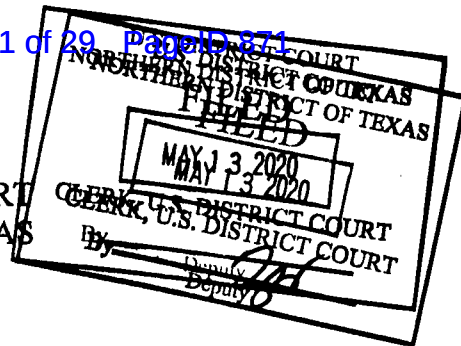




IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

UNITED STATES OF AMERICA

v.

NO. 3:18-CR-623-S

RICHARD HALL (01)
SCOTT SCHUSTER (02)
DUSTIN RALL (03)
JOHNATHAN LE (04)
GEORGE LOCK PARET (05)
QUINTAN COCKERELL (07)

(Supersedes Indictment filed on
December 12, 2018)

SUPERSEDING INDICTMENT

The Grand Jury charges that:

General Allegations

At all times material to this superseding indictment,

1. Defendants unlawfully submitted and caused to be submitted false and fraudulent claims to federal health care programs for prescriptions for compounded drugs, prescribed for, among others, members of the armed forces and injured federal workers. Federal health care programs paid millions of dollars on these false and fraudulent claims. These prescriptions, as the defendants knew and intended, were, among other things, induced through the payment and receipt of unlawful kickbacks and bribes, in violation of the federal Anti-Kickback Statute. Defendants distributed the payments from federal health care programs among themselves to unlawfully enrich and benefit themselves and others.

The Defendants and Related Companies and Individuals

2. The Medicine Store Pharmacy, Inc., dba Rxpress Pharmacy (Rxpress Pharmacy) and Halls IV & Institutional Pharmacy, Inc., dba Xpress Compounding (Xpress Compounding), were compounding pharmacies located at 1000 W. Weatherford St., Fort Worth, Texas. Rxpress Pharmacy and Xpress Compounding were separate in name only—the pharmacies operated out of the same location with the same staff.

3. Defendant **Richard Hall**, a resident of Tarrant County, Texas, was an owner and part of the sales and marketing group of Rxpress Pharmacy and Xpress Compounding.

4. Defendant **Scott Schuster**, a resident of Tarrant County, Texas, was an owner, member of the Board of Directors, and part of the sales and marketing group of Rxpress Pharmacy and Xpress Compounding.

5. Defendant **Dustin Rall**, a resident of Tarrant County, Texas, was an owner, member of the Board of Directors, and part of the sales and marketing group of Rxpress Pharmacy and Xpress Compounding.

6. Turner Luke Zeutzius, a resident of Llano County, Texas, was a marketer for Rxpress Pharmacy and Xpress Compounding. Turner Luke Zeutzius owned and operated OR Assist LLC dba Matrix Medical and L&R Medical Inc., among other businesses.

7. **Scott Schuster, Dustin Rall**, and Turner Luke Zeutzius were part-owners and operators of Tactical Health Care Partners, Inc. (THCP). THCP recruited TRICARE

beneficiaries and marketed compounded medications to be filled at and billed by Rxpress Pharmacy and Xpress Compounding. THCP received commission payments from Rxpress Pharmacy.

8. **Scott Schuster** and **Dustin Rall** owned and operated Freedom Technologies LLC (Freedom Technologies), a Texas limited liability company. Freedom Technologies was a part-owner of THCP.

9. **Scott Schuster** and **Dustin Rall** also owned and operated M.O.T. Distributing LLC (M.O.T. Distributing), a Texas limited liability company. M.O.T. Distributing received commission payments from Turner Luke Zeutzius and his businesses.

10. Defendant **Johnathan Le**, a resident of Dallas County, Texas, was the Vice President of Finance for Rxpress Pharmacy and Xpress Compounding. **Johnathan Le** oversaw the payment of commissions to marketers for both Rxpress Pharmacy and Xpress Compounding.

11. Defendant **George Lock Paret**, a resident of Tarrant County, Texas, was the Pharmacist-In-Charge for Rxpress Pharmacy and a marketer for Rxpress Pharmacy and Xpress Compounding.

12. Defendant **Quintan Cockerell**, a resident of Los Angeles County, California, was a marketer for Rxpress Pharmacy and Xpress Compounding, and an owner of QSpine LLC (Qspine). Person A received commission payments for the benefit of **Quintan Cockerell**.

13. Michael Ranelle, a resident of Tarrant County, Texas was a marketer for Rxpress Pharmacy and Xpress Compounding, and an owner of Universal Triumph Medical Supply, LLC (Universal Triumph).

Federal Health Care Benefit Programs (Generally)

14. Title 18, United States Code, Section 24(b) defined a health care benefit program as any public or private plan or contract, affecting commerce, under which any medical benefit, item, or service was provided to any individual and included any individual or entity who provided a medical benefit, item, or service for which payment may be made under the plan or contract.

15. 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 dependents, and survivors. The Defense Health Agency (DHA), an agency of the DoD, was the military entity responsible for overseeing and administering the TRICARE program. TRICARE was a “health care benefit program” as defined in 18 U.S.C. § 24(b) and a “Federal health care program” as defined in 42 U.S.C. § 1320a-7b(f). Individuals who received benefits through TRICARE were referred to as TRICARE “beneficiaries.”

16. TRICARE paid for certain medical services, including prescription and pharmaceutical drugs, on behalf of beneficiaries.

17. Express Scripts, Inc. (Express Scripts) administered TRICARE's prescription drug benefits. Pharmacies enrolled in the TRICARE program through Express Scripts. Once enrolled, pharmacies could dispense drugs to beneficiaries and submit to Express Scripts claims for payment relating to such prescriptions. By submitting claims to Express Scripts, a TRICARE pharmacy certified, among other things, that its prescription services on behalf of beneficiaries complied with TRICARE's rules and regulations and federal law, including those related to fraud, waste, and abuse. TRICARE paid claims for medical services on behalf of beneficiaries to the pharmacy's financial institution via wire, check, and electronic transfer.

18. The Federal Employees Compensation Act (FECA) provided for payment of workers' compensation benefits to federal employees who suffered an injury, disease, or death in the performance of duty. To establish a claim for benefits, a medical condition was required to be causally related to a claimed injury, disease, or death. Benefits were only available while a work-related condition continued. The benefits under FECA included all necessary medical care, medical supplies and prescription drugs. The Department of Labor (DOL) Office of Workers Compensation Program (OWCP) administered the benefits under FECA. All claims for the State of Texas were processed in Dallas, Texas. FECA was a "health care benefit program" as defined in 18 U.S.C. § 24(b), and a "Federal health care program," as defined by 42 U.S.C. § 1320a-7b(f).

19. DOL-OWCP contracted with Affiliated Computer Services (ACS) to provide medical claims processing and payments. ACS served as the billing administrator for FECA. In this capacity, ACS received provider enrollment forms from prospective FECA providers, assigned provider numbers, and processed and paid claims for benefits under FECA.

20. FECA provided coverage for medically necessary pharmaceuticals to treat symptoms that were the result of a work-related injury when prescribed by a doctor.

Compound Medications (Generally)

21. In general, “compounding” was a practice in which a licensed pharmacist, among others, combined, mixed, or altered ingredients of a drug or multiple drugs to create a drug tailored to the needs of an individual patient. Compound drugs were not approved by the U.S. Food and Drug Administration (“FDA”); that is, the FDA did not verify the safety, potency, effectiveness, or manufacturing quality of compound drugs. The Texas State Board of Pharmacy regulated the practice of compounding pharmaceuticals in the State of Texas.

22. Compound drugs could have been prescribed by a physician when an FDA-approved drug did not meet the health needs of a particular patient. A patient could have had, for example, a specific condition that would be generally treated by an FDA-approved drug but such a drug may not have been appropriate for the patient because he or she was allergic to a specific ingredient, such as a dye or preservative, in that drug. In that scenario, the patient could have been prescribed a compounded drug that excluded

whatever ingredient or aspect that prevented that patient from otherwise using the FDA-approved drug. A patient also could have been unable, for example, to take an FDA-approved drug for a medical condition because he or she could not consume such drugs by traditional means, such as swallowing. In that scenario, the patient could have been prescribed a compounded drug that allows the patient to take a medicine in another form, such as liquid or powder, so that he or she may consume it.

23. TRICARE would not pay claims submitted by a pharmacy for prescriptions for compounded drugs that TRICARE knew, among other things, (1) were not medically necessary for the treatment of the beneficiary's specific medical needs; or (2) were the result of a violation of the federal Anti-Kickback Statute.

24. FECA would not pay claims submitted by a pharmacy for prescriptions for compounded drugs that FECA knew, among other things, (1) were not medically necessary for the treatment of the claimant's specific medical needs; or (2) were the result of a violation of the federal Anti-Kickback Statute.

25. Xpress Compounding was enrolled as a pharmacist provider with Express Scripts and ACS and billed, and was paid by, both TRICARE and FECA for purported prescription claims.

Count One

Conspiracy to Defraud the United States and to
Pay and Receive Health Care Kickbacks
(Violation of 18 U.S.C. § 371 (42 U.S.C. § 1320a-7b(b)(1) and (2))

26. All previous paragraphs of this superseding indictment are realleged and incorporated by reference as if fully alleged herein.

27. From in or around May 2014 through in or around September 2016, the exact dates being unknown to the Grand Jury, in the Dallas Division of the Northern District of Texas and elsewhere, the defendants, **Richard Hall, Scott Schuster, Dustin Rall, Johnathan Le, George Lock Paret, and Quintan Cockerell** did knowingly and willfully combine, conspire, confederate, and agree with Turner Luke Zeutzius, Michael Ranelle, and others known and unknown to the Grand Jury, to commit certain offenses against the United States, that is,

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 in its administration and oversight of the TRICARE program and the United States Department of Labor Office of Workers Compensation in its administration and oversight of the FECA program;

b. to violate Title 42, United States Code, Section 1320a-7b(b)(1), by knowingly and willfully soliciting and receiving remuneration, specifically, kickbacks and bribes, directly and indirectly, overtly and covertly, in return for referring individuals for the furnishing and arranging for the furnishing of any item and service for which

payment may be made in whole or in part by TRICARE and FECA; and for the purchasing, leasing, ordering, and arranging for and recommending the purchasing, leasing and ordering of any good, item and service for which payment may be made in whole and in part by a federal health care program, that is, TRICARE and FECA; and

c. to violate Title 42, United States Code, Section 1320a-7b(b)(2), by knowingly and willfully offering and paying remuneration, specifically, kickbacks and bribes, directly and indirectly, overtly and covertly, in return for referring individuals for the furnishing and arranging for the furnishing of any item and service for which payment may be made in whole or in part by TRICARE and FECA; and for the purchasing, leasing, ordering and arranging for and recommending the purchasing, leasing and ordering of any good, item, and service for which payment may be made in whole and in part by a federal health care program, that is, TRICARE and FECA.

Purpose of the Conspiracy

28. It was a purpose of the conspiracy for the defendants and their co-conspirators to unlawfully enrich themselves and others known and unknown to the Grand Jury by: (a) offering, paying, soliciting and receiving kickbacks and bribes in exchange for the referral of TRICARE and FECA beneficiaries for whom Rxpress Pharmacy and Xpress Compounding submitted claims to TRICARE and FECA and by submitting and causing the submission of false and fraudulent claims to TRICARE and FECA for health care benefits; (b) concealing the payment and receipt of illegal kickbacks and bribes and the receipt and transfer of proceeds from the fraud; and (c)

diverting the proceeds of the fraud.

Manner and Means of the Conspiracy

29. The manner and means by which the defendants and their co-conspirators sought to accomplish the object and purpose of the conspiracy included, among other things, the following:

30. **Richard Hall, Scott Schuster, Dustin Rall, George Lock Paret, and Johnathan Le** operated Rxpress Pharmacy and Xpress Compounding out of the same location and with the same staff. The companies were distinguishable only by name and the type of insurance billed by each: Xpress Compounding mainly submitted claims to federal health insurance programs, including TRICARE and FECA, and Rxpress Pharmacy mainly submitted claims to private or commercial insurance companies.

31. **Richard Hall, Scott Schuster, Dustin Rall, George Lock Paret, and Johnathan Le** recruited a vast network of marketers who, in turn, recruited doctors and patients to obtain prescriptions for compounded medications that Rxpress Pharmacy and Xpress Compounding used to submit claims to private and federal insurance programs, including TRICARE and FECA. In exchange for recruiting doctors and patients to obtain prescriptions for compounded medications, these marketers, including **Quintan Cockerell**, **Turner Luke Zeutzius**, and **Michael Ranelle**, were paid commissions on a per-referral basis.

32. **Richard Hall, Scott Schuster, Dustin Rall, George Lock Paret, and Johnathan Le** facilitated the payment of illegal kickbacks and bribes to marketers,

including **Quintan Cockerell**, Turner Luke Zeutzius, and Michael Ranelle, in exchange for prescriptions for compounded medications that Xpress Compounding used to submit claims to federal health care programs, including TRICARE and FECA.

33. **Richard Hall, Scott Schuster, and Dustin Rall** instructed their pharmacy staff to register or assign each physician to the marketer who recruited that physician to Rxpress Pharmacy and Xpress Compounding. The physician registration process was established so that each marketer was paid commissions for prescriptions authorized by the physician the marketer had recruited. These commissions were based on the amount insurance programs paid for prescriptions authorized by the physician, less cost of goods sold.

34. To conceal the illegal kickbacks and bribes, **Richard Hall, Scott Schuster, Dustin Rall, and Johnathan Le** paid marketers' commissions differently depending on whether the commission encompassed prescriptions billed through federal or private insurance. Marketers were paid through shell companies as 1099 contractors by Rxpress Pharmacy for private insurance prescriptions. At the same time, the same marketers, as purported W-2 "employees," were paid illegal kickbacks and bribes by Xpress Compounding in exchange for federal prescriptions, including those submitted to TRICARE and FECA.

35. **Richard Hall, Scott Schuster, Dustin Rall, and Johnathan Le** paid marketers, including Turner Luke Zeutzius, Michael Ranelle, **Quintan Cockerell** (through Person A), and others as purported W-2 "employees" of Xpress Compounding

when the marketers referred federal prescriptions. **Richard Hall, Scott Schuster, Dustin Rall, Johnathan Le, and George Lock Paret** knew that these marketers, including Turner Luke Zeutzius, Michael Ranelle, **Quintan Cockerell**, and others were not bona fide employees of Xpress Compounding.

36. **Scott Schuster and Dustin Rall**, along with Turner Luke Zeutzius, operated THCP, a shell company, to receive payments for referring prescriptions for compounded medications. THCP marketers registered physicians with both Xpress Compounding and Rxpress Pharmacy. **Scott Schuster and Dustin Rall**, along with Turner Luke Zeutzius, then paid and facilitated payment to THCP marketers in two ways: (a) in commissions through THCP for private-pay prescriptions referred to Rxpress Pharmacy; and (b) at the same time, in illegal kickbacks and bribes as purported W-2 “employees” in exchange for federal prescriptions referred to Xpress Compounding.

37. To conceal the payment of illegal kickbacks, Turner Luke Zeutzius, through THCP, paid **Scott Schuster, Dustin Rall**, and others, through other companies layered to disguise the true nature of ownership, including Freedom Technologies.

38. **Quintan Cockerell** operated QSpine, a shell company, to receive payments for referring prescriptions for compounded medications. QSpine marketers registered physicians with both Xpress Compounding and Rxpress Pharmacy. **Quintan Cockerell** then facilitated payment to QSpine marketers in two ways: (a) in commissions through QSpine for private-pay prescriptions referred to Rxpress Pharmacy; and (b) at the same

time, in illegal kickbacks and bribes as purported W-2 “employees” in exchange for federal prescriptions referred to Xpress Compounding.

39. To conceal the illegal kickbacks and bribes that Xpress Compounding paid him for referring federal prescriptions, **Quintan Cockerell** directed Person A to complete paperwork and accept payments as a purported W-2 “employee” of Xpress Compounding on his behalf.

40. Michael Ranelle owned and operated Universal Triumph, a shell company, to receive payments for referring prescriptions for compounded medications. Universal Triumph marketers registered physicians with both Xpress Compounding and Rexpress Pharmacy. Michael Ranelle then facilitated payment to Universal Triumph marketers in two ways: (a) in commissions through Universal Triumph for private-pay prescriptions referred to Rexpress Pharmacy; and (b) at the same time, in illegal kickbacks and bribes as purported W-2 “employees” in exchange for federal prescriptions referred to Xpress Compounding.

41. Turner Luke Zeutzius, Michael Ranelle, and **Quintan Cockerell** (through Person A), and other marketers who Xpress Compounding paid as purported W-2 “employees” were not bona fide employees; instead, they agreed to sign up and be paid as sham employees to conceal the nature of the illegal kickbacks and bribes. Turner Luke Zeutzius, Michael Ranelle, and **Quintan Cockerell** (through Person A), and other marketers had no office space, equipment, or supervisors; they did not receive regular direction from Xpress Compounding; they did not receive regular paychecks, but instead

were paid commissions on a per-referral basis; and they did not need to request time off or keep any regular hours. Some marketers who were signed up as purported W-2 “employees” of Xpress Compounding did not have federal income taxes withheld from commission paychecks so that the marketers could pay secondary marketers (underneath the primary marketers in the scheme) with untaxed earnings.

42. **George Lock Paret** instructed marketers on how to obtain physician signatures on medically unnecessary prescriptions. **George Lock Paret** then claimed a commission referred to as an “override” on the prescriptions the marketers referred to the pharmacy. **George Lock Paret** was paid “overrides” on prescriptions that Xpress Compounding used to submit claims to federal insurance programs, including TRICARE and FECA.

43. **George Lock Paret** authorized the processing of prescriptions from doctors he knew were not seeing or otherwise treating patients and for prescriptions he knew were illegitimate in order to receive his “override” for those physicians’ prescriptions.

44. **Richard Hall, Scott Schuster, Dustin Rall, and George Lock Paret** maintained a “do not fill” list for doctors that referred prescriptions when it appeared that the doctor was not seeing patients or the prescriptions otherwise appeared illegitimate. **Richard Hall** reviewed and monitored suspicious prescriptions. However, **Richard Hall, Scott Schuster, and Dustin Rall** did not refund payments to insurance companies on prescriptions referred by physicians on the “do not fill” list that were previously filled

and did not alert authorities that they were receiving reimbursement for illegitimate prescriptions.

45. **Scott Schuster** paid bonuses to employees, including **George Lock Paret** and **Johnathan Le**, to ensure that all prescription refills were processed, among other things that maximized reimbursements. **Scott Schuster** paid employees cash bonuses each day the pharmacies billed over \$1 million. **Scott Schuster** concealed the bonuses and eventually switched to gift cards instead of cash payments.

46. **George Lock Paret** and other pharmacy staff created template forms for physicians to sign, referred to as “standing orders” or “change orders,” that allowed the pharmacist to change the ingredients prescribed in order to maximize the reimbursements from insurance programs, including TRICARE and FECA. **George Lock Paret** then instructed others to modify ingredients according to the latest “standing orders” the doctor had signed in order to maximize reimbursement. The “standing orders” also included a form for doctors to sign stating if a patient could not be contacted by the pharmacy within three attempts, the patient’s medications would be automatically filled or refilled and sent to the patient.

47. **Scott Schuster** instructed marketers to focus on TRICARE beneficiaries and told them that TRICARE was paying the most for compounded medications.

48. From in or around May 2014 through in or around September 2016, Xpress Compounding paid illegal kickbacks and bribes in the amount of approximately \$2.4 million to Person A for the benefit of **Quintan Cockerell**.

49. From in or around May 2014 through in or around September 2016, Xpress Compounding paid illegal kickbacks and bribes in the amount of approximately \$4.1 million to Michael Ranelle.

50. From in or around May 2014 through in or around September 2016, Xpress Compounding paid illegal kickbacks and bribes in the amount of approximately \$7.6 million to Turner Luke Zeutzius. Turner Luke Zeutzius paid no less than \$2.2 million of those illegal kickbacks and bribes to **Scott Schuster** and **Dustin Rall**, either directly or indirectly through entities they owned, including M.O.T. Distributing.

51. From in or around May 2014 through in or around September 2016, Xpress Compounding was paid approximately \$58.9 million for claims submitted to federal health care benefit programs, including TRICARE and FECA, for compounded medications, the vast majority of which were the product of illegal kickbacks and bribes.

Overt Acts

52. In furtherance of the conspiracy, and to accomplish its object and purpose, the conspirators committed and caused to be committed, in the Dallas Division of the Northern District of Texas, and elsewhere, the following overt acts; that is, the payments for beneficiary referrals reflected in Counts Two through Five below.

Counts Two Through Five
Payment and Receipt of Kickbacks
(Violations of 42 U.S.C. § 1320a-7b(b)(1) and (2) and 18 U.S.C. § 2)

53. All previous paragraphs of this superseding indictment are realleged and incorporated by reference as though fully set forth herein.

54. On or about the dates enumerated in the table below, in the Dallas Division of the Northern District of Texas, and elsewhere, the defendants listed in the table below, aiding and abetting and aided and abetted by others known and unknown to the Grand Jury, did knowingly and willfully offer and pay and 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 direct deposit and check as set forth below, in return for referring an individual for the furnishing and arranging for the furnishing of any item and service for which payment may be made in whole or in part under a Federal health care program, that is, TRICARE and FECA; and for the purchasing, leasing, ordering, and arranging for, and recommending the purchasing, leasing, ordering, and arranging for any good, facility, service, and item for which payment may be made in whole or in part under a Federal health care program, that is, TRICARE and FECA, as set forth below:

Count	Defendants	Beneficiary Initials	Approx. Date(s) of Payment	Approx. Kickback Amount	Description of the Payment
2	Richard Hall Scott Schuster Dustin Rall Johnathan Le	C.F.	5/21/2015	\$11,611.23	Check Numbers 400191788 and 400204225 made payable to Britt Hawrylak
3	Richard Hall Scott Schuster Dustin Rall Johnathan Le	C.B.	5/18/2015	\$2,984.91	Direct Deposit Voucher 526967DD made payable to Turner Luke Zeutzius
4	Richard Hall Scott Schuster Dustin Rall Johnathan Le Quintan Cockerell	L.L.	5/18/2015	\$1,723.53	Direct Deposit Voucher 5262996DD made payable to Person A, for the benefit of Quintan Cockerell
5	Richard Hall Scott Schuster Dustin Rall Johnathan Le	R.O-P.	5/21/2015	\$7,796.24	Direct Deposit Vouchers 5263047DD and 5494434DD made payable to Michael Ranelle

All in violation of Title 42, United States Code, Section 1320a-7b(b)(1) and (2), and Title 18, United States Code, Section 2.

Count Six
Conspiracy to Launder Monetary Instruments
(Violation of 18 U.S.C. § 1956(h))

55. All previous paragraphs of this superseding indictment are realleged and incorporated by reference as if fully set forth herein.

56. From in or around May 2014 through in or around September 2016, the exact dates being unknown to the Grand Jury, in the Northern District of Texas and elsewhere, the defendants **Scott Schuster** and **Dustin Rall** did willfully and knowingly combine, conspire, and agree with each other, Turner Luke Zeutzius, and others known and unknown to the Grand Jury, to knowingly conduct and attempt to conduct financial transactions, affecting interstate and foreign commerce, involving the proceeds of a specified unlawful activity, that is, conspiring to defraud the United States by paying and receiving illegal health care kickbacks, in violation of Title 18, United States Code, Section 371, and paying and receiving illegal health care kickbacks, in violation of Title 42, United States Code, Sections 1320a-7b(b)(1) and (b)(2), knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity constituting a felony under state or federal law, and knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

Purpose of the Conspiracy

57. It was a purpose of the conspiracy that the defendants and their co-conspirators would engage in financial transactions with proceeds of illegal kickback and bribe schemes so that the defendants and co-conspirators could enrich themselves and ensure that they could receive criminal proceeds without detection or interference by victims, banking authorities, and law enforcement.

Manner and Means of the Conspiracy

58. The manner and means by which the defendants and co-conspirators sought to accomplish the object and purpose of the conspiracy included, among other things, the following:

59. From in or around May 2014 through in or around September 2016, **Scott Schuster** and **Dustin Rall** transferred and caused to be transferred substantial sums of money, including proceeds from the unlawful activity described in the prior paragraphs of this superseding indictment, from accounts controlled by Xpress Compounding owners and operators including **Scott Schuster** and **Dustin Rall**, into bank accounts in Turner Luke Zeutzius's name, including International Bank of Commerce accounts x0416 and x1495, among others.

60. At the direction of **Scott Schuster** and **Dustin Rall**, Turner Luke Zeutzius then transferred or caused to be transferred substantial sums of money, including proceeds from the unlawful activity described in the prior paragraphs of this superseding

indictment, from his accounts back into accounts controlled by **Scott Schuster** and **Dustin Rall**, including UMB Bank accounts x8018 and x8034, among others.

61. **Scott Schuster** and **Dustin Rall** utilized Turner Luke Zeutzius as a third party for the purpose of concealing the proceeds from the unlawful activity described in the prior paragraphs of this superseding indictment.

62. Once the proceeds from the illegal kickback and bribe scheme were transferred back into accounts owned and controlled by **Scott Schuster** and **Dustin Rall**, the proceeds were oftentimes funneled to and from personal accounts to further conceal the proceeds from the unlawful activity.

63. **Scott Schuster** and **Dustin Rall** knew that these transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of the illegal kickbacks and bribes.

All in violation of Title 18, United States Code, Sections 1956(h) and 2.

Count Seven
Conspiracy to Launder Monetary Instruments
(Violation of 18 U.S.C. § 1956(h))

64. All previous paragraphs of this superseding indictment are realleged and incorporated by reference as if fully set forth herein.

65. From in or around May 2014 through in or around September 2016, the exact dates being unknown to the Grand Jury, in the Northern District of Texas and elsewhere, the defendants **Richard Hall, Scott Schuster, Dustin Rall, and Quintan Cockerell** did willfully and knowingly combine, conspire, and agree with each other, **Turner Luke Zeutzius**, and others known and unknown to the Grand Jury, to knowingly engage and attempt to engage, within the United States, in monetary transactions in criminally derived property of a value greater than \$10,000, such funds involving the proceeds of a specified unlawful activity, that is, conspiring to defraud the United States by paying and receiving illegal health care kickbacks, in violation of Title 18, United States Code, Section 371, and paying and receiving illegal health care kickbacks, in violation of Title 42, United States Code, Sections 1320a-7b(b)(1) and (b)(2) in violation of Title 18, United States Code, Section 1957.

Purpose of the Conspiracy

66. It was a purpose of the conspiracy that the defendants and their co-conspirators would engage in financial transactions with proceeds of the illegal kickback and bribe scheme so that the defendants and co-conspirators could enrich themselves and others.

Manner and Means of the Conspiracy

67. The manner and means by which the defendants and co-conspirators sought to accomplish the object and purpose of the conspiracy included, among other things, the following:

68. **Richard Hall, Scott Schuster, Dustin Rall, and Quintan Cockerell** deposited proceeds of the illegal kickback and bribe scheme into financial accounts and transferred the proceeds from financial accounts.

69. **Richard Hall, Scott Schuster, Dustin Rall, and Quintan Cockerell** engaged in monetary transactions in criminally derived property of a value greater than \$10,000, such funds used to further enrich themselves and others through the purchase of luxury vehicles and chartered vessels, among other property.

All in violation of Title 18, United States Code, Sections 1956(h) and 2.

Counts Eight Through Fifteen

Engaging in a Monetary Transaction in Property Derived from
Specified Unlawful Activity (18 U.S.C. § 1957 and 18 U.S.C. § 2)

70. All previous paragraphs of this superseding indictment are realleged and incorporated by reference as if fully set forth herein.

71. On or about the dates enumerated in the table below, in the Northern District of Texas, and elsewhere, the defendants listed in the table below did knowingly engage in, attempt to engage in, and aided and abetted others who engaged in the following monetary transactions within the United States, by, through, and to a financial institution affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, such funds involving the proceeds of a specified unlawful activity, that is, conspiring to defraud the United States and paying and receiving health care kickbacks, in violation of Title 18, United States Code, Section 371, and violations of the Anti-Kickback Statute, Title 42, United States Code, Sections 1320a-7b(b)(1) and (b)(2):

Count	Defendant	Date	Financial Transaction
8	Quintan Cockerell	5/18/2015	Wire Transfer of \$75,928.51 from Wells Fargo x5657 to UMB Bank x8034
9	Richard Hall	5/27/2015	Check No. 1057 in the amount of \$85,928.51 from Frost Bank x1701 to UMB Bank x8034 for "Mia Elise"
10	Quintan Cockerell	5/27/2015	Check No. 1346 in the amount of \$292,520.05 from BBVA Compass Bank x5657 to Lamborghini Dallas
11	Scott Schuster	6/4/2015	Wire transfer of \$50,000.00 from Southwest Bank x2183 to Westley Richards & Co. LTD
12	Quintan Cockerell	6/18/2015	Check No. 71941342 in the amount of \$25,000.00 from BBVA Compass Bank x5657 to Wynn Las Vegas
13	Dustin Rall	6/24/2015	Check No. 1210 in the amount of \$237,092.43 from Wells Fargo x6918 to Park Place Motorcars for "2015 Bentley GT Coupe"
14	Scott Schuster	9/18/2015	Check No. 1062 in the amount of \$99,534.29 from Southwest Bank x4710 to Frank Kent Motor
15	Dustin Rall	4/5/2016	Check No. 1270 in the amount of \$73,422.36 from Wells Fargo x6918 to Autobahn Porsche

All in violation of Title 18, United States Code, Sections 1957 and 2.

Forfeiture Notice
(18 U.S.C. § 982(a)(1) and 18 U.S.C. § 982(a)(7))

72. Pursuant to 18 U.S.C. § 982(a)(1), upon conviction of Counts Six through Fifteen, **Richard Hall, Scott Schuster, Dustin Rall, and Quintan Cockerell** shall forfeit to the United States any property, real or personal, involved in such offense, and any property traceable to such property.

73. Pursuant to 18 U.S.C. § 982(a)(7), upon conviction of Counts One through Five, the defendants, **Richard Hall, Scott Schuster, Dustin Rall, Johnathan Le, George Lock Paret, and Quintan Cockerell** shall forfeit to the United States, any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to Counts One through Five.

74. Defendants **Richard Hall, Scott Schuster, Dustin Rall, Johnathan Le, George Lock Paret, and Quintan Cockerell** are notified that upon conviction, a money judgment may be imposed for the gross proceeds of Counts One through Five in the amount of at least \$58.9 million. Pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b)(1), 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 intends to seek forfeiture of any other property of the defendant up to the total value of the forfeitable property described above.

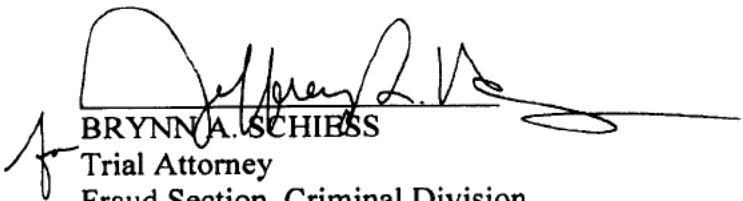
A TRUE BILL:


FOREPERSON

STEPHEN P. FAHEY
ATTORNEY FOR THE UNITED STATES,
ACTING UNDER AUTHORITY
CONFERRED BY 28 U.S.C. § 515

ALLAN MEDINA
Deputy Chief, Health Care Fraud Unit
Fraud Section, Criminal Division
U.S. Department of Justice

ADRIENNE E. FRAZIOR
Assistant Deputy Chief
Fraud Section, Criminal Division
U.S. Department of Justice


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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

THE UNITED STATES OF AMERICA

v.

RICHARD HALL (01)
SCOTT SCHUSTER (02)
DUSTIN RALL (03)
JOHNATHAN LE (04)
GEORGE LOCK PARET (05)
QUINTAN COCKERELL (07)

SUPERSEDING INDICTMENT

18 U.S.C. § 371

Conspiracy to Defraud the United States and to Pay and Receive Health Care Kickbacks
(Count 1)

42 U.S.C. § 1320a-7b(b)(1) and (2) and 18 U.S.C. § 2
Payment and Receipt of Kickbacks
(Counts 2 through 5)

18 U.S.C. § 1956(h)
Conspiracy to Launder Monetary Instruments
(Counts 6 & 7)

18 U.S.C. § 1957 and 18 U.S.C. § 2
Engaging in Monetary Transactions in Property Derived from Specified Unlawful
Activity
(Counts 7 through 15)

18 U.S.C. § 982(a)(1) and 18 U.S.C. § 982(a)(7)
Forfeiture Notice

15 Counts

A true bill rendered

LUBBOCK

FOREPERSON

Filed in open court this 13 day of May, 2020.

No Warrant Needed



UNITED STATES MAGISTRATE JUDGE

Criminal Case Pending: 3:18-CR-623 (Dallas Div., Scholer, J.)