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EASTERN DISTRICT *of* LOUISIANA

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Department of Justice

U.S. Attorney's Office

Eastern District of Louisiana

FOR IMMEDIATE RELEASE

Wednesday, January 19, 2022

Slidell Woman Sentenced to Three Years of Probation for Health Care Fraud Scheme

NEW ORLEANS – United States Attorney Duane A. Evans announced that **BONNIE JEAN LAWLESS DIAZ** (“**DIAZ**”) has been sentenced on January 18, 2022 to 36 months of probation after pleading guilty in federal court relating to her role in a health care fraud conspiracy.

DIAZ, age 46, a resident of Slidell, Louisiana, pled guilty on September 23, 2021 before U.S. District Judge Jay C. Zainey to Count One of a Superseding Bill of Information charging her with misprision (or knowing concealment) of the commission of a felony, in violation of Title 18, United States Code, Section 4.

According to the Indictment, in or around March 2014, continuing through in or around October 2016, co-defendants conspired to knowingly and willfully execute a scheme and artifice to defraud TRICARE, a federal health care benefit program affecting commerce, and other health care benefit programs.

According to the Superseding Bill of Information, **DIAZ** had knowledge of the commission of the health care fraud. **DIAZ** concealed the fraud by knowingly submitting or caused to be submitted compounded medications for which there was no medical necessity and did not as soon as possible make known the same to some judge or other person in civil or military authority under the United States.

The owner, on behalf of Prime Pharmacy, contracted with various entities, including Pharmacy Benefit Managers (“PBM”), obligating Prime Pharmacy to collect copayments from beneficiaries in order to be reimbursed by various health care benefit programs, including TRICARE. Additionally, the owner of Prime worked with codefendant Donald Auzine to market the compounded medications produced by Prime Pharmacy. Auzine found other marketers outside of the state to find beneficiaries that were willing to receive medically unnecessary compounds and doctors willing to prescribe compounds without medical necessity.

Beginning in or around March 2014, and continuing through in or around April 2016, Prime Pharmacy dispensed prescriptions for High-Yield Compounded Medications to beneficiaries of TRICARE and other health care benefit programs that were not medically necessary, induced by kickback payments, or where copayments were either waived or credited by Prime Pharmacy, and accordingly, submitted or caused to be submitted false and fraudulent claims for reimbursement to TRICARE, other health care benefit programs, and PBMs.

DIAZ was also ordered to repay TRICARE \$180,000 in restitution.

“Individuals involved in this scheme illegally billed TRICARE out of close to \$15 million and I am pleased that the U.S. Attorney’s Office is requiring justice,” said Special Agent in Charge Cynthia Bruce, Office of Inspector General, Defense Criminal Investigative Service, Southeast Field Office. “There are no victimless crimes and DCIS agents will continue to pursue unscrupulous greedy individuals who steal from our military health care system and all taxpayers.”

“Those entrusted with providing health care services to veterans and their family members will be held accountable should they violate that trust,” said Special Agent in Charge Jeffrey Breen of the Department of Veterans Affairs Office of Inspector General’s South Central Field Office. “The VA OIG is grateful to the United States Attorney’s Office and our law enforcement partners for their efforts to achieve justice in this case.”

U.S. Attorney Evans praised the work of the Office of Inspector General, Defense Criminal Investigative Service, the Department of Homeland Security, the Department of Veterans Affairs – Office of Inspector General, and the United States Postal Service – Office of Inspector General.

The prosecution of the case is being handled by Assistant United States Attorney Kathryn McHugh.

Topic(s):
Health Care Fraud

Component(s):
USAO - Louisiana, Eastern

Updated January 19, 2022