

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA * CRIMINAL NO. 17-148
v. * SECTION: "J"
FREDERICK FLOYD, D.O. *

* * *
FACTUAL BASIS

Should this matter proceed to trial, the United States would prove beyond a reasonable doubt, through credible testimony and reliable evidence, the following facts:

I. INTRODUCTION AND OVERVIEW

Beginning in year 2014, Drug Enforcement Administration (DEA hereinafter) agents began conducting undercover (UC hereinafter) operations using DEA confidential sources (CS's hereinafter) posing as patients at Bullard Medical Center (BMC hereinafter), located at 4949 Bullard Avenue, New Orleans and St. Ignatius of Loyola Health Clinic (SILHC hereinafter), located at 5437 Crowder Boulevard, New Orleans. The conspiracy charged in Count 1 of the Bill of Information includes the overt acts of defendant **FREDERICK FLOYD, D.O. (DR. FLOYD hereinafter)** and unindicted co-conspirators, BMC, SILHC and certain clinic staff of BMC and SILHC and the owner of BMC.

BMC (formerly named NOLA URGENT CARE) was at all times owned by a non-medically trained co-conspirator in this charged conspiracy. That non-medically trained conspirator hired the defendant **DR. FLOYD** as the only physician seeing patients at BMC. The SILHC was not affiliated with BMC and was owned and operated as a medical clinic exclusively by **DR. FLOYD**. No other physician worked at either BMC or SILHC during the periods of the two charged offenses in the Bill of Information.

DR. FLOYD began his employment as a physician at BMC in June 2013. **DR. FLOYD** opened and operated the SILHC with certain clinic staff conspirators in March 2016. **DR. FLOYD** ended his work with both BMC and SILHC when his Louisiana medical license was revoked by the Louisiana Medical Board in August 2016. Separately, **DR. FLOYD** surrendered his DEA Controlled Substance Registration in August 2016.

Over time, and in coordination with other known and unknown co-conspirators, **DR. FLOYD**, BMC, SILHC certain staff of BMC and SILHC and the owner of BMC all conspired to operate as an illegal “pill mill,” that is, **DR. FLOYD** and his other co-conspirators illegally dispensing controlled substances to patients outside the scope of professional practice and not for a legitimate medical purpose.

Specific investigative information developed in this case by the DEA indicated that beginning at a time unknown but prior to 2014 the defendant, **DR. FLOYD**., and others known and unknown, did knowingly and intentionally combine, conspire, confederate, and agree with each other and with other persons known and unknown, to distribute and to dispense, outside the scope of professional practice and not for a legitimate medical purpose, quantities of oxycodone, hydromorphone, fentanyl, and morphine sulfate, Schedule II drug controlled substances, and hydrocodone/acetaminophen, a Schedule III drug controlled substance until October 6, 2014, thereafter, a Schedule II drug controlled substance, and alprazolam and carisoprodol, Schedule IV drug controlled substances.

DR. FLOYD and others who conspired with **DR. FLOYD** did not enter into any formal or written agreement with each other but through their joint and coordinated actions all co-conspirators conspired and agreed, through their conduct and communications, to illegally dispense controlled substances to (1) patients who came to the BMC and SILHC and two (2) UC

CSs posing as patients at BMC who were working on behalf of the DEA, as undercover patients. See Count 1 of the Bill of Information.

This DEA investigation also established that the defendant **DR. FLOYD** did knowingly engage and attempt to engage and aid and abet others in engaging in a monetary transaction by, through and to a financial institution, affecting interstate or foreign commerce, in a criminally derived property of a value greater than \$10,000, that is, the transfer of a payment in exchange for a 2010 Mercedes S-B Model number E350, this vehicle having been derived from a specified unlawful activity, that is, conspiracy to distribute controlled substances. See Count 2 of the Bill of Information.

II. OVERT ACTS DURING THE CHARGED CONSPIRACY

DR. FLOYD engaged in and participated in the following overt acts in support of the charged conspiracy during the time period of Count 1, as charged in the Bill of Information:

- (A) **DR. FLOYD** either failed to conduct medical exams during initial and follow-up patient visits or provided only cursory medical examination of patients that did not meet the standard of care required of a physician treating a patient.
- (B) BMC and SILHC were cash-only “pain clinics” that maintained an extremely high volume of patients. A number of patients resided far from the BMC and SILHC, including some patients who traveled to these clinics from out of state. **DR. FLOYD** would routinely see between 50 and 70 patients a day and the vast majority of his contact with these patients was outside the scope of professional practice and not for a legitimate medical purpose in the issuing and dispensing of controlled substances.

- (C) Written prescriptions for controlled substances for patients were generated at the clinics through an “assembly line process” where certain clinic staff members routinely copied the last prescription issued for each patient and **DR. FLOYD** would then perfunctorily sign these prescriptions without proper oversight. Patients were allowed to suggest the controlled substance medications of their choice without regard to proper medical evaluation and treatment. Numerous patients were provided transportation to the clinics. This ensured that a high volume of patients were seen. This practice ensured high profits for the co-conspirators.
- (D) Clinic staff members, on behalf of **DR. FLOYD**, conducted sham therapy sessions at BMC using an unlicensed “physical therapist” in a fraudulent attempt to make it appear that patents were receiving multi-modality medical treatments for pain management. By using this unlicensed “physical therapist” **DR. FLOYD** and the clinic staff conspirators made efforts to make it appear that BMC was a legitimate pain management medical practice when in fact **DR. FLOYD** and other staff members of BMC conspired to illegally dispense controlled substances to patients and DEA UC CSs’ posing as patients.
- (E) At no time was BMC or SILHC ever registered by **DR. FLOYD** or anyone else as a registered “pain clinic” as required by law under Title 40, Louisiana Revised Statutes, Section 2198.12, Licensure of pain management clinics; rule and regulations. Patients driven to the clinics by others were asked by certain clinic staff not to remain parked in the clinics’ parking lot out of concern by the conspirators that numerous parked cars might attract attention from neighboring businesses who might contact the police. On December 18, 2014, during a DEA UC enforcement operation at BMC, the

assistant director of the clinic advised a DEA UC Agent, who was parked outside the clinic, to move his vehicle from the BMC parking area because adjacent businesses were complaining and calling the police. **DR. FLOYD** and certain BMC staff conspirators did not want to draw attention to their clinic.

(F) BMC and SILHC clinic patients were asked to sign a patient login sheet and pay “cash only” - as the only accepted form of payment - for their clinic visit prior to seeing **DR. FLOYD.**

(G) BMC clinic patients were asked to be seated in a separate front lobby area of the clinic when they first arrived and after they signed in and paid for their visit. The clinic patients were asked by non-medically educated staff to relocate to a separate area of the clinic where they were weighed and their blood pressure was noted prior to being seated in a secondary waiting room. One CS in this case often waited between seven (7) and eight (8) hours per visit to meet with **Dr. FLOYD.**

(H) Clinic patients at BMC and SILHC were given a cursory examination, or no examination at all, by **DR. FLOYD.** Controlled substance prescriptions were then provided by **DR. FLOYD** and certain clinic staff conspirators to nearly all patients on every clinic visit.

(I) One clinic staff member personally observed **Dr. FLOYD** draft and dispense controlled substance prescriptions without seeing patients.

III . UNDERCOVER DEA CONTROLLED PATIENT VISITS WITH DR FLOYD AND CO-CONSPIRATORS

DEA obtained the following evidence against **DR. FLOYD** and BMC conspirator clinic staff utilizing a DEA UC who audio and videotaped overt acts by **DR. FLOYD** and certain clinic staff:

On January 15, 2015, February 11, 2015, March 11, 2015, April 8, 2015, May 6, 2015, June 3, 2015, September 25, 2015, October 23, 2015 November 20, 2015, and February 17, 2016 an UC CS visited BMC, for a scheduled clinic visit. Upon arrival, the CS was greeted by a security guard who had a clinic sign-in sheet on his desk. The CS signed the clinic sign-in sheet and approached the receptionist area where patients paid for their clinic visit. The CS paid \$275 in cash. The CS was instructed to be seated in the front waiting area. After several hours the CS was contacted by another clinic employee who asked the CS to relocate to the rear of the clinic for a measure of weight and blood pressure test. After the CS had completed the weight and blood pressure test the CS was asked to be seated in a secondary waiting room located in the rear of the clinic. The CS remained in the secondary waiting room of the clinic for several additional hours. The CS was eventually called by a clinic employee who asked the CS to enter one of three examination rooms located adjacent to the secondary waiting area. The CS remained in the examination room for a short period of time before **Dr. FLOYD** entered the room. After entering the examination room, **DR. FLOYD** only briefly listened to the CS's chest with a stethoscope. No additional examination was conducted by **DR. FLOYD**. The CS and **DR. FLOYD** conversed about non-medical matters while **DR. FLOYD** prepared the CS's prescription The CS then followed **DR. FLOYD** as he exited the examination room. **DR. FLOYD** then provided the CS's prescription(s) to a clinic employee who copied the prescriptions from the prior visit and provided the originals to the CS. On each of these visits **DR. FLOYD** prescribed the CS 120 Percocet 10/325mg and 90 Xanax 1 mg. The CS departed the clinic several hours after the CS's arrival. Surveillance of BMC by UC Agents during the operation revealed multiple patients waited several hours for their visit with **DR. FLOYD**.

On July 2, 2015, a UC CS visited BMC, for a scheduled clinic visit. The intake process and the meeting with **DR. FLOYD** and the CS's exit process were the same as outlined during the previous visits discussed above with one exception. This time the CS was required to give a urine sample. A clinic staff employee provided the CS with an unlabeled cup for a urine sample. The CS asked the clinic employee if the CS needed to write the CS's name on the urine sample container. The clinic employee advised the CS that no label was required and instructed the CS to place the CS's urine sample with the other samples from other patients. The CS noted that "none" of the urine sample cups provided by other patients were labeled in any way and were indistinguishable one from the other. The CS and **DR. FLOYD** then had general and non-medical conversation while **DR. FLOYD** prepared the CS's prescription. **DR. FLOYD** prescribed the CS 120 Percocet 10/325mg and 90 Xanax 1 mg.

On August 1, 2015, the UC CS visited BMC for a scheduled clinic visit. The intake process, the meeting with **DR. FLOYD** and the CS's exit process were the same as outlined during the July 2, 2015 visit with two exceptions. The CS was not required to give a urine specimen and the CS was told by clinic staff that the CS had to see a "therapist." The CS was advised that all patients waiting to see **DR. FLOYD** were being called to another office to see a "physical therapist." The CS advised that the CS met with an unknown black male, who claimed to be a "physical therapist." The male subject rubbed the CS's neck, but did not ask the CS any questions regarding the location or level of any pain. The CS then met with **DR. FLOYD** and they had general and non-medical conversation while **DR. FLOYD** prepared the CS's prescription. **DR. FLOYD** prescribed the CS 120 Percocet 10/325mg and 90 Xanax 1 mg.

On August 27, 2015, the UC CS visited BMC, for a scheduled clinic visit. The intake process, the meeting with **DR. FLOYD** and the CS's exit process were the same as outlined during

the August 1, 2015 visit with the following exception. The CS was informed by a female clinic employee that all patients will begin physical therapy. The CS spoke with the physical therapist and advised that the CS was not interested in receiving physical therapy. The CS then met with **DR. FLOYD** and they conversed about non-medical subjects while **DR. FLOYD** prepared the CS's prescription. On this occasion, the CS asked **DR. FLOYD** if he would increase the CS's medication. **DR. FLOYD** initially reviewed the CS's patient file and told the CS he could not write the CS a prescription for OxyContin. **DR. FLOYD** waited a short period of time as he continued to review the MRI in the CS's patient file and informed the CS he could prescribe 120 tablets of Roxicodone 15mg, instead of the Percocet. **DR. FLOYD** explained, that the reason he had not been arrested like the three other practitioners recently arrested by DEA, was because he would not prescribe more than 120 dosage units to his patients. **DR. FLOYD** prescribed the CS 120 Roxicodone 15mg and 90 Xanax 1mg.

On December 18, 2015, the CS visited BMC for a scheduled clinic visit. The intake process, the meeting with **DR. FLOYD** and the CS's exit process were the same as outlined during the November 20, 2015 visit referenced above. Additionally, during this visit, the CS was provided a back brace by an unknown black male. Later the CS was asked if the CS would like something hot or cold applied to their back. The CS requested something cold. A short period of time later a clinic employee entered the room and applied a cold pack to the CS's back. The clinic employee also massaged the CS's back for about five minutes. The CS and **DR. FLOYD** had general conversation and non-medical conversation while **DR. FLOYD** prepared the CS's prescription. **DR. FLOYD** prescribed the CS for 120 Roxicodone 15mg and 90 Xanax 1 mg.

On January 15, 2016, the CS visited BMC for a scheduled clinic visit. The intake process, the meeting with **Dr. FLOYD** and the CS's exit process were the same as outlined during the

December 18, 2015 visit. However, the cost of the visit increased from \$275 to \$300 in cash payment. On this occasion, the CS was called to another room by a clinic employee who identified himself as a “physical therapist.” The therapist asked the CS if the CS wanted something hot or cold placed on the CS’s back. The therapist then put cream on the CS’s hand and asked the CS to smell the cream three times. The therapist then applied the cream to the CS’s lower back. The CS and **DR. FLOYD** had general and non-medical conversation while **DR. FLOYD** prepared the CS’s prescription. **DR. FLOYD** prescribed the CS 120 Roxicodone 15mg and 90 Xanax 1mg.

During all of the aforementioned CS visits **DR. FLOYD’s** only physical contact with the CS was placing a stethoscope on the CS and asking the CS to breathe, and never asked the CS questions concerning the CS’s pain. **DR. FLOYD** never formulated an individual patient treatment plan, never referred the CS to other practitioners and never offered other medically reasonable alternative treatments for pain relief

IV. CS Visits to BMC with Prescription Provided and Cost of Office Visit

Below is a table summarizing the narrative above showing the date **DR. FLOYD** saw a UC CS patient, whether clinic staff conspirators were present at the patient visit, the amount of controlled substances dispensed and the cash payment made by the patient to the clinic. The table below notes UC CS patient visits where **DR. FLOYD** dispensed and issued controlled substances to an undercover patient and DID NOT see that CS patient is highlighted in red.

Date	Rx Doc	Saw Doc	Others Present	Drug	Visit Cost Cash
1/15/2015	FLOYD	YES	Staff Member	120 Percocet 10 mg & 90 Xanax 1mg	\$275
2/11/2015	FLOYD	YES	Staff Member	120 Percocet 10 mg & 90 Xanax 1mg	\$275

Date	Rx Doc	Saw Doc	Others Present	Drug	Visit Cost Cash
3/11/2015	FLOYD	YES	Staff Member	120 Percocet 10 mg & 90 Xanax 1mg	\$275
4/8/2015	FLOYD	YES	Staff Member	120 Percocet 10 mg & 90 Xanax 1mg	\$275
5/6/2015	FLOYD	NO	Staff Member	120 Percocet 10 mg & 90 Xanax 1mg	\$275
6/3/2015	FLOYD	NO	Staff Member	120 Percocet 10 mg & 90 Xanax 1mg	\$275
7/2/2015	FLOYD	YES	Staff Member	120 Percocet 10 mg & 90 Xanax 1mg	\$275
8/1/2015	FLOYD	YES	Staff Member	120 Percocet 10 mg & 90 Xanax 1mg	\$275
8/27/2015	FLOYD	YES	Staff Member	120 Roxicodone 15 mg & 90 Xanax 1mg	\$275
9/25/2015	FLOYD	NO	Staff Member	120 Roxicodone 15 mg & 90 Xanax 1mg	\$275
10/23/2015	FLOYD	YES	Staff Member	120 Roxicodone 15 mg & 90 Xanax 1mg	\$275
11/20/2015	FLOYD	NO	Staff Member	120 Roxicodone 15 mg & 90 Xanax 1mg	\$275
12/18/2015	FLOYD	NO	Staff Member	120 Roxicodone 15 mg & 90 Xanax 1mg	\$275
1/15/2016	FLOYD	NO	Staff Member	120 Roxicodone 15 mg & 90 Xanax 1mg	\$300
2/27/2016	FLOYD	NO	Staff Member	120 Roxicodone 15 mg & 90 Xanax 1mg	\$300

DR. FLOYD agrees that he and other co-conspirators, including certain clinic staff members, did knowingly and intentionally combined, conspired, confederated and agreed with each other and with other persons known and unknown to illegally distribute and to dispense, outside the scope of professional practice and not for a legitimate medical purpose, quantities of oxycodone, hydromorphone, fentanyl, and morphine sulfate, Schedule II drug controlled substances, and hydrocodone/acetaminophen, a Schedule III drug controlled substance until October 6, 2014, thereafter, a Schedule II drug controlled substance, and alprazolam and carisoprodol, Schedule IV drug controlled substances, in violation of Title 21, United States Code, Section 841(a)(1); all in violation of Title 21, United States Code, Section 846.

Defendant **DR. FLOYD** knew at the time of his actions that his actions were unlawful and that he joined in this agreement with other co-conspirators, including at least co-conspirators BMC, SILHC and certain staff of BMC and SILHC and the owner of BMC and with the intent, to further the conspiracy's unlawful purpose.

Although defendant **DR. FLOYD** may not have known all of the details of the unlawful scheme or the identities of all of the other co-conspirators discussed in this factual basis, he did understand the unlawful nature of the plan to conspire to illegally dispense controlled substances with others and voluntarily joined in that plan on at least one occasion and furthered its objectives. Defendant **DR. FLOYD** agrees that he was not merely present at the scene of the charged conspiracy but was a voluntary, knowing, and active participant in the object of the conspiracy as charged in Count 1 of the Bill of Information.

V. DRUG QUANTITY DETERMINATION

Although the quantity of controlled substances that were issued and dispensed by **DR. FLOYD** outside the scope of professional practice and not for a legitimate medical purpose cannot be precisely determined the government and the defendant and the defendant’s counsel all agree and stipulate that no less than one-half (50%) of the quantities of controlled substances contained in the table below” were issued and dispensed by **DR. FLOYD** outside the scope of professional practice and not for a legitimate medical purpose.

The table below was produced from data contained in the Louisiana Prescription Monitoring Program (PMP) database. The table below specifically shows the individual number of dosages units or tablets and drug type dispensed and issued by **DR. FLOYD** at BMC and SILHC between the time period of January 2015 and August 2016. The parties further suggest to the Court that the Court use these quantity assessments, agreed to by the parties, for calculation of the sentencing guidelines; all subject to review and determination by the Court on the appropriate guideline range, initially prepared by the US Probation Office.

Drug Name	dosage unit
ACETAMINOPHEN-COD #3 TABLET	210
ACETAMINOPHEN-COD #4 TABLET	1,508
ADIPEX-P 37.5 MG TABLET	60
ALL DAY ALLERGY-D TABLET	12
ALPRAZOLAM 0.25 MG TABLET	90
ALPRAZOLAM 0.5 MG TABLET	6,300
ALPRAZOLAM 1 MG TABLET	88,331
ALPRAZOLAM 2 MG TABLET	327,273
ALPRAZOLAM ER 3 MG TABLET	210
ALPRAZOLAM XR 3 MG TABLET	60
ASCOMP WITH CODEINE CAPSULE	2,400
BUPRENORPHIN-NALOXON 8-2 MG SL	60
BUTALB-ACETAMIN-CAFF 50-300-40	180
BUTALB-ACETAMIN-CAFF 50-325-40	51,605
BUTALBITAL-ASA-CAFFEINE CAP	11,634

CARISOPRODOL 350 MG TABLET	423,819
CLARITIN-D 12 HOUR TABLET	60
CLONAZEPAM 0.5 MG TABLET	6,090
CLONAZEPAM 1 MG TABLET	48,780
CLONAZEPAM 2 MG TABLET	29,520
CLONIDINE HCL 0.2 MG TABLET	60
CLORAZEPATE 3.75 MG TABLET	210
CLORAZEPATE 7.5 MG TABLET	35
DEXTROAMP-AMPHET ER 25 MG CAP	570
DEXTROAMP-AMPHET ER 30 MG CAP	1,320
DEXTROAMP-AMPHETAMIN 10 MG TAB	1,110
DEXTROAMP-AMPHETAMIN 20 MG TAB	1,560
DEXTROAMP-AMPHETAMIN 30 MG TAB	39,804
DIAZEPAM 10 MG TABLET	393,361
DIAZEPAM 2 MG TABLET	1,800
DIAZEPAM 5 MG TABLET	105,192
DIPHENOXYLATE-ATROP 2.5-0.025	725
ENDOCET 10-325 MG TABLET	81,910
ESZOPICLONE 3 MG TABLET	30
EXALGO ER 12 MG TABLET	150
EXALGO ER 16 MG TABLET	360
FENTANYL 100 MCG/HR PATCH	1,980
FENTANYL 12 MCG/HR PATCH	20
FENTANYL 25 MCG/HR PATCH	775
FENTANYL 50 MCG/HR PATCH	1,580
FENTANYL 75 MCG/HR PATCH	420
HYDROCODON-ACETAMINOPH 7.5-325	63,229
HYDROCODON-ACETAMINOPHEN 5-325	5,256
HYDROCODON-ACETAMINOPHN 10-325	531,142
HYDROMORPHONE 4 MG TABLET	540
HYDROMORPHONE 8 MG TABLET	1,495
LORAZEPAM 0.5 MG TABLET	9,036
LORAZEPAM 1 MG TABLET	14,250
LORAZEPAM 2 MG TABLET	6,570
LYRICA 100 MG CAPSULE	2,280
LYRICA 150 MG CAPSULE	4,815
LYRICA 200 MG CAPSULE	4,050
LYRICA 225 MG CAPSULE	60
LYRICA 300 MG CAPSULE	240
LYRICA 50 MG CAPSULE	2,880
LYRICA 75 MG CAPSULE	3,570

MELOXICAM 15 MG TABLET	30
METHYLPHENIDATE 10 MG TABLET	180
MORPHINE SULF ER 100 MG TABLET	93,443
MORPHINE SULF ER 15 MG TABLET	76,095
MORPHINE SULF ER 200 MG TABLET	21,470
MORPHINE SULF ER 30 MG TABLET	158,373
MORPHINE SULF ER 60 MG TABLET	98,285
MORPHINE SULFATE ER 100 MG CAP	60
MORPHINE SULFATE ER 30 MG CAP	60
MORPHINE SULFATE IR 15 MG TAB	240
MORPHINE SULFATE IR 30 MG TAB	540
NAPROXEN 375 MG TABLET	60
NAPROXEN 500 MG TABLET	20
OPANA ER 10 MG TABLET	2,640
OPANA ER 20 MG TABLET	4,260
OPANA ER 30 MG TABLET	3,498
OPANA ER 40 MG TABLET	12,270
OXYCODON-ACETAMINOPHEN 7.5-325	780
OXYCODONE HCL 10 MG TABLET	3,060
OXYCODONE HCL 15 MG TABLET	263,979
OXYCODONE HCL 20 MG TABLET	28,238
OXYCODONE HCL 30 MG TABLET	1,309,736
OXYCODONE HCL 5 MG TABLET	450
OXYCODONE HCL ER 10 MG TABLET	60
OXYCODONE HCL ER 20 MG TABLET	1,660
OXYCODONE HCL ER 30 MG TABLET	120
OXYCODONE HCL ER 40 MG TABLET	4,230
OXYCODONE HCL ER 80 MG TABLET	2,550
OXYCODONE-ACETAMINOPHEN 10-325	205,311
OXYCODONE-ACETAMINOPHEN 5-325	6,090
OXYCODONE-ASPIRIN 4.8355-325	2,310
OXYCONTIN 10 MG TABLET	540
OXYCONTIN 20 MG TABLET	4,428
OXYCONTIN 30 MG TABLET	3,060
OXYCONTIN 40 MG TABLET	5,996
OXYCONTIN 60 MG TABLET	3,660
OXYCONTIN 80 MG TABLET	12,060
OXYMORPHONE HCL 10 MG TABLET	810
OXYMORPHONE HCL ER 10 MG TAB	26,903
OXYMORPHONE HCL ER 15 MG TAB	120
OXYMORPHONE HCL ER 20 MG TAB	53,809

OXYMORPHONE HCL ER 30 MG TAB	37,821
OXYMORPHONE HCL ER 40 MG TAB	38,555
PHENOBARBITAL 32.4 MG TABLET	810
PHENTERMINE 37.5 MG TABLET	12,395
TEMAZEPAM 15 MG CAPSULE	720
TEMAZEPAM 30 MG CAPSULE	3,450
TRAMADOL HCL 50 MG TABLET	17,270
TRIAZOLAM 0.25 MG TABLET	540
VYVANSE 30 MG CAPSULE	30
VYVANSE 60 MG CAPSULE	30
VYVANSE 70 MG CAPSULE	120
XANAX 1 MG TABLET	120
ZOLPIDEM TARTRATE 10 MG TABLET	39,630
ZOLPIDEM TARTRATE 5 MG TABLET	1,650
Grand Total	4,845,212

VI. THE MONEY LAUDERING OFFENSE

As charged in Count 2 of the Bill of Information **DR. FLOYD** engaged in a monetary transaction in criminally derived property derived from specified unlawful activity by committing the following acts and in violation of Title 21, United States Code, Section 846, and Title 18, United States Code, Section 1957 and 2:

DR FLOYD knowingly engaged in a monetary transaction, that is, on April 13, 2016 **DR FLOYD** personally issued check number 1368 in the amount of \$11,013.00 to Auto Direct for the purchase of a 2010 Mercedes vehicle, S-B Model number E350, VIN WDDHF5GB1AA253268. That transaction was a monetary transaction as defined in Title 18, United State Code, Section 1957(f)(1). This check was issued by **DR. FLOYD** from SILHC Capital One bank account number 2082398530. **DR. FLOYD** had signatory authority on the Capital One bank account number 2082398530 in the name of SILHC, Inc. Auto Direct is located at 729 North Causeway Boulevard, Mandeville, Louisiana 70448.

The monetary transaction noted above was of a value greater than \$10,000.

The monetary transaction noted above for the purchase of the Mercedes motor vehicle constituted criminally derived property, that is, the Mercedes vehicle referenced above was property paid for with funds that **DR. FLOYD** obtained by operating “pain clinics” as “pill mills” since the year 2013 by illegally issuing and dispensing controlled substances without legitimate medical purpose and outside the course of professional practice and in violation Title 21, United States Code, Section 846.

The Mercedes referenced above was criminally derived property that was derived from specified unlawful activity, that is, **DR. FLOYD** was involved in operating clinics as a “pill mill” for profit since the year 2013 by issuing and dispensing controlled substances without legitimate medical purpose and outside the course of professional practice which constituted specified unlawful activity and that specified activity provided **DR FLOYD** funds to purchase the Mercedes.

DR. FLOYD knew that the monetary transaction specified above involved criminally derived property.

The monetary transaction described above took place within the United States.

The Mercedes vehicle discussed above constituted criminally derived property in that it was property constituting or derived from proceeds obtained from a criminal offense. **DR. FLOYD** knew that the involved property, that is, the Mercedes vehicle was obtained and derived from the commission of a crime.

VII. LIMITED NATURE OF THIS FACTUAL BASIS

This proffer of evidence is not intended to constitute a complete statement of all facts known by defendant **DR. FLOYD**, and described by **DR. FLOYD** to the government, but rather is a minimum statement of facts intended to prove the necessary factual predicate for the guilty

plea. The limited purpose of this proffer is to demonstrate that there exists a sufficient legal basis for **DR. FLOYD's** plea of guilty to the two charged offenses.

VIII. CONCLUSION

Should this case proceed to trial, the government would prove all of the forgoing by calling as witnesses DEA agents, offer pertinent UC CS video/audio recordings from two (2) CSs documenting overt acts of the conspiracy and offering testimony from agents during surveillance of overt acts during the conspiracy. The government would offer the testimony of certain former employees of BMC and SILHC and these former employees would provide testimony that **DR. FLOYD** conspired with others in specific instances to illegally issue and dispense controlled substances. The former clinic employees who would be called to testify were eye-witnesses to certain overt acts of the conspiracy.

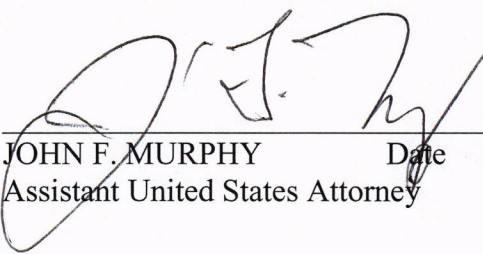
The government would also call as witnesses the controlling DEA Special Agents and Task Force Officers and surveillance team members who monitored the defendant **DR. FLOYD** and co-conspirators and their illegal transactions during the course of the investigation. The government would offer a representative sample of **DR. FLOYD's** medical records showing the existence of the illegal pill mill operation, seized at BMC and SILHC, pursuant to federal search warrants, executed in October 2016. The government would offer the testimony of at least one expert witness physician who would offer the opinion that **DR. FLOYD** and other co-conspirators engaged in the illegal issuing and dispensing of drug controlled substances that are listed as federally controlled substances, as charged in the Bill of Information.

In support of the charged Money Laundering offense in Count 2, the government would offer bank records, bank checks, sales receipts and the testimony of cooperating individuals who personally observed the specified unlawful activity of the conspirators operating a "pill mill" and

had knowledge of the criminal property being derived that was acquired by **DR. FLOYD** through a monetary transaction greater than \$10,000.

DR. FREDERICK FLOYD Date
Defendant

ANN B. STEINHARDT Date
Attorney for Defendant

 _____
JOHN F. MURPHY Date
Assistant United States Attorney

7 SEP 2017