed Global that it was terminating Global from its network effective September 4, 2015. From in or about June 2015 to in or about July 2015, Prime also informed patients who had received Global products paid for by Prime that Global would no longer be participating in the Prime network effective September 4, 2015.

30. In or about May 2015, two Global employees became listed owners of Carrollton Pharmacy d/b/a The Prescription Shop (“TPS”), located at 41254 Highway 195 Haleyville, Alabama. After on or about August 24, 2015, for Prime beneficiaries, Global compounded and shipped its drugs from other pharmacies, including TPS. In 2015, TPS was a Prime network pharmacy and was contracted with BCBSAL to provide health insurance to employees and their dependents. On

or about December 3, 2015, Prime also terminated TPS from its network effective immediately.

31. The following were among the individuals who worked at Global:

32. **MANAGEMENT PERSON #1** was an owner, President, and Chief Executive Officer of Global.

33. **MANAGEMENT PERSON #2** was an owner, Vice President and Chief Operating Officer of Global. **MANAGEMENT PERSON #2** resigned from Global on or about July 21, 2015.

34. **MANAGEMENT PERSON #3** was Global's Regional Sales Director, then National Sales Director and Vice President of Sales. District managers, who supervised outside sales representatives, reported to **MANAGEMENT PERSON #3**.

35. **MANAGEMENT PERSON #4** was Global's Inside Sales Manager, and supervised the Clearwater Call Center inside sales representatives.

36. Defendant **BRIDGET MCCUNE** was employed by Global and its affiliate entities from on or about September 8, 2014 to on or about July 6, 2016, and was located in and around Destin, Florida. She was initially employed as an outside sales representative for Global's Florida region. Starting in or about January 9, 2015, she became National Field Trainer, but also continued to function as an outside sales

representative. Defendant **MCCUNE** had a close familial relationship to **PRESCRIBER #5**, a physician located in Florida.

COUNT ONE
Conspiracy
18 U.S.C. § 371

At all times material to this Information:

37. Paragraphs 1 to 36 of the Introduction of this Information are fully incorporated as though set forth herein.

THE CONSPIRACY

38. From on or about September 8, 2014, and continuing until on or about July 6, 2016, the exact dates being unknown, within Winston County in the Northern District of Alabama, and elsewhere, defendant,

BRIDGET MCCUNE

knowingly and willfully conspired, combined, and agreed with others known and unknown to the United States:

- a. to execute a scheme and artifice to defraud health care benefit programs affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, BCBSAL, Medicare, TRICARE, Prime, ESI, CVS/Caremark, and others, 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, said health care benefit programs, in connection with the delivery and payment for health care benefits, items and services, in violation of Title 18, United States Code, Section 1347;

- b. to devise and intend to devise a scheme and artifice to defraud BCBSAL, Medicare, TRICARE, Prime, ESI, CVS/Caremark, and others, and to obtain money and property belonging to others by means of false and fraudulent pretenses, representations, and promises by use of interstate wire transmissions, in violation of Title 18, United States Code, Section 1343;
- c. to devise and intend to devise a scheme and artifice to defraud BCBSAL, Medicare, TRICARE, Prime, ESI, CVS/Caremark, and others and to obtain money and property belonging to others by means of false and fraudulent pretenses, representations, and promises, by use of United States mail or interstate carrier, in violation of Title 18, United States Code, Section 1341; and
- d. to solicit and receive any remuneration directly and indirectly, overtly and overtly, in cash and in-kind, in return for referring an individual to a person for the furnishing and arranging for the furnishing of any item or service for which payment may be made in whole or in part under a Federal health care program, that is TRICARE, Medicare, and others, in violation of Title 42, United States Code, Section 1320a-7b(b)(1) and (2).

MANNER AND MEANS OF THE CONSPIRACY

39. It was a part of the conspiracy that to generate sales, **MANAGEMENT PERSON #1** and others sought out and hired as outside sales representatives, individuals: **(a)** with marital and other close familial relationships to prescribers, including physicians, physician assistants, and nurse practitioners, and **(b)** who were prescribers or worked in prescribers' offices.

40. It was a further part of the conspiracy that to generate sales, **MANAGEMENT PERSON #1** and others directed and encouraged Global outside

sales representatives to work, typically without pay, in prescribers' offices, including by reviewing patient files and pushing and promoting Global's products to the prescribers' patients.

41. It was a further part of the conspiracy that Global hired defendant **MCCUNE** as the outside sales representative for Florida, including to act as the outside sales representative for **PRESCRIBER #5**, who would and did write prescriptions for prescription drugs to be filled by Global and its affiliate pharmacies.

42. It was a further part of the conspiracy that Global paid defendant **MCCUNE** an annual base salary plus a monthly commission payment based on total monthly profits for prescriptions she obtained, including from **PRESCRIBER #5**. Starting on or about October 1, 2014, commission payments were calculated as follows: \$0-\$99,999 = 7%, \$100,000-\$199,999 = 10%; \$200,000-infinity = 12%.

43. It was a further part of the conspiracy that on or about January 9, 2015, defendant **MCCUNE** was promoted to National Field Trainer in an effort to create the appearance that defendant **MCCUNE** would not continue to be paid a commission for each of **PRESCRIBER #5's** prescriptions.

44. It was a further part of the conspiracy that after on or about January 9, 2015, defendant **MCCUNE** continued to be paid commissions based on

PRESCRIBER #5's prescriptions.

45. It was a further part of the conspiracy that the overwhelming majority of prescriptions for which defendant **MCCUNE** received commission payments were issued under **PRESCRIBER #5's** signature, and included prescriptions for patients with government insurance plans such as Medicare and TRICARE.

46. It was a further part of the conspiracy that **MANAGEMENT PERSON #3** and others regularly instructed Global outside sales representatives and other employees to obtain prescriptions for Global's highest reimbursing products for themselves and their family members regardless of medical necessity.

47. It was a further part of the conspiracy that some of these high reimbursing prescription drugs included:

- a. Compounded scar removal creams, including Global's Scar Removal Cream #7 (also at times listed as Scar Removal Cream #8), advertised as treating "new scars and old scars."
- b. Silapak, also referred to as PharmaPak, a product Global's marketing flyer described as a "topical Skin Repair Complex . . . designed to provide relief for irritating skin conditions caused by numerous etiologies such as eczema, allergic reactions, irritating keloid and hypertrophic scars, psoriasis, and allergic reactions." The flyer further stated that "Silapak is not indicated for pregnant women or children."
- c. Lidocin, described in marketing materials circulated by Global as a topical analgesic that "provides a powerful formulation for pain control and is helpful for relief of pain associated with cuts, scrapes, and minor skin irritations."

- d. Active Prep Kit II (“APK II”), described in marketing materials as an in-office compounding kit for anti-inflammatory and analgesic treatment, for pain relief from musculoskeletal conditions, arthritis, and neuropathy.
- e. Medi-Derm Rx, a pain cream, described in Global’s marketing flyer as a topical analgesic/topical anesthetic “used for the temporary relief of minor aches and pains of muscles and joints associated with arthritis, simple backache, strains, sprains, muscle soreness and stiffness.”
- f. Pain sprays including Camphomex and Mentholix. Global’s materials describe Camphomex and Mentholix as topical pain sprays, and describe Mentholix as “for the temporary relief of minor aches and pains of the muscles and joints associated with simple backache, arthritis, strains, bruises and sprains.”
- g. Ortho D, a product Global’s marketing materials described as “indicated for dietary management of patients with unique nutritional needs requiring increased folate levels, Vitamin D deficiency or are in need of Vitamin D supplementation.”

48. It was a further part of the conspiracy that Global employees, including defendant **MCCUNE**, sent and caused to be sent to Global, prescriptions for these high-reimbursing and other drugs that were obtained not to meet patients’ legitimate medical needs, but rather to obtain commission payments on each of those prescriptions and to maximize Global’s and its affiliate pharmacies’ profits. The prescriptions defendant **MCCUNE** obtained included prescriptions issued under **PRESCRIBER #5**’s signature for defendant **MCCUNE** and her three dependents, aged between three and six years; **PRESCRIBER #5**; and **MANAGEMENT**

PERSON #3.

49. It was a further part of the conspiracy that some of the prescriptions, including those for **MANAGEMENT PERSON #3**, were issued without **PRESCRIBER #5** seeing, talking to or having a doctor-patient relationship with those individuals.

50. It was a further part of the conspiracy that to evade safeguards written into claims adjudication software that capped reimbursement for specific medications, **MANAGEMENT PERSON #4** and others would reduce the drug quantity on a prescription, thus lowering the amount submitted with each claim submitted. They would subsequently submit refill claims at more frequent intervals than usual in order to obtain amounts exceeding the capped reimbursement.

51. It was a further part of the conspiracy that Global would and did automatically refill patient prescriptions, including those of Global employees and their family members, regardless of whether patients needed or requested refills.

52. It was a further part of the conspiracy that to incentivize patients, including employees and their family members, to obtain or retain Global's prescription drugs, Global would regularly waive patients' co-pays including by:

- a. Telling patients they did not have to pay co-pays;
- b. Telling patients that Global would cover whatever portion of patients' co-pays that they could not pay;

- c. Paying a portion of patients' co-pays;
- d. Making little or no effort to collect co-pays, including failing to ask patients for co-pays and sending multiple refills to patients regardless of whether they had paid past co-pays; and
- e. Informing patients that Global would never send them to a collection service if they failed to pay their co-pays.

53. It was a further part of the conspiracy that Global further waived co-pays for employees and their family members, including by telling employees they could use their Global credit cards to pay for co-pays for drugs dispensed by Global.

54. It was a further part of the conspiracy that **MANAGEMENT PERSON #1** and others used multiple pharmacies to bill for and dispense prescription drugs. Starting in or around November 2014, Global primarily dispensed these prescriptions from its Haleyville location, and billed for them through Global's membership with PBMs, including Prime.

55. It was a further part of the conspiracy that starting in or about September 2015, after Global lost Prime coverage, Global sent prescriptions for patients with Prime coverage to TPS to be filled and shipped to patients, and billed to Prime.

56. It was a further part of the conspiracy that prescriptions on which defendant **MCCUNE** was paid commissions were shipped to patients by Global and

its affiliate pharmacies, via USPS and UPS.

57. It was a further part of the conspiracy that Global, TPS, and others received payments from Prime and other PBMs for prescriptions, including those under **PRESCRIBER #5**'s signatures. These payments were sometimes made through PSAOs.

58. It was a further part of the conspiracy that between on or about September 8, 2014, and on or about July 6, 2016, Global paid defendant **MCCUNE**, most often through interstate wire transfers over \$400,000, consisting of her base salary and commission payments, for prescriptions primarily written by **PRESCRIBER #5**, into her bank account *2627 at BB&T Bank.

OVERT ACTS

In furtherance of the conspiracy and to achieve the objects thereof, defendant **MCCUNE** and others known and unknown to the United States committed and caused to be committed the following overt acts, among others, in the Northern District of Alabama and elsewhere:

59. On or about September 8, 2014, Global hired defendant **MCCUNE** as an outside sales representative for Florida. Her base annual salary was approximately \$42,000 with a commission to be paid based on each prescription she brought in.

60. On or about September 11, 2014, **PRESCRIBER #5** issued a prescription for a topical pain cream to Patient B.P., a TRICARE beneficiary, which Global filled and billed for.

61. On or about October 1, 2014, defendant **MCCUNE** was enrolled in Global's BCBSAL employee health insurance plan.

62. On or about October 1, 2014, **MANAGEMENT PERSON #1** sent an email to Global employees stating that commission payments for outside sales representatives, including defendant **MCCUNE**, would be calculated as follows: \$0-\$99,999 = 7%; \$100,000-\$199,999 = 10%; \$200,000-infinity = 12%.

63. On or about November 24, 2014, **PRESCRIBER #5** sent an email to **MANAGEMENT PERSON #1**, **MANAGEMENT PERSON #2**, and defendant **MCCUNE**, stating in part "My issue has been refills. Most patients are being overwhelmed with the refills and I have to convince them that even though the creams work to keep getting the refills as they have a lot left over. Many want to have them stopped as they have a bunch left over. Obviously you don't want this to happen. So I have a couple of thoughts. I[']ve been telling patients to apply a lot of cream at a time to go through it. I[']d like to tell patients there is an expiration on the creams but I'm not sure there is. If there is I can tell them to get rid of the old supply when the new supply comes in."

64. On or about January 9, 2015, **MANAGEMENT PERSON #1**, **MANAGEMENT PERSON #2**, and defendant **MCCUNE** entered an employment agreement promoting defendant **MCCUNE** to National Field Trainer. The agreement stated that her annual salary would be \$125,000 per year, with an incentive bonus of “3-8% of total profits of outside reps that you train.” It described her job responsibility as including training sales representatives and to “work assigned territory maintaining prescription volume from those doctors, nurse practitioners, and physician assistants; excluding [**PRESCRIBER #5**].”

65. On or about January 28, 2015, **PRESCRIBER #5** prescribed to Patient P.I., an AARP beneficiary, a prescription for a topical pain cream, with 12 refills, which Global dispensed and billed for.

66. On or about April 8, 2015, a PSAO (Good Neighbor) wire transferred approximately \$349,746.38 to Global’s First Metro Bank account, which included payments for prescription drug claims submitted by Global to Prime.

67. On or about April 13, 2015, **PRESCRIBER #5** sent an email to **MANAGEMENT PERSON #1**, blind copying defendant **MCCUNE**, stating in part “Can you update me please on insurers that currently pay for creams and the patches. My big questions are medicare and private insurances. . . . [W]e are opening a new location in July, and expect a great deal more business at that time. Also could

you please update me on the refills of my patients so I can follow up with them as to why they aren't refilling.”

68. On or about April 15, 2015, **MANAGEMENT PERSON #1** sent an email to defendant **MCCUNE**, copying **MANAGEMENT PERSON #2**, and attaching her March 2015 commission report. The report: (a) covered prescriptions (including refills) for February 23, 2015 through March 20, 2015; (b) listed approximately 205 prescriptions, approximately 196 of which were written by **PRESCRIBER #5**, including prescriptions for patients with government insurance plans and for defendant **MCCUNE** and **PRESCRIBER #5**; (c) listed the designated sales representative as “Global” for prescriptions issued by **PRESCRIBER #5**; and (d) listed a total profit of \$119,285.42 and a commission payment of \$11,929, specified as calculated at a rate of 10% on all listed prescriptions.

69. On or about April 17, 2015, defendant **MCCUNE** received a wire transfer of approximately \$8,773.78, into her BB&T Bank account number *2627, which represented her commission payment, minus taxes and certain expenses, from Global for her March 2015 commission report.

70. On or about May 21, 2015, **MANAGEMENT PERSON #1** sent an email to defendant **MCCUNE**, attaching her April 2015 commission report. The report: (a) covered prescriptions (including refills) for March 23, 2015 through April

20, 2015; (b) listed approximately 234 prescriptions, approximately 224 of which were issued by **PRESCRIBER #5**, including for patients with government insurance plans and for defendant **MCCUNE** and **PRESCRIBER #5**; (c) listed the designated sales representative as “Global” for prescriptions issued by **PRESCRIBER #5**; and (d) listed a total profit of \$326,152.69 and a commission payment of \$39,138, specified as calculated at a rate of 12% on all listed prescriptions.

71. On or about May 22, 2015, defendant **MCCUNE** received a wire transfer of approximately \$28,760.00, into her BB&T Bank account number *2627, which represented her commission payment, minus taxes and certain expenses, from Global for her April 2015 Commission Report.

72. On or about July 12, 2015, **MANAGEMENT PERSON #3** sent an email to Global employees including defendant **MCCUNE**, stating “We are going to have a huge week this week and it starts with every rep and [district manager] getting a script for PharmaPak (SilaPak) for themselves and any eligible family member. So far we have 15 reps and one [district manager] who have gotten at least one in. If we get everyone in the week that would be around 45-50 depending on the family. At 50 that is \$220,000, in revenue and we need it.”

73. On or about July 13, 2015, **PRESCRIBER #5** issued a prescription for

Silapak, with 12 refills, to defendant **MCCUNE** with 12 refills.

74. On or about July 17, 2015, **PRESCRIBER #5** issued a prescription for Silapak, with 12 refills, to **PRESCRIBER #5**.

75. On or about July 20, 2015, **PRESCRIBER #5** issued a prescription for Silapak, with five refills, to defendant **MCCUNE**'s three-year old dependent child.

76. On or about July 20, 2015, Global mailed and caused to be mailed by UPS a shipment of the on or about July 20, 2015 prescription for Silapak to defendant **MCCUNE**'s then three-year old child. The Silapak was mailed from Global's Haleyville Alabama location to Destin, Florida.

77. On or about August 26, 2015, defendant **MCCUNE** received her July 2015 commission report. The report: (a) covered prescriptions (including refills) for June 22, 2015 through July 20, 2015; (b) listed approximately 122 prescriptions, all written by **PRESCRIBER #5**, including for patients with government insurance plans and for defendant **MCCUNE** and her dependents, and **PRESCRIBER #5**; (c) listed the designated sales representative as "Global" on all prescriptions; and (d) listed a total profit of \$75,347.72 and a commission payment of \$5,134.29, calculated at a rate of approximately 7% on all listed prescriptions.

78. On or about September 16, 2015, defendant **MCCUNE** sent an email to **MANAGEMENT PERSON #1**, stating in part "So in 90 days [**PRESCRIBER**

#5] will be out on [PRESCRIBER #5's] own. . . . My plan for [PRESCRIBER #5's] current patients is to “treat” all the BCBS patients we can within this time frame from TPS. If something should come up with TPS not being able to get these filled let me know ASAP - we don't want [PRESCRIBER #5] to have any red flags with [PRESCRIBER #5] current employer. . . . So when [PRESCRIBER #5] officially leaves we will start with all new patients of [the new clinic]. . . . So needless to say I don't think we will have any issues with volume.”

79. On or about November 19, 2015, defendant **MCCUNE** received her October 2015 commission report. The report: (a) covered prescriptions (including refills) for October 5, 2015 through October 29, 2015; (b) listed approximately 105 prescriptions, all written by **PRESCRIBER #5**, including patients with government insurance plans and for defendant **MCCUNE**, **PRESCRIBER #5**, and **MANAGEMENT PERSON #3**; (c) listed the designated sales representative as “Global” on all listed prescriptions; and (d) listed a total profit of \$86,000.57 and a commission payment of \$6,020, calculated at a rate of 7% on all listed prescriptions.

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

COUNTS TWO THROUGH SIX
Health Care Fraud
18 U.S.C. § 1347

80. Paragraphs 1 to 36 of the Introduction of this Information are fully

incorporated as though set forth herein.

81. Beginning on or about September 8, 2014, and continuing until in or about July 6, 2016, within Winston County in the Northern District of Alabama, and elsewhere, the defendant,

BRIDGET MCCUNE,

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 Title 18, United States Code, Section 24(b), that is, BCBSAL, Prime, and others, 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 BCBSAL, Prime, and others, in connection with the delivery of and payment for health care benefits, items, and services.

PURPOSE OF THE SCHEME AND ARTIFICE

82. It was the purpose of the scheme and artifice for defendant **MCCUNE** and others known and unknown to the United States to unlawfully enrich themselves through the submission of false and fraudulent claims to BCBSAL, Prime, and others.

THE SCHEME AND ARTIFICE

83. Paragraph 39 of this Information is hereby incorporated by reference as

though fully set forth herein, with the words “It was a part of the scheme and artifice” replacing “It was a part of the conspiracy” at the start of the paragraph. Paragraphs 40 to 58 are hereby incorporated by reference as though fully set forth herein, with the words, “It was a further part of the scheme and artifice” replacing “It was a further part of the conspiracy” at the start of each paragraph.

ACTS IN EXECUTION OF THE SCHEME AND ARTIFICE

84. On or about the dates specified below, each such date constituting a separate count of this Information, in Winston County within the Northern District of Alabama, and elsewhere, the defendant,

BRIDGET MCCUNE,

in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute and attempt to execute the above-described scheme and artifice to defraud a health care benefit program affecting commerce, that is, BCBSAL, Prime, and others, 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 said health care benefit program.

85. The allegations of paragraphs 80 to 84 above are realleged for each of Counts Two through Four below, as though fully set forth therein, when on or about

the dates set forth below, defendant **MCCUNE** did cause the billing to and payment by BCBSAL and Prime, and resulting shipment of the following fraudulent prescription drugs:

Count	Drug	BCBSAL/Prime Beneficiary	Approximate Date Billed	Amount Billed	Amount Paid
2	Silapak	Defendant MCCUNE	July 13, 2015	\$5,184.23	\$4,403.45
3	Silapak	PRESCRIBER #5	July 17, 2015	\$5,184.23	\$4,403.45
4	Silapak	Defendant MCCUNE Dependent #1 (born 2009)	July 17, 2015	\$5,184.23	\$4,403.45
5	Silapak	Defendant MCCUNE Dependent #2 (born 2010)	July 20, 2015	\$5,184.23	\$4,403.45
6	Silapak	Defendant MCCUNE Dependent #3 (born 2011)	July 20, 2015	\$5,184.23	\$4,403.45

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

COUNTS SEVEN THROUGH EIGHT
Engaging in Monetary Transactions in Property Derived From
Specified Unlawful Activity
18 U.S.C. § 1957

86. Paragraphs 1 to 36 of the Introduction to this Information are fully incorporated as though set forth herein.

87. Paragraphs 37 to 79 of Count One of this Information are fully incorporated as though set forth herein.

88. Paragraphs 80 to 85 of Counts Two through Six of this Information are fully incorporated as though set forth herein.

89. On or about the date set forth below for each Count, within Winston County in the Northern District of Alabama, and elsewhere, the defendant,

BRIDGET MCCUNE,

aided and abetted by others known and unknown to the United States, did knowingly engage and attempt to engage in a monetary transaction set forth below for each Count by, through, and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, that is a wire transfer more specifically identified below for each Count, knowing that said property had been derived from specified unlawful activities, which occurred in the Northern District of Alabama, that is, conspiracy, wire fraud, mail fraud, healthcare fraud and violations of the anti-kickback statute.

90. The allegations of paragraphs 87 to 90 above are realleged for each of Counts Seven through Eight below, as though fully set forth therein:

Count	Date	Transaction	From	To
7	April 27, 2015	Wire transfer of \$44,800	defendant MCCUNE's BB&T Bank account *2627	PRESCRIBER #5 and defendant MCCUNE's Regions Bank account *3361
8	July 24, 2015	Wire transfer of \$15,000	defendant MCCUNE's BB&T Bank account *2627	PRESCRIBER #5 and defendant MCCUNE's Regions Bank account *3361

NOTICE OF FORFEITURE

1. The allegations in Count One of this Information are hereby re-alleged and incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(7) and Title 28, United States Code, Section 2461(c),

2. Upon conviction of the offense set forth in Count One of this Information, in violation of Title 18, United States Code, Sections 371, 1341, 1343, and 1347, and Title 42, United States Code, Section 1320a-7b(b)(1)(A), the defendant,

BRIDGET MCCUNE,

shall forfeit to the United States of America:

- a. Pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offenses of wire fraud, in violation of Title 18 United States Code, Section 1343, and mail fraud, in violation of Title 18, United States Code, Section 1341; and
 - b. 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 health care fraud offense, in violation of Title 18, United States Code, Section 1347, and Title 42, United States Code, Section 1320a-7b(b)(1)(A).
3. The property to be forfeited includes, but is not limited to, a forfeiture money judgment in the amount of \$401,627.55.
4. 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 pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

All pursuant to 18 U.S.C. §§ 981(a)(1)(C) and 982(a)(7) and 28 U.S.C. § 2461(c).

NOTICE OF FORFEITURE
[18 U.S.C. § 982(a)(7)]

5. The allegations in Counts Two through Four of this Information are hereby re-alleged and incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 982(a)(7).

6. Upon conviction of the offenses set forth in Counts Two through Four of this Information, in violation of Title 18, United States Code, Section 1347, the defendant,

BRIDGET MCCUNE,

shall forfeit to the United States of America any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the offense.

7. 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 pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(C).

All pursuant to 18 U.S.C. § 982(a)(7).

NOTICE OF FORFEITURE
[18 U.S.C. § 982(a)(1)]

8. The allegations in Counts Seven and Eight of this Indictment are hereby re-alleged and incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 982(a)(1).

9. Upon conviction of the offense set forth in Counts Seven and Eight of this Information, in violation of Title 18, United States Code, Section 1957, the defendant,

BRIDGET MCCUNE,

shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 982(a)(1) any property, real or personal, involved in such offense, and any property traceable to such property.

10. 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 pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(C).

All pursuant to 18 U.S.C. § 982(a)(1).

ROBERT O. POSEY
Acting United States Attorney

/s/ Electronic Signature _____
CHINELO DIKÉ-MINOR
Assistant United States Attorney

/s/ Electronic Signature _____
NICOLE GROSNOFF
Assistant United States Attorney