

**PRESS RELEASE**

# **Executive of Louisiana Compounding Pharmacy Admits Defrauding State Health Benefits Programs**

Wednesday, November 13, 2024

**For Immediate Release**

U.S. Attorney's Office, District of New Jersey

CAMDEN, N.J. – The former vice president of sales of a Louisiana compounding pharmacy today admitted conspiring to use the Louisiana pharmacy to defraud New Jersey and military health benefits programs, Attorney for the United States Vikas Khanna announced.

Christopher Casseri, 56, of Baton Rouge, Louisiana, pleaded guilty before U.S. District Judge Edward S. Kiel to one count of conspiring to commit health care fraud. Casseri was previously charged with Christopher Kyle Johnston, 45, of Mandeville, Louisiana, Trent Brockmeier, 62, of Pigeon Forge, Tennessee, in a 24-count indictment with conspiracy to commit health care fraud and wire fraud and a second conspiracy to commit identity theft by using individuals' personal identifying information without their consent. Johnston and Brockmeier were charged with additional charges of conspiring to commit money laundering and substantive counts of money laundering for transactions involving the over \$43 million in illicit profits they realized from the scheme. The charges against Johnston and Brockmeier remain pending and they are scheduled to proceed to trial in January 2025.

According to court documents and statements made in Court:

Central Rexall was a retail pharmacy in Louisiana that prepared compounded medications, which are supposed to be specialty medications mixed by a pharmacist to meet the specific medical needs of an individual patient. In 2013, Johnston and Brockmeier entered into an agreement with Central Rexall Chief Executive Officer Hayley Taff, who pleaded guilty on Aug. 12, 2020, to conspiracy to commit health care fraud, to take over the management of the pharmacy and expand the compounding business in exchange for 90 percent of the profits. Brockmeier became chief operating officer of

Central Rexall and Johnston became general counsel. They hired Casseri as vice president of sales to manage Central Rexall's outside sales force.

Johnston, Brockmeier, and Casseri learned that certain insurance plans administered by an entity referred to in the indictment as the "Pharmacy Benefits Administrator" would reimburse thousands of dollars for a one-month supply of certain compounded medications – including pain, scar, and antifungal creams, as well as vitamin combinations. The health plans for New Jersey state and local government and education employees, including teachers, firefighters, municipal police officers, and state troopers, had this insurance coverage, as did TRICARE, which insures current and former members of the armed forces and their families.

The three conspirators designed compounded medications and manipulated the ingredients in the medications in order to obtain high insurance reimbursements rather than serve the medical needs of patients. To determine which ingredients and combinations resulted in the highest insurance reimbursements, Johnston, Brockmeier, and Casseri had Central Rexall employees send the Pharmacy Benefits Administrator false prescription claims to test out different combinations of ingredients, but the prescriptions did not exist. By trial and error, Johnston, Brockmeier, and Casseri designed compounded medications with combinations of ingredients that were chosen solely based on the amount of money that insurance would pay rather than on the medications' ability to serve the medical needs of patients. At their direction, Central Rexall sent compounded medications to patients based solely on financial gain, without any research or testing showing that the combination of ingredients was effective.

When the Pharmacy Benefits Administrator would stop covering one combination, the conspirators would develop a compounded medication with a different combination of ingredients based solely on the insurance reimbursement and without considering the medical necessity or effectiveness of the new combination. Central Rexall then would send that new compounded medication to patients, even though the new combination of ingredients was not medically equivalent to the combination originally prescribed for the patients and without telling the patients or their doctor about the differences.

The outside sales force retained and directed by Johnston, Brockmeier, and Casseri used various methods to get doctors to prescribe these medications and patients to accept them, including having prescriptions signed without the patient seeing a doctor or knowing about the medications, having medications or refills ordered with the patients' knowledge, and paying patients to accept the medications and paying doctors to prescribe them.

Casseri and his conspirators caused over \$46 million in fraudulent insurance claims for compounded medications that were not medically necessary.

Casseri faces a maximum penalty of five years in prison and a \$250,000 fine. Sentencing is scheduled for March 18, 2025.

Attorney for the United States Khanna credited agents of the FBI's Atlantic City Resident Agency, under the direction of Acting Special Agent in Charge Nelson I. Delgado in Newark; special agents of IRS - Criminal Investigation, under the direction of Special Agent in Charge Jenifer L. Piovesan in Newark; and the U.S. Department of Labor Office of Inspector General, Northeast Region, under the direction of Special Agent in Charge Jonathan Mellone, with the investigation leading to the guilty plea.

The charges and allegations against Johnston and Brockmeier are merely accusations, and they are presumed innocent unless and until proven guilty.

The government is represented by R. David Walk Jr., Deputy Chief of the Criminal Division and Assistant U.S. Attorney Daniel A. Friedman of the Criminal Division in Camden.

[casseri.sinformation.pdf](#)

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**Topic**

**HEALTH CARE FRAUD**

**Component**

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