

JUSTICE NEWS

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South Florida Pharmacist Convicted of Health Care Fraud for Role in \$5 Million Compounding Pharmacy Scheme

A federal jury found a South Florida pharmacist guilty today of health care fraud for his role in a \$5 million compounding pharmacy scheme.

Assistant Attorney General Brian A. Benczkowski of the Justice Department's Criminal Division, U.S. Attorney Benjamin G. Greenberg of the Southern District of Florida, Special Agent in Charge Robert F. Lasky of the FBI's Miami Field Office, Special Agent in Charge Shimon R. Richmond of the Department of Health and Human Services Office of Inspector General (HHS-OIG)'s Miami Regional Office, Special Agent in Charge John F. Khin of the Department of Defense Office of Inspector General – Defense Criminal Investigative Service (DCIS)'s Southeast Field Office and Florida Attorney General Pam Bondi made the announcement.

After a four-day trial, Stephen Chalker, 42, of Wellington, Florida, was convicted of one count of conspiracy to commit health care fraud and two substantive counts of health care fraud. Sentencing has been scheduled for Nov. 15 before U.S. District Judge Donald M. Middlebrooks of the Southern District of Florida, who presided over the trial.

According to evidence presented at trial, from approximately September 2014 to August 2016, Chalker engaged in a scheme to defraud Medicare, TRICARE and Medicaid by submitting false and fraudulent claims for compounded drugs and other prescription medications that were not medically necessary and/or never provided. The evidence established that in his role as the pharmacist-in-charge at Pop's Pharmacy, a now-defunct pharmacy located in Deerfield Beach, Florida, Chalker submitted or caused the submission of claims in the amount of several thousands of dollars each for a single tube of pain and scar creams that patients did not want, did not need, and in some cases did not receive. Chalker and his co-conspirators ran a nationwide telemarketing and telemedicine scheme in which there was no real patient-prescriber relationship or actual patient care. As a result of claims submitted in connection with the scheme, Medicare, TRICARE and Medicaid made payments totaling nearly \$5 million, the evidence showed.

Two other defendants have been charged in this case. Christopher Liva, 40, of Boca Raton, Florida, and Elaine Liva, 66, of Pompano Beach, Florida, both of whom pleaded guilty and are awaiting sentencing.

This case was investigated by the FBI, HHS-OIG, DCIS and the State of Florida Medicaid Fraud Control Unit. Trial Attorneys Jim Hayes and Leslie Wright of the Criminal Division's Fraud Section are prosecuting the case.

The Criminal Division's Fraud Section leads the Medicare Fraud Strike Force. Since its inception in March 2007, the Medicare Fraud Strike Force, now operating in 12 cities across the country, has charged nearly 4,000 defendants who have collectively billed the Medicare program for more than \$14 billion. In addition,

the HHS Centers for Medicare & Medicaid Services, working in conjunction with the HHS-OIG, are taking steps to increase accountability and decrease the presence of fraudulent providers.

Component(s):

Criminal Division

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