

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF WISCONSIN

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UNITED STATES OF AMERICA,

Plaintiff,

Case No.

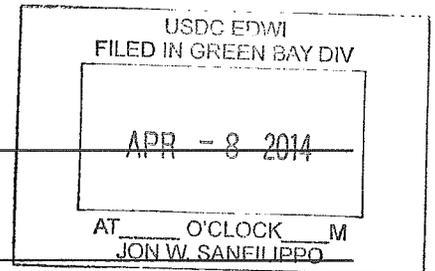
**14 CR 89**

v.

Title 18, United States Code, Section 371

CHARLES G. SCHULTZ,

Defendant.



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**INFORMATION**

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**COUNT ONE**

**THE UNITED STATES ATTORNEY CHARGES:**

1. Beginning by at least August 2006, the exact date being unknown to the United States, and continuing through March 2012, in the State and Eastern District of Wisconsin and elsewhere,

**CHARLES G. SCHULTZ**

conspired and agreed, together and with others known and unknown to the United States, to commit offenses against the United States, that is:

(a) to introduce and cause the introduction and delivery for introduction into interstate commerce from the Eastern District of Wisconsin, to various locations in the United States, including the District of Minnesota, with the intent to defraud and mislead, prescription drugs, including the prescription drugs Fioricet (butalbital, acetaminophen, and caffeine), Soma (carisoprodol), and Ultram (tramadol), which were misbranded within the meaning of Title 21, United States Code, Section 353(b)(1), in that they were dispensed without the prescription of a

practitioner licensed by law to administer such drug, in violation of Title 21, United States Code, Sections 331(a) and 333(a)(2); and

(b) to unlawfully distribute and dispense and cause to be distributed and dispensed, controlled substances, that is, butalbital, a schedule III controlled substance (sold, in combination with acetaminophen and caffeine, under the trade name of Fioricet), in violation of Title 21, United States Code, Sections 841(a)(1) and (b)(1)(E).

### **OBJECT OF CONSPIRACY**

2. The object of the conspiracy was for **CHARLES G. SCHULTZ** and his co-conspirators to obtain substantial revenues and profits by illegally offering for sale and selling – without valid prescriptions – prescription drugs, including Fioricet, Soma, and Ultram, via Internet websites and telephone call centers, and causing them to be shipped to consumers in the United States and elsewhere.

### **MANNER AND MEANS**

3. It was part of the conspiracy that **CHARLES G. SCHULTZ** and his co-conspirators, owned, operated, were affiliated with, and used Internet websites to market prescription drugs offered for sale through various businesses collectively known as RX Limited, also known as AlphaNet-Trading. RX Limited's marketing websites were linked via the Internet to RX Limited's Internet infrastructure and operating systems, and enabled customers to place drug orders over the Internet, or by various toll-free numbers listed on RX Limited's marketing websites, without a physical examination or doctor-patient relationship.

4. It was part of the conspiracy that customers chose the type, quantity, and dosage of prescription drugs the customer wished to purchase, and paid for drug orders with credit cards. RX Limited did not verify the information customers provided, including their identities, ages,

and qualifying medical conditions, and RX Limited's customers did not provide medical records or any prior prescription to RX Limited.

5. It was further part of the conspiracy that RX Limited recruited and paid physicians and pharmacies ("RX Limited physicians" and "RX Limited pharmacies") to authorize sham prescriptions and fraudulently dispense prescription drugs. In virtually all instances, RX Limited physicians had no contact with their customers, whether face-to-face, on the telephone, or by electronic mail, and retained no records of their purported "consultations." **CHARLES G. SCHULTZ** owned and operated two such RX Limited pharmacies: Schultz Pharmacy in Oshkosh, Wisconsin, and Medicine Mart Pharmacy, in Monroe, Wisconsin.

6. RX Limited also arranged and paid for the drugs to be shipped to customers through various shipping accounts with commercial carriers and the United States Postal Service. In doing so, RX Limited, **CHARLES G. SCHULTZ**, and his co-conspirators, unlawfully dispensed, caused to be dispensed, and aided and abetted the dispensing of prescription drugs to customers who lived throughout the United States, without (a) verifying the customer's medical complaint, (b) having an adequate patient history, (c) performing a mental or physical exam, (d) using appropriate diagnostic or laboratory testing, and (e) providing a means to monitor the customer's response to the medication.

7. It was further part of the conspiracy that, through RX Limited's marketing websites, **CHARLES G. SCHULTZ** and his co-conspirators made various misrepresentations to customers, including that all RX Limited customer orders and questionnaires would be reviewed by physicians, knowing this to be a false representation in that RX Limited physicians could not keep pace with the volume of orders and routinely approved numerous orders without having reviewed the respective questionnaires. RX Limited physicians did so by using an

“approve all” function available on RX Limited’s processing websites.

### OVERT ACTS

8. In furtherance of the conspiracy and to effect the objects whereof, **CHARLES G. SCHULTZ** and his co-conspirators committed the following overt acts, among others, in the Eastern District of Wisconsin and elsewhere:

a. On or about August 7, 2006, **CHARLES G. SCHULTZ** signed a Pharmacy Contract with AlphaNet-Trading, in which he agreed to dispense prescription drugs for AlphaNet-Trading based on Internet orders, and for which he was to be paid \$3.50 per order, and reimbursed for the wholesale cost of drugs.

b. As described in the chart and paragraphs below, **CHARLES G. SCHULTZ** and his co-conspirators unlawfully caused to be dispensed, and aided the distribution of, the prescription drugs listed below, from an RX Limited pharmacy in the locations listed below, to an undercover law enforcement investigator in Minnesota who, on or about the dates listed below, posed as an RX Limited customer and completed RX Limited’s customer questionnaire by accessing the websites and customer-service telephone number listed below, without having face-to-face, telephonic, or electronic-mail contact with an RX Limited physician:

DATE	PRESCRIPTION DRUG DISPENSED	WEBSITE OR TELEPHONE NUMBER	PHYSICIAN	DISPENSING PHARMACY LOCATION
10/24/2007	30 Soma tablets	<a href="http://www.acmemeds.com">www.acmemeds.com</a>	M.M.	Monroe, Wisconsin (Medicine Mart)
08/27/2008	95 Fioricet tablets	<a href="http://www.cheaprxmeds.net">www.cheaprxmeds.net</a>	P.R.T.	Monroe, Wisconsin (Medicine Mart)
08/28/2008	24 generic Fioricet tablets and multiple broken pieces of an additional 6 generic Fioricet tablets	<a href="http://www.allpharmmeds.com">www.allpharmmeds.com</a>	K.B.	Oshkosh, Wisconsin (Schultz Pharmacy)
12/02/2008	90 Fioricet tablets	<a href="http://www.allpharmmeds.com">www.allpharmmeds.com</a>	E.K.	Oshkosh, Wisconsin (Schultz Pharmacy)
03/18/2010	90 generic Fioricet tablets	<a href="http://www.BuyMedsCheap.com">www.BuyMedsCheap.com</a>	E.K.	Oshkosh, Wisconsin (Schultz Pharmacy)

DATE	PRESCRIPTION DRUG DISPENSED	WEBSITE OR TELEPHONE NUMBER	PHYSICIAN	DISPENSING PHARMACY LOCATION
07/15/2010	90 generic Fioricet tablets	<a href="http://www.preapprovedrx.com">www.preapprovedrx.com</a>	O.A.	Oshkosh, Wisconsin (Schultz Pharmacy)

c. On or about January 9, 2009, **CHARLES G. SCHULTZ** received a \$176,116.53 wire transfer from RX Limited's Hong Kong bank account into a Schultz Pharmacy Inc. bank account in Oshkosh, Wisconsin, which was in payment of dispensing fees of \$4.00 per drug order, plus wholesale drug costs, for drug orders that Schultz Pharmacy dispensed for RX Limited from January 2, 2009, through January 8, 2009.

d. On or about March 18, 2010, **CHARLES G. SCHULTZ**, in the Eastern District of Wisconsin, knowingly and intentionally dispensed and caused to be dispensed 90 tablets of generic Fioricet ordered online by an RX Limited customer in Minnesota. **CHARLES G. SCHULTZ** dispensed the drugs knowing that the drug order was prescribed to the customer in a manner not in the usual course of professional practice, and without a bona fide doctor-patient relationship.

e. On or about July 15, 2010, **CHARLES G. SCHULTZ**, in the Eastern District of Wisconsin, knowingly and intentionally dispensed 90 tablets of generic Fioricet ordered online by an RX Limited customer in Minnesota. **CHARLES G. SCHULTZ** dispensed the drugs knowing that the drug order was prescribed to the customer in a manner not in the usual course of professional practice, and without a bona fide doctor-patient relationship.

f. On or about July 8, 2011, **CHARLES G. SCHULTZ** received a \$60,593.78 wire transfer from an RX Limited-controlled Hong Kong bank account in the name of East Asia Escrow Limited into a Schultz Pharmacy Inc. bank account in Oshkosh, Wisconsin, which was in payment of dispensing fees of \$4.00 per drug order, and wholesale drug costs, for drug orders that Schultz Pharmacy dispensed for RX Limited from July 1, 2011, through July 7,

2011.

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

**FORFEITURE NOTICE**

1. The allegations contained in Count One are hereby realleged and incorporated by reference, as if fully set forth herein, for the purpose of alleging forfeiture to the United States pursuant to 18 U.S.C. § 981(a)(1)(C), 21 U.S.C. §§ 334 and 853, and 28 U.S.C. § 2461(c).

2. Pursuant to 21 U.S.C. §§ 334 and 853, and 28 U.S.C. § 2461(c), upon conviction of the offense set forth in Count One, the defendant shall forfeit to the United States quantities of drugs which were introduced into interstate commerce in violation of 21 U.S.C. §§ 331(a) and 353(b), during the period of time alleged in Count One of this Information, including August 2006 through March 2012.

3. Pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), including cross-references to 18 U.S.C. §§ 1956(c)(7) and 1961(1)(D), upon conviction of the offense in violation of 18 U.S.C. § 371 charged in Count One, the defendant shall forfeit to the United States any property constituting, or derived from, any proceeds traceable to the violation.

4. If any property subject to forfeiture, as a result of any act or omission of defendant **CHARLES G. SCHULTZ**:

(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,

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p),

incorporated by reference in Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture, which represents a portion of the sum of money equal to the value of any property, real or personal, which constitutes or is derived from proceeds traceable to the offense alleged in Count One of this Information.

All in accordance with Title 21, United States Code, Sections 334 and 853, and Title 28, United States Code, Section 2461(c).

Dated: April 8<sup>th</sup>, 2014

  
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JAMES L. SANTELLE  
United States Attorney