

PRESS RELEASE

Pharmacy Owner Convicted of Payment of Illegal Kickbacks and Money Laundering

Thursday, July 27, 2023

For Immediate Release

Office of Public Affairs

A federal jury in the Northern District of Texas convicted the owner of several compounding pharmacies today for paying illegal marketing kickbacks involving TRICARE, a federal program that provides health insurance benefits to active duty and retired service members and their families. He was also convicted of a conspiracy to launder the proceeds of the unlawful activity.

According to court documents and evidence presented at trial, Richard Hall, 53, of Fort Worth, Texas, worked with others to create and market expensive compounded medications, which are medications that are intended to be custom-tailored to individual patient needs. Hall and others paid marketers, who recruited area doctors to write prescriptions for these expensive compounded medications, including by creating so-called "investment opportunities" so that doctors who wrote prescriptions to the pharmacy could profit from the pharmacy operations. Hall paid illegal kickbacks to these marketers and engaged in a conspiracy to launder the unlawful proceeds.

The jury convicted Hall of four counts of paying and receiving unlawful kickbacks, and one count of money laundering. He faces a maximum penalty of five years in prison on each kickback count, and 10 years in prison on the money laundering count. A sentencing date has not yet been set. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

Assistant Attorney General Kenneth A. Polite, Jr. of the Justice Department's Criminal Division, Special Agent in Charge Michael Mentavlos of the Defense Criminal Investigative Service (DCIS), Special Agent in Charge Jason Meadows of the Department of Health and Human Services Office of Inspector General (HHS-OIG) Dallas Regional Office, Special Agent in Charge Chad B. Yarbrough of the FBI Dallas Regional Office,

Special Agent in Charge Steven Grell of the Department of Labor Office of Inspector General (DOL-OIG) Central Regional Office, and Special Agent in Charge Kris Raper of the Veterans Affairs Office of Inspector General (VA-OIG) South Central Field Office made the announcement.

The DCIS, HHS-OIG, FBI, DOL-OIG, and VA-OIG investigated the case.

Assistant Chief Kate Payerle and Trial Attorneys Lee Michael Hirsch and Jacqueline DerOvanesian of the Criminal Division's Fraud Section are prosecuting the case.

The Fraud Section leads the Criminal Division's efforts to combat health care fraud through the Health Care Fraud Strike Force Program. Since March 2007, this program, comprised of 15 strike forces operating in 25 federal districts, has charged more than 5,000 defendants who collectively have billed federal health care programs and private insurers more than \$24 billion. In addition, the Centers for Medicare & Medicaid Services, working in conjunction with the Office of the Inspector General for the Department of Health and Human Services, are taking steps to hold providers accountable for their involvement in health care fraud schemes. More information can be found at www.justice.gov/criminal-fraud/health-care-fraud-unit.

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