

Department of Justice

U.S. Attorney's Office

Southern District of Texas

FOR IMMEDIATE RELEASE

Thursday, June 17, 2021

Seven charged for roles in a \$110 million compound drug scheme

McALLEN, Texas – A compound pharmacy owner, three marketers, a referring physician and two clinic office staff have been taken into custody in connection with a multi-million dollar health care fraud and kickback scheme, announced Acting U.S. Attorney Jennifer B. Lowery.

A federal grand jury sitting in McAllen returned a 15-count indictment charging John Ageudo Rodriguez, 51, Mohammad Imtiaz Chowdhury, 40, his father Dr. Tajul Shams Chowdhury, 71, and Alex Flores Jr., 51, all of McAllen; Hector DeLaCruz, Jr., 50, Edinburg; Araceli Gaona, 35, Mission; and Erika Hernandez Salinas, 38, Donna.

All are expected to have their initial appearances tomorrow before U.S. Magistrate Judge J. Scott Hacker.

The indictment includes charges of conspiracy to commit health care fraud, health care fraud, conspiracy to pay and receive illegal kickbacks and conspiracy to commit money laundering.

Rodriguez was the owner of Pharr Family Pharmacy (PFP), according to the indictment. From May 2014 to September 2016, PFP allegedly billed various federal health care programs more than \$110 million, including claims that were false, fraudulent and the result of illegal kickbacks.

According to the indictment, Mohammad Chowdhury, Flores and DeLaCruz were purported marketers for PFP who were the conduits for several million dollars in kickbacks relating to the referral of prescriptions for high-reimbursing compound drugs to the pharmacy. In numerous instances, the marketers allegedly received kickbacks from Rodriguez, which they shared with referring physicians.

Dr. Chowdhury is a physician with a medical practice in Edinburg known as Center for Pain Management, according to the charges, while Gaona and Salinas were employees at the clinic. The indictment alleges Mohammad Chowdhury paid kickbacks to his father for referring prescriptions to PFP, including prescriptions for high-reimbursing compound drugs that were not medically necessary nor what the patients wanted. Gaona and Salinas are charged with conspiring to pay and receive kickbacks and conspiracy to commit money laundering in connection with their alleged receipt of kickbacks to help coordinate the flow of prescriptions from the medical clinic to the pharmacy.

The indictment alleges Rodriguez and his co-conspirators targeted specific health care benefit programs known to pay high reimbursements for compound drugs, such as Federal Employee's Compensation Program, TRICARE, Medicare and various private insurance plans.

As part of the scheme, Rodriguez allegedly provided PFP marketers with pre-filled prescription pads intended to be given to physicians. The charges allege these included compound drugs and other

prescription items that would yield the highest possible reimbursement to PFP, without regard to medical necessity.

If convicted of health care fraud and conspiracy to commit health care fraud, they face up to 10 years in prison and a maximum \$250,000 possible fine. The penalty for conspiracy to pay and receive illegal kickbacks is five years with a \$25,000 maximum fine. Those charged and convicted of conspiracy to commit money laundering face up to 20 years in prison and fine of up to \$500,000.

The U.S. Postal Service-Office of Inspector General (OIG), FBI, Defense Criminal Investigative Service, Department of Labor-OIG, Veterans Affairs-OIG, Texas Health and Human Services—OIG, Department of Health and Human Services-OIG, and Texas Attorney General, Medicaid Fraud Control Unit conducted the investigation.

Assistant U.S. Attorneys Andrew Swartz and Asha Natarajan are prosecuting the case.

An indictment is a formal accusation of criminal conduct, not evidence. A defendant is presumed innocent unless convicted through due process of law.

Topic(s):
Health Care Fraud

Component(s):
USAO - Texas, Southern

Updated June 17, 2021