IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

UNITED STATES OF AMERICA	§	
	§	No. 6:22-CR-001-JDK-KNM
v.	§	
	§	
ROBERT O'NEAL (01)		**UNDER SEAL**

INFORMATION

THE UNITED STATES ATTORNEY CHARGES:

General Allegations

At all times relevant to this Information:

Federal Health Care Programs

1. The Medicare Program ("Medicare") is a federal health care program providing benefits to persons who are over the age of sixty-five and some persons under the age of sixty-five who are blind or disabled. Medicare is administered by the Centers for Medicare and Medicaid Services (CMS), a federal agency under the United States Department of Health and Human Services (HHS). Individuals who receive benefits under Medicare are referred to as Medicare "beneficiaries."

2. Medicare is a "health care benefit program," as defined by Title 18, United States Code, Section 24(b), in that it is a public plan affecting commerce under which medical benefits, items, and services are provided to individuals and under which individuals and entities who provide medical benefits, items, or services may obtain payments.

3. Medicare is a "Federal health care program," as defined by Title 42, United States Code, Section 1320a-7b(f), in that it is a plan or program that provides health benefits, whether directly, through insurance, or otherwise, which is funded directly, in whole or in part, by the United States Government.

4. The Texas Medical Assistance Program (Medicaid) is a health care benefit program jointly funded by the State of Texas and CMS. The Medicaid program helps pay for reasonable and necessary medical procedures and services provided to individuals who are deemed eligible under state low-income programs. The Texas Health and Human Services Commission (HHSC) is responsible for administering the Medicaid program in the State of Texas. HHSC contracts with the Texas Medicaid and Healthcare Partnership (TMHP) to receive applications from prospective Medicaid providers, assign Medicaid provider numbers, educate providers as to Medicaid policies and regulations, and process and pay Medicaid claims. Individuals eligible under the Medicaid program are referred to as Medicaid recipients.

5. Medicaid is a "health care benefit program," as defined by 18 U.S.C. § 24(b), in that it is a public plan affecting commerce under which medical benefits, items, and services are provided to individuals and under which individuals and entities who provide medical benefits, items, or services may obtain payments.

6. Medicaid is a "Federal health care program," as defined by 42 U.S.C. § 1320a-7b(f), in that it is a plan or program that provides health benefits, whether directly, through insurance, or otherwise, which is funded directly, in whole or in part, by the United States Government.

7. TRICARE is a health care program of the United States Department of Defense Military Health System. TRICARE provides civilian health benefits for uniformed service members, retirees, their families, and survivors. Beneficiaries include all seven branches of the Uniformed Services (Army, Air Force, Navy, Marine Corps, National Oceanic Atmospheric Administration, Coast Guard, and the commissioned corps of the Public Health Service). The TRICARE program is managed by the Defense Health Agency (DHA). Individuals who receive health care benefits under TRICARE are referred to as TRICARE beneficiaries.

8. TRICARE is a "health care benefit program," as defined by 18 U.S.C. § 24(b), in that it is a public plan affecting commerce under which medical benefits, items, and services are provided to individuals and under which individuals and entities who provide medical benefits, items, or services may obtain payments.

9. TRICARE is a "Federal health care program," as defined by 42 U.S.C. § 1320a-7b(f), in that it is a plan or program that provides health benefits, whether directly, through insurance, or otherwise, which is funded directly, in whole or in part, by the United States Government.

Clinical Laboratories and Federal Health Care Programs

10. CMS regulates all laboratory testing through the Clinical Laboratory Improvement Amendments (CLIA) regulations, which establish standards for laboratory testing covered and paid for by Medicare. To register for Medicare and to obtain a certificate of accreditation, the owner of the laboratory must submit an application to HHS. 42 C.F.R. § 493.55. The application must identify the laboratory and provide

details about the laboratory's operations. 42 C.F.R. § 493.55(c). Under no circumstances may a person solicit or accept materials from the human body for laboratory examination or other procedure unless there is in effect for the laboratory a certificate issued by HHS allowing those procedures to take place. 42 U.S.C. § 263a(b).

11. The CLIA regulations define "laboratory" as a "facility for the biological, microbiological, serological, chemical, immunohematological, hematological, biophysical, cytological, pathological, or other examination of materials derived from the human body for the purpose of providing information for the diagnosis, prevention, or treatment of any disease or impairment of, or the assessment of the health of, human beings." 42 C.F.R. § 493.2. Each laboratory must have appropriate and sufficient equipment, instruments, and supplies for the type and volume of testing that it performs. 42 C.F.R. § 493.1101(b).

12. After laboratories have received CLIA accreditation, they may apply to Medicare to be a health care provider to receive payment for health care services provided. In submitting applications to Medicare, health care providers certify they understand and will abide by the federal laws and regulations governing their participation in Medicare, including a specific understanding of 42 U.S.C. § 1320a-7b(b), also known as the Anti-Kickback Statute.

13. When Medicare approves a provider's application, Medicare issues the provider a unique provider number, known as a National Provider Identifier (NPI). Medicare uses the NPI to identify the provider in claims submitted for payment. CMS contracts with Novitas to perform all enrollment activities for laboratories in the State of

Texas. CMS has contracted with Palmetto GBA (a subsidiary of Blue Cross Blue Shield of South Carolina) to handle such activities for laboratories in the State of Virginia.

14. Upon enrollment, Medicare issues providers a provider manual that describes the requirements to participate in the Medicare program, as well as ongoing newsletters advising them of the additional requirements for participation and instructions on what services Medicare covers. Medicare manuals and other resources are also publicly available online.

15. CMS also contracts with Novitas to administer Medicare Part B claim payments in Texas, which includes claims for laboratory services. Each time that a laboratory provider submits a claim to Medicare, the laboratory provider certifies that the claim is true, correct, and complete, and complies with all Medicare laws and regulations. The claims are generally submitted electronically.

16. Medicare Part B covers medically necessary clinical diagnostic laboratory services that are ordered by physicians or practitioners. Laboratory testing includes certain blood tests, urinalysis, tests on tissue specimens, and some preventative screening tests (*e.g.*, cardiovascular and diabetes screening blood tests). The tests must be provided by a laboratory that meets Medicare requirements.

17. Medicare allows separate charges made by laboratories for drawing or collecting specimens regardless of whether the specimens are referred to hospitals or independent laboratories. The laboratory is not permitted to bill for routine handling charges where a specimen is referred by one laboratory to another.

18. A laboratory provider enrolled as a Medicare provider is able to file claims with Medicare to obtain payment for services provided to beneficiaries. A Medicare claim is required to set forth, among other things, (a) the beneficiary's name and Medicare HICN, (b) the services performed for the beneficiary, (c) the date the services were provided, (d) the cost of the services, and (e) the name and identification number of the physician or other health care provider who ordered the services.

19. Provider enrollment in the Medicaid program is also voluntary. Similar to the Medicare program, a provider must be an approved Medicaid provider. Each provider agrees to abide by the policies and procedures of the Medicaid program.

20. The Medicaid program may pay a portion of a claim originally submitted to Medicare in the event that the beneficiary/recipient has both Medicare and Medicaid coverage. This portion is generally 20% of the Medicare allowance for the billed charge. An individual who is eligible under both the Medicare and Medicaid programs is referred to as a "dual-eligible beneficiary." A claim originally submitted to Medicare and subsequently to Medicaid for payment is referred to as a "crossover claim." Such claims are sent to Medicaid after processing by Medicare. Medicaid will pay its portion if Medicare originally allowed the claim.

21. To become an authorized provider under the TRICARE program, a laboratory must be approved and certified under Medicare. Then, the laboratory services may be cost-shared between Medicare and TRICARE.

Critical Access Hospitals and Federal Health Care Programs

22. To ensure that Medicare beneficiaries in rural communities can access necessary hospital care, Congress authorized favorable Medicare reimbursements for hospitals certified by CMS as critical access hospitals (CAHs). Balanced Budget Act of 1997, P.L. No. 105-33 § 4201.

23. To be certified as a CAH, hospitals participating in Medicare must meet certain requirements. Among other things, CAHs must have 25 or fewer inpatient beds, must provide emergency services 24 hours per day, and generally are located in underserved rural areas some distance from other hospitals or CAHs. 42 C.F.R. §§ 485.610, 485.618, 485.620.

24. A hospital certified as a CAH is eligible to receive favorable Medicare reimbursements, generally being paid 101 percent of reasonable costs for most inpatient and outpatient services provided to Medicare beneficiaries. 42 U.S.C. § 1395m(g). The cost-based payments that CAHs receive for inpatient and outpatient services generally are much higher than the predetermined rates that Medicare pays acute care hospitals (non-CAHs) and laboratories for such services.

25. Because Medicare's favorable reimbursement to CAHs is meant to ensure access to care by those in rural communities, a CAH is not eligible for cost-based reimbursement for services provided to individuals who are neither inpatients nor outpatients of the CAH. *See* 42 C.F.R. § 413.70 (2015).

26. As relevant here, for outpatient clinical diagnostic laboratory services, Medicare will pay 101 percent of reasonable costs to a CAH "only if [1] the individual is

an outpatient of the CAH" and [2] either "[t]he individual is receiving outpatient services in the CAH on the same day the specimen is collected" or "[t]he specimen is collected by an employee of the CAH." 42 C.F.R. § 413.70(b)(7)(iv) (2015). Although an individual Medicare beneficiary need not be "physically present in the CAH at the time the specimen is collected," the individual must be "an outpatient of the CAH." *Id.*

27. The CAH can bill for outpatient services only if the individual beneficiary [1] "has not been admitted as an inpatient," [2] "is registered on the hospital or CAH records as an outpatient and [3] receives services (rather than supplies alone) directly from the hospital or CAH." 42 C.F.R. § 410.2.

28. If a Medicare beneficiary is neither an inpatient nor an outpatient of the CAH, then reimbursement for the nonpatient's clinical diagnostic laboratory tests is based on the Medicare clinical laboratory fee schedule (CLFS). 42 C.F.R. § 413.70(b)(7)(vi) (2015).

Special Fraud Alerts

29. To alert the public to "trends of health care fraud and certain practices of an industry-wide character," OIG issues special fraud alerts, which are published online and in the Federal Register. 59 Fed. Reg. 65,372, 65,373 (Dec. 19, 1994). The fraud alerts "provide general guidance to the health care industry" and assist others "in identifying health care fraud schemes." *Id.*

30. In 1989, HHS Office of Inspector General (OIG) issued a Special Fraud Alert on Joint Venture Arrangements. OIG warned that physician joint venture arrangements may violate the AKS where the arrangement was "intended not so much to

raise investment capital legitimately to start a business, but to lock up a stream of referrals from the physician investors and to compensate them indirectly for those referrals." OIG, Special Fraud Alert: Joint Venture Arrangements, *reprinted in* 59 Fed. Reg. 65,372, 65,374 (Dec. 19, 1994).

31. In October 1994, the OIG issued a Special Fraud Alert on Arrangements for the Provision of Clinical Laboratory Services, *reprinted in* 59 Fed. Reg. 65,372, 65,377 (Dec. 19, 1994). OIG warned about a variety of "inducements offered by clinical laboratories which may implicate the [AKS]," including the provision of items, services, and financial benefits. *Id.* OIG warned that "[w]hen one purpose of these arrangements is to induce the referral of program-reimbursed laboratory testing, both the clinical laboratory and the health care provider may be liable under the [AKS] and may be subject to criminal prosecution and exclusion from participation in the Medicare and Medicaid programs." *Id.* at 65,377–78. In the Special Fraud Alert, the OIG posed the question, "How does the Anti-Kickback Statute relate to arrangements for the provision of clinical lab services?" The OIG's answer, in part, was the following:

> Whenever a laboratory offers or gives to a source of referrals source of referrals anything of value not paid for at fair market value, the inference may be made that the thing of value is offered to induce the referral of business. The same is true whenever a referral source solicits or receives anything of value from the laboratory. By 'fair market value' we mean value for general commercial purposes. However, 'fair market value' must reflect an arm's length transaction which has not been adjusted to include the additional value which one or both of the parties has attributed to the referral of business between them.

Id. at 65,377.

32. On June 25, 2014, the OIG issued a Special Fraud Alert on Laboratory Payments to Referring Physicians, *reprinted in* 79 Fed. Reg. 40,114 (June 7, 2014). OIG noted that "[a]rrangements between referring physicians and laboratories historically have been subject to abuse and were the topic of one of the OIG's earliest Special Fraud Alerts." *Id.* at 40,116 (citing 1994 Special Fraud Alert). In the Special Fraud Alert, the OIG highlighted its concerns with arrangements in which the amounts paid to a referral source take into account the volume or value of business generated by the referral source, as follows:

> Arrangements in which laboratories provide free or below-market goods or services to physicians or make payments to physicians that are not commercially reasonable in the absence of Federal health care program referrals potentially raise four major concerns typically associated with kickbacks—corruption of medical judgment, overutilization, increased costs to the Federal health care programs and beneficiaries, and unfair competition. This is because such transfers of value may induce physicians to order tests from a laboratory that provides them with remuneration, rather than the laboratory that provides the best, most clinically appropriate service. Such transfers of value also may induce physicians to order more laboratory tests than are medically necessary, particularly when the transfers of value are tied to, or take into account, the volume or value of business generated by the physician. We are particularly concerned about these types of arrangements because the choice of laboratory, as well as the decision to order laboratory tests, typically is made or strongly influenced by the physician, with little or no input from patients.

Id.

The Defendant and Associated Individuals and Companies

33. **Robert O'Neal** resided in or around Beaumont, Texas.

34. Company 1 is a Delaware corporation. Formed in 2007, the company is currently active and is a subsidiary of Company 2, a global network of laboratories headquartered in Luxembourg. Company 1 was headquartered in Framingham,

Massachusetts and specialized in blood testing. Unindicted Co-conspirator 1 was a principal and served as the Chief Executive Officer. Unindicted Co-conspirator 2 was the Senior Vice President of Sales. Unindicted Co-conspirator 3 was a Regional Sales Director. Unindicted Co-conspirator 4, Unindicted Co-conspirator 5, and Unindicted Co-conspirator 6 were Area Managers.

35. Unindicted Co-conspirator 1 resided in or around New York, New York and Scarsdale, New York. As Company 1's Chief Executive Officer, Unindicted Co-conspirator 1 oversaw Company 1's business in Texas, including its relationship with Company 4.

36. Unindicted Co-conspirator 2 resided in or around Mars, Pennsylvania. As Company 1's VP of Sales, Unindicted Co-conspirator 2 supervised Company 1 employees' sales activities in Texas.

37. Unindicted Co-conspirator 3 resided in or around Loudon, Tennessee.

38. Unindicted Co-conspirator 4 resided in or around Dallas, Texas.

39. Unindicted Co-conspirator 5 resided in or around San Antonio, Texas.

40. Unindicted Co-conspirator 6 resided in or around McKinney, Texas. In addition to acting as a Company 1 Area Sales Manager, she also was a recruiter for Management Services Organizations (MSOs) that paid kickbacks to providers in Texas.

41. Company 3 doing business as (dba) Company 4, was a Texas limited liability company. Formed in 2006, the company is currently inactive. Company 4 was a rural CAH. Unindicted Co-conspirator 7 was a principal and functioned as the Chief

Executive Officer. Unindicted Co-conspirator 8 was the Director of Laboratory Services and Chief Administrative Officer, among other roles.

42. Unindicted Co-conspirator 7 resided in or around Georgetown, Texas.

43. Unindicted Co-conspirator 8 resided in or around Austin, Texas.

44. Company 5 was a nonprofit Texas company. Formed in 2012, the company began doing business as Company 6 on December 31, 2012 and is currently inactive. Company 6 was a rural CAH. Unindicted Co-conspirator 21 was a principal and served as the Chief Executive Officer.

45. Unindicted Co-conspirator 21 resided in or around Anson, Texas.

46. Company 7 was a Texas company. Formed on August 21, 2015, the company changed its name to Company 8, on October 9, 2015 and is currently inactive. Unindicted Co-conspirator 9 was a principal. **Robert O'Neal** was associated with the company.

47. Company 9 was a Texas limited liability company. Formed on October 14, 2015, the company is currently inactive. Company 8 was the Managing Member. **Robert O'Neal** was associated with the company.

48. Company 10 was a Texas limited liability company. Formed on April 28, 2016, the company is currently inactive. Company 8 was the Managing Member. **Robert O'Neal** was associated with the company.

49. Company 11 was a Texas limited liability company. Formed on June 28, 2016, the company is currently inactive. Unindicted Co-conspirator 9 was the Manager.

50. Company 12 was a Texas limited liability company. Formed on July 26, 2016, the company is currently inactive. Company 8 was the Managing Member.

51. Company 13 was a Texas limited liability company. Formed on July 26, 2016, the company is currently inactive. Company 8 was the Managing Member.

52. Unindicted Co-conspirator 9 resided in or around Lumberton, Texas.

53. Company 14 is a Texas limited liability company. Formed on March 25, 2014, the company is currently active. Unindicted Co-conspirator 10 is the Manager.

54. Unindicted Co-conspirator 10 resided in or around McKinney, Texas. He was a recruiter for MSOs that paid kickbacks to providers in Texas.

55. Company 15 was a Texas limited liability company. Formed on May 16, 2014, the company is currently inactive. Unindicted Co-conspirator 11 and Unindicted Co-conspirator 12 were both Members.

56. Company 16 was a Texas limited liability company. Formed on February 26, 2016, the company is currently inactive. Unindicted Co-conspirator 11 and Unindicted Co-conspirator 12 were both Members.

57. Unindicted Co-conspirator 11 resided in or around Spring, Texas.

58. Unindicted Co-conspirator 12 resided in or around Conroe, Texas.

59. Unindicted Co-conspirator 13 resided in or around Corinth, Texas.

60. Company 17 was a Texas company. Formed on August 27, 1998, the company is currently active. Unindicted Co-conspirator 14 and Unindicted Co-conspirator 15 are principals.

61. Unindicted Co-conspirator 14 resided in or around Dallas, Texas.

62. Unindicted Co-conspirator 15 resided in or around Dallas, Texas.

63. Unindicted Co-conspirator 16 resided in or around Dallas, Texas.

64. Unindicted Co-conspirator 17 resided in or around Cleburne, Texas.

65. Company 18 is a Texas company. Formed on February 18, 2014, the company is currently active. Unindicted Co-conspirator 17 is the Director.

66. Unindicted Co-conspirator 18 resided in or around Lewisville, Texas.

67. Company 19 is a Texas company. Formed on June 20, 2003, the company is currently active. Unindicted Co-conspirator 18 is the President.

68. Unindicted Co-conspirator 19 resided in or around Garland, Texas.

69. Company 20 is a Texas company. Formed on March 8, 1996, the company is currently active. Unindicted Co-conspirator 20 is the President.

70. Unindicted Co-conspirator 20 resided in or around Arlington, Texas.

COUNT 1

Violation: 18 U.S.C. § 371
(Conspiracy to Commit Illegal Remunerations)

1. The General Allegations sections of this Information are realleged and incorporated by reference as though fully set forth herein.

2. From in or around July 1, 2015, and continuing thereafter until or about January 9, 2018, the exact dates being unknown, in the Eastern District of Texas, and elsewhere, the defendant, **Robert O'Neal**, knowingly and willfully conspired and agreed with others, both known and unknown, to commit and abet certain offenses against the United States:

a. to violate the Anti-Kickback statute by knowingly and willfully soliciting or receiving any remuneration, including any kickback, directly or indirectly, overtly or covertly, in cash or in kind, in return for referring beneficiaries for the furnishing or arranging for the furnishing of any item or service or in return for or in return for ordering or recommending the ordering of any item or service for which payment may be made in whole or in part under a Federal health care program, in violation of 42 U.S.C. §§ 1320a-7b(b)(1)(A) and 1320a-7b(b)(1)(B); and

b. to violate the Anti-Kickback statute by knowingly and willfully offering or paying remuneration, including any kickback, directly or indirectly, overtly or covertly, in cash or in kind, to any person to

induce the referral of beneficiaries for the furnishing or arranging for the furnishing of any item or service or to induce another person to order or arrange for or recommend the ordering of any item or service for which payment may be made in whole or in part under a Federal health care program, in violation of 42 U.S.C. §§ 1320a-7b(b)(2)(A) and 1320a-7b(b)(2)(B).

Object of the Conspiracy

3. It was the object of the conspiracy for the defendant, **Robert O'Neal**, and his co-conspirators to unlawfully enrich themselves by paying and receiving kickbacks in exchange for the referral of and arranging for and ordering and recommending the ordering of health care business for which payment may be made in whole or in part under Federal health care programs, to conceal the kickback arrangement, and to use the kickbacks and the proceeds of the kickback arrangement for their personal benefit, as well as that of others.

Manner and Means of the Conspiracy

The manner and means by which the defendants and their co-conspirators sought to accomplish the object and purpose of the conspiracy included, among others, the following:

4. Both Company 4 and Company 6 utilized a network of MSOs that purported to offer investment opportunities to health care providers (HCPs) throughout the State of Texas. In reality, the MSOs were a means to facilitate payments to HCPs in return for the providers' laboratory referrals.

5. Pursuant to the kickback scheme, the hospitals paid a portion of their laboratory profits to recruiters, who in turn kicked back those funds to the referring providers who ordered Company 1 tests from the hospitals or from Company 1 directly. Company 1 executives and sales force personnel leveraged the MSO kickbacks to gain and increase provider referrals and, in turn, to increase their revenues, bonuses, and commissions. To increase reimbursement, one of the hospitals, Company 4, falsely billed the laboratory tests as hospital outpatient services. Moreover, as part of the scheme, providers were encouraged by the laboratories, hospitals, and recruiters to routinely order large panels of laboratory tests for patients, even when not reasonable and necessary.

6. **Robert O'Neal** and his co-conspirators, individually and through their companies, generated business for Company 1, Company 4, and Company 6 in exchange for kickback payments.

Company 4 Arrangement

Company 4 Submitted False Outpatient Claims to Receive Higher Reimbursement

7. Company 4 was a CAH in Rockdale, Texas (population under 6,000). Company 4 received cost-plus reimbursement when it submitted claims to Medicare for laboratory testing on hospital outpatients. Such cost-plus reimbursement significantly exceeded the reimbursement available under the CLFS for claims to Medicare for laboratory testing on nonpatients of Company 4.

8. CAHs also receive higher reimbursement when they submit claims for other ancillary services, such as sleep studies or electroencephalogram (EEG) tests, performed on hospital outpatients.

9. The higher reimbursement Medicare pays to CAHs like Company 4 is meant to ensure that patients in rural communities, such as in Rockdale, Texas, can access necessary hospital care.

10. Rather than focus on providing necessary hospital care to the community, Company 4 CEO Unindicted Co-conspirator 7, Unindicted Co-conspirator 8, and their co-conspirators implemented a plan to defraud federal healthcare programs by funneling claims for ancillary services, including laboratory tests, for hospital non-patients through Company 4 for higher reimbursement.

11. As described more fully below, Unindicted Co-conspirator 7 and Unindicted Co-conspirator 8 agreed with Company 1 and its executives to bill federal healthcare programs for laboratory testing performed by Company 1. Unindicted Co-conspirator 7 and Unindicted Co-conspirator 8 agreed to pay recruiters to arrange for and recommend to providers throughout Texas laboratory testing through Company 4 for beneficiaries who were neither Company 4 inpatients nor Company 4 outpatients.

12. To further the scheme, Unindicted Co-conspirator 7 and Unindicted Co-conspirator 8 agreed to pay phlebotomists located in the offices of primary care providers (PCPs) throughout Texas to draw the beneficiaries' blood. Often, these phlebotomists were previously employed by the PCP's office, Company 1, or other laboratories. Pursuant to the scheme, Company 4 employees and recruiters directed the phlebotomists located in PCPs' offices to create false hospital registration records identifying the PCPs' patients as Company 4 outpatients for purposes of receiving laboratory tests performed by Company 1.

13. Company 4's claims to federal healthcare programs for laboratory testing falsely represented, among other things, that the tests were for Company 4 outpatients, when in fact the beneficiaries were not patients of Company 4.

14. Many of the beneficiaries were more than 100 miles away from Company 4 and had never even heard of the hospital, much less ever been a patient there.

15. Nearly all of the providers who ordered Company 1 laboratory testing through Company 4 had no admitting privileges at Company 4, had never practiced at Company 4, had never referred to Company 4 before participating in the MSO kickback scheme, and had never even visited Company 4's Rockdale hospital.

16. To induce providers' referrals for ancillary services reimbursed by federal healthcare programs, including laboratory tests, Unindicted Co-conspirator 7, Unindicted Co-conspirator 8, and their co-conspirators agreed to pay thousands of dollars to providers who referred to Company 4, while disguising the payments as purported MSO investment distributions.

Company 4's MSO Kickback Scheme

17. In or about 2014, Company 4 developed a "growth plan" to take advantage of Company 4's "higher reimbursement levels and government subsidies." Aware that as a CAH, Company 4 received "cost based reimbursement which enhances financial performance for rural hospitals," Company 4 developed a plan for "immediate near term significant growth."

18. In 2015, Company 4 expanded the scheme to include blood testing. Unindicted Co-conspirator 7, on behalf of Company 4, agreed to pay per-test fees to

Company 1 to run blood tests for Company 4. To gain referrals, Company 4 paid recruiters to arrange for health care providers' (HCPs) referrals and recommend the ordering of blood testing, and the recruiters kicked back some of those payments to the referring HCPs, while disguising the payments to HCPs as investment distributions from an MSO. The MSO-incentivized HCPs ordered Company 1 testing from Company 4. Company 4 then billed the blood tests to federal healthcare programs as outpatient services, falsely representing that (a) the claims did not result from AKS or Stark Law violations; (b) the tests were for Company 4 outpatients, when in fact the tests were for persons who were not patients at Company 4 at all; and (c) the claims were for reasonable and necessary services.

19. Company 4 funded the MSO kickbacks to HCPs, with the knowledge and approval of Unindicted Co-conspirator 7. Company 4 paid recruiters to generate commercial and federal laboratory testing referrals; the recruiters transferred a portion of the funds to their MSO entities; the MSOs paid the referring HCPs to induce their referrals and orders to Company 4; and Company 4 submitted the resulting claims to Medicare, Medicaid, and TRICARE.

20. A summary of the amounts billed to and paid by Medicare are as follows:

a. Medicare was billed more than $961,483.34 for blood tests generated by Unindicted Co-conspirator 13 through Company 4. Medicare paid more than $357,866.47 for those tests.

b. Medicare was billed more than $1,224,107.15 for blood tests generated by Unindicted Co-conspirator 14 through Company 4. Medicare paid more than $454,173.63 for those tests.

c. Medicare was billed more than $603,827.40 for blood tests generated by Unindicted Co-conspirator 15 through Company 4. Medicare paid more than $224,863.16 for those tests.

d. Medicare was billed more than $187,782.00 for blood tests generated by Unindicted Co-conspirator 16 through Company 4. Medicare paid more than $69,929.44 for those tests.

e. Medicare was billed more than $272,363.20 for blood tests generated by Unindicted Co-conspirator 17 through Company 4. Medicare paid more than $101,426.87 for those tests.

f. Medicare was billed more than $122,762.00 for blood tests generated by Unindicted Co-conspirator 18 through Company 4. Medicare paid more than $45,716.23 for those tests.

21. In their discussions with recruiters, Unindicted Co-conspirator 7 and Unindicted Co-conspirator 8 understood that the recruiters would offer and pay money to referring HCPs to induce them to order laboratory testing from Company 4. Unindicted Co-conspirator 7 and Unindicted Co-conspirator 8 understood that the recruiters would attempt to disguise the kickback payments to HCPs as purported distributions from an MSO. Unindicted Co-conspirator 7 and Unindicted Co-conspirator 8 met and corresponded with the recruiters and agreed to the MSO kickback scheme.

O'Neal and Unindicted Co-conspirator 9

22. In early-2015, Unindicted Co-conspirator 7 described to **Robert O'Neal** the MSO model that Company 4 and its recruiters were using to provide financial incentives to HCPs to order testing from Company 4. In or about April 2015, Unindicted Co-conspirator 7 offered **O'Neal** the opportunity to be paid by Company 4 for recruiting HCPs to order ancillary services from Company 4.

23. **Robert O'Neal** agreed to be paid to arrange for HCP referrals and recommend the ordering of tests to Company 4. Like Company 4's other recruiters, Unindicted Co-conspirator 7 understood that **O'Neal** would kickback a portion of the payments he received to referring HCPs, in the form of MSO payments, to induce the HCPs' referrals to Company 4.

24. On or about July 1, 2015, Unindicted Co-conspirator 7, on behalf of Company 4, and **Robert O'Neal**, on behalf of Company 7, entered into a marketing services agreement.

25. **Robert O'Neal** partnered with Unindicted Co-conspirator 6 and Unindicted Co-conspirator 10 to recruit physicians to refer to Company 4 in return for kickback payments. Unindicted Co-conspirator 6 and Unindicted Co-conspirator 10 each had experience as sales representatives in Texas and knew numerous HCPs in Texas. Unindicted Co-conspirator 6 and Unindicted Co-conspirator 10 met and spoke with HCPs to offer MSO payments to induce the HCPs' referrals to Company 4. Unindicted Co-conspirator 6 and Unindicted Co-conspirator 10 provided documents to prospective HCP

participants, arranged for and recommended that the HCPs order laboratory tests through Company 4, and distributed payment checks to referring HCPs.

26. In or about August 2015, Unindicted Co-conspirator 9 joined the MSO kickback scheme. To further the scheme, Unindicted Co-conspirator 9 founded, owned, and operated numerous corporate entities. He created Company 7 to receive payments from Company 4 and make payments to an MSO, to himself, and to another company he created called Company 8.

27. Unindicted Co-conspirator 9 created Company 8 to receive payments from Company 7 to pay himself and others.

28. Unindicted Co-conspirator 9 created Company 9 to receive payments from Company 7, to pay recruiters like Unindicted Co-conspirator 10, and to pay HCPs who referred to Company 4.

29. In or about August 2015, Company 9 recruiters Unindicted Co-conspirator 10 and Unindicted Co-conspirator 6 began implementing the Company 9 MSO kickback scheme, targeting HCPs, offering kickbacks, and coordinating with Company 1 and their personnel.

30. Company 9's marketing director summarized the financial inducements in a pro forma sent to Unindicted Co-conspirator 6 and Unindicted Co-conspirator 10. In the Company 9 pro forma for a "[g]roup of 10 doctors," HCP owners were told they would have "multiple revenue streams," and would receive a share of the revenue generated by their referrals for toxicology testing, blood testing, EEG tests, sleep studies, and other ancillary services.

31. In their sales pitches to HCPs, the Company 9 recruiters focused on the amount of money that HCPs would receive.

32. As an example, in or about October 2015, Unindicted Co-conspirator 6 and Unindicted Co-conspirator 10 offered Company 9 kickbacks to Unindicted Co-conspirator 18 of Plano, Texas, to induce her to order Company 1 tests through Company 4. Before being offered the kickbacks, she had never referred to Company 4, a hospital nearly 200 miles away in Rockdale, Texas. After agreeing on or about October 20, 2015 to receive the Company 9 kickbacks, Unindicted Co-conspirator 18 began referring patients, including Medicare beneficiaries, to Company 4 for lab testing.

33. Company 9's offer and payment of MSO kickbacks to Unindicted Co-conspirator 18 resulted in, among other things, dozens of Medicare referrals by Unindicted Co-conspirator 18 from in or about November 2015 to July 2016. Company 4 submitted those claims to Medicare as purported outpatient services, and Medicare paid thousands of dollars to Company 4.

34. Like Unindicted Co-conspirator 18, the HCPs who joined the Company 9 MSO kickback scheme and referred laboratory tests and other ancillary services to Company 4 profited handsomely.

35. Company 4 paid more than $4.1 million to Company 9 for the referral of and arranging for and ordering and recommending the ordering of health care business.

36. The chart below summarizes Company 9 payments from February 2016 to November 2017 to specific referring HCPs to induce their referrals and orders to Company 4:

HCP	MSO Payments
Unindicted Co-conspirator 13	$49,000.00
Unindicted Co-conspirator 17	$55,870.84
Unindicted Co-conspirator 18	$55,870.84
Unindicted Co-conspirator 16	$55,870.84
Unindicted Co-conspirator 14 and Unindicted Co-conspirator 15	$111,741.68

37. Company 9 owner Unindicted Co-conspirator 9 and Company 9 recruiters Unindicted Co-conspirator 6 and Unindicted Co-conspirator 10 received hundreds of thousands of dollars for their acts in furtherance of the kickback scheme.

38. At Unindicted Co-conspirator 9's direction, Company 8 paid Unindicted Co-conspirator 9's company $389,221.57 in 2016.

39. Unindicted Co-conspirator 6 sought to conceal her role in the kickback scheme. Rather than receive payments directly from a Company 9 entity, Unindicted Co-conspirator 6 and Unindicted Co-conspirator 10 agreed that Unindicted Co-conspirator 10's company, Company 14, would receive the payments, and that Unindicted Co-conspirator 10 would then share the proceeds with Unindicted Co-conspirator 6. In 2016, Company 9 paid Company 14 $506,823.87.

40. Per his agreement with Unindicted Co-conspirator 6, Unindicted Co-conspirator 10 deposited the checks Company 14 received from Company 9 and withdrew cash to share with Unindicted Co-conspirator 6. Unindicted Co-conspirator 10 paid Unindicted Co-conspirator 6 about $10,000 in cash per month, except for December 2016, when Unindicted Co-conspirator 10 paid Unindicted Co-conspirator 6 about $70,000 in cash. Each month, from May to December 2016, Unindicted Co-conspirator

10 delivered the cash in a bag to Unindicted Co-conspirator 6. Once Unindicted Co-conspirator 6 received the bag full of cash from Unindicted Co-conspirator 10, she placed it in the safe in her home, with the cash still in the bag. In total, Unindicted Co-conspirator 10 paid Unindicted Co-conspirator 6 about $140,000 in cash from Company 9. Unindicted Co-conspirator 6 did not declare any of the payments to federal or state tax authorities.

Company 4 Partners with Company 1

41. For the laboratory scheme to succeed, Unindicted Co-conspirator 7 knew Company 4 would need to partner with a clinical laboratory to run the tests ordered by the HCPs. Company 4 did not have the capability in 2015 to perform specialized laboratory testing, lacking the needed personnel and laboratory equipment, among other things. Company 4 first partnered with Company 1, and later with a Company 1 competitor.

42. For a fee, Company 1 allowed Company 4 to bill their blood tests to insurers, including federal healthcare insurers, as purported hospital outpatient services, with Company 4 charging insurers a much higher rate than Company 1 could receive as a clinical laboratory.

43. Unindicted Co-conspirator 1, Unindicted Co-conspirator 2, and Unindicted Co-conspirator 6 knew that the individuals receiving Company 1 testing through Company 4 were neither inpatients nor outpatients of Company 4 because Company 1 personnel participated with MSO recruiters in sales visits to the referring HCPs and understood that the individuals were patients of the HCPs, not hospital patients.

44. As part of the conspiracy, Unindicted Co-conspirator 4, Unindicted Co-conspirator 5, Unindicted Co-conspirator 6, and other Company 1 personnel helped the MSOs affiliated with Company 4 to identify HCP targets, referred HCPs interested in kickback payments to the MSOs to secure their blood testing referrals, and participated with the MSOs in sales pitches to offer HCPs money to induce their referrals and orders.

45. On or about December 5, 2014, Unindicted Co-conspirator 1 signed a merger agreement to transfer 100% of the shareholding in Company 1 to a company affiliated with Company 2. The merger closed on or about January 30, 2015. Pursuant to the merger agreement, the purchase price consisted of a closing payment plus a contingent "earnout" payment. The earnout payment was to be calculated based on Company 1's profitability during 2016 and 2017 (the earnout period). As part of the earnout provisions, Unindicted Co-conspirator 1, Unindicted Co-conspirator 2, and other Company 1 executives would remain in place with significant managerial independence from Eurofins during the earnout period. Unindicted Co-conspirator 1 and Unindicted Co-conspirator 2 stood to receive about 7.9 percent and 1.3 percent, respectively, of the earnout payment, contingent on Company 1's profitability during the earnout period.

46. Shortly after the merger closed, a physician who had a financial relationship with Company 4 alerted Unindicted Co-conspirator 1 that Company 4's CEO, Unindicted Co-conspirator 7, was reaching out to a competitor laboratory to discuss a potential "lucrative deal." The physician told Unindicted Co-conspirator 1 that Company 4 "want[s] to bill for labs themselves" because they have "great" contracts with payors. Unindicted Co-conspirator 1 replied, "I'm on it! Stay tuned!" The physician

then gave Unindicted Co-conspirator 7's contact information to Unindicted Co-conspirator 1.

47. On or about April 1, 2015, Unindicted Co-conspirator 1 approved Company 4's proposed arrangement with Company 1, and Unindicted Co-conspirator 7 signed the agreement. Described as a "buy and bill contract," Unindicted Co-conspirator 1 allowed Company 4 to bill Company 1 tests to insurers, including federal healthcare programs, in return for a fee paid to Company 1.

48. In or about April 2015, Company 4 performed a "test pilot" of submitting one physician's Company 1 tests to insurers as purported hospital outpatient laboratory testing. Once they saw that the billing scheme generated significantly more reimbursement, based on a CAH submitting the claims rather than a clinical laboratory, Unindicted Co-conspirator 7 began paying MSO recruiters to arrange for or recommend that HCPs order Company 1 testing through Company 4.

49. Company 1's sales force, with Unindicted Co-conspirator 1's knowledge and approval, worked closely with recruiters who paid MSO kickbacks to induce referrals to Company 4 for Company 1 testing. For example, in or about May 2015, Unindicted Co-conspirator 3 confirmed to Unindicted Co-conspirator 4 and Unindicted Co-conspirator 5 that he had joined MSO recruiters at a dinner to recruit six physicians to order Company 1 tests through Company 4; after the MSO pitch, "4 [physicians] have moved forward with joining the MSO." Unindicted Co-conspirator 3 highlighted the impact of the MSO pitch on one physician who estimated he referred 100 patients per

month to another laboratory: "After [the MSO recruiters] discussed the MSO, he is probably going to use us."

50. Fueled by the MSO kickbacks, referrals to Company 4 for Company 1 testing increased rapidly. One Company 4-affiliated physician told Unindicted Co-conspirator 1 in or about June 2015, "We've been smoking it! Hundreds and hundreds of labs. [Unindicted Co-conspirator 5] is beside himself!"

51. As the Company 4 arrangement progressed, Unindicted Co-conspirator 1 and Unindicted Co-conspirator 2 closely tracked the revenue that Company 1 received from the arrangement. In September 2015, Unindicted Co-conspirator 1 reviewed data showing that Company 1 had received over $1 million to date from Company 4. Based on the average Company 4 orders for Company 1 testing over the prior four weeks, Company 1's annualized revenue associated with Company 4 would be $20,866,560—an increase of $19,166,560 from Company 1's "base business" without Company 4. Upon reviewing those revenue numbers, and a chart showing the quickly rising rate of referrals, Unindicted Co-conspirator 1 contacted other Company 1 executives, including Unindicted Co-conspirator 2 and Unindicted Co-conspirator 3, stating "WOWIE!!!!! HOW DO WE GET SOME MORE OF THAT???!!!!!!!" In a separate email, Unindicted Co-conspirator 1 stated, "I would like to fly out and meet with them. Dinner with [a Company 4-affiliated physician] and CEO of [Company 4]. Who can help put this together?"

52. The following month, Unindicted Co-conspirator 3 replied to an email on the topic of MSOs, stating, "Looks good so far. I did find out the MSO's working with

[Company 4] are not providing any management/administrative services for the office. The MSO's offer the access to testing, both Boston and toxicology through [Company 4], then other offerings through other labs/companies for genetics, medical equipment, etc. [Company 4] has 3 "Marketers" working for them. [Company 15] and a couple more. Heard their lawyer [Company 4's] advised them to acquire practices in the areas where they are ordering tests (Houston, Dallas) for compliance reasons/passing the sniff test."

53. The same month, Unindicted Co-conspirator 3 informed Unindicted Co-conspirator 1 that the CEO of a competitor laboratory to Company 1 had spoken with Unindicted Co-conspirator 7 and was in negotiations with Company 4 "for a similar model/arrangement as [Company 1]." Unindicted Co-conspirator 1 replied, "I would expect everyone is talking to them [Company 4]." To preserve Company 1's revenue from the Company 4 arrangement, Unindicted Co-conspirator 1 told Unindicted Co-conspirator 3: "[W]e need to keep our touch high and service levels even higher!" Unindicted Co-conspirator 3 agreed and noted to Unindicted Co-conspirator 1 the "problems" Company 1 was having in "filtering clients with pure intent" who were referred by an MSO working with Company 4.

54. Despite these problems, Unindicted Co-conspirator 1 and Unindicted Co-conspirator 2 continued the lucrative Company 4 scheme. Indeed, because of the substantial revenue the Company 4 arrangement was generating for Company 1, Unindicted Co-conspirator 1 worked with Unindicted Co-conspirator 2 on plans to expand the arrangement into a formal joint venture to prevent Company 4 from working with competitors to Company 1. Under Unindicted Co-conspirator 1 and Unindicted Co-

conspirator 2's proposed joint venture, Company 1 would have helped Company 4 develop and operate an on-site laboratory.

55. Unindicted Co-conspirator 1 and Unindicted Co-conspirator 2 knew why the existing Company 4 arrangement was lucrative. As Unindicted Co-conspirator 3 highlighted to Unindicted Co-conspirator 2 in or about October 2015, the MSOs "work with [Company 4]," "practitioners partner[] with MSO" for their testing and "share in profits of MSO," and Company 1 receives leads from the MSOs for new physician clients. Unindicted Co-conspirator 3 noted that the MSOs allow physicians to order "testing, both Boston and toxicology, through [Company 4]." Despite calling themselves MSOs, the Company 1 sales director noted to Unindicted Co-conspirator 2 that "the MSOs working with [Company 4] are not providing any management/administrative service for the office."

56. The joint venture contemplated by Unindicted Co-conspirator 1 and Unindicted Co-conspirator 2 would have required approval by Company 1's parent company in Europe. At Unindicted Co-conspirator 2's request, Unindicted Co-conspirator 3, with assistance from Unindicted Co-conspirator 4 and Unindicted Co-conspirator 5, prepared a three-page executive summary of the Company 4 arrangement for Unindicted Co-conspirator 1 to use when discussing her proposed Company 4 joint venture with Company 1's parent company. The summary explained how Company 4's "unique" status as a CAH gave it "very favorable reimbursement," allowing it to "receive cost-based reimbursement from Medicare, instead of standard fixed reimbursement rates." Company 1's summary acknowledged that cost-based reimbursement was

designed "to enhance the financial performance of small rural hospitals" like Company 4. The summary noted that Company 4 had "10 patient beds" and "originally served the Central Texas area, but over the last year, has increased [its] relationships with medical providers in Houston, Dallas and other cities in Texas and Oklahoma."

57. The executive summary that Unindicted Co-conspirator 3 prepared at Unindicted Co-conspirator 2's request also indirectly described the kickbacks that Company 4 used to induce physicians to refer lab testing to Company 4, explaining that a "driver for growth for [Company 4] and other hospitals is the [MSO] model." The summary noted that the "hospitals will employ Marketers. These Marketers represent [MSOs]." It further noted that "practitioners . . . become investors by purchasing shares in the MSOs. [Company 4] will remunerate the Marketers/MSO, which in turn disperse their profits among the investors."

58. Unindicted Co-conspirator 1 and Unindicted Co-conspirator 2 knew of the broad reach of Company 4's MSOs in recruiting HCPs to order Company 1 tests through Company 4. In or about October 2015, Unindicted Co-conspirator 2 noted to Unindicted Co-conspirator 1 that "the MSO [for Company 4 was] recruiting physicians outside of Austin and into other markets." Company 1's VP for Hospital Strategy confirmed this point to Unindicted Co-conspirator 1 and Unindicted Co-conspirator 2 a few days later, noting that Company 4's marketing arm was recruiting "way outside of the [Company 4] access area for patients," even though a "[CAH] exists to provide access and does not typically have a marketing arm." The VP warned Unindicted Co-conspirator 1 and

Unindicted Co-conspirator 2 to "reel this in" and "stand down on all hospitals, particularly in [Texas]."

59. Unindicted Co-conspirator 1 and Unindicted Co-conspirator 2 chose not to end Company 1's participation in the MSO kickback scheme, given of the lucrative nature of their Company 4 arrangement. Instead, Unindicted Co-conspirator 1 and Unindicted Co-conspirator 2 tracked the "[Company 4] accounts, with volumes, how they were put under [Company 4], and how they were in-serviced [by Company 1]." In or about November 2015, Unindicted Co-conspirator 2 sent Unindicted Co-conspirator 1 a detailed spreadsheet listing, among other things, the names, referral volumes, and referral start dates for 128 HCPs for whom an MSO relationship was the "source of referral to [Company 1]," who were listed as responsible for 2,185 referrals in just the past month. Unindicted Co-conspirator 2 even forwarded to Unindicted Co-conspirator 1 the name and phone number of "MSO/Marketer []," who was a recruiter for the Company 15 MSOs.

60. On or about November 17, 2015, Unindicted Co-conspirator 1 and Unindicted Co-conspirator 2 met with Unindicted Co-conspirator 7 and other Company 4 representatives in Round Rock, Texas.

61. On or about December 9, 2015, Unindicted Co-conspirator 4 emailed Unindicted Co-conspirator 3, copying Unindicted Co-conspirator 5, advising, "…another driver for growth for [Company 4] and other hospitals is the Management Services Organization model. [Company 4] will employ Marketers. These Marketers represent MSOs, delete – which allow the practitioners to become investors in these MSO's change

to. The practitioners become investors by purchasing shares in the MSO. [Company 4] will remunerate the Marketers/MSO, which in turn disperse their profits among the investors."

62. Despite discussing the proposed Company 4 joint venture with Company 1's parent company, Unindicted Co-conspirator 1 and Unindicted Co-conspirator 2 did not tell the company about the MSO kickbacks.

63. Company 1's parent company did not approve Unindicted Co-conspirator 1's proposed joint venture to develop Company 4's on-site lab, but that decision did not dissuade Unindicted Co-conspirator 1 and Unindicted Co-conspirator 2. They continued Company 1's arrangement with Company 4, in which Company 1 performed the laboratory testing, the recruiters paid the MSO kickbacks, and Company 4 submitted claims to insurers for the tests.

64. As intended by Unindicted Co-conspirator 1 and Unindicted Co-conspirator 2, Company 1's participation with Company 4 and others in the hospital billing and MSO scheme was highly lucrative, with Company 4 paying Company 1 over $30 million.

Company 6 Arrangement

Company 6's MSO Kickback Scheme

65. In light of the success of the Company 4 kickback scheme, a number of Company 4's co-conspirators agreed to implement an MSO kickback scheme with another Texas hospital. To induce HCPs' referrals for ancillary services reimbursed by federal healthcare programs, including laboratory tests, the co-conspirators agreed to a

scheme to pay thousands of dollars to referring HCPs, while disguising the payments as purported MSO investment distributions.

66. From late 2015 to early 2016, **Robert O'Neal** and others solicited another rural CAH in Texas to participate in their laboratory scheme. The individuals targeted a small hospital with 25 or fewer beds named Company 5 d/b/a Company 6 in Stamford, Texas (population under 4,000).

67. **Robert O'Neal** and another individual met with Company 6's CEO, Unindicted Co-conspirator 21, on or about December 29, 2015 to discuss a laboratory billing arrangement based on the Company 4 model. **O'Neal**'s partner subsequently provided Company 6's CEO with "actual figures" from Company 4, pointing to the "explosive growth" generated by the hospital billing for blood tests, noting that the associated revenue to the hospital was over $94 million and "entirely incremental for the Hospital."

68. During the same time period, on or about January 12, 2016, **Robert O'Neal** met with Unindicted Co-conspirator 2 and Unindicted Co-conspirator 6 in Dallas, Texas.

69. **Robert O'Neal** met with others on multiple occasions, including on or about March 7, 2016 in Frisco, Texas, and discussed the potential laboratory arrangement with Company 6. To secure Company 6's participation, **O'Neal** and others met with Company 6's CEO, Unindicted Co-conspirator 21, and had numerous communications with him and other Company 6 representatives, including an in-person meeting on or about March 22, 2016.

70. In or about April 2016, Unindicted Co-conspirator 1 and Unindicted Co-conspirator 2 decided to join the Company 6 arrangement. Between April and June 2016, Unindicted Co-conspirator 2 had multiple communications with O'Neal and Company 6 representatives and discussed the arrangement and negotiated contract pricing with them.

71. Effective on or about May 31, 2016, Company 1 entered into a laboratory services agreement with Company 6. Pursuant to the agreement, which Unindicted Co-conspirator 2 negotiated and sought approval for within Company 1, Company 6 agreed to pay Company 1 for performing laboratory tests on specimens that Company 6 sent to Company 1.

72. Under their arrangements with Company 6, Company 1 agreed to perform laboratory testing for Company 6 for a per-test fee.

73. As part of the Company 6 arrangement, for laboratory tests Company 1 performed, Company 6 and/or its contractor billed commercial insurers in Company 6's name using Company 6's NPI, and Company 1 billed federal insurers in Company 1's name using Company 1's NPI.

74. For patients covered by commercial insurance, Company 6 billed commercial insurers and agreed to pay a per-test fee to the laboratory that performed the testing. For patients covered by Medicare, Medicaid, and TRICARE, Company 1 billed the federal healthcare programs.

75. A summary of the amounts billed to and paid by Medicare are as follows:

a. Company 1 billed Medicare more than $3,711,650.64 for blood tests generated by Unindicted Co-conspirator 13. Medicare paid Company 1 more than $639,144.55 for those tests.

b. Company 1 billed Medicare more than $3,285,733.00 for blood tests generated by Unindicted Co-conspirator 14. Medicare paid Company 1 more than $544,885.03 for those tests.

c. Company 1 billed Medicare more than $930,361.13 for blood tests generated by Unindicted Co-conspirator 15. Medicare paid Company 1 more than $169,787.63 for those tests.

d. Company 1 billed Medicare more than $263,158.00 for blood tests generated by Unindicted Co-conspirator 16. Medicare paid Company 1 more than $36,378.38 for those tests.

e. Company 1 billed Medicare more than $273,058.00 for blood tests generated by Unindicted Co-conspirator 17. Medicare paid Company 1 more than $42,093.05 for those tests.

f. Company 1 billed Medicare more than $104,911.00 for blood tests generated by Unindicted Co-conspirator 18. Medicare paid Company 1 more than $15,592.13 for those tests.

g. Company 1 billed Medicare more than $1,539,392.32 for blood tests generated by Unindicted Co-conspirator 19. Medicare paid Company 1 more than $161,895.56 for those tests.

h. Company 1 billed Medicare more than $1,906,624.31 for blood tests generated by Unindicted Co-conspirator 20. Medicare paid Company 1 more than $228,591.41 for those tests.

76. In coordination with the Company 1 and Company 10, a company owned and operated by Unindicted Co-conspirator 9 and affiliated with **Robert O'Neal**, Co-conspirator 1, on behalf of Company 6, and Unindicted Co-conspirator 9, on behalf of Company 10, entered into a management services agreement.

77. In accordance with the agreement, Company 6 paid for personnel to draw the blood for both commercial and federal patients, fill out applicable paperwork, and ship the blood specimens to the laboratories to perform the testing.

78. To recruit physicians to order the laboratory testing, Company 6 paid commissions to Company 10. Company 10 then kicked back a portion of the commissions to referring physicians, disguising the remuneration as MSO distribution payments but which were actually payments to induce the physicians' referrals to Company 6 and Company 1 for laboratory testing.

79. To fund the MSO kickbacks to HCPs, Company 6 paid Company 10, which in turn transferred the funds to various MSOs to pay the referring HCPs.

80. Company 6 paid Company 10 25% of its net collections for ancillary services, including toxicology and laboratory testing, pursuant to an agreement that Unindicted Co-conspirator 9 and Company 6's CEO, Unindicted Co-conspirator 21, signed on or about June 2, 2016.

81. From November 2016 to November 2017, Company 6 paid Company 10 over $7.1 million.

82. Unindicted Co-conspirator 9 created multiple MSOs to receive payments from Company 10, to pay recruiters like Unindicted Co-conspirator 10, and to pay referring HCPs.

83. In their sales pitches to HCPs, to induce the HCPs' referrals for laboratory testing, the recruiters for the Company 10 MSOs focused on how much money the MSOs would pay the HCPs.

84. Numerous HCPs knew about MSO kickbacks from prior experience. At least nineteen HCPs who had received kickbacks from Company 9 in the Company8 4 kickback scheme also received kickbacks from the Company 10 MSOs in the Company 6 kickback scheme. Those HCPs included Unindicted Co-conspirator 13, Unindicted Co-conspirator 14, Unindicted Co-Conspirator 15, Unindicted Co-conspirator 16, Unindicted Co-conspirator 17, and Unindicted Co-conspirator 18, among others.

85. The purpose of the Company 6 MSO scheme was to pay HCPs for their referrals, as those involved knew. For example, Company 6's COO, who reported to the CEO and regularly interacted with participating HCPs, Company 10, and Company 1, described the arrangement in May 2016 as a "joint venture" involving "blood draws, toxicology screens (urine) and sleep studies and EEGs," where the "doctors get paid through a Managed Service Organization (MSO)."

86. The COO later acknowledged to colleagues that "the doctors like us and appreciate the level of customer service we provide, but they are all about the money and

who can give them the most." The COO noted that "the longer we participate in this program I realize it is all about who can give them the most as many of them can't make ends meet with their current practice models. They are independent of their local hospitals and many of them struggle financially. So they look for programs like this to give them additional income." The COO noted that "unfortunately the doctors follow the money."

87. Company 6 paid Company 10 more than $7,150,000.00 for the referral of and arranging for and ordering and recommending the ordering of health care business. Company 10, in turn, paid other entities for the referral of and arranging for and ordering and recommending the ordering of health care business as follows:

a. Company 10 paid Company 11 $614,708.77.

b. Company 10 paid Company 12 $310,683.20.

c. Company 10 paid Company 13 $340,313.13.

d. Company 10 paid Company 16 $751,358.23.

88. From in or about November 2016 to January 2018, Company 10 MSO paid specific referring HCPs to induce their referrals and orders as follows:

HCP	Company 10 MSO	MSO Payments
Unindicted Co-conspirator 13	Company 11	$232,314.95
Unindicted Co-conspirator 17	Company 13	$19,322.32
Unindicted Co-conspirator 18	Company 13	$16,900.00
Unindicted Co-conspirator 16	Company 13	$38,847.34
Unindicted Co-conspirator 19	Company 13	$43,847.34
Unindicted Co-conspirator 20	Company 13	$42,847.34
Unindicted Co-conspirator 14 and Unindicted Co-conspirator 15	Company 12	$90,664.85

89. In addition to paying the referring HCPs, Company 10 paid a significant portion of the money to Unindicted Co-conspirator 9, Unindicted Co-conspirator 10, and others.

90. At Unindicted Co-conspirator 9's direction, Company 10 transferred over $1.5 million to Company 8, which paid Unindicted Co-conspirator 9's company, $356,699.92 in 2017.

91. Unindicted Co-conspirator 6 sought to conceal her role in the kickback scheme. Rather than receive payments directly from a Company 10 entity, Unindicted Co-conspirator 6 and Unindicted Co-conspirator 10 agreed that Unindicted Co-conspirator 10' company, Company 14, would receive the payments, and that Unindicted Co-conspirator 10 would then share the proceeds with Unindicted Co-conspirator 6. In 2016 and 2017, Company 10 paid Company 14 $702,784.61.

92. Unindicted Co-conspirator 10 deposited the checks and paid Unindicted Co-conspirator 6 about $10,000 in cash per month, except for December 2016, when Unindicted Co-conspirator 10 paid Unindicted Co-conspirator 6 about $70,000 in cash.

93. Per his agreement with Unindicted Co-conspirator 6, Unindicted Co-conspirator 10 deposited the checks Company 14 received from Company 10 and withdrew cash to share with Unindicted Co-conspirator 6. Each month, from January 2017 to November 2017, Unindicted Co-conspirator 10 paid Unindicted Co-conspirator 6 about $10,000 in cash. Each month, Unindicted Co-conspirator 10 delivered the cash in a bag to Unindicted Co-conspirator 6. Once Unindicted Co-conspirator 6 received the bag

full of cash from Unindicted Co-conspirator 10, she placed it in the safe in her home, with the cash still in the bag. In total, Unindicted Co-conspirator 10 paid Unindicted Co-conspirator 6 about $110,000 in cash from Company 10. Unindicted Co-conspirator 6 did not declare any of the payments to federal or state tax authorities.

Company 6's Partnership with Company 1

94. On or about May 31, 2016, Company 6 and Company 1 executed a lab services agreement. Company 6's CEO, Unindicted Co-conspirator 21, emailed the signed agreement to Unindicted Co-conspirator 2.

95. As part of the Company 6 scheme, Company 1 agreed with Company 6 and Company 10 that the laboratories would bill federal healthcare programs for the resulting referrals of laboratory testing for federal healthcare program beneficiaries. Unindicted Co-conspirator 2 agreed to this approach on behalf of Company 1.

96. Unindicted Co-conspirator 2 understood that Company 6 was concerned about the legality of billing federal healthcare programs for claims referred by MSO participants. Unindicted Co-conspirator 2 agreed that Company 1 would bill those claims to capture the lucrative revenue from federal healthcare program referrals.

97. On or about May 17, 2016, a Company 6 representative emailed Unindicted Co-conspirator 1, stating, "…The biggest challenge on the hospital side is getting a team of high performers to understand our role as enablers. The hospitals in this model are really about access – access to blood through phlebotomists; access to health plans through an in network partner; access to providers. Period."

98. To that end and as agreed between among the parties, Company 6 paid for phlebotomists located in the offices of HCPs who were receiving MSO kickbacks. Often, those phlebotomists had previously worked in the particular HCPs' offices.

99. Company 6 paid the phlebotomists to draw the blood for patients with federal healthcare insurance and patients with commercial insurance. Company 6, Company 10, and Company 1 instructed the phlebotomists to collect insurance information for federal healthcare beneficiaries and provide that information to Company 1, so that Company 1 could bill for the claims.

100. To ensure that they would receive the federal referrals from the Company 6 kickback scheme, Company 1 provided the phlebotomists paid by Company 6 with supplies for the blood specimens, laboratory-specific requisition forms, and laboratory-specific shipping supplies.

101. Company 6, Company 10, and Company 1 instructed the phlebotomists to use the Company 1 requisition forms and shipping supplies for federal healthcare program beneficiaries. Following those instructions was important to Company 1 so that Company 1 could bill the resulting federal claims.

102. To ensure the success of the Company 6 kickback scheme, and at the direction of Unindicted Co-conspirator 2, Company 1 helped the Company 10 MSOs identify HCP targets, referred HCPs interested in kickback payments to the Company 10 MSOs to secure their blood testing referrals, participated with the MSOs in sales pitches to offer HCPs money to induce their referrals and orders, and sought to ensure that they would receive the federal referrals resulting from the kickbacks.

103. As intended by Unindicted Co-conspirator 1 and Unindicted Co-conspirator 2, Company 1's participation with Company 6 and others in the MSO scheme was lucrative, with Company 6 paying Company 1 over $7.5 million.

Overt Acts

In furtherance of the conspiracy and to effect the objects thereof, the following overt acts, among others, were committed in the Eastern District of Texas and elsewhere:

Company 7 and Company 4

104. On or about July 1, 2015, Company 7, through **Robert O'Neal** and Unindicted Co-conspirator 9, entered into a written agreement with Company 4 for the referral of and arranging the furnishing and arranging for and recommending the ordering of health care business for which payment may be made in whole or in part under Federal health care programs. Company 7 acted as a recruiter for Company 4. According to the agreement, Company 7 would receive 15% of reimbursements received by Company 4 for Company 7-generated referrals. Company 7, in turn, paid physicians for the referral of and arranging for and ordering and recommending the ordering of health care business for which payment may be made in whole or in part under Federal health care programs.

105. On or about the dates specified below in the payment date column, to the particular entity or individual specified, and in the amounts specified, Unindicted Co-conspirator 7, Unindicted Co-conspirator 8, and others, acting through Company 4, knowingly and willfully paid remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, to Company 7 to induce the referral of and arranging for the furnishing of any item and service for which payment may be

made in whole and in part under a Federal health care program and to induce the arranging for or recommending the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program; and **Robert O'Neal**, Unindicted Co-conspirator 9, and others, acting through Company 7, knowingly and willfully received remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, in return for the referral of and arranging for the furnishing of any item and service for which payment may be made in whole and in part under a Federal health care program and in return for arranging for and recommending the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program.

Overt Act	Payment Date	Amount	Entity/Individual
a.	5/11/2016	$321,942.61	Company 8
b.	6/2/2016	$550,917.60	Company 8
c.	6/29/2016	$509,000.09	Company 8
d.	8/2/2016	$229,479.49	Company 8
e.	8/4/2016	$10,000.00	Company 8
f.	9/13/2016	$345,947.54	Company 8
g.	10/11/2016	$772,747.91	Company 8
h.	11/9/2016	$10,000.00	Company 8
i.	11/14/2016	$617,624.76	Company 8
j.	12/2/2016	$10,000.00	Company 8
k.	12/7/2016	$336,167.97	Company 8

Company 9

Unindicted Co-conspirator 13

106. On or about April 4, 2016, Company 9 entered into a written subscription agreement with Unindicted Co-conspirator 13 under the guise of an investment into

Company 9. The agreement represented that "The Subscriber has not been encouraged to invest or not invest based on potential referrals to the Company or its affiliates, no person has asked any questions regarding the potential to refer patients to the Company and there is no requirement or expectation that referrals be made to the Company or its affiliates." These were false statements as the subscribers were encouraged to invest based upon potential referrals to the Company or its affiliates; subscribers were asked questions regarding the potential to refer patients to the Company; and there was an expectation or requirement that referrals be made to the Company or its affiliates. According to the Confidential Offering Memorandum, the Class A Members of the Company agreed that they would not refer any federal payor patient to any of the Healthcare Providers which the Company contracts for Management Services.

107. After agreeing to receive the Company 9 kickbacks, Unindicted Co-conspirator 13 began referring to Company 4 for lab testing. At times, Unindicted Co-conspirator 13 was paid for purported marketing and consulting services.

108. On or about the dates specified below in the payment date column, to the particular entity or individual specified, and in the amounts specified, **Robert O'Neal**, Unindicted Co-conspirator 9, Unindicted Co-conspirator 10, Unindicted Co-conspirator 6, and others, acting through Company 9, knowingly and willfully paid remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, to Unindicted Co-conspirator 13 to induce the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and to induce the ordering of any service and item for which payment may be made in whole

and in part under a Federal health care program; and Unindicted Co-conspirator 13 knowingly and willfully received remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, in return for the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and in return for the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program.

Overt Act	Payment Date	Amount	Entity/Individual
a.	7/25/2016	$5,000.00	Unindicted Co-conspirator 13
b.	8/24/2016	$5,000.00	Unindicted Co-conspirator 13
c.	9/28/2016	$5,000.00	Unindicted Co-conspirator 13
d.	10/21/2016	$10,000.00	Unindicted Co-conspirator 13
e.	12/1/2016	$10,000.00	Unindicted Co-conspirator 13
f.	12/29/2016	$10,000.00	Unindicted Co-conspirator 13

Company 17

109. On or about October 5, 2015, Company 9 entered into a written subscription agreement with Unindicted Co-conspirator 14 and Unindicted Co-conspirator 15 through Company 17 under the guise of an investment into Company 9. The agreement represented that "The Subscriber has not been encouraged to invest or not invest based on potential referrals to the Company or its affiliates, no person has asked any questions regarding the potential to refer patients to the Company and there is no requirement or expectation that referrals be made to the Company or its affiliates." These were false statements as the subscribers were encouraged to invest based upon potential referrals to the Company or its affiliates; subscribers were asked questions regarding the potential to refer patients to the Company; and there was an expectation or

requirement that referrals be made to the Company or its affiliates. According to the Confidential Offering Memorandum, the Class A Members of the Company agreed that they would not refer any federal payor patient to any of the Healthcare Providers which the Company contracts for Management Services.

110. After agreeing to receive the Company 9 kickbacks, Unindicted Co-conspirator 14 and Unindicted Co-conspirator 15 began referring to Company 4 for lab testing. At times, Unindicted Co-conspirator 14 and Unindicted Co-conspirator 15 were paid through Company 17 for purported marketing and consulting services.

111. On or about the dates specified below in the payment date column, to the particular entity or individual specified, and in the amounts specified, **Robert O'Neal**, Unindicted Co-conspirator 9, Unindicted Co-conspirator 10, Unindicted Co-conspirator 6, and others, acting through Company 9, knowingly and willfully paid remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, to Unindicted Co-conspirator 14 and Unindicted Co-conspirator 15, through Company 17, to induce the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and to induce the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program; and Unindicted Co-conspirator 14 and Unindicted Co-conspirator 15, acting through Company 17, knowingly and willfully received remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, in return for the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and in return for the ordering of

any service and item for which payment may be made in whole and in part under a Federal health care program.

Overt Act	Payment Date	Amount	Entity/Individual
a.	5/20/2016	$5,000.00	Company 17
b.	5/20/2016	$5,000.00	Company 17
c.	6/9/2016	$12,877.68	Company 17
d.	7/8/2016	$15,560.00	Company 17
e.	8/12/2016	$13,652.00	Company 17
f.	9/9/2016	$4,666.00	Company 17
g.	9/27/2016	$10,586.00	Company 17
h.	11/18/2016	$17,548.00	Company 17
i.	12/5/2016	$16,892.00	Company 17
j.	1/30/2017	$7,960.00	Company 17

Unindicted Co-conspirator 16

112. On or about September 24, 2015, Company 9 entered into a written subscription agreement with Unindicted Co-conspirator 16 under the guise of an investment into Company 9. The agreement represented that "The Subscriber has not been encouraged to invest or not invest based on potential referrals to the Company or its affiliates, no person has asked any questions regarding the potential to refer patients to the Company and there is no requirement or expectation that referrals be made to the Company or its affiliates." These were false statements as the subscribers were encouraged to invest based upon potential referrals to the Company or its affiliates; subscribers were asked questions regarding the potential to refer patients to the Company; and there was an expectation or requirement that referrals be made to the Company or its affiliates. According to the Confidential Offering Memorandum, the Class A Members

of the Company agreed that they would not refer any federal payor patient to any of the Healthcare Providers which the Company contracts for Management Services.

113. After agreeing to receive the Company 9 kickbacks, Unindicted Co-conspirator 16 began referring to Company 4 for lab testing. At times, Unindicted Co-conspirator 16 was paid for purported marketing and consulting services.

114. On or about the dates specified below in the payment date column, to the particular entity or individual specified, and in the amounts specified, **Robert O'Neal**, Unindicted Co-conspirator 9, Unindicted Co-conspirator 10, Unindicted Co-conspirator 6, and others, acting through Company 9, knowingly and willfully paid remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, to Unindicted Co-conspirator 16 to induce the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and to induce the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program; and Unindicted Co-conspirator 16 knowingly and willfully received remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, in return for the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and in return for the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program.

Overt Act	Payment Date	Amount	Entity/Individual
a.	5/6/2016	$5,000.00	Unindicted Co-conspirator 16
b.	5/20/2016	$6,438.84	Unindicted Co-conspirator 16
c.	6/13/2016	$7,780.00	Unindicted Co-conspirator 16

Overt Act	Payment Date	Amount	Entity/Individual
d.	7/6/2016	$6,826.00	Unindicted Co-conspirator 16
e.	8/16/2016	$2,333.00	Unindicted Co-conspirator 16
f.	9/16/2016	$5,293.00	Unindicted Co-conspirator 16
g.	10/18/2016	$8,774.00	Unindicted Co-conspirator 16
h.	11/15/2016	$8,446.00	Unindicted Co-conspirator 16
i.	12/16/2016	$3,980.00	Unindicted Co-conspirator 16

Unindicted Co-conspirator 17

115. On or about November 5, 2015, Company 9 entered into a written subscription agreement with Unindicted Co-conspirator 17 under the guise of an investment into Company 9. The agreement represented that "The Subscriber has not been encouraged to invest or not invest based on potential referrals to the Company or its affiliates, no person has asked any questions regarding the potential to refer patients to the Company and there is no requirement or expectation that referrals be made to the Company or its affiliates." These were false statements as the subscribers were encouraged to invest based upon potential referrals to the Company or its affiliates; subscribers were asked questions regarding the potential to refer patients to the Company; and there was an expectation or requirement that referrals be made to the Company or its affiliates. According to the Confidential Offering Memorandum, the Class A Members of the Company agreed that they would not refer any federal payor patient to any of the Healthcare Providers which the Company contracts for Management Services.

116. After agreeing to receive the Company 9 kickbacks, Unindicted Co-conspirator 17 began referring to Company 4 for lab testing. At times, Unindicted Co-

conspirator 17 was paid through Company 18, for purported marketing and consulting services.

117. On or about the dates specified below in the payment date column, to the particular entity or individual specified, and in the amounts specified, **Robert O'Neal**, Unindicted Co-conspirator 9, Unindicted Co-conspirator 10, Unindicted Co-conspirator 6, and others, acting through Company 9, knowingly and willfully paid remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, to Unindicted Co-conspirator 17 through Company 18, to induce the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and to induce the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program; and Unindicted Co-conspirator 17, acting through Company 18, knowingly and willfully received remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, in return for the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and in return for the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program.

Overt Act	Payment Date	Amount	Entity/Individual
a.	5/6/2016	$5,000.00	Company 18
b.	5/20/2016	$6,438.84	Company 18
c.	6/13/2016	$7,780.00	Company 18
d.	7/16/2016	$6,826.00	Company 18
e.	8/16/2016	$2,333.00	Company 18
f.	9/16/2016	$5,293.00	Company 18
g.	10/18/2016	$8,774.00	Company 18

Overt Act	Payment Date	Amount	Entity/Individual
h.	11/15/2016	$8,446.00	Company 18
i.	12/16/2016	$3,980.00	Company 18

Unindicted Co-conspirator 18

118. In or about October 2015, Unindicted Co-conspirator 6 and Unindicted Co-conspirator 10 offered kickbacks through Company 9 to Unindicted Co-conspirator 18 of Plano, Texas, to induce her to order Company 1 tests through Company 4. Before being offered kickbacks, Unindicted Co-conspirator 18 had never referred services to Company 4, a hospital nearly 200 miles away in Rockdale, Texas.

119. On or about October 20, 2015, Company 9 entered into a written subscription agreement with Unindicted Co-conspirator 18 under the guise of an investment into Company 9. The agreement represented that "The Subscriber has not been encouraged to invest or not invest based on potential referrals to the Company or its affiliates, no person has asked any questions regarding the potential to refer patients to the Company and there is no requirement or expectation that referrals be made to the Company or its affiliates." These were false statements as the subscribers were encouraged to invest based upon potential referrals to the Company or its affiliates; subscribers were asked questions regarding the potential to refer patients to the Company; and there was an expectation or requirement that referrals be made to the Company or its affiliates. According to the Confidential Offering Memorandum, the Class A Members of the Company agreed that they would not refer any federal payor patient to any of the Healthcare Providers which the Company contracts for Management Services.

120. After agreeing to receive the Company 9 kickbacks, Unindicted Co-conspirator 18 began referring to Company 4 for lab testing. At times, Unindicted Co-conspirator 18 was paid through Company 19, for purported marketing and consulting services.

121. Unindicted Co-conspirator 18 provided Unindicted Co-conspirator 10 with a purported "investment" check of $1,000, dated January 14, 2016, from her practice, Company 19, to Company 9. In the "For" line of the check, Unindicted Co-conspirator 18 confirmed that it was for the "Boston Heart Partnership."

122. Unindicted Co-conspirator 18 ordered Company 1 tests through Company 4 because of the money Unindicted Co-conspirator 6 and Unindicted Co-conspirator 10 had offered her.

123. After referring testing to Company 4, Unindicted Co-conspirator 18 repeatedly asked Unindicted Co-conspirator 10 when she would be paid for her referrals. In February 2016, Unindicted Co-conspirator 18 asked Unindicted Co-conspirator 10, "Expecting time to receive the payment check?" In April 2016, Unindicted Co-conspirator 18 asked Unindicted Co-conspirator 10, "I trust you will have my check ready tomorrow?" The following day, Unindicted Co-conspirator 18 complained to Unindicted Co-conspirator 10, "it sound [sic] very fishy and not right, look like we send you all the samples, not only just to get nothing, but also lost $1,000." Unindicted Co-conspirator 18 stated, "I really wish you and [Unindicted Co-conspirator 6] can tell me the truth, now, if you guys know it." Unindicted Co-conspirator 18 complained, "I am not satisfied, I have not see [sic] a dime and I have already lost $1,000!" Unindicted Co-

conspirator 18 noted that "for 5 months no distribution, never heard of." Unindicted Co-conspirator 18 indicated that she did not need **Robert O'Neal** "to be how are you, fine, and you person. I just need him to show me the number!"

124. On or about May 6, 2016, Unindicted Co-conspirator 18 received a $5,000 check that Unindicted Co-conspirator 9 authorized and signed on behalf of Company 9. About two weeks later, Unindicted Co-conspirator 18 received a $6,438 check that Unindicted Co-conspirator 9 authorized and signed on behalf of Company 9. In 2016, as authorized by Unindicted Co-conspirator 9, Company 9 paid Unindicted Co-conspirator 18 $54,871 for her referrals to Company 4, a 5,387% return on investment.

125. On or about the dates specified below in the payment date column, to the particular entity or individual specified, and in the amounts specified, **Robert O'Neal**, Unindicted Co-conspirator 9, Unindicted Co-conspirator 10, Unindicted Co-conspirator 6, and others, acting through Company 9, knowingly and willfully paid remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, to Unindicted Co-conspirator 18 through Company 19, to induce the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and to induce the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program; and Unindicted Co-conspirator 18 acting through Company 19, knowingly and willfully received remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, in return for the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and in return for the

ordering of any service and item for which payment may be made in whole and in part under a Federal health care program.

Overt Act	Payment Date	Amount	Entity/Individual
a.	5/6/2016	$5,000.00	Company 19
b.	5/20/2016	$6,438.84	Company 19
c.	6/13/2016	$7,780.00	Company 19
d.	7/6/2016	$6,826.00	Company 19
e.	8/16/2016	$2,333.00	Company 19
f.	9/16/2016	$5,293.00	Company 19
g.	10/18/2016	$8,774.00	Company 19
h.	11/15/2016	$8,446.00	Company 19
i.	12/16/2016	$3,980.00	Company 19

Company 10 and Company 6

126. On or about February 11, 2016, **Robert O'Neal** had a conference call with Unindicted Co-conspirator 2 and a Company 1 representative. Unindicted Co-conspirator 2 took notes and emailed the notes to a Company 1 representative.

127. On or about March 4, 2016, Unindicted Co-conspirator 2 met with **Robert O'Neal** in Beaumont, Texas.

128. On or about June 2, 2016, Company 10, through **Robert O'Neal** and Unindicted Co-conspirator 9, entered into a written agreement with Company 6 for the referral of and arranging the furnishing and arranging for and recommending the ordering of health care business for which payment may be made in whole or in part under Federal health care programs. Company 10 acted as a recruiter for Company 6. According to the agreement, Company 10 would receive 25% of net collections received by Company 6 for Company 10-generated referrals. Company 10, in turn, paid physicians for the referral of and arranging for and ordering and recommending the ordering of health care

business for which payment may be made in whole or in part under Federal health care programs.

129. In or about August 2016, Company 10 recruiters Unindicted Co-conspirator 10 and Unindicted Co-conspirator 6 began implementing the Company 10 MSO kickback scheme, targeting HCPs, offering kickbacks, and coordinating with Company 6 and their personnel.

130. In their sales pitches to HCPs, the Company 10 recruiters focused on the amount of money that HCPs would receive.

131. On or about October 5, 2016, Unindicted Co-conspirator 10 and Unindicted Co-conspirator 6 traveled to Tyler, Smith County, Texas, and attempted to solicit physicians there in order to secure their referrals.

132. On or about the dates specified below in the payment date column, to the particular entity or individual specified, and in the amounts specified, Company 6 knowingly and willfully paid remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, to Company 10 to induce the referral of and arranging for the furnishing of any item and service for which payment may be made in whole and in part under a Federal health care program and to induce the arranging for or recommending the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program; and **Robert O'Neal**, Unindicted Co-conspirator 9, and others, acting through Company 10, knowingly and willfully received remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, in return for the referral of and

arranging for the furnishing of any item and service for which payment may be made in whole and in part under a Federal health care program and in return for arranging for and recommending the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program.

Overt Act	Payment Date	Amount	Entity/Individual
l.	11/14/2016	$350,000.00	Company 10
m.	12/19/2016	$15,000.00	Company 10
n.	12/19/2016	$95,000.00	Company 10
o.	12/19/2016	$96,000.00	Company 10
p.	12/19/2016	$97,000.00	Company 10
q.	12/19/2016	$98,000.00	Company 10
r.	12/19/2016	$99,000.00	Company 10
s.	1/5/2017	$700,000.00	Company 10
t.	2/3/2017	$800,000.00	Company 10
u.	3/9/2017	$500,000.00	Company 10
v.	4/4/2017	$500,000.00	Company 10
w.	5/2/2017	$500,000.00	Company 10
x.	5/25/2017	$100,000.00	Company 10
y.	6/2/2017	$600,000.00	Company 10
z.	7/3/2017	$600,000.00	Company 10
aa.	8/2/2017	$600,000.00	Company 10
bb.	9/5/2017	$600,000.00	Company 10
cc.	10/4/2017	$600,000.00	Company 10
dd.	11/8/2017	$200,000.00	Company 10

Company 11

Unindicted Co-conspirator 13

133. On or about August 1, 2016, Company 10 entered into a written subscription agreement with Unindicted Co-conspirator 13 under the guise of an investment into Company 11. The agreement represented that "The Subscriber has not been encouraged to invest or not invest based on potential referrals to the Company or its

affiliates, no person has asked any questions regarding the potential to refer patients to the Company and there is no requirement or expectation that referrals be made to the Company or its affiliates." These were false statements as the subscribers were encouraged to invest based upon potential referrals to the Company or its affiliates; subscribers were asked questions regarding the potential to refer patients to the Company; and there was an expectation or requirement that referrals be made to the Company or its affiliates. According to the Confidential Offering Memorandum, the Class A Members of the Company agreed that they would not refer any federal payor patient to any of the Healthcare Providers which the Company contracts for Management Services.

134. After agreeing to receive the Company 10 kickbacks, Unindicted Co-conspirator 13 began referring to Company 6 for lab testing. At times, Unindicted Co-conspirator 13 was paid for purported marketing and consulting services.

135. On or about the dates specified below in the payment date column, to the particular entity or individual specified, and in the amounts specified, **Robert O'Neal**, Unindicted Co-conspirator 9, Unindicted Co-conspirator 10, Unindicted Co-conspirator 6, and others, acting through Company 10, knowingly and willfully paid remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, to Unindicted Co-conspirator 13 to induce the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and to induce the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program; and Unindicted Co-conspirator 13 knowingly and willfully received remuneration, including any kickback, directly and

indirectly, overtly and covertly, in cash and in kind, in return for the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and in return for the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program.

Overt Act	Payment Date	Amount	Entity/Individual
a.	11/23/2016	$15,000.00	Unindicted Co-conspirator 13
b.	12/22/2016	$18,000.00	Unindicted Co-conspirator 13
c.	1/11/2017	$23,000.00	Unindicted Co-conspirator 13
d.	2/9/2017	$26,400.00	Unindicted Co-conspirator 13
e.	3/21/2017	$27,500.00	Unindicted Co-conspirator 13
f.	4/20/2017	$16,317.90	Unindicted Co-conspirator 13
g.	5/25/2017	$15,367.51	Unindicted Co-conspirator 13
h.	6/14/2017	$21,317.90	Unindicted Co-conspirator 13
i.	7/12/2017	$18,661.92	Unindicted Co-conspirator 13
j.	8/23/2017	$17,961.40	Unindicted Co-conspirator 13
k.	9/18/2017	$15,538.68	Unindicted Co-conspirator 13
l.	10/23/2017	$9,704.28	Unindicted Co-conspirator 13
m.	1/9/2018	$7,545.36	Unindicted Co-conspirator 13

Company 12

Company 17

136. On or about September 18, 2016, Company 10 entered into a written subscription agreement with Unindicted Co-conspirator 14 and Unindicted Co-conspirator 15 through Company 17 under the guise of an investment into Company 12. The agreement represented that "The Subscriber has not been encouraged to invest or not invest based on potential referrals to the Company or its affiliates, no person has asked any questions regarding the potential to refer patients to the Company and there is no requirement or expectation that referrals be made to the Company or its affiliates."

These were false statements as the subscribers were encouraged to invest based upon potential referrals to the Company or its affiliates; subscribers were asked questions regarding the potential to refer patients to the Company; and there was an expectation or requirement that referrals be made to the Company or its affiliates. According to the Confidential Offering Memorandum, the Class A Members of the Company agreed that they would not refer any federal payor patient to any of the Healthcare Providers which the Company contracts for Management Services.

137. After agreeing to receive the Company 10 kickbacks, Unindicted Co-conspirator 14 and Unindicted Co-conspirator 15 began referring to Company 6 for lab testing. At times, Unindicted Co-conspirator 14 and Unindicted Co-conspirator 15 were paid through Company 17 for purported marketing and consulting services.

138. On or about the dates specified below in the payment date column, to the particular entity or individual specified, and in the amounts specified, **Robert O'Neal**, Unindicted Co-conspirator 9, Unindicted Co-conspirator 10, Unindicted Co-conspirator 6, and others, acting through Company 10, knowingly and willfully paid remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, to Unindicted Co-conspirator 14 and Unindicted Co-conspirator 15, through Company 17, to induce the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and to induce the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program; and Unindicted Co-conspirator 14 and Unindicted Co-conspirator 15, acting through Company 17, knowingly and willfully received remuneration,

including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, in return for the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and in return for the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program.

Overt Act	Payment Date	Amount	Entity/Individual
a.	11/23/2016	$6,000.00	Company 17
b.	12/22/2016	$6,000.00	Company 17
c.	1/17/2017	$10,000.00	Company 17
d.	2/9/2017	$9,200.00	Company 17
e.	3/21/2017	$12,500.00	Company 17
f.	4/20/2017	$5,377.12	Company 17
g.	5/25/2017	$10,923.53	Company 17
h.	6/14/2017	$11,377.12	Company 17
i.	7/12/2017	$12,773.92	Company 17
j.	8/23/2017	$6,513.16	Company 17

Company 13

Unindicted Co-conspirator 16

139. On or about September 13, 2016, Company 10 entered into a written subscription agreement with Unindicted Co-conspirator 16 under the guise of an investment into Company 13. The agreement represented that "The Subscriber has not been encouraged to invest or not invest based on potential referrals to the Company or its affiliates, no person has asked any questions regarding the potential to refer patients to the Company and there is no requirement or expectation that referrals be made to the Company or its affiliates." These were false statements as the subscribers were encouraged to invest based upon potential referrals to the Company or its affiliates;

subscribers were asked questions regarding the potential to refer patients to the Company; and there was an expectation or requirement that referrals be made to the Company or its affiliates. According to the Confidential Offering Memorandum, the Class A Members of the Company agreed that they would not refer any federal payor patient to any of the Healthcare Providers which the Company contracts for Management Services.

140. After agreeing to receive the Company 10 kickbacks, Unindicted Co-conspirator 16 began referring to Company 6 for lab testing. At times, Unindicted Co-conspirator 16 was paid for purported marketing and consulting services.

141. On or about the dates specified below in the payment date column, to the particular entity or individual specified, and in the amounts specified, **Robert O'Neal**, Unindicted Co-conspirator 9, Unindicted Co-conspirator 10, Unindicted Co-conspirator 6, and others, acting through Company 10, knowingly and willfully paid remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, to Unindicted Co-conspirator 16 to induce the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and to induce the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program; and Unindicted Co-conspirator 16 knowingly and willfully received remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, in return for the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and in return for the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program.

Overt Act	Payment Date	Amount	Entity/Individual
a.	11/23/2016	$1,000.00	Unindicted Co-conspirator 16
b.	12/22/2016	$2,200.00	Unindicted Co-conspirator 16
c.	1/17/2017	$4,500.00	Unindicted Co-conspirator 16
d.	2/9/2017	$3,000.00	Unindicted Co-conspirator 16
e.	3/21/2017	$5,200.00	Unindicted Co-conspirator 16
f.	4/20/2017	$2,422.32	Unindicted Co-conspirator 16
g.	5/25/2017	$3,745.54	Unindicted Co-conspirator 16
h.	6/14/2017	$4,732.68	Unindicted Co-conspirator 16
i.	7/12/2017	$4,544.56	Unindicted Co-conspirator 16
j.	8/23/2017	$2,119.52	Unindicted Co-conspirator 16
k.	9/18/2017	$3,913.80	Unindicted Co-conspirator 16
l.	10/23/2017	$1,468.92	Unindicted Co-conspirator 16

Unindicted Co-conspirator 17

142. On or about September 21, 2016, Company 10 entered into a written subscription agreement with Unindicted Co-conspirator 17 under the guise of an investment into Company 13. The agreement represented that "The Subscriber has not been encouraged to invest or not invest based on potential referrals to the Company or its affiliates, no person has asked any questions regarding the potential to refer patients to the Company and there is no requirement or expectation that referrals be made to the Company or its affiliates." These were false statements as the subscribers were encouraged to invest based upon potential referrals to the Company or its affiliates; subscribers were asked questions regarding the potential to refer patients to the Company; and there was an expectation or requirement that referrals be made to the Company or its affiliates. According to the Confidential Offering Memorandum, the Class A Members of the Company agreed that they would not refer any federal payor patient to any of the Healthcare Providers which the Company contracts for Management Services.

143. After agreeing to receive the Company 10 kickbacks, Unindicted Co-conspirator 17 began referring to Company 6 for lab testing. At times, Unindicted Co-conspirator 17 was paid through Company 18, for purported marketing and consulting services.

144. On or about the dates specified below in the payment date column, to the particular entity or individual specified, and in the amounts specified, **Robert O'Neal**, Unindicted Co-conspirator 9, Unindicted Co-conspirator 10, Unindicted Co-conspirator 6, and others, acting through Company 10, knowingly and willfully paid remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, to Unindicted Co-conspirator 17 through Company 18, to induce the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and to induce the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program; and Unindicted Co-conspirator 17, acting through Company 18, knowingly and willfully received remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, in return for the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and in return for the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program.

Overt Act	Payment Date	Amount	Entity/Individual
a.	11/23/2016	$1,000.00	Company 18
b.	12/22/2016	$2,200.00	Company 18
c.	1/17/2017	$4,500.00	Company 18

Overt Act	Payment Date	Amount	Entity/Individual
d.	2/9/2017	$3,000.00	Company 18
e.	3/21/2017	$5,200.00	Company 18
f.	4/20/2017	$2,422.32	Company 18
g.	5/31/2017	$1,000.00	Company 18

Unindicted Co-conspirator 18

145. On or about September 15, 2016, Company 10 entered into a written subscription agreement with Unindicted Co-conspirator 18 under the guise of an investment into Company 13. The agreement represented that "The Subscriber has not been encouraged to invest or not invest based on potential referrals to the Company or its affiliates, no person has asked any questions regarding the potential to refer patients to the Company and there is no requirement or expectation that referrals be made to the Company or its affiliates." These were false statements as the subscribers were encouraged to invest based upon potential referrals to the Company or its affiliates; subscribers were asked questions regarding the potential to refer patients to the Company; and there was an expectation or requirement that referrals be made to the Company or its affiliates. According to the Confidential Offering Memorandum, the Class A Members of the Company agreed that they would not refer any federal payor patient to any of the Healthcare Providers which the Company contracts for Management Services.

146. After agreeing to receive the Company 10 kickbacks, Unindicted Co-conspirator 18 began referring to Company 6 for lab testing. At times, Unindicted Co-conspirator 18 was paid through Company 19, for purported marketing and consulting services.

147. On or about the dates specified below in the payment date column, to the particular entity or individual specified, and in the amounts specified, **Robert O'Neal**, Unindicted Co-conspirator 9, Unindicted Co-conspirator 10, Unindicted Co-conspirator 6, and others, acting through Company 10, knowingly and willfully paid remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, to Unindicted Co-conspirator 18 through Company 19, to induce the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and to induce the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program; and Unindicted Co-conspirator 18 acting through Company 19, knowingly and willfully received remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, in return for the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and in return for the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program.

Overt Act	Payment Date	Amount	Entity/Individual
a.	11/23/2016	$1,000.00	Company 19
b.	12/22/2016	$2,200.00	Company 19
c.	1/17/2017	$4,500.00	Company 19
d.	2/9/2017	$3,000.00	Company 19
e.	3/21/2017	$5,200.00	Company 19

Unindicted Co-conspirator 19

148. On or about September 26, 2016, Company 10 entered into a written subscription agreement with Unindicted Co-conspirator 19 under the guise of an

investment into Company 13. The agreement represented that "The Subscriber has not been encouraged to invest or not invest based on potential referrals to the Company or its affiliates, no person has asked any questions regarding the potential to refer patients to the Company and there is no requirement or expectation that referrals be made to the Company or its affiliates." These were false statements as the subscribers were encouraged to invest based upon potential referrals to the Company or its affiliates; subscribers were asked questions regarding the potential to refer patients to the Company; and there was an expectation or requirement that referrals be made to the Company or its affiliates. According to the Confidential Offering Memorandum, the Class A Members of the Company agreed that they would not refer any federal payor patient to any of the Healthcare Providers which the Company contracts for Management Services.

149. After agreeing to receive the Company 10 kickbacks, Unindicted Co-conspirator 19 began referring to Company 6 for lab testing. At times, Unindicted Co-conspirator 19 was paid for purported marketing and consulting services.

150. On or about the dates specified below in the payment date column, to the particular entity or individual specified, and in the amounts specified, **Robert O'Neal**, Unindicted Co-conspirator 9, Unindicted Co-conspirator 10, Unindicted Co-conspirator 6, and others, acting through Company 10, knowingly and willfully paid remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, to Unindicted Co-conspirator 19 to induce the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and to induce the ordering of any service and item for which payment may be made in whole

and in part under a Federal health care program; and Unindicted Co-conspirator 19 knowingly and willfully received remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, in return for the referral of any item and service for which payment may be made in whole and in part under a Federal health care program and in return for the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program.

Overt Act	Payment Date	Amount	Entity/Individual
a.	11/23/2016	$1,000.00	Unindicted Co-conspirator 19
b.	12/22/2016	$2,200.00	Unindicted Co-conspirator 19
c.	1/17/2017	$4,500.00	Unindicted Co-conspirator 19
d.	2/9/2017	$3,000.00	Unindicted Co-conspirator 19
e.	3/21/2017	$5,200.00	Unindicted Co-conspirator 19
f.	4/20/2017	$2,422.32	Unindicted Co-conspirator 19
g.	5/25/2017	$7,745.54	Unindicted Co-conspirator 19
h.	6/14/2017	$4,732.68	Unindicted Co-conspirator 19
i.	7/12/2017	$4,544.56	Unindicted Co-conspirator 19
j.	8/23/2017	$2,119.52	Unindicted Co-conspirator 19
k.	9/18/2017	$3,913.80	Unindicted Co-conspirator 19
l.	10/23/2017	$1,468.92	Unindicted Co-conspirator 19

Unindicted Co-conspirator 20

151. On or about September 21, 2016, Company 10 entered into a written subscription agreement with Unindicted Co-conspirator 20 under the guise of an investment into Company 13. The agreement represented that "The Subscriber has not been encouraged to invest or not invest based on potential referrals to the Company or its affiliates, no person has asked any questions regarding the potential to refer patients to the Company and there is no requirement or expectation that referrals be made to the Company or its affiliates." These were false statements as the subscribers were

encouraged to invest based upon potential referrals to the Company or its affiliates; subscribers were asked questions regarding the potential to refer patients to the Company; and there was an expectation or requirement that referrals be made to the Company or its affiliates. According to the Confidential Offering Memorandum, the Class A Members of the Company agreed that they would not refer any federal payor patient to any of the Healthcare Providers which the Company contracts for Management Services.

152. After agreeing to receive the Company 10 kickbacks, Unindicted Co-conspirator 20 began referring to Company 6 for lab testing. At times, Unindicted Co-conspirator 20 was paid through Company 20, for purported marketing and consulting services.

153. On or about the dates specified below in the payment date column, to the particular entity or individual specified, and in the amounts specified, **Robert O'Neal**, Unindicted Co-conspirator 9, Unindicted Co-conspirator 10, Unindicted Co-conspirator 6, and others, acting through Company 10, knowingly and willfully paid remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, to Unindicted Co-conspirator 20 to induce the referral of and arranging for and ordering and recommending the ordering of any item and service for which payment may be made in whole and in part under the Medicare program and in return for arranging for the ordering of any service and item for which payment may be made in whole and in part under the Medicare program; and Unindicted Co-conspirator 20 knowingly and willfully received remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, in return for the referral of and arranging for and ordering

and recommending the ordering of any item and service for which payment may be made in whole and in part under the Medicare program and in return for arranging for the ordering of any service and item for which payment may be made in whole and in part under the Medicare program.

Overt Act	Payment Date	Amount	Entity/Individual
a.	11/23/2016	$1,000.00	Company 20
b.	12/22/2016	$2,200.00	Company 20
c.	1/17/2017	$4,500.00	Company 20
d.	2/9/2017	$3,000.00	Company 20
e.	3/21/2017	$5,200.00	Company 20
f.	4/20/2017	$2,422.32	Company 20
g.	5/25/2017	$7,745.54	Company 20
h.	6/14/2017	$4,732.68	Company 20
i.	7/12/2017	$4,544.56	Company 20
j.	8/23/2017	$2,119.52	Company 20
k.	9/18/2017	$3,913.80	Company 20
l.	10/23/2017	$1,468.92	Company 20

Company 10 and Company 16

154. In or around November 2016, Company 16, through its principals, Unindicted Co-conspirator 11 and Unindicted Co-conspirator 12, entered into an agreement with Company 10, through its principals, **Robert O'Neal** and Unindicted Co-conspirator 9, for the referral of and arranging the furnishing and arranging for and recommending the ordering of health care business for which payment may be made in whole or in part under Federal health care programs. Company 16 acted as a recruiter for Company 6. According to the agreement, Company 16, paid physicians for the referral of and arranging for and ordering and recommending the ordering of health care business for which payment may be made in whole or in part under Federal health care programs.

Company 6, in turn, would make payments to Company 10 on behalf of Company 16 for the referral of and arranging the furnishing and arranging for and recommending the ordering of health care business for which payment may be made in whole or in part under Federal health care programs. Company 10, in turn, would make payments to Company 16 on behalf of Company 6.

155. On or about the dates specified below in the payment date column, to the particular entity or individual specified, and in the amounts specified, Company 10, through **Robert O'Neal** and Unindicted Co-conspirator 9, on behalf of Company 6, knowingly and willfully paid remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, to Company 16 to induce the referral of and arranging for the furnishing of any item and service for which payment may be made in whole and in part under a Federal health care program and to induce the arranging for or recommending the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program; and Unindicted Co-conspirator 11 and Unindicted Co-conspirator 12, acting through Company 16, knowingly and willfully received remuneration, including any kickback, directly and indirectly, overtly and covertly, in cash and in kind, in return for the referral of and arranging for the furnishing of any item and service for which payment may be made in whole and in part under a Federal health care program and in return for arranging for and recommending the ordering of any service and item for which payment may be made in whole and in part under a Federal health care program.

Overt Act	Payment Date	Amount	Entity/Individual
a.	2/9/2017	$25,000.00	Company 16
b.	3/21/2017	$50,000.00	Company 16
c.	4/20/2017	$101,541.36	Company 16
d.	5/25/2017	$81,367.77	Company 16
e.	6/14/2017	$118,701.80	Company 16
f.	7/12/2017	$101,959.60	Company 16
g.	8/23/2017	$81,866.41	Company 16
h.	9/26/2017	$124,895.79	Company 16
i.	10/23/2017	$66,025.50	Company 16

All in violation of 18 U.S.C. § 371.

COUNT 2

Violation: 18 U.S.C. § 1956(h) (Conspiracy to Commit Money Laundering)

1. From in or about November 2016, and continuing through in or about July 2018, the exact dates being unknown, in the Eastern District of Texas, and elsewhere, the defendant, **Robert O'Neal**, did knowingly combine, conspire, and agree with Unindicted Co-conspirator 9, Unindicted Co-conspirator 22, and others, both known and unknown, to commit offenses against the United States in violation of 18 U.S.C. §§ 1956 and 1957, that is:

a. to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is illegal remunerations, a violation of 42 U.S.C. § 1320a-7b(b), and conspiracy to commit illegal remunerations, a violation of 18 U.S.C. § 371, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of 18 U.S.C. § 1956(a)(1)(B)(i); and

b. to knowingly engage and attempt to engage, in monetary transactions by, through, and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than $10,000, and such property having been derived from a specified unlawful activity, that is, illegal remunerations, a violation of 42 U.S.C. § 1320a-7b(b), and conspiracy to commit illegal remunerations, a violation of 18 U.S.C. § 371, in violation of 18 U.S.C. § 1957.

All in violation of 18 U.S.C. § 1956(h).

NOTICE OF INTENT TO SEEK CRIMINAL FORFEITURE
Pursuant to 18 U.S.C. § 981(a)(1)(C), 18 U.S.C. § 982(a)(1), 18 U.S.C. § 982(a)(7), and 28 U.S.C. § 2461(c)

1. The allegations contained in Counts 1 and 2 this Information are realleged and incorporated by reference as though fully set forth herein for the purpose of alleging forfeiture to the United States of America of certain property in which the defendant has an interest.

2. Upon conviction of any violation of 18 U.S.C. § 371, the defendant, **Robert O'Neal**, shall forfeit to the United States any property, real or personal, that constitutes or is derived from proceeds traceable to a violation of any offense constituting "specified unlawful activity," pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

3. Upon conviction of any Federal health care offense, the defendant, **Robert O'Neal**, shall forfeit to the United States any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense, pursuant to 18 U.S.C. § 982(a)(7).

4. Upon conviction of any violation of 18 U.S.C. §§ 1956 or 1957, the defendant, **Robert O'Neal**, shall forfeit to the United States any property, real or personal, involved in such offense, or any property traceable to such property, pursuant to 18 U.S.C. § 982(a)(1).

5. The property which is subject to forfeiture, includes but is not limited to the following:

Cash Proceeds

A sum of money equal to $506,814.50 in United States currency, representing the amount of proceeds obtained by the defendant as a result of the offenses alleged in the information and relevant conduct, for which the defendant is personally liable.

6. Pursuant to 21 U.S.C. § 853(p), as incorporated by reference by 18 U.S.C. § 982(b), if any of the forfeitable property, or any portion thereof, as a result of any act or omission of the defendant:

a. Cannot be located upon the exercise of due diligence;

b. Has been transferred, or sold to, or deposited with a third party;

c. Has been placed beyond the jurisdiction of the Court;

d. Has been substantially diminished in value; or

e. Has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States to seek the forfeiture of other property of the defendant up to the value of the above-described forfeitable properties, including, but not limited to, any identifiable property in the name of the defendant, **Robert O'Neal**.

7. By virtue of the commission of the offenses alleged in this Information, any and all interest the defendants have in the above-described property is vested in the United States and hereby forfeited to the United States pursuant to 18 U.S.C. § 981(a)(1)(C), 18 U.S.C. § 982(a)(1), 18 U.S.C. § 982(a)(7), and 28 U.S.C. § 2461(c).

All pursuant to 18 U.S.C. § 981(a)(1)(C), 18 U.S.C. § 982(a)(1), 18 U.S.C. § 982(a)(7), and 28 U.S.C. § 2461(c) and the procedures set forth at 21 U.S.C. § 853, as made applicable through 18 U.S.C. § 982(b)(1).

BRIT FEATHERSTON
UNITED STATES ATTORNEY

/s/ Nathaniel C. Kummerfeld
NATHANIEL C. KUMMERFELD
ASSISTANT UNITED STATES ATTORNEY

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

UNITED STATES OF AMERICA	§	
	§	No. 6:22-CR-
v.	§	JUDGE
	§	
ROBERT O'NEAL (01)	§	

NOTICE OF PENALTY

COUNT 1

VIOLATION: 18 U.S.C. § 371
Conspiracy to Commit Illegal Remunerations

PENALTY: Imprisonment of not more than five (5) years; the greater of a fine not to exceed $250,000, a fine not to exceed two times the gross gain to the Defendant, or a fine not to exceed two times the loss to the victim, or both such imprisonment and fine; and a term of supervised release of not more than three (3) years.

SPECIAL ASSESSMENT: $100.00

COUNT 2

VIOLATION: 18 U.S.C. § 1956(h)
Conspiracy to Commit Money Laundering

PENALTY: Imprisonment of not more than twenty (20) years; the greater of a fine not to exceed $500,000 or twice the value of the monetary instrument or funds involved in the transportation, transmission, or transfer, whichever is greater, or both such imprisonment and fine; and a term of supervised release of not more than three (3) years.

SPECIAL ASSESSMENT: $100.00