

**IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF ALABAMA
JASPER DIVISION**

UNITED STATES OF AMERICA)

v.)

KELLEY NORRIS)
aka Kelley Norris-Hartley)

Case No. _____
18 U.S.C. §§ 371, 1347

PLEA AGREEMENT

The government and the defendant, **KELLEY NORRIS**, *aka Kelley Norris-Hartley*, hereby acknowledge the following plea agreement in this case:

PLEA

The defendant agrees to (1) plead guilty to **COUNT ONE through COUNT FOUR** of the Information filed in the above numbered and captioned matter; and (2) agree to the entry of an order of forfeiture in the amount of \$287,698.27. In exchange, the United States Attorney, acting on behalf of the government and through the undersigned Assistant United States Attorney, agrees to recommend the disposition specified below, subject to the conditions in Sections IX and X.

TERMS OF THE AGREEMENT

I. MAXIMUM PUNISHMENT

The defendant understands that the maximum statutory punishment that may be imposed for the crime of conspiracy to commit health care fraud, wire fraud and mail fraud, in violation of Title 18, United States Code, Section 371, as charged in COUNT ONE, is:

- a. Imprisonment for not more than 5 years;
- b. A fine of not more than \$250,000; or,
- c. Both (a and b);
- d. Supervised release of not more than 1 year; and
- e. Special Assessment Fee of \$100 per count.

The defendant further understands that the maximum statutory punishment that may be imposed for the crime of health care fraud, in violation of Title 18, United States Code, Section 1347, as charged in COUNT TWO through COUNT FOUR, is:

- a. Imprisonment for not more than 10 years;
- b. A fine of not more than \$250,000; or,
- c. Both (a and b);
- d. Supervised release of not more than 3 years; and
- e. Special Assessment Fee of \$100 per count.

II. FACTUAL BASIS FOR PLEA

A. Pharmacies

Pharmacies dispense pre-manufactured and compounded prescription drugs. A pre-manufactured medication is a medication that is mass-produced for use by a large population of patients. A pre-manufactured medication is purchased by a pharmacy in the same form in which the pharmacy dispenses it to patients. Pre-manufactured medications include prescription topical products, pain patches, pain sprays, and dietary supplements. A traditionally compounded medication is a customized combination of medicines initiated and prescribed by a prescriber based upon the prescriber-patient-pharmacist relationship and taking into consideration the particular patient's diagnoses, medical condition, individual health factors and reaction to other medications, and is prescribed after a determination that commercially available medications are not as beneficial or may be inappropriate and/or harmful to the patient. The ingredients of such compounded medication are mixed together by the compounder in the exact strength and dosage required by an individual patient.

The U.S. Food and Drug Administration ("FDA") offers the following examples of when drugs would be compounded: **(1)** if a patient has an allergy and needs a medication to be made without a certain dye preservative; **(2)** if an elderly patient or child cannot swallow a pill and needs a medicine in a liquid form that is

not otherwise available. Due to the unique and individualized nature of compounded medications, such medications are neither commercially available nor distributed in mass quantities. Because traditionally compounded pharmaceuticals are custom made to fit the unique needs of each patient, the FDA does not regulate or approve compounded medications and therefore does not verify the safety or effectiveness of compounded drugs. In the state of Alabama, the Alabama Board of Pharmacy regulates the practice of pharmacy, including traditional pharmacy compounding.

B. Third Party Administrators and Billing

Commercial insurance companies, employers, and private entities offer prescription drug plans. A beneficiary in a privately insured drug plan could fill a prescription at a pharmacy and use her or his plan to pay for some or all of the prescription. Blue Cross Blue Shield of Alabama (“BCBSAL”) was a private insurance company providing medical and drug insurance coverage in the state of Alabama and elsewhere. BCBSAL was a “health care benefit program” as defined by Title 18, United States Code, Section 24(b).

A Pharmacy Benefit Manager (“PBM”) was a third party administrator of prescription drug programs, including privately insured drug plans, and acted on behalf of one or more prescription drug plans.

A Pharmacy Services Administrative Organization (“PSAO”) was also a third party entity, which provided various services such as contract negotiation and

communication to pharmacies. Pharmacies may contract with PSAOs, which in turn contract with PBMs, such that PSAO member pharmacies may participate in a PBM network.

A pharmacy could participate in a privately insured plan by entering an agreement directly with the privately insured plan, or indirectly by joining a PBM's pharmacy network through an agreement with a PBM or a PSAO.

When a pharmacy received a prescription from a privately insured beneficiary, the pharmacy was to collect any applicable co-pay from the beneficiary, dispense the drug to the beneficiary, and submit a claim for reimbursement to the PBM that represented the beneficiary's privately insured drug plan. The plan or PBM determined whether the pharmacy was entitled to payment for each claim. The pharmacy periodically received payment for submitted claims from the Plan, PBM, or a PSAO. If payment was made by a PBM or PSAO, those entities were ultimately reimbursed, directly or indirectly, by the privately insured plan.

Prime Therapeutics ("Prime") was the PBM for BCBSAL and other insurance plans, and Caremark LLC d/b/a CVS/Caremark ("CVS/Caremark") was a PBM for various insurance plans. Both were "health care benefit programs," as defined by Title 18, United States Code, Section 24(b), that affected commerce, as that term is used in Title 18, United States Code, Section 1347. Leader Drug Stores, Inc. (hereafter "Leader") and AmerisourceBergen Elevate Provider Network (formerly

Good Neighbor Pharmacy Provider Network) (hereafter “Good Neighbor”) were PSAOs through which pharmacies could enter Prime’s pharmacy network.

To become a PBM network pharmacy, a pharmacy agreed to be bound by, and comply with, all applicable State and Federal laws, specifically including those addressing fraud, waste, and abuse. A pharmacy also agreed to be bound by a PBM’s rules and regulations.

C. Global and Related Entities

16. Northside Pharmacy d/b/a Global Compounding Pharmacy (hereafter “Global”) was an Alabama company that provided pharmaceutical services. It operated from two locations. It compounded and shipped its pre-manufactured and compounded products from its pharmacy location, 922 20th Street Haleyville, Alabama. It processed prescriptions, including initial receipt, billing and patient contact, from its billing center located at 4700 140th Avenue North, Suites 111 and 112, Clearwater, Florida, 33762. The billing center was referred to as the Clearwater Call Center.

Global shipped drugs from its Haleyville, Alabama location to customers within and outside Alabama via United States Postal Service (“USPS”) and private interstate mail carriers such as United Parcel Service (“UPS”). Global also shipped medications from affiliate pharmacies located in Alabama and elsewhere. Global employed pharmacists, pharmacy technicians, and other employees who worked

from the Haleyville, Alabama location.

Global hired outside sales representatives, who worked from various locations throughout the United States, and were primarily responsible for generating prescriptions from prescribers. The outside sales representatives reported to regional district managers. In addition, Global hired inside sales representatives, sometimes also referred to as pharmacy technicians, who worked at the Clearwater Call Center, and who were generally responsible for billing and patient contact.

Global contracted, including through PSAOS, to participate in the pharmacy networks of various PBMs, including Prime and CVS/Caremark.

Global also contracted with BCBSAL, for which Prime served as PBM, to provide health insurance to employees and their dependents, who were located in Alabama and elsewhere in the United States. To get reimbursed for prescription drugs filled for BCBSAL beneficiaries, Global would submit claims to Prime, which would reimburse it through PSAOs including Leader and Good Neighbor.

On May 29, 2015, Prime informed Global that it was terminating Global from its network effective September 4, 2015. From June 2015 to July 2015, Prime also informed patients who had received Global products paid for by Prime that Global would no longer be participating in the Prime network effective September 4, 2015.

In or about May 2015, two Global employees became listed owners of Carrollton Pharmacy d/b/a The Prescription Shop ("TPS"), located at 41254

Highway 195 Haleyville, AL 35565-8114. After on or about September 4, 2015, for Prime patients/beneficiaries, Global primarily compounded, shipped and billed its drugs from other pharmacies, including TPS. In 2015, TPS was a Prime network pharmacy and was contracted with BCBSAL to provide health insurance to TPS employees and their dependents. On or about December 3, 2015, Prime also terminated TPS from its network effective immediately.

D. Individuals Associated with Global

The individuals who worked at Global included, but were not limited to:

- **MANAGEMENT PERSON #1**, who was an owner, President and Chief Executive Officer of Global;
- **MANAGEMENT PERSON #2**, who was an owner, Vice President and Chief Operating Officer of Global, and resigned from Global on July 21, 2015;
- **MANAGEMENT PERSON #3**, who was Global's Regional Sales Director, then National Sales Director and Vice President of Sales. District managers, who supervised outside sales representatives, reported to **MANAGEMENT PERSON #3**;
- **MANAGEMENT PERSON #4**, who was Global's Inside Sales Manager, and supervised the Clearwater Call Center inside sales representatives; and
- **DISTRICT MANAGER #3**, who was a district manager for the Alabama region.

E. Defendant KELLEY NORRIS, aka Kelley Norris-Hartley

Defendant **KELLEY NORRIS**, *aka Kelley Norris-Hartley* was an outside sales representative for Global. Defendant **NORRIS** had significant experience in

pharmaceutical sales and received fraud waste abuse training, including on January 16, 2015, when she completed a fraud, waste, abuse prevention online course entitled Preventing Fraud, Waste & Abuse in Pharmacy Practice – 2015 Specialized - Course w/Exam.

From in or about August 2014 to on or about July 1, 2016, defendant **NORRIS** was an outside sales representative for Global's Alabama region, and was located in and around Tuscaloosa, Alabama. She was initially supervised by **MANAGEMENT PERSON #1**, and then starting in or about October 2014, by **DISTRICT MANAGER #3**.

Defendant **NORRIS** was closely related to **PRESCRIBER #2**, a physician located in Alabama, and also obtained prescriptions from **PRESCRIBER #3**, a family friend, also located in Alabama. She served as outside sales representative for both **PRESCRIBER #2** and **PRESCRIBER #3**, both of whom wrote prescriptions for prescription drugs to be filled by Global. A significant number of the prescriptions defendant **NORRIS** obtained were issued under **PRESCRIBER #2** and **PRESCRIBER #3**'s signatures. Global paid defendant **NORRIS** an annual base salary plus a monthly commission payment based on total monthly profits for prescriptions she obtained, including from **PRESCRIBER #2** and **PRESCRIBER #3** as follows: \$0-\$99,999 = 7%, \$100,000-\$199,999 = 10%; \$200,000-infinity = 12%.

F. The Conspiracy

From on or about August 2014 and continuing until she resigned on or about July 1, 2016, defendant **NORRIS** knowingly and willfully conspired, combined, and agreed with others known and unknown to the United States: **(1)** to execute a scheme and artifice to defraud health care benefit programs affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, BCBSAL, Prime, CVS/Caremark, and others, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, said health care benefit programs, in connection with the delivery and payment for health care benefits, items and services, in violation Title 18, United States Code, Section 1347; **(2)** to devise and intend to devise a scheme and artifice to defraud BCBSAL, Prime, CVS/Caremark, and others, and to obtain money and property belonging to others by means of false and fraudulent pretenses, representations, and promises by use of interstate wire transmissions, in violation of Title 18, United States Code, Section 1343; and **(3)** to devise and intend to devise a scheme and artifice to defraud BCBSAL, Prime, CVS/Caremark, and others, and to obtain money and property belonging to others by means of false and fraudulent pretenses, representations, and promises, by use of United States mail or interstate carrier, in violation of Title 18 United States Code, Section 1341.

Defendant **NORRIS** and others' conspiracy and scheme and artifice to defraud centered on obtaining, generating, and then billing PBMs for prescriptions. The scheme and conspiracy were executed in myriad ways including: (1) Global managers hired as outside sales representatives individuals who were prescribers or worked in prescribers' offices; (2) Global managers hired as outside sales representatives individuals with marital and other close familial relationships to prescribers, including physicians, physician assistants and nurse practitioners; (3) Global managers directed and encouraged the outside sales representatives to "work," typically without pay, in prescribers' offices, including by reviewing patient files and pushing and promoting Global's products to the prescribers' patients; (4) Global managers directed their employees to obtain certain prescriptions, not to meet patients' legitimate medical needs, but rather to obtain commission payments and to maximize Global and its affiliate pharmacies' profits; (5) co-conspirators and co-schemers forged prescriptions for medications; (6) family member medical practitioners were induced to prescribe medications to "patients" who were relatives; (7) medications were prescribed to "patients" who were not seen by, or did not have a patient relationship with medical practitioners; (8) medications were prescribed to minor children "patients" for whom the medications were contraindicated; (9) medications were prescribed to "patients" who discarded the medications in the trash; (10) medications were intentionally filled over successive days at lower

quantities than prescribed in order to evade PBM automated billing safeguards; **(11)** medications were automatically refilled regardless of patient need; and **(12)** co-pays for medications were waived. Some of these fraudulent means are described in more detail below.

1. Directed Scripts

MANAGEMENT PERSON #1, MANAGEMENT PERSON #3 and others regularly instructed Global outside sales representatives and other employees to obtain prescriptions for Global's highest reimbursing products for themselves and their family members not to meet patients' legitimate medical needs, but rather, to obtain commission payments and to maximize Global and its affiliate pharmacies' profits. Some of the high reimbursing and medically unnecessary prescription drugs included:

- Compounded scar removal creams, including Global's Scar Removal Cream #7 (also at times listed as Scar Removal Cream #8), advertised as treating "new scars and old scars."
- Compounded wound removal creams, including Global's Woundcare Cream #8, advertised as treating "general wounds."
- Silapak, also referred to as PharmaPak, a product Global's marketing flyer described as a "topical Skin Repair Complex . . . designed to provide relief for irritating skin conditions caused by numerous etiologies such as eczema, allergic reactions, irritating keloid and hypertrophic scars, psoriasis, and allergic reactions." The flyer further stated that "Silapak is not indicated for pregnant women or children."
- Lidocin, described in marketing materials circulated by Global as a topical analgesic that "provides a powerful formulation for pain control

and is helpful for relief of pain associated with cuts, scrapes, and minor skin irritations.”

- Active Prep Kit II (“APK II”), described in marketing materials as an in-office compounding kit for anti-inflammatory and analgesic treatment, for pain relief from musculoskeletal conditions, arthritis and neuropathy.
- Medi-Derm Rx, a pain cream, described in Global’s marketing flyer as a topical analgesic/topical anesthetic “used for the temporary relief of minor aches and pains of muscles and joints associated with arthritis, simple backache, strains, sprains, muscle soreness and stiffness.”
- Pain sprays including Camphomex and Mentholix. Global’s materials describe both as topical pain sprays and Mentholix as “for the temporary relief of minor aches and pains of the muscles and joints associated with simple backache, arthritis, strains, bruises and sprains.”
- Ortho D, a product Global’s marketing materials described as “indicated for dietary management of patients with unique nutritional needs requiring increased folate levels, Vitamin D deficiency or are in need of Vitamin D supplementation (1-2 tablets/day).

Accordingly, defendant **NORRIS** and other Global employees obtained and sent to Global fraudulent prescriptions for these and other high-reimbursing drugs.

For instance:

- On July 7, 2015, **MANAGEMENT PERSON #3** sent an email to district managers, which was forwarded to defendant **NORRIS**, stating “We are looking at a new product called Pharmapak[/Silapak]. Right now we know it is covered by BCBS of Al, our insurance. The profit on this is \$2700. We need every rep to get a script for themselves for this.” In response, on or about July 8, 2015, defendant **NORRIS** sent or caused to be sent to Global a fraudulent prescription for Silapak, both with 12 refills, for herself and her dependent, both written by **PRESCRIBER #2**.

- On July 12, 2015, **MANAGEMENT PERSON #3** sent an email, forwarded to defendant **NORRIS**, in which he stated “We are going to have a huge week this week and it starts with every rep and [district manager] getting a script for PharmaPak (SilaPak) for themselves and any eligible family member. So far we have 15 reps and one [district manager] who have gotten at least one in. If we get everyone in the week that would be around 45-50 depending on the family. At 50 that is \$220,000, in revenue and we need it.” In response, on July 14, 2015, notwithstanding that Global’s own marketing materials stated that Silapak was not to be used by children, defendant **NORRIS** sent or caused to be sent to Global a fraudulent prescription for Silapak, with five refills, for **DISTRICT MANAGER #3**’s then one-year old child, written by **PRESCRIBER #3**.

In response to **MANAGEMENT PERSON #3**’s instructions, starting in July 2015, defendant **NORRIS** sent fraudulent prescriptions for products, including those described above for herself, her dependent family member, her friends (**PATIENT 1** and **PATIENT 2** and their dependent), **DISTRICT MANAGER #3** and **DISTRICT MANAGER #3**’s spouse and three children, who were 11 years, 8 years, and 1 year old at the time the majority of the prescriptions were issued. **PRESCRIBER #3** signed and issued some of these prescriptions, including those for **DISTRICT MANAGER #3** and **DISTRICT MANAGER #3**’s family members, without seeing, talking to or having a doctor-patient relationship with those individuals. Examples of some of these prescriptions, billed to and paid by Prime/BCBSAL, are listed below.

Prescription Drug	Beneficiary	Date Billed	Amount Paid	Amount Billed
Silapak	Defendant NORRIS	July 9, 2015	\$4,403.45	\$5,184.23
Silapak	Patient B.H. (born 2013)	October 22, 2015	\$4,307.15	\$5,136.23
Silapak	Patient B.H. (born 2013)	November 30, 2015	\$4,300.95	\$5,136.23

Defendant **NORRIS** began obtaining Global's products almost immediately upon enrolling in Global's BCBSAL insurance. On August 6, 2014, **MANAGEMENT PERSON #1** sent an email to defendant **NORRIS**, to which was attached an employee health insurance application for BCBSAL. The email stated "BCBS of AL does cover compounds and your bonus will be paid from those if you decide to order." Defendant **NORRIS** then enrolled in Global's BCBSAL employee health insurance plan, and her membership became effective September 1, 2014. Shortly after, she began obtaining prescriptions for herself and her dependent, including on September 12, 2014, when she obtained from **PRESCRIBER #2** prescriptions for Scar Removal Cream #5 and Scar Removal Cream #7, both with 12 refills.

2. Quantity splitting

To evade safeguards written into claims adjudication software that capped reimbursement for specific medications, with defendant **NORRIS's** knowledge, **MANAGEMENT PERSON #4** and others would reduce the drug quantity on a

prescription thus lowering the amount submitted with each claim submitted. They would subsequently submit refill claims at more frequent intervals than usual in order to obtain amounts exceeding the capped reimbursement. In this manner, patients, including defendant **NORRIS** received frequent shipments (sometimes every four days) of prescription drugs. For instance, Global shipped, billed PBMs, and was paid by PBMs for one prescription of Scar Removal Cream # 5, Rx 6216543, including refills, written by **PRESCRIBER #2** for defendant **NORRIS** as set out below.

Date Billed	Amount Paid	Amount Billed
September 19, 2014	\$440.00	\$3,406.95
September 23, 2014	\$440.00	\$3,406.95
September 27, 2014	\$440.00	\$3,407.57
October 1, 2014	\$440.00	\$3,407.57
October 5, 2014	\$440.00	\$3,407.57
October 9, 2014	\$440.00	\$3,407.57
October 13, 2014	\$440.00	\$3,407.57
October 17, 2014	\$440.00	\$3,407.57
October 20, 2014	\$440.00	\$3,407.57
October 24, 2014	\$440.00	\$3,407.57
October 27, 2014	\$440.00	\$3,407.57
October 31, 2014	\$440.00	\$3,407.57

Similarly, Global shipped, billed PBMs, and was paid by PBMs for one prescription of Scar Removal Cream # 7, Rx 6216544, including refills, written by **PRESCRIBER #2** for defendant **NORRIS** as set out below:

Date Dispensed	Amount Paid	Amount Billed
September 19, 2014	\$440.00	\$10,794.75
September 23, 2014	\$440.00	\$3,594.74
September 27, 2014	\$440.00	\$10,794.75
October 1, 2014	\$440.00	\$10,794.75
October 5, 2014	\$440.00	\$10,794.75
October 9, 2014	\$440.00	\$10,794.75
October 13, 2014	\$440.00	\$10,794.75
October 17, 2014	\$440.00	\$10,794.75
October 20, 2014	\$440.00	\$3,594.68
October 28, 2014	\$440.00	\$11,004.75
October 31, 2014	\$440.00	\$11,004.75
November 3, 2014	\$440.00	\$5,519.88

3. Automatic Refills

To maximize profits, Global automatically refilled patient prescriptions, including those of Global employees and their family members, regardless of whether patients needed or requested refills.

4. Co-Pays Waived

Insurance providers require pharmacies to collect co-pays, typically a fixed amount, from patients, in part so that the patient has “skin in the game,” and declines medically unnecessary or otherwise fraudulent prescriptions. However, to incentivize patients, including employees and their family members to obtain or retain Global’s prescription drugs, including those that were automatically refilled, Global would regularly waive patients’ co-pays. It did so including by: **(1)** telling patients they did not have to pay co-pays; **(2)** telling patients that Global would cover whatever portion of patients’ co-pays that they could not pay; **(3)** paying a portion

of patients' co-pays; **(4)** making little or no effort to collect co-pays, including failing to ask patients for co-pays and sending multiple refills to patients regardless of whether they had paid past co-pays; and **(5)** informing patients that Global would never send them to a collection service if they failed to pay their co-pays. Global further waived co-pays for employees and their family members, including by telling employees they could use their Global credit cards to pay for co-pays for drugs dispensed by Global. For instance, on July 15, 2015, **MANAGEMENT PERSON #3** sent an email to district managers, which was forwarded to defendant **NORRIS**, stating "Please let your reps know that we will have to pay \$25 copay for our personal SilaPak. Per [**MANAGEMENT PERSON #1**] we can use our corporate credit cards to pay our copay."

As with other Global employees, Global waived the co-pays for defendant **NORRIS** and her dependent's prescriptions. For the time period August 20, 2014 through at least November 30, 2015, Global waived co-pays totaling approximately \$38,948 for defendant **NORRIS** and her dependent, for the approximately 788 prescription shipments (initial fill and refills) Global and its affiliate pharmacies shipped to them. Global required patients to pay co-pays primarily in response to audits by PBMs.

Thus, on May 4, 2015, reacting to a CVS/Caremark audit, **MANAGEMENT PERSON #3** sent an email to Global employees, including defendant **NORRIS**.

The email stated “We are in the middle of an audit and need to show that we are collecting copays. We need to receive a copay payment from you this week. We will then need another one toward the end of the month. You do not have to pay it all but we do need to show collection.” The email identifies each of two listed individuals, **PATIENT 1** and **PATIENT 2**, as defendant **NORRIS**’s “friend.”

In response, on May 8, 2015, defendant **NORRIS** paid or caused to be paid to Global with defendant **NORRIS**’s Global credit card, two \$25 payments for **PATIENT 1** and **PATIENT 2**. **PATIENT 1** and **PATIENT 2** did not otherwise pay co-pays to Global or its affiliate pharmacies. For the time-period September 22, 2014 to August 11, 2015, the total that would have been due to Global for the co-pays for **PATIENT 1** and **PATIENT 2**’s approximately 159 prescriptions (initial fill and refills) was approximately \$5,931.51.

In furtherance of the conspiracy, **MANAGEMENT PERSON #1** and others used multiple pharmacies to bill for and dispense prescription drugs. Starting in or around November 2014, Global primarily dispensed these prescriptions from its Haleyville location. Global billed for BCBSAL prescriptions, including those for its employees through Global’s membership with Prime. Starting in or about September 2015 after Global learned that it would lose Prime coverage, Global sent prescriptions issued under **PRESCRIBER #2** and **PRESCRIBER #3**’s signature (for Prime patients) to TPS to be filled and shipped to patients and billed to Prime.

Prescriptions on which defendant **NORRIS** was paid commissions were shipped to patients by Global and its affiliate pharmacies via USPS and UPS. For instance, on August 12, 2015, Global mailed and caused to be mailed by UPS a refill of the July 14, 2015 prescription for Silapak to **DISTRICT MANAGER #3**'s one-year old child. The Silapak was mailed from Global's Haleyville Alabama location to Troy, Alabama.

Global, TPS and others received payments from Prime and other PBMs for prescriptions, including those under **PRESCRIBER #2** and **PRESCRIBER #3**'s signatures. These payments were sometimes made through PSAOs. For instance, on February 13, 2015, a PSAO (Good Neighbor) wire transferred approximately \$362,960.15 to Global's First Metro Bank account, which included payments for prescription drug claims submitted by Global to Prime and CVS/Caremark. Also, on April 8, 2015, a PSAO (Good Neighbor) wire transferred approximately \$349,746.38 to Global's First Metro Bank account, which included payments for prescription drug claims submitted by Global to Prime and CVS/Caremark.

Between August 2014, and July 1, 2016, Global would and did pay defendant **NORRIS**, most often through interstate wire transfers consisting of her base salary and commission payments, for prescriptions including those written by **PRESCRIBER #2** and **PRESCRIBER #3**, into her bank account *7618 at First U.S. Bank. For instance, on November 21, 2014, defendant **NORRIS** received a

wire transfer of approximately \$19,765.58, into her First U.S. Bank account number *7618, which represented her commission payment from Global for in or about October 2014. On September 25, 2015, defendant **NORRIS** received a wire transfer of approximately \$8,149.91, into her First U.S. Bank account number *7618, which represented her commission payment from Global for in or about August 2015. On November 20, 2015, defendant **NORRIS** received a wire transfer of approximately \$9,946.61 into her First U.S. Bank account number *7618, which represented her commission payment from Global for in or about October 2015. On or about March 25, 2016, defendant **NORRIS** received a wire transfer of approximately \$1,007.17, into her First U.S. Bank account number *7618, which represented her weekly base salary payment from Global for in or about the week of March 20, 2016.

As a result of defendant **NORRIS's** actions, Global, TPS and others submitted payment claims of \$3,002,237.83 to Prime, and on behalf of BCBSAL were paid \$524,666.50 by Prime, including through its PSAOs. Further as a result of her actions, Global and TPS were paid \$489,502 by CVS/Caremark, including through PSAOs.

During her time employed by Global (August 2014 to July 2016), Global paid defendant **NORRIS** over \$280,000.00, which included her base annual salary and commission payments.

G. The Health Care Fraud Counts

Defendant **NORRIS** also committed health care fraud as set out in Counts Two through Four of the Information. From on or about August 2014 until in or about July 1, 2016, defendant **NORRIS** knowingly and willfully executed and attempted to execute a scheme and artifice to defraud a health care benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, BCBSAL, Prime, and others, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by and under the custody and control of BCBSAL, Prime, and others, in connection with the delivery of and payment for health care benefits, items, and services. The purpose of the scheme was for defendant **NORRIS** and others to unlawfully enrich themselves through the submission of false and fraudulent claims to BCBSAL, Prime, and others. The scheme and artifice is described in the section above describing the conspiracy.

On or about the dates listed below, defendant **NORRIS**, for the purpose of executing the above-described health care fraud scheme and attempting to do so, caused Global to bill for, and ship the prescription drugs, and thereby caused the prescriptions to be filled and shipped:


Count	Prescription Drug	BCBSAL/Prime Beneficiary	Date Billed	Amount Paid by BCBSAL/Prime
2	Silapak	Defendant NORRIS	July 9, 2015	\$4,403.45
3	Silapak	Patient B.H.	October 22,	\$4,307.15

		(born 2013)	2015	
4	Silapak	Patient B.H. (born 2013)	November 30, 2015	\$4,300.95

In 2015, Prime paid Global and TPS over \$13 million. In 2015, for the claims on which Global and TPS were paid (*i.e.*, not including reversals or rejections), Global and TPS billed Prime a combined total of over \$43 million. The parties stipulate that for purposes of calculating defendant **NORRIS**'s sentencing guidelines, the attributable amount of loss to defendant **NORRIS** for the above-detailed offense conduct is between \$1,500,000 and \$3,500,000.

The acts described above occurred within Winston County in the Northern District of Alabama, and elsewhere. Venue is appropriate in the Northern District of Alabama.

The defendant hereby stipulates that the facts stated above are substantially correct and that the Court can use these facts in calculating the defendant's sentence. The defendant further acknowledges that these facts do not constitute all of the evidence of each and every act that the defendant and/or any co-conspirators may have committed.



KELLEY NORRIS
aka Kelley Hartley-Norris

III. COOPERATION BY THE DEFENDANT

The defendant agrees to waive the Fifth Amendment privilege against self-incrimination and to provide **TRUTHFUL AND COMPLETE INFORMATION** to the government concerning all aspects of the charged crimes, including, but not limited to, the defendant's role and participation in the offenses, as well as the roles and the participation of all other persons involved in these crimes of whom the defendant has knowledge. The defendant agrees to testify against all of those individuals at any time requested by the government, including at any Grand Jury proceeding, forfeiture proceeding, bond hearing, pretrial hearing, trial, retrial, or post-trial hearing. **ALL SUCH INFORMATION AND TESTIMONY SHALL BE TRUTHFUL AND HONEST AND WITH NO KNOWING MATERIAL FALSE STATEMENTS OR OMISSIONS.** The defendant waives any witness fees to which she otherwise may be entitled if she is subpoenaed to testify against any of her co-defendants or co-conspirators.

Further, the defendant agrees to provide assistance and cooperation to the government as defined and directed by the Federal Bureau of Investigations, or any other investigative agency or body as the United States Attorney for the Northern District of Alabama may authorize, which cooperation may include the defendant's periodic submission to a polygraph

examination to determine the truthfulness and accuracy of the defendant's statements and information.

IV. MOTION PURSUANT TO USSG § 5K1.1

In the event the defendant provides assistance that rises to the level of "substantial assistance," as that term is used in USSG § 5K1.1, the government agrees to file a motion requesting a downward departure in the calculation of the defendant's advisory guideline sentence. Should any of the counts of conviction subject the defendant to a mandatory minimum sentence, the government may also seek a sentence reduction below said mandatory minimum sentence, by including in its motion a recommendation pursuant to the provisions of 18 U.S.C. § 3553(e). The defendant agrees that the determination of whether defendant's conduct rises to the level of "substantial assistance" and/or whether defendant's conduct merits consideration under 18 U.S.C. § 3553(e) lies solely in the discretion of the United States Attorney's Office. Furthermore, the defendant agrees that the decision as to the degree or extent of the downward departure requested, if any, also lies in the sole discretion of the United States Attorney's Office.

Any motion pursuant to Section 5K1.1 and/or 18 U.S.C. § 3553(e) will be filed before the defendant's sentencing hearing and will outline all material

assistance which the defendant has provided. The defendant clearly understands and acknowledges that, because the defendant's plea is being offered in accordance with Rule 11(c)(1)(B), Fed.R.Crim.P., the Court will not be bound by the government's recommendation and may choose not to reduce the sentence at all.

V. RECOMMENDED SENTENCE

Subject to the limitations in Section X regarding subsequent conduct and pursuant to Rule 11(c)(1)(B), Fed. R. Crim. P., the government will recommend the following disposition:

- a. That the defendant be awarded an appropriate reduction in offense level for acceptance of responsibility;
- b. That the defendant be remanded to the custody of the Bureau of Prisons and incarcerated for a term consistent with the low end of the advisory United States Sentencing Guideline range as that is determined by the court on the date that the sentence is pronounced;
- c. That following the said term of imprisonment, the defendant be placed on supervised release for a period to be determined by the court, subject to the standard conditions of supervised release as set forth in U.S.S.G § 5D1.3, and any special condition(s) ordered by the Court;

- d. That the defendant be required to pay a fine in accordance with the sentencing guidelines, said amount due and owing as of the date sentence is pronounced, with any outstanding balance to be paid in full by the expiration of the term of supervised release;
- e. That the defendant pay a special assessment fee of \$100 per count, said amount due and owing as of the date sentence is pronounced.

VI. WAIVER OF RIGHT TO APPEAL AND POST-CONVICTION RELIEF

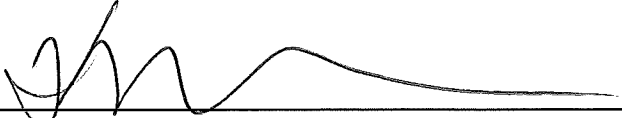
In consideration of the recommended disposition of this case, I, KELLEY NORRIS, aka Kelley Hartley-Norris, hereby waive and give up my right to appeal my conviction and/or sentence in this case, as well as any fines, restitution, and forfeiture orders, the court might impose. Further, I waive and give up the right to challenge my conviction and/or sentence, any fines, restitution, forfeiture orders imposed or the manner in which my conviction and/or sentence, any fines, restitution, and forfeiture orders were determined in any post-conviction proceeding, including, but not limited to, a motion brought under 28 U.S.C. § 2255.

The defendant reserves the right to contest in an appeal or post-conviction proceeding the following:

- a. Any sentence imposed in excess of the applicable statutory maximum sentence(s);
- b. Any sentence imposed in excess of the guideline sentencing range determined by the Court at the time sentence is imposed; and
- c. Ineffective assistance of counsel.

The defendant acknowledges that before giving up these rights, the defendant discussed the Federal Sentencing Guidelines and their application to the defendant's case with the defendant's attorney, who explained them to the defendant's satisfaction. The defendant further acknowledges and understands that the Government retains its right to appeal where authorized by statute.

I, KELLEY NORRIS, *aka Kelley Hartley-Norris* hereby place my signature on the line directly below to signify that I fully understand the foregoing paragraphs, and that I am knowingly and voluntarily entering into this waiver.



KELLEY NORRIS
aka Kelley Hartley-Norris

VII. UNITED STATES SENTENCING GUIDELINES

Defendant's counsel has explained to the defendant, that in light of the United States Supreme Court's decision in United States v. Booker, the federal sentencing guidelines are **advisory** in nature. Sentencing is in the Court's discretion and is no longer required to be within the guideline range. The defendant agrees that, pursuant to this agreement, the Court may use facts it finds by a preponderance of the evidence to reach an advisory guideline range, and defendant explicitly waives any right to have those facts found by a jury beyond a reasonable doubt.

VIII. AGREEMENT NOT BINDING ON COURT

The defendant fully and completely understands and agrees that it is the Court's duty to impose sentence upon the defendant and that any sentence recommended by the government is **NOT BINDING UPON THE COURT**, and that the Court is not required to accept the government's recommendation. Further, the defendant understands that if the Court does not accept the government's recommendation, the defendant does not have the right to withdraw the guilty plea.

IX. VOIDING OF AGREEMENT

The defendant understands that should the defendant move the Court to accept the defendant's plea of guilty in accordance with, or pursuant to, the provisions of North Carolina v. Alford, 400 U.S. 25 (1970), or tender a plea of nolo contendere to the charges, this agreement will become NULL and VOID. In that event, the

Government will not be bound by any of the terms, conditions, or recommendations, express or implied, which are contained herein.

X. SUBSEQUENT CONDUCT

The defendant understands that should the defendant violate any condition of pretrial release or violate any federal, state, or local law, or should the defendant say or do something that is inconsistent with acceptance of responsibility, the United States will no longer be bound by its obligation to make the recommendations set forth in Section V of the Agreement, but instead, may make any recommendation deemed appropriate by the United States Attorney in her sole discretion.

XI. OTHER DISTRICTS AND JURISDICTIONS

The defendant understands and agrees that this agreement **DOES NOT BIND** any other United States Attorney in any other district, or any other state or local authority.

XII. COLLECTION OF FINANCIAL OBLIGATION

In order to facilitate the collection of financial obligations to be imposed in connection with this prosecution, the defendant agrees to fully disclose all assets in which the defendant has any interest or over which the defendant exercises control, directly or indirectly, including those held by a spouse, nominee or other third party. The defendant also will promptly submit a completed financial statement to the

United States Attorney's Office, in a form that it provides and as it directs. The defendant also agrees that the defendant's financial statement and disclosures will be complete, accurate, and truthful. Finally, the defendant expressly authorizes the United States Attorney's Office to obtain a credit report on the defendant in order to evaluate the defendant's ability to satisfy any financial obligation imposed by the Court.

XIII. AGREEMENT REGARDING RELEVANT CONDUCT AND RESTITUTION

As part of the defendant's plea agreement, the defendant admits to the above facts associated with the charges and relevant conduct for any other acts. The defendant understands and agrees that the relevant conduct contained in the factual basis will be used by the Court to determine the defendant's range of punishment under the advisory sentencing guidelines. The defendant admits that all of the crimes listed in the factual basis are part of the same acts, scheme, and course of conduct. This agreement is not meant, however, to prohibit the United States Probation Office or the Court from considering any other acts and factors which may constitute or relate to relevant conduct. Additionally, if this agreement contains any provisions providing for the dismissal of any counts, the defendant agrees to pay any appropriate restitution to each of the separate and proximate victims related to those counts should there be any.

XIV. TAX, FORFEITURE AND OTHER CIVIL/ADMINISTRATIVE PROCEEDINGS

Unless otherwise specified herein, the defendant understands and acknowledges that this agreement does not apply to or in any way limit any pending or prospective proceedings related to defendant's **tax liabilities**, if any, or to any pending or prospective **forfeiture** or other **civil** or **administrative** proceedings.

Defendant recognizes that pleading guilty may have consequences with respect to her immigration status if she is not a citizen of the United States. Under federal law, a broad range of crimes are removable offenses, including the offenses to which defendant is pleading guilty. Removal and other immigration consequences are the subject of a separate proceeding, however, and defendant understands that no one, including her attorney or the district court, can predict to a certainty the effect of her conviction on her immigration status. Defendant nevertheless affirms that she wants to plead guilty regardless of any immigration consequences that her plea may entail, even if the consequence is her automatic removal from the United States.

FORFEITURE

Defendant **KELLEY NORRIS**, *aka Kelley Norris-Hartley* agrees to consent to the entry of a final forfeiture judgment against her, pursuant to Fed. R. Crim. P. 32.2(b)(1), in the amount of \$287,698.27, which represents proceeds of the offenses alleged in **COUNT ONE** of the Information and to which she is indicating her desire

to plead guilty by way of this written Plea Agreement. For purposes of entering said order of forfeiture, the defendant acknowledges that a nexus exists between said amount and the criminal offenses to which the defendant is pleading guilty. The defendant further acknowledges that the Government is authorized under law to seek the forfeiture of any and all assets of the defendant as substitute assets for the purpose of satisfying the forfeiture judgment until same is satisfied in full.

The defendant agrees to waive any Double Jeopardy challenges that she may have to the entry of a Forfeiture Order before sentencing. The defendant agrees to waive any claims, defenses or challenges arising under the Excessive Fines Clause of the Eighth Amendment resulting from the forfeiture imposed as a result of this Information and/or any pending or completed administrative or civil forfeiture actions based upon the course of conduct that provides the factual basis for the forfeiture.

The defendant hereby waives the requirements of Fed. R. Crim. P. 43(a) with respect to the imposition of any forfeiture sanction carried out in accordance with this Plea Agreement, and further agrees to not contest or challenge in any manner (including direct appeal, *habeas corpus*, or any other means) such forfeitures on any grounds, including that the forfeiture constitutes double jeopardy, or an excessive fine or punishment.

Non-Abatement of Criminal Forfeiture

The defendant agrees that the forfeiture provisions of this plea agreement are intended to, and will, survive her, notwithstanding the abatement of any underlying criminal conviction after the execution of this agreement. The forfeitability of any particular property pursuant to this agreement shall be determined as if the defendant had survived, and that determination shall be binding upon the defendant's heirs, successors, and assigns until the agreed forfeiture, including any agreed money judgment amount, is collected in full. To the extent that forfeiture pursuant to this agreement requires the defendant to disgorge wrongfully obtained criminal proceeds for the benefit of the defendant's victims, the defendant agrees that the forfeiture is primarily remedial in nature.

XV. DEFENDANT'S UNDERSTANDING

I have read and understand the provisions of this agreement consisting of **36 pages**. I have discussed the case and my constitutional and other rights with my lawyer. I am satisfied with my lawyer's representation in this case. I understand that by pleading guilty, I will be waiving and giving up my right to continue to plead not guilty, to a trial by jury, to the assistance of counsel at that trial, to confront, cross-examine, or compel the attendance of witnesses, to present evidence in my behalf, to maintain my privilege against self-incrimination, and to the presumption of innocence. I agree to enter my plea as indicated above on the terms and conditions

set forth herein.

**NO OTHER PROMISES OR REPRESENTATIONS HAVE BEEN
MADE TO ME BY THE PROSECUTOR, OR BY ANYONE ELSE,
NOR HAVE ANY THREATS BEEN MADE OR FORCE USED TO
INDUCE ME TO PLEAD GUILTY.**

I further state that I have not had any drugs, medication, or alcohol within the past 48 hours except as stated here:

I understand that this Plea Agreement will take effect and will be binding as to the Parties **only** after all necessary signatures have been affixed hereto.

I have personally and voluntarily placed my initials on every page of this Agreement and have signed the signature line below to indicate that I have read, understand, and approve all of the provisions of this Agreement, both individually and as a total binding agreement.

7/11/17

DATE




KELLEY NORRIS,
aka Kelley Hartley-Norris
Defendant

XVI. COUNSEL’S ACKNOWLEDGMENT


I have discussed this case with my client in detail and have advised my client of all of my client’s rights and all possible defenses. My client has conveyed to me that my client understands this Agreement and consents to all its terms. I believe the plea and disposition set forth herein are appropriate under the facts of this case and are in accord with my best judgment. I concur in the entry of the plea on the terms and conditions set forth herein.

7/12/17
DATE



TOMMY SPINA
Defendant’s Counsel

7/11/17
DATE



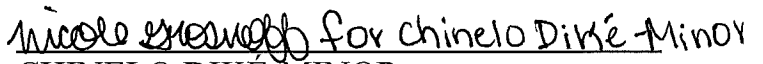
JOEL SOGOL
Defendant’s Counsel

XVII. GOVERNMENT’S ACKNOWLEDGEMENT

I have reviewed this matter and this Agreement and concur that the plea and disposition set forth herein are appropriate and are in the interests of justice.

ROBERT O. POSEY
Acting United States Attorney

7/12/17
DATE



CHINELE DIKE-MINOR
Assistant United States Attorney