



THE UNITED STATES ATTORNEY'S OFFICE
NORTHERN DISTRICT *of* ALABAMA

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Department of Justice

U.S. Attorney's Office

Northern District of Alabama

FOR IMMEDIATE RELEASE

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U.S. Attorney Charges NW Alabama Compounding Pharmacy Sales Representative in Prescription Fraud Conspiracy

BIRMINGHAM – The U.S. Attorney's Office today charged a fourth sales representative for a Haleyville, Ala.-based compounding pharmacy for participating in a conspiracy to generate prescriptions and defraud health care insurers and prescription drug administrators out of tens of millions of dollars in 2015.

U.S. Attorney Jay E. Town, FBI Special Agent in Charge Johnnie Sharp, U.S. Postal Inspector in Charge Adrian Gonzalez, U.S. Department of Health and Human Services, Office of Inspector General, Special Agent in Charge Derrick L. Jackson, Defense Criminal Investigative Service Special Agent in Charge John F. Khin, and Internal Revenue Service, Criminal Investigation, Acting Special Agent in Charge James E. Dorsey announced the charges.

Prosecutors filed an information in U.S. District Court charging PETER EODICE II, 34, of Webster, NY, with conspiracy to commit health care fraud, wire fraud and mail fraud, various counts of health care fraud for submitting fraudulent prescription reimbursement claims to Blue Cross Blue Shield of Alabama, and one count of aggravated identity theft for forging a prescription. In conjunction with the charges, prosecutors also filed a plea agreement with Eodice.

Eodice worked for Northside Pharmacy, an Alabama company doing business as Global Compounding Pharmacy. Global's compounding and shipping facility was in Haleyville. The pharmacy did its prescription processing, billing and customer service at its "call center" in Clearwater, Fla.

Global hired sales representatives, including Eodice, who were located in various states and were responsible for generating prescriptions from physicians and other prescribers. To bill insurance providers, including Blue Cross Blue Shield of Alabama, for these prescriptions, Global contracted to enter the pharmacy networks of third-party administrators, known as "pharmacy benefit managers" or "PBMs." These PBMs included Prime Therapeutics and Express Scripts Incorporated.

The court documents describe a conspiracy at Global that centered on generating and billing PBMs for fraudulent, often high-reimbursement prescriptions. To generate prescriptions, Global hired sales representatives who were married or related to doctors and other prescribers. Global also encouraged sales representatives to volunteer at doctors' offices where they would review patient files and push Global's products to patients. Global executives also frequently instructed employees to obtain high-reimbursing

prescriptions that Global would fill and bill for reimbursement. One of the drugs that Eodice got for himself and his family members was a wound cream that cost over \$29,000.

The plea agreement describes a Global executive instructing sales representatives to obtain certain prescriptions and, shortly after, Eodice obtained those prescriptions for himself and family members. Eodice also forged multiple prescriptions, according to the court documents.

When billing, Global engaged in various fraudulent practices, including automatically refilling and billing for prescriptions regardless of patient need, and routinely waiving co-pays to encourage patients to accept unnecessary medications and refills.

As part of his plea agreement, Eodice agreed to forfeit \$266,513 to the government as proceeds of illegal activity.

Global paid sales representatives a base salary plus a monthly commission for prescriptions that they obtained, according to court documents.

The charges against Eodice follow charges brought by the U.S. Attorney's Office earlier this year against three other Global sales representatives, Robin Gary Lowry, 49, of Columbus, Miss., Bridget McCune, 42, of Destin, Fla., and Kelley Norris-Hartley, 41, of Tuscaloosa. All three were charged with conspiracy to defraud insurance plans and PBMs, along with various health care fraud counts for submitting fraudulent claims for payment to BCBS of Alabama. McCune also was charged with conspiring to solicit and receive kickbacks in return for referring prescriptions under Medicare and TRICARE, a U.S. Department of Defense health care program, and with money laundering for spending proceeds of the crimes. All three defendants pleaded guilty. Their sentencings are scheduled for early 2018.

FBI, U.S. Postal Inspection Service, U.S. Department of Health and Human Services Office of Inspector General, and U.S. Defense Criminal Investigative Service investigated the cases, which Assistant U.S. Attorneys Chinelo Dike-Minor and Nicole Grosnoff are prosecuting.

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Component(s):
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