

Department of Justice
U.S. Attorney's Office
Western District of Arkansas

FOR IMMEDIATE RELEASE

Monday, February 28, 2022

Former Rogers Company Owner and Former CEO Charged with Workers' Comp Fraud/Kickback Conspiracy, Other Crimes

FORT SMITH - Both the former owner of a Rogers-based medical supply and billing company and its former chief executive officer have been indicted by a federal grand jury for their roles in three separate conspiracies to defraud the U.S. government and private workers' compensation insurers: a billing and kickback fraud scheme with multiple physicians and medical clinics, and separate frauds with two Louisiana physicians to ship medications to them from Arkansas and distribute those medications from their clinics in violation of Louisiana laws. Additionally, the former company owner was charged with wire fraud for falsifying emails he provided in a civil lawsuit involving his sale of the company.

A federal grand jury in Fort Smith returned a 12-count indictment, charging **Hunter Matthew Burroughs, 42**, and **Stephen Keith Andrews, 48**, each with one count of conspiracy to commit health care fraud, two counts of conspiracy to commit wire fraud, and eight counts of wire fraud. Additionally, the indictment charges **Burroughs** in another wire fraud count.

According to the indictment, **Burroughs**, who in 2011 founded the Rogers company, and **Andrews**, who served as the company's chief executive officer, defrauded both federal and private workers' compensation insurers in schemes that ran until 2017. The basic premise of the health care fraud scheme was that **Burroughs, Andrews**, and other individuals associated with the Rogers company recruited physicians to dispense pain creams and patches to their workers' compensation patients by offering them a split of the profits collected from successfully billing insurers, typically 50 percent. One such physician was **Robert Dale Bernauer, Sr.**, who ran a clinic in Lake Charles, La. **Bernauer** pleaded guilty to his role in the same conspiracy on July 30, 2021.

After signing contracts with physicians, the indictment alleges, **Burroughs** and **Andrews** caused the Rogers company to supply them with pain creams and patches, and to act as the billing agent for the physicians, handling all of the paperwork and submitting fraudulent claims to both the U.S. Department of Labor, Office of Workers' Compensation Programs, which covers all federal employees, and to private insurers as well. The company billed insurers at markups of anywhere from 15 to 20 times what the medications actually cost, and then paid the physicians unlawful kickbacks on amounts collected. The company's former billing director, **Amanda Dawn Rains**, pleaded guilty to her role in the same conspiracy on October 6, 2021.

Additionally, the indictment alleges, **Burroughs** and **Andrews** conspired separately with **Bernauer** and with another Louisiana physician to have the Rogers company ship medications to the doctors, and bill insurers for their prescriptions, despite knowing neither physician had the required Louisiana license to dispense medications from his clinic.

Finally, the indictment charges **Burroughs** in a separate count with attempting to defraud a Florida court and the Florida corporation to which he sold the medical supply and billing company. It

alleges **Burroughs** falsified five emails he provided as discovery in a civil lawsuit he had filed against the Florida company, and then testified falsely about the emails in a sworn deposition.

The charges contained in this indictment are simply accusations, and not evidence of guilt. Evidence supporting the charges must be presented to a federal trial jury, whose duty is to determine guilt or innocence.

U.S. Attorney David Clay Fowlkes of the Western District of Arkansas made the announcement.

The case is being investigated by the Department of Defense, Defense Criminal Investigative Service, the Department of Labor Office of Inspector General, the Department of Veterans Affairs Office of Inspector General, the U.S. Postal Service Office of Inspector General, with the assistance of the Louisiana Department of Justice, the Louisiana State Board of Medical Examiners, and the Louisiana Board of Pharmacy.

Assistant U.S. Attorneys Steven Mohlhenrich and Hunter Bridges are prosecuting the case for the United States.

Topic(s):
Health Care Fraud

Component(s):
USAO - Arkansas, Western