

FILED

SEAL

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
ORLANDO DIVISION

2017 JUN 22 AM 9:01

DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
ORLANDO, FLORIDA

UNITED STATES OF AMERICA

v.

CASE NO. 6:17-cr-143-on-40 det

18 U.S.C. § 371

LARRY B. HOWARD

42 U.S.C. § 1320a-7b(b)(1)(A)

NICOLE R. BRAMWELL

42 U.S.C. § 1320a-7b(b)(2)(A)

RAYMOND L. STONE

18 U.S.C. § 1957

**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”). 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. Business Entities**

8. LBG Holdings LLC was a Florida limited liability company established on or about November 4, 2003, by **LARRY B. HOWARD** that had a principal place of business in Winter Springs, Florida. LBG Holdings was the managing member of Fertility Pharmacy.

9. Fertility Pharmacy was a fictitious name registered with the State of Florida on or about July 30, 2013, by **LARRY B. HOWARD** for LBG Holdings.

10. TRICARE Wellness was a fictitious name registered with the State of Florida on or about January 5, 2015, by **LARRY B. HOWARD** for LBG Holdings. Fertility Pharmacy sometimes did business as TRICARE Wellness.

11. American Pharmaceutical Educational Services, Inc. ("A.P.E.S.") was a Florida not-for-profit corporation established by **LARRY B. HOWARD** on or about August 18, 2008, that had a principal place of business in Winter Springs, Florida.

12. Institute of Weight Management and Metabolic Medicine @ Lake Mary was a fictitious name registered with the State of Florida on or about July 18, 2013, by **NICOLE R. BRAMWELL**.

**D. Defendants**

13. Defendant **LARRY B. HOWARD** was a pharmacist licensed in the State of Florida, operated Fertility Pharmacy, d/b/a TRICARE Wellness, was managing member of LBG Holdings, and was president of A.P.E.S.

**LARRY B. HOWARD** maintained signature authority on a bank account for LBG Holdings with Bank of America, account number ending 1412; a bank account for LBG Holdings with Fairwinds Credit Union, account number ending 9070; a bank account for A.P.E.S. with Fairwinds Credit Union, account number ending 9695; and a bank account for himself with Bank of America, account number ending 7993.

14. Defendant **NICOLE R. BRAMWELL** was a physician licensed in the State of Florida and sometimes did business as the Institute of Weight Management and Metabolic Medicine ("Institute of Weight Management"). **NICOLE R. BRAMWELL** maintained signature authority on a bank account for the Institute of Weight Management with Regions Bank, account number ending 8309.

15. Defendant **RAYMOND L. STONE** was a patient recruiter.

**COUNT ONE**

**Conspiracy to Offer, Pay, Solicit, and Receive Health Care Kickbacks  
(18 U.S.C. § 371)**

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 March 2014, and continuing through in or around December 2015, in the Middle District of Florida, and elsewhere, the defendants,

**LARRY B. HOWARD  
NICOLE R. BRAMWELL  
and  
RAYMOND L. STONE**

did knowingly and willfully combine, conspire, confederate and agree with each other and others known and unknown to the Grand Jury:

a. to defraud the United States by impairing, impeding, obstructing and defeating through deceitful and dishonest means; the lawful government functions of the United States Department of Defense, Defense Health Agency, in its administration and oversight of the TRICARE program;

b. to commit an offense against the United States, that is, to violate 42 U.S.C. § 1320a-7b(b)(1)(A), by knowingly and willfully soliciting and receiving remuneration, including kickbacks and bribes, directly and

indirectly, overtly and covertly, in cash and in kind, including by check, in return for referring an individual to a person for the furnishing and arranging for the furnishing of prescription compounded drugs, for which payment may be made in whole and in part by a Federal health care program, that is, TRICARE; and

c. to commit an offense against the United States, that is, to violate 42 U.S.C. § 1320a-7b(b)(2)(A), by knowingly and willfully offering and paying any remuneration, including kickbacks and bribes, directly and indirectly, overtly and covertly, in cash and in kind, including by check, to a person to induce such person to refer an individual to a person for the furnishing and arranging for the furnishing of prescription compounded drugs, for which payment may be made in whole and in part by a Federal health care program, that is, TRICARE.

**Purpose of the Conspiracy**

3. It was a purpose and object of the conspiracy for the Defendants and their co-conspirators to unlawfully enrich themselves by, among other things: (a) soliciting and receiving kickbacks and bribes in return for prescribing compounded drugs to TRICARE beneficiaries and referring TRICARE beneficiaries for prescription compounded drugs; (b) offering and paying kickbacks and bribes in return for prescribing compounded drugs to

TRICARE beneficiaries and referring TRICARE beneficiaries for prescription compounded drugs; and (c) causing the submission of claims to TRICARE for prescription compounded drugs that the co-conspirators purported to provide to those beneficiaries.

**Manner and Means of the Conspiracy**

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

4. **LARRY B. HOWARD** would and did operate Fertility Pharmacy, d/b/a TRICARE Wellness, and cause the submission to TRICARE of claims for prescription compounded drugs, purportedly provided to TRICARE beneficiaries, that were not legitimately prescribed, resulting in receipt of approximately \$4,399,697 in reimbursement payments from TRICARE.
5. **LARRY B. HOWARD** would and did pay kickbacks and bribes to **NICOLE R. BRAMWELL**, and co-conspirators, in exchange for prescriptions for compounded drugs for TRICARE beneficiaries.



6. **LARRY B. HOWARD** would and did pay kickbacks and bribes to **RAYMOND L. STONE**, and co-conspirators, in exchange for referring TRICARE beneficiaries for prescriptions for compounded drugs.

7. **RAYMOND L. STONE** would and did falsely represent himself as a retired Lieutenant Commander, Submarine Service, United States Navy, in order to obtain identifying information from TRICARE beneficiaries for prescriptions for compounded drugs.

8. **LARRY B. HOWARD, RAYMOND L. STONE**, and co-conspirators would and did provide, and cause to be provided, water filtration machines to TRICARE beneficiaries to induce beneficiaries to receive prescription compounded drugs.

9. **NICOLE R. BRAMWELL, RAYMOND L. STONE**, and co-conspirators would and did receive kickbacks and bribes from **LARRY B. HOWARD** in exchange for referring TRICARE beneficiaries to Fertility Pharmacy, d/b/a TRICARE Wellness, for prescription compounded drugs.

#### **Overt Acts**

In furtherance of the conspiracy, and to accomplish its objects and purposes, at least one co-conspirator committed and caused to be committed, in the Middle District of Florida, at least one of the following overt acts, among others:

1. On or about January 27, 2015, **NICOLE R. BRAMWELL** caused check number 1587 in the amount of \$3,600 from **LARRY B. HOWARD**, through LBG Holdings' Bank of America account ending 1412, payable to "The Institute of Weight Management & Metabolic", to be deposited into the Institute of Weight Management's Regions Bank account ending 8309.

2. On or about May 12, 2015, **RAYMOND L. STONE** caused check number 1011 in the amount of \$2,540 from **LARRY B. HOWARD**, through LBG Holdings' Fairwinds Credit Union account ending 9070, payable to "RAY Stone LT", to be deposited into his USAA bank account ending 4814.

3. On or about June 3, 2015, **LARRY B. HOWARD** paid \$5,115.40 to **RAYMOND L. STONE** via check number 1785 from LBG Holdings' Bank of America account ending 1412 payable to "R.L. Stone Lt".

4. On or about July 13, 2015, **LARRY B. HOWARD** paid \$10,000 to **NICOLE R. BRAMWELL** via check number 1025 from LBG Holdings' Fairwinds Credit Union account ending 9070 payable to "The Institute of Weight Management & M.M."

5. On or about July 14, 2015, **LARRY B. HOWARD** paid \$10,000 to **NICOLE R. BRAMWELL** via check number 1031 from LBG Holdings' Fairwinds Credit Union account ending 9070 payable to "The Institute of Weight Management & M.M."

6. On or about July 15, 2015, **NICOLE R. BRAMWELL** caused check number 1033 in the amount of \$5,000 from **LARRY B. HOWARD**, through LBG Holdings' Fairwinds Credit Union account ending 9070, payable to "The Institute of Weight Management & M.M.", to be deposited into the Institute of Weight Management's Regions Bank account ending 8309.

7. On or about September 25, 2015, **LARRY B. HOWARD** paid \$7,500 to **NICOLE R. BRAMWELL** via check numbers 1007 and 1008 in the amount of \$2,500 each from A.P.E.S.' Fairwinds Credit Union account ending 9695 payable to "Nicole Bramwell," and check number 1009 in the amount of \$2,500 from A.P.E.S.' Fairwinds Credit Union account ending 9695 payable to "The Institute of Weight Management."

All in violation of 18 U.S.C. § 371.

**COUNTS TWO AND THREE**  
**Receipt of Kickbacks in Connection with a**  
**Federal Health Care Benefit Program**  
**(42 U.S.C. § 1320a-7b(b)(1)(A))**

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 defendants,

**NICOLE R. BRAMWELL**  
**and**  
**RAYMOND L. STONE**

did knowingly and willfully solicit and receive remuneration, that is, kickbacks and bribes, directly and indirectly, overtly and covertly, in cash and in kind, including by check, in return for referring an individual to a pharmacy for the furnishing and arranging for the furnishing of prescription compounded drugs, for which payment may be made in whole and in part by TRICARE, as set forth below:

Count	Defendant	Approximate Date	Approximate Kickback Amount
Two	<b>NICOLE R. BRAMWELL</b>	April 1, 2015	\$5,800
Three	<b>RAYMOND L. STONE</b>	April 14, 2015	\$3,600

In violation of 42 U.S.C. § 1320a-7b(b)(1)(A) and 18 U.S.C. § 2.

**COUNTS FOUR AND FIVE**  
**Payment of Kickbacks in Connection with a**  
**Federal Health Care Benefit Program**  
**(42 U.S.C. § 1320a-7b(b)(2)(A))**

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,

**LARRY B. HOWARD**

did knowingly and willfully offer and pay any remuneration, that is, kickbacks and bribes, directly and indirectly, overtly and covertly, in cash and in kind, including by check, to a person to induce such person to refer an individual for the furnishing and arranging for the furnishing of any item and service for which payment may be made in whole and in part by TRICARE, as set forth below:

Count	Approximate Date	Approximate Kickback Amount
Four	April 1, 2015	\$5,000
Five	April 25, 2015	\$3,600

In violation of 42 U.S.C. § 1320a-7b(b)(2)(A) and 18 U.S.C. § 2.

**COUNTS SIX AND SEVEN**

**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,

**LARRY B. HOWARD**

aided and abetted by and aiding and abetting others, 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
Six	April 20, 2015	The deposit of \$100,000 via check number 1005 from LBG Holdings' Fairwinds Credit Union account ending 9070 into LBG Holdings' Bank of America account ending 1412.
Seven	Nov. 30, 2015	The transfer of \$1,000,000 from LBG Holdings' Fairwinds Credit Union account ending 9070 to A.P.E.S.' Fairwinds Credit Union account ending 9695.

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, payment of kickbacks in connection with a federal health care benefit program, in violation of 42 U.S.C. § 1320a-7b(b)(2)(A).

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

### **FORFEITURE**

1. The allegations contained in Counts One through Seven are incorporated by reference for the purpose of alleging forfeitures pursuant to 18 U.S.C. §§ 982(a)(1) and 982(a)(7).

2. Upon conviction of a violation of 42 U.S.C. § 1320a, the defendants 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 violation of 18 U.S.C. § 1957, the defendant **LARRY B. HOWARD** 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.

4. The property to be forfeited includes, but is not limited to, a forfeiture money judgment of approximately \$4,399,697.

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

- 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 under the provisions of 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. §§ 982(b)(1) and 2461(c).


A TRUE BILL,

  
FOREPERSON

W. STEPHEN MULDROW  
Acting United States Attorney

By:   
Joseph S. Beemsterboer  
Deputy Chief  
Criminal Division, Fraud Section  
U.S. Department Of Justice

By:   
Christopher J. Hunter  
Senior Trial Attorney  
Criminal Division, Fraud Section  
U.S. Department of Justice

By:   
Katherine M. Ho  
Assistant United States Attorney  
Chief, Orlando Division

June 17

No.

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**UNITED STATES DISTRICT COURT**

Middle District of Florida

Orlando Division

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THE UNITED STATES OF AMERICA

vs.

LARRY B. HOWARD  
NICOLE R. BRAMWELL  
and  
RAYMOND L. STONE

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**INDICTMENT**

Violations: 18 U.S.C. § 371; 42 U.S.C. §§ 1320a-7b(b)(1)(A) and 1320a-7b(b)(2)(A); and 18 U.S.C. § 1957

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A true bill,



Foreperson

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

A handwritten signature in blue ink, appearing to be 'HA', written over a horizontal line.

Clerk

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Bail \$ \_\_\_\_\_

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