



UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

2017 JUN 22 AM 8:57
US DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO, FLORIDA

UNITED STATES OF AMERICA

v.

CASE NO. 6:17-cr-142-DYI-41 DET
18 U.S.C. § 1349
18 U.S.C. § 1957

MICHAEL J. ANDERSON

INDICTMENT

The Grand Jury charges that:

GENERAL ALLEGATIONS

At all times material to this Indictment:

A. The TRICARE Program

1. TRICARE was a health care program of the United States Department of Defense (“DOD”) Military Health System that provided coverage for DOD beneficiaries worldwide, including active duty service members, National Guard and Reserve members, retirees, their families, and survivors. Individuals who received health care benefits through TRICARE were referred to as TRICARE beneficiaries. The Defense Health Agency (“DHA”), an agency of the DOD, was the military entity responsible for overseeing and administering the TRICARE program.

2. TRICARE was a “health care benefit program,” as defined by 18 U.S.C. § 24(b), that affected commerce, and as that term is used in 18 U.S.C. § 1347.

3. TRICARE was a “Federal health care program,” as defined by 42 U.S.C. § 1320a-7b(f), that affected commerce, and as that term is used in 42 U.S.C. § 1320a-7b(b).

4. TRICARE provided coverage for certain prescription drugs, including certain compounded drugs, that were medically necessary and prescribed by a licensed medical professional. Express Scripts, Inc. (“Express Scripts”) administered TRICARE’s prescription drug benefits.

5. TRICARE beneficiaries could fill their prescriptions through military pharmacies, TRICARE’s home delivery program, network pharmacies, and non-network pharmacies. If a beneficiary chose a network pharmacy, the pharmacy would collect any applicable co-pay from the beneficiary, dispense the drug to the beneficiary, and submit a claim for reimbursement to Express Scripts, which would in turn adjudicate the claim and reimburse the pharmacy directly or through a Pharmacy Services Administrative Organization (“PSAO”). Good Neighbor Pharmacy Provider Network (“Good Neighbor”) was a PSAO that contracted with Express Scripts. To become a 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.

B. Compound Drugs Generally

6. In general, “compounding” is a practice in which a licensed pharmacist, a licensed physician, or, in the case of an outsourcing facility, a person under the supervision of a licensed pharmacist, combines, mixes, or alters ingredients of a drug or multiple drugs to create a drug tailored to the needs of an individual patient. Compounded drugs are not approved by the U.S. Food and Drug Administration (“FDA”); that is, the FDA does not verify the safety, potency, effectiveness, or manufacturing quality of compounded drugs. The Florida State Board of Pharmacy regulates the practice of compounding in the State of Florida.

7. Compounded drugs may be prescribed by a physician when an FDA-approved drug does not meet the health needs of a particular patient. For example, if a patient is allergic to a specific ingredient in an FDA-approved medication, such as a dye or a preservative, a compounded drug can be prepared excluding the substance that triggers the allergic reaction. Compounded drugs may also be prescribed when a patient cannot consume a medication by traditional means, such as an elderly patient or child who

cannot swallow an FDA-approved pill and needs the drug in a liquid form that is not otherwise available.

C. Entities and Individuals

8. Life Worth Living Foundation, Inc., d/b/a Life Worth Living Pharmacy (“Life Worth Living Pharmacy”), was a Florida corporation incorporated on or about June 29, 2009, that had a principal place of business in Orlando, Florida. Life Worth Living Pharmacy was a pharmacy that provided compounded drugs to TRICARE beneficiaries and contracted with Good Neighbor PSAO.

9. DMA Logistics LLC was a Florida limited liability company established on or about March 14, 2014, that had a principal place of business in Orlando, Florida.

10. Nation Wide Meds was a fictitious name registered with the State of Florida on or about September 11, 2014. DMA Logistics LLC did business as Nation Wide Meds.

11. Defendant MICHAEL J. ANDERSON was a managing member and vice president of DMA Logistics.

12. Defendant MICHAEL J. ANDERSON established and maintained signature authority on a bank account for DMA Logistics in the State of Florida with SunTrust Bank, account number ending 2175.

13. Defendant MICHAEL J. ANDERSON maintained a bank account for DMA Logistics in Dubai in the United Arab Emirates with Mashreq Bank.

14. Co-Conspirators A and B worked for and on behalf of DMA Logistics and Nation Wide Meds.

15. Co-Conspirator C operated Life Worth Living Pharmacy.

COUNT ONE

**Conspiracy to Commit Health Care Fraud and Wire Fraud
(18 U.S.C. § 1349)**

1. Paragraphs 1 through 15 of the General Allegations section of this Indictment are realleged and incorporated by reference as though fully set forth herein.

2. Beginning in or around June 2014 and continuing through in or around December 2015, in the Middle District of Florida, and elsewhere, the defendant,

MICHAEL J. ANDERSON

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

a. To knowingly, willfully, and with intent to defraud 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, TRICARE, 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, in connection with the delivery and payment for health care benefits, items and services, in violation 18 U.S.C. § 1347; and

b. To knowingly and with the intent to defraud devise and intend to devise a scheme and artifice to defraud, and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, and did knowingly transmit and cause to be transmitted, by means of wire communication in interstate commerce, writing, signs, signals, pictures and sounds for the purpose of executing such scheme and artifice, in violation of 18 U.S.C. § 1343.

Purpose of the Conspiracy

3. It was a purpose and object of the conspiracy for the Defendant and his co-conspirators to unlawfully enrich themselves by, among other things: (a) causing the submission of false and fraudulent claims to TRICARE; (b) concealing the submission of false and fraudulent claims to TRICARE and the receipt and transfer of the proceeds from the fraud; and (c) diverting proceeds of the fraud for the personal use and benefit of the Defendant and his co-conspirators.

Manner and Means of the Conspiracy

The manner and means by which the Defendant and his co-conspirators sought to accomplish the purposes and objects of the conspiracy included, among others, the following:

4. MICHAEL J. ANDERSON, Co-Conspirator A, and their co-conspirators would and did operate DMA Logistics, a/k/a Nation Wide Meds, including through the use of wire communications in interstate commerce, to generate false and fraudulent prescriptions for compounded drugs for TRICARE beneficiaries.

5. MICHAEL J. ANDERSON and his co-conspirators would and did unlawfully use, and cause to be unlawfully used, unique identifying information of TRICARE beneficiaries to cause the submission of false and

fraudulent reimbursement claims to TRICARE for prescriptions for compounded drugs.

6. Co-Conspirator A and other co-conspirators would and did give, and cause to be given, prescriptions for compounded drugs for TRICARE beneficiaries to co-conspirator licensed medical professionals for them to sign and return to DMA Logistics, a/k/a Nation Wide Meds, without having legitimate provider-patient interactions.

7. Co-Conspirator A and other co-conspirators would and did pay, and cause to be paid, kickbacks to co-conspirator licensed medical professionals in exchange for signing prescriptions for compounded drugs for TRICARE beneficiaries.

8. Co-Conspirators B and C and other co-conspirators would and did submit and cause the submission of false and fraudulent reimbursement claims to TRICARE on behalf of Life Worth Living Pharmacy, including through the use of wire communications in interstate commerce, based on prescriptions received from DMA Logistics, a/k/a Nation Wide Meds, for compounded drugs for TRICARE beneficiaries that were not legitimately prescribed.

9. Co-Conspirator C and other co-conspirators would and did pay and cause to be paid kickbacks to MICHAEL J. ANDERSON through DMA Logistics in exchange for generating and causing to be generated prescriptions for compounded drugs for TRICARE beneficiaries.

10. Co-Conspirator C would and did receive payment on behalf of Life Worth Living Pharmacy from TRICARE as reimbursement on the false and fraudulent claims for prescriptions for compounded drugs and would and did pay and cause to be paid a percentage of proceeds from the false and fraudulent claims to MICHAEL J. ANDERSON through DMA Logistics.

11. MICHAEL J. ANDERSON, Co-Conspirator A, and their co-conspirators would and did maintain bank accounts that were used to receive, transfer, and disburse proceeds of the fraud scheme and to pay and receive kickbacks in furtherance of the fraud scheme.

12. MICHAEL J. ANDERSON and his co-conspirators would and did perform acts and make statements to hide and conceal, and cause to be hidden and concealed, the purposes of, and the acts done in furtherance of, said conspiracy.

All in violation of 18 U.S.C. § 1349.

COUNTS TWO AND THREE

**Money Laundering
(18 U.S.C. § 1957)**

1. Paragraphs 1 through 15 of the General Allegations section of this Indictment are realleged and incorporated by reference as though fully set forth herein.

2. On or about the dates set forth below in each count, in the Middle District of Florida, and elsewhere, the defendant,

MICHAEL J. ANDERSON

did knowingly engage and attempt to engage in monetary transactions affecting interstate commerce, by, through, and to a financial institution, in criminally derived property of a value greater than \$10,000, and such property having been derived from specified unlawful activity:

Count	On or About Date	Monetary Transaction
Two	June 1, 2015	The transfer by wire of \$500,000 from DMA Logistics' SunTrust Bank account ending 2175 to DMA Logistics Inc.'s Mashreq Bank account in Dubai, The United Arab Emirates.
Three	July 1, 2015	The transfer by wire of \$150,000 from DMA Logistics' SunTrust Bank account ending 2175 to DMA Logistics Inc.'s Mashreq Bank account in Dubai, The United Arab Emirates.

It is further alleged that the specified unlawful activity is conspiracy to commit health care fraud and wire fraud, in violation of 18 U.S.C. § 1349, health care fraud, in violation of 18 U.S.C. § 1347, wire fraud, in violation of

18 U.S.C. § 1343, and receipt of kickbacks in connection with a federal health care benefit program, in violation of 42 U.S.C. § 1320a-7b(b)(1)(A).

In violation of 18 U.S.C. §§ Sections 1957 and 2.

FORFEITURE

1. The allegations contained in Counts One through Three are incorporated by reference for the purpose of alleging forfeiture pursuant to 18 U.S.C. §§ 981(a)(1)(C), 982 and 28 U.S.C. § 2461(c).

2. Upon conviction of a conspiracy of the violation of 18 U.S.C. § 1347, in violation of 18 U.S.C. § 1349, the defendant shall forfeit to the United States, pursuant to 18 U.S.C. § 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 offense.

3. Upon conviction of a conspiracy of the violation of 18 U.S.C. § 1343, in violation of 18 U.S.C. § 1349, the defendant shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offense.

4. Upon conviction of a violation of 18 U.S.C. § 1957, the defendant shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(1),

any property, real or personal, involved in such offense, or any property traceable to such property.

5. The property to be forfeited includes, but is not limited to, the following: a \$5,792,210 forfeiture money judgment, which represents the proceeds obtained from the offense.

6. If any of the property described above, as a result of any act or omission of the defendant:

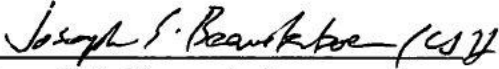
- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be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


the United States 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)(1) and 28 U.S.C. § 2461(c).

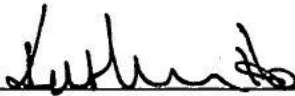
A TRUE BILL,


FOREPERSON

W. STEPHEN MULDROW
Acting United States Attorney

By: 
Joseph S. Beemsterboer
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Chief, Orlando Division

FORM OBD-34

June 17

No.

UNITED STATES DISTRICT COURT
 Middle District of Florida
 Orlando Division

THE UNITED STATES OF AMERICA

vs.

MICHAEL J. ANDERSON

INDICTMENT

Violations: 18 U.S.C. § 1349
 18 U.S.C. § 1957

A true bill.



Foreperson

Filed in open court this 21st day of June, 2017.

A handwritten signature in black ink is written over a horizontal line.

Clerk

Bail \$ _____