

Department of Justice
U.S. Attorney's Office
Southern District of Indiana

FOR IMMEDIATE RELEASE

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California Marketer Sentenced for Paying Millions in Kickbacks to Unlawfully Induce Prescriptions

INDIANAPOLIS – Manuel J. Bojorquez, 44, of Anaheim, California, was sentenced to 36 months of probation, with 18 months to be served on home confinement, and ordered to pay over \$3.3 million in restitution for offering and paying kickbacks to physicians to prescribe compounded medications.

According to court documents, Bojorquez was the owner and operator of MD Medical Distribution LLC d/b/a DynaMD, a California-based company. Beginning in 2013, and continuing through 2016, Bojorquez served as a marketer for various Indiana-based compounding pharmacies. Compounding typically involves the preparation of medication by combining and mixing different types and dosages of ingredients to create a medication tailored to the needs of an individual patient and for which there is no equivalent form commercially available.

Bojorquez used his marketing company to funnel millions of dollars to Chicago-based physicians, in exchange for their referral of prescriptions to the Indiana-based pharmacies. Bojorquez and his marketing company received a percentage of the money paid for those kickback-induced prescriptions. The United States Department of Labor – Office of Workers Compensation Programs (DOL-OWCP) paid over \$8 million for those kickback-induced prescriptions. The DOL-OWCP is a federal health care benefit program that serves a variety of federal employees.

“Paying kickbacks in exchange for the referral of federally covered prescriptions is a serious crime,” said U.S. Attorney Zachary A. Myers. “The defendant chose to illegally enrich himself by exploiting our healthcare system. These crimes increase healthcare costs for everyone covered by the programs. The sentence imposed today shows that our office will work tirelessly with our law enforcement partners to uncover these schemes and hold those who execute them accountable.”

“This sentencing should send a clear message to healthcare providers that the government is vigilantly protecting federal benefit programs from corruption and fraud,” said Special Agent in Charge Andre Martin of United States Postal Service Office of Inspector General, Central Area Field Office. “The USPS OIG appreciates our law enforcement partners for their commitment and efforts in this investigation. The USPS OIG will continue to vigorously investigate those who engage in activities to defraud federal benefit programs and the U.S. Postal Service.”

“This sentence sends a clear message that those who commit fraud or pay kickbacks will not get away with their illegal actions,” said FBI Indianapolis Special Agent in Charge Herbert Stapleton. “The FBI and our law enforcement partners will always work together to investigate allegations of health care fraud and ensure perpetrators are held accountable.”

“Mr. Bojorquez committed fraud against an important government healthcare program, and corrupted the objectivity of the physicians involved,” said Justin Campbell, IRS Criminal Investigation, Special Agent in Charge, Chicago Field Office. “The IRS is pleased to join our partners in holding Mr. Bojorquez accountable.”

This case is the last of a series of related civil and criminal compounding medication investigations conducted in this district over the course of the last four years, all investigated by the United States

Postal Service Office of Inspector General; the Federal Bureau of Investigation; the Internal Revenue Service; and the United States Department of Labor, Office of the Inspector General. The results of the investigations include the previous conviction of an Indianapolis chiropractor for paying and receiving kickbacks, and an agreed payment of over \$4 million by owners of Indiana-based compounding pharmacies to health care programs.

The Office of the Indiana Attorney General, Medicaid Fraud Control Unit, the United States Department of Health and Human Services, Office of Inspector General, and the United States Department of Defense, Defense Criminal Investigative Service also provided invaluable assistance. The sentence was imposed by U.S. District Judge Jane Magnus-Stinson.

U.S. Attorney Myers thanked Assistant U.S. Attorney Cindy J. Cho who prosecuted this case.

Topic(s):
Prescription Drugs
Health Care Fraud

Component(s):
[USAO - Indiana, Southern](#)