

Department of Justice
U.S. Attorney's Office
District of New Jersey

FOR IMMEDIATE RELEASE

Thursday, October 20, 2022

Pharmaceutical Sales Representative Admits Role in Health Care Fraud and Criminal HIPAA Schemes

CAMDEN, N.J. – A former pharmaceutical sales representative admitted his role in two criminal conspiracies involving health care fraud and wrongful obtaining and disclosure of patients' protected personal health information, Attorney for the United States Vikas Khanna announced today.

Keith Ritson, 42, of Bayville, New Jersey, pleaded guilty on Oct. 19, 2022, before U.S. District Judge Robert B. Kugler in Camden to a superseding information charging him with one count of conspiracy to commit health care fraud and one count of conspiring to wrongfully disclose and obtain patients' individually identifiable health information in violation of the criminal provisions of the Health Insurance Portability and Accountability Act (HIPAA).

According to documents filed in this case and statements made in court:

From 2014 to 2016, Ritson was a pharmaceutical sales representative who promoted compound prescription medications and other medications. Compound medications are specialty medications mixed by a pharmacist to meet the specific medical needs of an individual patient. Although not approved by the Food and Drug Administration (FDA), they are properly prescribed when a physician determines that an FDA-approved medication does not meet the health needs of a particular patient, such as if a patient is allergic to a dye or other ingredient.

Ritson and his conspirators discovered that certain insurance plans with pharmacy benefit management services – including plans for state and local government employees and eligible dependents – covered compound medications from a Louisiana pharmacy, Central Rexall Drugs, Inc. (Central Rexall). The pharmacy benefits administrator paid prescription drug claims and then billed the state of New Jersey and other insurance plans for the amounts paid. The conspirators identified that certain compound medication prescriptions would reimburse by insurance for thousands of dollars on a monthly basis. Ritson received a percentage of the amount that Central Rexall received from the pharmacy benefits administrator for the prescriptions he arranged. Ritson recruited individuals with insurance plans that covered the compound medications to receive the medications, regardless of their medical need for them. Ritson himself also received medically unnecessary compound medication prescriptions. Ritson earmarked patients who had insurance plans that covered the compound medications at the medical practices of Dr. Frank Alario.

As a pharmaceutical sales representative not associated with Alario's medical practices, Ritson was not permitted to access and obtain patients' individually identifiable health information and protected health information. As part of the criminal HIPAA scheme, Alario permitted Ritson to have significant access to his medical offices, medical files, and patient information. Ritson was present in the office both during and outside normal business hours and had access to areas of the office restricted to staff, including areas with patient files and office computers. Ritson looked up patients' information in files and on office computers to determine if they had insurance that covered the compound medications. Ritson then would earmark files in advance so that Alario knew to whom to prescribe the medications. Ritson also joined Alario in patient exam rooms during appointments, which gave patients the impression that Ritson was employed by or affiliated with the medical practices. Ritson used patients' confidential information to fill out prescription forms that Alario authorized, and then Ritson received commissions on those prescriptions. Alario pleaded guilty on

Oct. 7, 2022, to conspiring to wrongfully disclose patients' individually identifiable health information. He is scheduled to be sentenced Feb. 7, 2023.

Three former executives of Central Rexall – Christopher Kyle Johnston, 43, of Mandeville, Louisiana; Trent Brockmeier, 60, of Pigeon Forge, Tennessee; and Christopher Casseri, 54, of Baton Rouge, Louisiana – were charged on Sept. 17, 2020, in a 24-count indictment with health care and wire fraud and other offenses. The charges against them remain pending. A fourth former pharmacy executive, Hayley Taff, 39, of Hammond, Louisiana, pleaded guilty to health care fraud conspiracy on Aug. 12, 2020, and is scheduled to be sentenced March 13, 2023. The charges and allegations contained in the indictment against Johnston, Brockmeier and Casseri are merely accusations, and they are presumed innocent unless and until proven guilty.

Ritson faces a maximum penalty of 10 years in prison and a \$250,000 fine on the health care fraud conspiracy count, and a maximum penalty of one year in prison and a \$50,000 fine on the criminal HIPAA conspiracy count. Sentencing is scheduled for Feb. 21, 2023.

Attorney for the United States Khanna credited agents of the FBI's Atlantic City Resident Agency, under the direction of Special Agent in Charge James E. Dennehy in Newark; IRS Office of Criminal Investigation, under the direction of Acting Special Agent in Charge Tammy Tomlins in Newark; and the U.S. Department of Labor Office of Inspector General, New York Region, under the direction of Special Agent in Charge Jonathan Mellone, with the investigation leading to the guilty plea.

The government is represented by Assistant U.S. Attorney Christina O. Hud of the Criminal Division; R. David Walk, Jr., Chief of the Opioid Abuse Prevention and Enforcement Unit; Assistant U.S. Attorney Daniel A. Friedman of the Criminal Division; and Assistant U.S. Attorney Barbara Ward, Senior Trial Counsel of the Asset Recovery and Money Laundering Unit.

Attachment(s):

[Download Ritson.SIinformation.pdf](#)

Topic(s):

Health Care Fraud

Component(s):

[USAO - New Jersey](#)

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