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Department of Justice

U.S. Attorney's Office

Southern District of Texas

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Houston area residents charged in kickback scheme

HOUSTON – The final defendants in a health care fraud scheme involving local pharmacies and a pain clinic are set to make their appearances in Houston federal court, announced U.S. Attorney Jennifer B. Lowery.

Charles Willis, 57, Flower Mound, appeared for his arraignment on the federal indictment at 10 a.m. today before U.S. Magistrate Judge Christina Bryan. Henry Gonzales, 48, is charged in a related criminal information and expected to make his initial appearance tomorrow at 2 p.m. before U.S. Magistrate Judge Sam Sheldon.

Four others are charged in the six-count indictment returned April 27 along with Willis. Tronown Thomas, 44, Spring, Willie McDonald, 69, Humble, Ronald Kwan, 60, Missouri City, and Valdi Tatan, 37, Richmond, have all already made their appearances in Houston federal court.

Gonzales owned Option 1 Pain & Rehab Clinic (formerly Direct Medical Clinic) in Houston as well as Farmacia, a pharmacy located in Houston, according to the charges.

According to the indictment, Thomas was the owner of Rayford ACP Pharmacy, Willis worked as a doctor at Option 1 and Tatan and Kwan were pharmacists for Farmacia.

Gonzales allegedly paid kickbacks to McDonald to recruit and refer federal employee patients to Direct Medical/Option 1. There, Willis would see patients and, at the request of Gonzalez who paid him in kickbacks, prescribed medically unnecessary drugs, according to the charges.

The charges also allege that at Farmacia, Tatan and Kwan were paid in kickbacks to fill the compounded drug prescriptions. Farmacia and Rayford ACP would then allegedly bill the Department of Labor (DOL) Federal Employee Compensation Program. Gonzales and Thomas would disburse the funds amongst the conspirators, according to the indictment.

If convicted, all five face up to five years in federal prison for the conspiracy and up to 10 years for the related health care fraud charges.

Thomas and Willis are also charged with conspiracy to launder money and face another 10-year-term of imprisonment.

The Department of Veterans Affairs – Office of Inspector General (OIG), DOL – OIG and U.S. Postal Service - OIG conducted the investigation with the assistance of FBI and Defense Criminal Investigative Service. Assistant U.S. Attorneys Grace Murphy and Tina Ansari are prosecuting the case.

***An indictment is a formal accusation of criminal conduct, not evidence.
A defendant is presumed innocent unless convicted through due process of law.***

Topic(s):
Health Care Fraud

Component(s):
USAO - Texas, Southern

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