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Department of Justice

U.S. Attorney's Office

Northern District of Florida

FOR IMMEDIATE RELEASE

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Pensacola Compounding Pharmacy Owner Convicted In \$4.8 Million Tricare Fraud And Money Laundering Conspiracies

PENSACOLA, FLORIDA – A federal jury in Pensacola has convicted Andrew E. Fisher, 34, of Gulf Breeze, of conspiring to use his pharmacy to defraud more than \$4.8 million from TRICARE, a federal health care program for uniformed service members, retirees, and their families, and then laundering the money generated by the fraud. The guilty verdict, reached by the jury on Monday, was announced today by Lawrence Keefe, United States Attorney for the Northern District of Florida.

"This conspiracy stole from taxpayers at the expense of the health and well-being of heroes who willingly served our nation or supported loved ones as they did so," said U.S. Attorney Keefe. "This is a flagrant and shocking violation of the public trust, and this conviction proves we will not allow such actions to continue."

Fisher, the owner and operator of Physician Specialty Pharmacy (PSP) in Pensacola, was convicted of conspiracy to commit health care fraud and wire fraud and conspiracy to commit money laundering. Evidence at trial established that between October 2014 and December 2015, Fisher conspired with sales representative Michael Scott Burton and others to defraud TRICARE out of more than \$4.8 million in fraudulent claims for prescription compounded pain cream, scar cream, and wellness vitamins. Fisher agreed to fill prescriptions at PSP from a doctor's office in Georgia whose beneficiary information was provided by Burton and individuals working for him, knowing that these particular beneficiaries had never seen that doctor and the prescriptions were not based on a legitimate doctor-patient relationship. In exchange for recruiting TRICARE beneficiaries to receive the prescriptions, Burton received approximately 50% of the amount paid to Fisher in insurance reimbursements. Those commission payments were laundered in the form of large wire transfers and direct deposits into Burton's bank account in Georgia.

"I am pleased by the results of the investigative team and the U.S. Attorney's office to bring justice to these individuals," said Special Agent in Charge Cynthia A. Bruce of the Defense Criminal Investigative Service Southeast Field Office. "The defendant in this case conspired to deprive the DoD of precious resources needed for the healthcare of DoD Families."

Evidence at trial also established that as part of the scheme, Fisher, who is not a licensed pharmacist, directed his pharmacist employees to use ingredient formulations for the drugs that would maximize the amount his pharmacy could bill to TRICARE – which was upwards of \$10,000 to \$17,000 per medication at

the time – and other insurance companies without considering what was best for patient care. Fisher also directed Burton and his employees to tell beneficiaries not to worry about co-payments, in order to ensure that the beneficiaries would not decline receiving the medications over out-of-pocket cost. Because PSP was not a TRICARE network pharmacy, Fisher paid Burklow Pharmacy in Pace a commission of approximately 15% to allow PSP to bill TRICARE using Burklow's network provider contract for prescriptions received, filled, and shipped at PSP, including ones Fisher knew were fraudulent. During the conspiracy, Fisher also purchased Jay Pharmacy in Jay, Florida, and used its existing insurance contracts with TRICARE and others to bill for fraudulent PSP prescriptions.

Five co-conspirators named in the indictment, including Burton, previously pled guilty in two related cases. Burton was sentenced to 96 months in prison, Bradley D. Pounds was sentenced to 21 months in prison, and Marie Ann Smith and Heather E. Pounds were sentenced to probation. Brad T. Hodgson is still awaiting sentencing. Fisher's sentencing has been set for May 22, 2020, at 10:00 a.m.

Assistant United States Attorney Alicia H. Forbes prosecuted the case following a joint investigation by the Federal Bureau of Investigation, Defense Criminal Investigative Service, Florida Department of Law Enforcement, Florida Department of Financial Services-Bureau of Insurance Fraud, Florida Department of Health, Naval Criminal Investigative Service, and Army Criminal Investigative Command.

The United States Attorney's Office for the Northern District of Florida is one of 94 offices that serve as the nation's principal litigators under the direction of the Attorney General. To access public court documents online, please visit the [U.S. District Court for the Northern District of Florida](http://www.usdoj.gov/ndfl/) website. For more information about the United States Attorney's Office, Northern District of Florida, visit <http://www.justice.gov/usao/fln/index.html>.

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Topic(s):

Health Care Fraud

Component(s):

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