



Department of Justice

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Mississippi Pharmacist and Louisiana Marketer Plead Guilty to More Than \$180 Million Health Care Fraud Scheme

A Mississippi pharmacist pleaded guilty today and a Louisiana marketer pleaded guilty on Aug. 12 in the Southern District of Mississippi for their roles in a multi-million-dollar scheme to defraud TRICARE and private insurance companies by paying kickbacks to distributors for the referral of medically unnecessary prescriptions. The conduct allegedly resulted in more than \$180 million in fraudulent billings, including more than \$50 million paid by federal health care programs.

According to court documents, Mitchell “Chad” Barrett, 54, now of Gulf Breeze, Florida, and formerly of Mississippi, participated in a scheme to defraud TRICARE and other health care benefit programs by distributing medically unnecessary compounded medications. Barrett is licensed as a pharmacist in Mississippi and was a co-owner of various compounding pharmacies. As part of this scheme, Barrett adjusted prescription formulas to ensure the highest reimbursement without regard to efficacy. He solicited recruiters to procure prescriptions for high margin compounded medications and paid those recruiters commissions based on the percentage of reimbursements paid by pharmacy benefit managers and health care benefit programs, including commissions on claims reimbursed by TRICARE. He further routinely and systematically waived and/or reduced copayments to be paid by beneficiaries and members, and utilized a purported copayment assistance program to falsely make it appear as if his pharmacy and its affiliate compounding pharmacies had been collecting copayments.

According to court documents, Thomas “Tommy” Wilburn Shoemaker, 57, of Rayville, Louisiana, participated in a scheme to defraud TRICARE and other health care benefit programs by acting as a marketer for Barrett’s pharmacies. Shoemaker allowed the pharmacies to use his TRICARE insurance to adjust prescription formulas to ensure the highest reimbursement without regard to efficacy, and he recruited doctors to procure prescriptions for high margin compounded medications. Shoemaker also obtained numerous fraudulent prescriptions using personal information of military acquaintances.

Barrett pleaded guilty to conspiracy to engage in monetary transactions in criminally derived property. He faces a maximum penalty of 10 years in prison.

Shoemaker pleaded guilty to conspiracy to defraud the United States and solicit, receive, offer, and pay illegal kickbacks, and faces a maximum penalty of five years in prison.

A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors. Shoemaker and Barrett must also pay restitution and forfeit all assets traced to their ill-gotten gains.

Assistant Attorney General Kenneth A. Polite Jr. of the Justice Department’s Criminal Division; Acting U.S. Attorney Darren J. LaMarca for the Southern District of Mississippi; Acting Special Agent in Charge Paul Brown of the FBI’s Jackson Field Office, and Special Agent in Charge Cyndy Bruce of the Department of Defense Office of Inspector General’s Defense Criminal Investigative Service (DoD OIG-DCIS) Southeast Field Office made the announcement.

The FBI and DoD OIG-DCIS are investigating the case.

Trial Attorneys Emily Cohen and Alejandra Arias of the Criminal Division's Money Laundering and Asset Recovery Section and Assistant U.S. Attorney Kathlyn Van Buskirk of the Southern District of Mississippi are prosecuting the case with assistance from Sara Porter and Dustin Davis from the Criminal Division's Fraud Section.

Topic(s):

Health Care Fraud

Component(s):

Criminal Division

Criminal - Criminal Fraud Section

Criminal - Money Laundering and Asset Recovery Section

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