

ORIGINAL

U.S. DISTRICT COURT NORTHERN DISTRICT OF TEXAS FILED SEP 8 2021 CLERK, U.S. DISTRICT COURT By <u>MS</u> Deputy

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

UNITED STATES OF AMERICA

v.

RAYMOND MARSHALL (01)

NO.

3 - 21 CR 0415 - K

INDICTMENT

The Grand Jury charges that:

General Allegations

At all times material to this indictment,

1. The defendant **Raymond Marshall** and his co-conspirators 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. Federal health care programs paid millions of dollars on these false and fraudulent claims. These prescriptions, as the defendant 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. The defendant and his co-conspirators distributed payments from Federal health care programs among themselves to unlawfully enrich and benefit themselves and others.

The Defendant and Related Companies and Individuals

2. The Medicine Store Pharmacy, Inc., dba Rexpress Pharmacy (Rexpress Pharmacy) and Halls IV & Institutional Pharmacy, Inc., dba Xpress Compounding (Xpress Compounding), were compounding pharmacies located at 1000 W. Weatherford

St., Fort Worth, Texas. Rexpress Pharmacy and Xpress Compounding were separate in name only—the pharmacies operated out of the same location with the same staff.

Rexpress Pharmacy and Xpress Compounding were owned and operated by Richard Hall, Scott Schuster, and Dustin Rall. Johnathan Le was the Vice President of Finance for Rexpress Pharmacy and Xpress Compounding. George Lock Paret was the Pharmacist-In-Charge for Rexpress Pharmacy and a purported marketer for Rexpress Pharmacy and Xpress Compounding.

3. Defendant **Raymond Marshall**, a resident of Denton County, Texas, was a purported marketer for Rexpress Pharmacy and Xpress Compounding, and a member and director of TTL Medical Management LLC. Person B received kickbacks and bribes, disguised as “commissions” or “marketing fees,” for the benefit of **Raymond Marshall**. **Raymond Marshall** and Person B were joint signatories on several bank accounts, including JP Morgan Chase Accounts ending x6674 and x7797.

4. Quintan Cockerell, a resident of Los Angeles County, California and Dallas County, Texas, was a marketer for Rexpress Pharmacy and Xpress Compounding, and an owner of QSpine LLC. Person A received kickbacks and bribes, disguised as “commissions” or “marketing fees,” for the benefit of Quintan Cockerell.

5. Turner Luke Zeutzius and Michael Ranelle were purported marketers for Rexpress Pharmacy and Xpress Compounding.

Federal Health Care Benefit Programs (Generally)

6. 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.

7. The TRICARE program (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 TRICARE. 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.”

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

9. Express Scripts, Inc. (Express Scripts) administered TRICARE’s prescription drug benefits. Pharmacies enrolled in TRICARE 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 pharmacy enrolled with TRICARE 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.

Compound Medications (Generally)

10. 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.

11. 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.

12. 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.

13. Xpress Compounding was enrolled as a pharmacist provider with Express Scripts and billed, and was paid by, TRICARE 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))**

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

15. 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 defendant **Raymond Marshall**, did knowingly and willfully combine, conspire, confederate, and agree with Quintan Cockerell, Richard Hall, Scott Schuster, Dustin Rall, Johnathan Le, George Lock Paret, Turner Luke Zeutzius, Michael Ranelle, and others known and unknown to the Grand Jury, to knowingly and willfully 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;

b. to violate Title 42, United States Code, Section 1320a-7b(b)(1), by 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 a Federal health care program, that is, TRICARE; and in return 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

c. to violate Title 42, United States Code, Section 1320a-7b(b)(2), by offering and paying remuneration, specifically, kickbacks and bribes, directly and indirectly, overtly and covertly, 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 a Federal health care program, that is, TRICARE; 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.

Object/Purpose of the Conspiracy

16. It was an object/purpose of the conspiracy for the defendant and his 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 beneficiary insurance information and prescriptions that Rxpress Pharmacy and Xpress Compounding used to submit false and fraudulent claims to TRICARE;

(b) concealing the payment and receipt of 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

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

18. **Raymond Marshall** received kickbacks and bribes in exchange for referring prescriptions for compounded medications to Xpress Compounding, upon which Xpress Compounding dispensed compound medications and submitted claims to Federal health care programs, including TRICARE.

19. Richard Hall, Scott Schuster, Dustin Rall, George Lock Paret, and Johnathan Le operated Rexpress 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 submitted claims predominantly to Federal health care programs, including TRICARE, and Rexpress Pharmacy submitted claims to predominantly private or commercial insurance companies.

20. **Raymond Marshall** and his co-conspirators recruited doctors to write and obtain prescriptions for compounded medications that Rexpress Pharmacy and Xpress Compounding used to submit claims to private and Federal health care programs, including TRICARE. In exchange, **Raymond Marshall**, along with other purported marketers, including Quintan Cockerell, Turner Luke Zeutzius, and Michael Ranelle,

received kickbacks and bribes on a per-referral basis disguised as “commissions” and “marketing fees.”

21. Rxpress Pharmacy and Xpress Compounding used a physician registration process to assign physicians to the purported marketers who recruited each physician and ensured that the purported marketers were paid for the prescriptions authorized by their assigned physicians. Based on the physician registration process and to further conceal the scheme, **Raymond Marshall** directed Xpress Compounding to assign his recruited physicians to Person A and Person B for the benefit of **Raymond Marshall** and Quintan Cockerell.

22. Richard Hall, Scott Schuster, Dustin Rall, and Johnathan Le paid purported marketers, including **Raymond Marshall** (through Person B), Turner Luke Zeutzius, Michael Ranelle, Quintan Cockerell (through Person A), and others, kickbacks and bribes disguised as “wages” for being purported W-2 “employees” of Xpress Compounding, based on each prescription the purported marketer referred for TRICARE beneficiaries. As further described below, Person A, Person B, and the other purported W-2 “employees” were not bona fide employees of Xpress Compounding.

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

24. To further conceal the kickbacks and bribes that Xpress Compounding paid him for referring prescriptions for beneficiaries, **Raymond Marshall** directed Person B

to accept payments as a purported W-2 “employee” of Xpress Compounding on his behalf.

25. For prescriptions **Raymond Marshall** referred to Xpress Compounding, **Raymond Marshall** and Quintan Cockerell directed Xpress Compounding to allocate 30% to Person A and 30% to Person B of the amount TRICARE paid Xpress Compounding for each prescription, less cost of goods sold.

26. **Raymond Marshall** (through Person B), Turner Luke Zeutzius, Michael Ranelle, Quintan Cockerell (through Person A), and other purported 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 kickbacks and bribes. **Raymond Marshall** (through Person B), Turner Luke Zeutzius, Michael Ranelle, 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 purported 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 purported marketers could pay secondary marketers (underneath the primary marketers in the scheme) with untaxed earnings.

27. At the direction of pharmacy staff, **Raymond Marshall** had his registered physicians sign boilerplate forms, referred to as “standing orders” or “change orders,” that allowed the pharmacist to change the ingredients prescribed in order to maximize the

reimbursements from health care benefit programs, including TRICARE. 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.

28. **Raymond Marshall** and his co-conspirators induced physicians to send prescriptions to Rpress Pharmacy and Xpress Compounding by offering investment opportunities in the form of Management Services Organization (“MSO”) agreements that benefitted **Raymond Marshall**, Quintan Cockerell, the physicians, and their co-conspirators.

29. From in or around May 2014 through in or around September 2016, Xpress Compounding paid kickbacks and bribes in the amount of approximately \$982,000 to Person B for the benefit of **Raymond Marshall**, into a bank account held at JP Morgan Chase Bank ending x6674. Both **Raymond Marshall** and Person B were signatories on the JP Morgan Chase Bank account ending x6674.

30. From in or around May 2014 through in or around September 2016, Xpress Compounding was paid approximately \$4.16 million for claims submitted to TRICARE for compounded medications dispensed or purportedly dispensed, the vast majority of which were the product of kickbacks and bribes paid to Person B for the benefit of **Raymond Marshall**.

Overt Acts

31. 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:

32. On or about February 25, 2015, **Raymond Marshall** sent an email to an Xpress Compounding staff member, who was, in fact, an employee of the pharmacy, with Quintan Cockerell copied, subject “New W2 Employee,” and stated, “I will be sending you shortly a list of doctors that we will be allocating 30% of [Net Commission Receivable (NCR)] each to [Person A] and [Person B]. Thanks, Ray Marshall.”

33. On or about March 21, 2015, in response to an email from an Xpress Compounding staff member, who was, in fact, an employee of the pharmacy, which requested the marketers to “PRE DATE this standing order with your docs to 1-1-15 so we can hit all tricare [sic] patients . . . since tricare [sic] changed their formulations and return asap so that we can get them filled for you!” **Raymond Marshall** responded, “I will have these for you on Monday.”

34. On or about April 1, 2015, **Raymond Marshall** sent an email to an Xpress Compounding staff member, who was, in fact, an employee of the pharmacy, subject “New Updates Marketing Fee Calculations,” and stated, “Please add the following doctors to your Xpress March Marketing Fee Reports. Allocate 30% of NCR to each [Person B] and [Person A].”

35. On or about May 15, 2015, an Xpress Compounding staff member, who was, in fact, an employee of the pharmacy, sent an email to **Raymond Marshall**, with

Dustin Rall, John Le, Scott Schuster, and others copied, subject “Xpress Compounding – April Marketing Fees,” with two commission report documents attached, both referencing Person B as a W-2 “employee” of Xpress Compounding.

36. On or about May 18, 2015, in exchange for the referral of prescriptions for TRICARE beneficiary R.W., Xpress Compounding paid a kickback to **Raymond Marshall**, through Person B, under Direct Deposit Voucher 5263029DD in the approximate amount of \$7,897.10.

37. On or about June 15, 2016, in exchange for the referral of prescriptions for TRICARE beneficiary W.B., Xpress Compounding paid a kickback to **Raymond Marshall**, through Person B, under Direct Deposit Voucher 28699167DD in the approximate amount of \$50.93.

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

COUNT TWO

Payment and Receipt of Kickbacks

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

38. Paragraphs 1 through 13 and 16 through 37 of this indictment are realleged and incorporated by reference as though fully set forth herein.

39. On or about June 15, 2016, in the Dallas Division of the Northern District of Texas, and elsewhere, the defendant **Raymond Marshall**, aiding and abetting and aided and abetted by Person B and others known and unknown to the Grand Jury, 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, 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 in return for purchasing, leasing, ordering, or arranging for or recommending purchasing, leasing, or ordering any good, facility, service, or item for which payment may be made in whole or in part under a Federal health care program, that is, TRICARE.

40. Specifically, on or about June 15, 2016, in exchange for the referral of prescriptions for TRICARE beneficiary W.B., Xpress Compounding paid a kickback to **Raymond Marshall**, through Person B, under Direct Deposit Voucher 28699167DD in the approximate amount of \$50.93.

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

Forfeiture Notice

(18 U.S.C. §§ 981(a)(1)(C), 982(a)(7), and 28 U.S.C. § 2461)

41. Pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. §2461, upon conviction of Count One, **Raymond Marshall** shall forfeit to the United States, any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to Count One.

42. Pursuant to 18 U.S.C. § 982(a)(7), upon conviction of Count Two, **Raymond Marshall** shall forfeit to the United States, any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to Count Two.

43. **Raymond Marshall** is notified that upon conviction, a money judgment may be imposed for the gross proceeds of Counts One and Two in the amount of at least \$4.16 million. Pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c), 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

PRERAK SHAH
ACTING UNITED STATES ATTORNEY

JOSEPH S. BEEMSTERBOER
U.S. Department of Justice
Criminal Division, Fraud Section
Acting Chief



BRYNN A. SCHIESS
Trial Attorney
Fraud Section, Criminal Division
U.S. Department of Justice
Pennsylvania Bar No. 320654
1100 Commerce Street, Suite 300
Dallas, Texas 75242
Phone: (202) 374-3484
brynn.schiess@usdoj.gov

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

THE UNITED STATES OF AMERICA

v.

RAYMOND MARSHALL

INDICTMENT

18 U.S.C. § 371 (42 U.S.C. § 1320a-7b(b)(1) and (2))
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
(Count 2)

18 U.S.C. §§ 981(a)(1)(C), 982(a)(7), and 28 U.S.C. § 2461
Forfeiture Notice

2 Counts

A true bill rendered

DALLAS


FOREPERSON

Filed in open court this 8th day of September, 2021.

Summons to Issue


UNITED STATES MAGISTRATE JUDGE
No Criminal Matter Pending