



THE UNITED STATES ATTORNEY'S OFFICE
SOUTHERN DISTRICT *of* FLORIDA

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Department of Justice

U.S. Attorney's Office

Southern District of Florida

FOR IMMEDIATE RELEASE

Thursday, November 3, 2016

Two Southwest Ranches Residents Charged with Health Care Fraud, Payment of Kickbacks, Money Laundering and Obstruction of Justice

Two Southwest Ranches residents were charged with health care fraud, payment of kickbacks, money laundering and obstruction of justice.

Wifredo A. Ferrer, United States Attorney for the Southern District of Florida, John F. Khin, Special Agent in Charge, Defense Criminal Investigative Service (DCIS), Southeast Field Office, Chris Cave, Acting Special Agent in Charge, U.S. Postal Service, Office of Inspector General (USPS-OIG), Scott Rezendes, Special in Charge, U.S. Office of Personnel Management, Office of Inspector General (OPM-OIG), James T. Wallis, Special Agent in Charge, Southeast Field Office, U.S. Army Criminal Investigative Command's Major Procurement Fraud Unit, and Justin D. Green, Special Agent in Charge, U.S. Food and Drug Administration's (FDA) Office of Criminal Investigations (OCI), made the announcement.

According to allegations in the Indictment:

Serge Francois, 51, and **Patrick Tonge**, 40, both of Southwest Ranches, were involved with a scheme to defraud the TRICARE program, a health insurance program for military personnel and their dependents, and the Federal Employees Health Benefit Program ("FEHBP"), a health insurance program for employees of the Federal government. Francois was the owner of Vital RX d/b/A Atlantic Pharmacy, a pharmacy which purportedly provided compounded medication for Tricare and other commercial insurance beneficiaries. Tonge was an employee of Atlantic and the CEO of EL& MORE CONSULTING LLC, a company that received funds from Atlantic.

Francois and Tonge engaged in a conspiracy to submit and cause the submission of false and fraudulent claims to TRICARE and FEHBP for compounded medications which were not medically necessary and not properly prescribed by a licensed medical professional in violation of Title 18, United States Code, Section 1349. Francois fraudulently obtained the right to submit

claims to TRICARE, through a third party contractor, by making a number of false statements in provider certification and re-certification documents. Francois and Tonge also engaged in a conspiracy to pay kickbacks to patient recruiters who referred TRICARE beneficiaries to Atlantic.

Additionally, Francois and Tonge committed money laundering, in violation of Title 18, United States Code, Section 1957, by engaging in numerous financial transactions over \$10,000 involving the use of fraud proceeds. Atlantic Pharmacy submitted approximately \$37,263,519 in false and fraudulent claims to TRICARE and FEHBP and as a result of those claims TRICARE and FEHBP made payments to Atlantic Pharmacy in the approximate amount of \$31,034,919.

The Indictment also includes allegations seeking criminal forfeiture of a number of assets including real properties, various bank accounts, and numerous luxury vehicles, including a Rolls Royce, a Ferrari, a Land Rover, a Lamborghini, a Cadillac Escalade and a Mercedes Benz van.

Mr. Ferrer commended the investigative efforts of DCIS, USPS-OIG, OPM-OIG, U.S. Army Criminal Investigative Command's, Major Procurement Fraud Unit, and FDA-OCI. This case is being prosecuted by Assistant United States Attorneys Daniel Bernstein and Evelyn B. Sheehan.

The charges contained in the Indictment are merely accusations and the defendants are presumed innocent unless and until proven guilty.

Related court documents and information may be found on the website of the District Court for the Southern District of Florida at www.flsd.uscourts.gov or on <http://pacer.flsd.uscourts.gov>.

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Topic:

Financial Fraud

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