

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

20-80065-CR-SMITH/MATTHEWMAN

Case No. _____

18 U.S.C. § 1349

18 U.S.C. § 982

UNITED STATES OF AMERICA

vs.

**BRIAN HUMPHREY and
BRANDON LANTZ,**

Defendants.

_____ /

INFORMATION

The United States Attorney charges:

GENERAL ALLEGATIONS

At all times material to this Information:

The Medicare Program

1. The Medicare Program (“Medicare”) was a federal health care program that provided free or below-cost health care benefits to individuals who were sixty-five years of age or older or disabled. The benefits available under Medicare were governed by federal statutes and regulations. The United States Department of Health and Human Services (“HHS”), through its agency the Center for Medicare and Medicaid Services (“CMS”), oversaw and administered Medicare. Individuals who received benefits under Medicare were commonly referred to as Medicare “beneficiaries.”

2. Medicare was a “health care benefit program,” as defined by Title 18, United States

Code, Section 24(b).

3. Medicare was subdivided into multiple program “parts.” Medicare Part A covered health care services provided by hospitals, skilled nursing facilities, hospices, and home health agencies. Medicare Part B covered physician services and outpatient care, including an individual’s access to durable medical equipment (“DME”), such as orthotic devices and wheelchairs.

Durable Medical Equipment

4. Orthotic devices were a type of DME that included rigid and semi-rigid devices, such as knee braces, back braces, shoulder braces, and wrist braces (collectively, “braces”).

5. DME companies, physicians, and other health care providers that provided services to Medicare beneficiaries were referred to as Medicare “providers.” To participate in Medicare, providers were required to submit an application in which the providers agreed to comply with all Medicare-related laws and regulations. If Medicare approved a provider’s application, Medicare assigned the provider a Medicare “provider number.” A health care provider with a Medicare provider number could file claims with Medicare to obtain reimbursement for services rendered to beneficiaries.

6. Enrolled Medicare providers agreed to abide by the policies, procedures, rules, and regulations governing reimbursement. To receive Medicare funds, enrolled providers were required to abide by the Anti-Kickback Statute and other laws and regulations. Providers were given access to Medicare manuals and services bulletins describing billing procedures, rules, and regulations.

7. Medicare reimbursed DME companies and other health care providers for services

and items rendered to beneficiaries. To receive payment from Medicare, providers submitted or caused the submission of claims to Medicare, either directly or through a billing company.

8. A Medicare claim for DME reimbursement was required to set forth, among other things, the beneficiary's name and unique Medicare identification number, the equipment provided to the beneficiary, the date the equipment was provided, the cost of the equipment, and the name and unique physician identification number of the physician who prescribed or ordered the equipment.

9. A claim for DME submitted to Medicare qualified for reimbursement only if it was medically necessary for the treatment of the beneficiary's illness or injury and prescribed by a licensed physician, and accompanied by completed prescriptions for braces and other Medicare and TRICARE-required documents (collectively referred to as "doctors' orders").

TRICARE

10. TRICARE was a health care insurance program of the United States Department of Defense. TRICARE provided civilian health benefits for military personnel, military retirees, and military dependents worldwide. The TRICARE program provided medical coverage for Uniformed Service members including those who were active duty and reservists of the following: U.S. Army, U.S. Air Force, U.S. Navy, U.S. Marine Corps, U.S. Coast Guard, Commissioned Corps of the U.S. Public Health Service, Commissioned Corps of the National Oceanic and Atmospheric Association, National Guard/Reserve, Army National Guard, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard, Air Force Reserve, and U.S. Coast Guard Reserve and their families. This program also covered survivors, former spouses, Medal of Honor recipients and their families, and others registered in the Defense Enrollment Eligibility Reporting

System (“DEERS”).

11. There were two types of beneficiaries under the TRICARE program: (a) Sponsors, who were active duty, retired and Guard/Reserve members; and (b) Family Members, who were spouses and children who were registered in DEERS.

12. In order to pay a claim, TRICARE required that the item or service being billed must be medically necessary, properly prescribed by a licensed physician and actually provided to a TRICARE beneficiary.

13. TRICARE was a “health care benefit program,” as defined by Title 18, United States Code, Section 24(b).

The Defendant and Related Entities

14. Alliance Medical Supplies, LLC (“Alliance”) was a Florida limited liability company purportedly doing business in Boca Raton, Florida.

15. Arbor Medical Equipment, Inc. (“Arbor”) was a Texas business entity purportedly doing business in Fort Worth, Texas.

16. Atlantic Coastal Medical Supplies, LLC (“Atlantic Coastal”) was a Florida limited liability company purportedly doing business in West Palm Beach, Florida.

17. Bradley Healthcare Group, Inc. (“Bradley”) was a Florida corporation purportedly doing business in Canoga Park, California.

18. Empire Medical Equipment and Supplies LLC (“Empire”) was a Florida limited liability company purportedly doing business in Boca Raton, Florida.

19. Four Seasons Healthcare Group, Inc. (“Four Seasons”) was an Alabama business entity purportedly doing business in Montgomery, Alabama.

20. Hogan Prosthetics & Orthotics, Inc. (“Hogan”) was a Florida business entity company purportedly doing business in Boca Raton, Florida.

21. Universal Healthcare Group DME, Inc. (“Universal”) was a Florida corporation purportedly doing business in Canoga Park, California.

22. Defendant **BRIAN HUMPHREY**, a resident of Alabama, was an owner and operator of Alliance, Arbor, Bradley, Hogan, Four Seasons, and Universal.

23. Defendant **BRANDON LANTZ**, a resident of Boca Raton, Florida, was an owner and operator of Alliance, Arbor, Atlantic Coastal, Empire, Four Seasons, Hogan, and Universal.

**CONSPIRACY TO COMMIT HEALTH CARE FRAUD
(18 U.S.C. § 1349)**

From in or around November 2017, and continuing through in or around April 2019, in Palm Beach County, in the Southern District of Florida, and elsewhere, the defendants,

**BRIAN HUMPHREY and
BRANDON LANTZ,**

did willfully, that is, with the intent to further the object of the conspiracy, and knowingly combine, conspire, confederate, and agree with each other and with others known and unknown to the United States Attorney, to knowingly and willfully execute a scheme and artifice to defraud a health care benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, Medicare and TRICARE, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, said health care benefit programs, in connection with the delivery of and payment for health care benefits, items, and services, in violation of Title 18, United States Code, Section 1347.

Purpose of the Conspiracy

24. It was a purpose of the conspiracy for the defendants and their co-conspirators to unlawfully enrich themselves by, among other things: (a) paying kickbacks and bribes in exchange for signed doctors' orders for Medicare and TRICARE beneficiaries for braces that were medically unnecessary, not eligible for reimbursement, and/or not provided as represented; (b) submitting and causing the submission of false and fraudulent claims to Medicare and TRICARE; (c) concealing and causing the concealment of false and fraudulent claims to Medicare and TRICARE; and (d) diverting fraud proceeds for their personal use and benefit, the use and benefit of others, and to further the fraud.

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 other things, the following:

25. **BRIAN HUMPHREY, BRANDON LANTZ**, and their co-conspirators falsely certified to Medicare that they, as well as Alliance, Arbor, Atlantic Coastal, Bradley, Empire, Four Seasons, Hogan, and Universal, would comply with all federal laws and regulations, including that they would not knowingly present and cause to be presented a false and fraudulent claim for payment by a federal health care program and that they would comply with the federal Anti-Kickback Statute.

24. **BRIAN HUMPHREY** and **BRANDON LANTZ**, through Alliance, Arbor, Atlantic Coastal, Bradley, Empire, Four Seasons, Hogan, and Universal, obtained access to thousands of Medicare and TRICARE beneficiaries by paying kickbacks and bribes to the owners of international call centers, DME patient recruiters, and others in exchange for the referral of

“doctors’ orders”.

25. **BRIAN HUMPHREY, BRANDON LANTZ**, and their co-conspirators disguised the nature and source of these kickbacks and bribes by designating payments as compensation for “marketing” or “business process outsourcing,” entering into sham contracts, and generating fraudulent invoices.

26. **BRIAN HUMPHREY, BRANDON LANTZ**, and their co-conspirators used the international call centers to up-sell beneficiaries in order to get them to accept braces that call center employees marketed to beneficiaries as “free or low-cost.” In many instances, the DME ordered for these recruited beneficiaries was medically unnecessary. The doctors who signed the doctors’ orders for braces purchased by defendants and their co-conspirators often signed them regardless of medical necessity, in the absence of a pre-existing doctor-patient relationship, without a physical examination, and/or frequently based solely on a short telephonic conversation or without any conversation with the Medicare or TRICARE beneficiary.

27. **BRIAN HUMPHREY** and his co-conspirators, through Alliance, Arbor, Bradley, Four Seasons, Hogan, and Universal, submitted and caused the submission of false and fraudulent claims to Medicare and TRICARE in the approximate amount of \$81,924,351, and received Medicare and TRICARE reimbursement in the approximate amount of \$48,180,426, for braces that were: (a) procured through the payment of kickbacks and bribes; (b) medically unnecessary and ineligible for Medicare and TRICARE reimbursement; and/or (c) not provided as represented.

26. **BRANDON LANTZ** and his co-conspirators, through Alliance, Arbor, Atlantic Coastal, Empire, Four Seasons, Hogan, and Universal, submitted and caused the submission of false and fraudulent claims to Medicare and TRICARE in the approximate amount of

\$109,662,646, and received Medicare and TRICARE reimbursement in the approximate amount of \$59,499,233, for braces that were: (a) procured through the payment of kickbacks and bribes; (b) medically unnecessary and ineligible for Medicare and TRICARE reimbursement; and/or (c) not provided as represented.

27. **BRIAN HUMPHREY, BRANDON LANTZ**, and their co-conspirators diverted fraud proceeds from the scheme for their personal use and benefit, the use and benefit of others, and to further the fraud.

All in violation of Title 18, United States Code, Section 1349.

FORFEITURE
(18 U.S.C. § 982)

1. The allegations of this Information are re-alleged and incorporated by reference as though fully set forth herein for purposes of alleging forfeiture to the United States of certain property in which the defendants, **BRIAN HUMPHREY** and **BRANDON LANTZ**, have an interest.


2. Upon conviction of the violation of Title 18, United States Code, Section 1349, as alleged in this Information, the defendant so convicted shall forfeit to the United States any property, real or personal, which constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense, pursuant to Title 18, United States Code, Section 982(a)(7). The property subject to forfeiture with respect to **BRIAN HUMPHREY** is \$6,554,102, which the United States will seek as a forfeiture money judgment. The property subject to forfeiture with respect to **BRANDON LANTZ** is \$18,886,343, which the United States will seek as a forfeiture money judgment.

3. If any of the property described above, as a result of any act or omission of a defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred, 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 divided without difficulty,

the United States shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1).


All pursuant to Title 18, United States Code, Section 982(a)(7), and the procedures set forth in Title 21, United States Code, Section 853, made applicable by Title 18, United States Code Section 982(b)(1).



ARIANA FAJARDO ORSHAN
UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF FLORIDA

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CRIMINAL DIVISION, FRAUD SECTION
U.S. DEPARTMENT OF JUSTICE

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By: 

SARA CLINGAN
CATHERINE WAGNER
ROBYN N. PULLIO
TRIAL ATTORNEYS
CRIMINAL DIVISION, FRAUD SECTION
U.S. DEPARTMENT OF JUSTICE

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

UNITED STATES OF AMERICA

CASE NO. _____

v.

BRIAN HUMPHREY and
BRANDON LANTZ,

CERTIFICATE OF TRIAL ATTORNEY*

Superseding Case Information:

Defendant.

Court Division: (Select One)

____ Miami _____ Key West
____ FTL WPB _____ FTP

New defendant(s) Yes _____ No _____
Number of new defendants _____
Total number of counts _____

- I have carefully considered the allegations of the indictment, the number of defendants, the number of probable witnesses and the legal complexities of the Indictment/Information attached hereto.
- I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, Title 28 U.S.C. Section 3161.
- Interpreter: (Yes or No) No
List language and/or dialect _____
- This case will take 0 days for the parties to try.
- Please check appropriate category and type of offense listed below:

(Check only one)

(Check only one)

I 0 to 5 days
 II 6 to 10 days _____
 III 11 to 20 days _____
 IV 21 to 60 days _____
 V 61 days and over _____

Petty _____
 Minor _____
 Misdem. _____
 Felony

6. Has this case previously been filed in this District Court? (Yes or No) No

If yes: Judge Case No. _____

(Attach copy of dispositive order)

Has a complaint been filed in this matter? (Yes or No) No

If yes: Magistrate Case No. _____

Related miscellaneous numbers: _____

Defendant(s) in federal custody as of _____

Defendant(s) in state custody as of _____

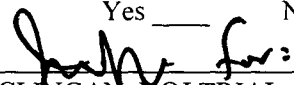
Rule 20 from the District of _____

Is this a potential death penalty case? (Yes or No) No

7. Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to August 9, 2013 (Mag. Judge Alicia O. Valle)? Yes _____ No

8. Does this case originate from a matter pending in the Northern Region of the U.S. Attorney's Office prior to August 8, 2014 (Mag. Judge Shaniek Maynard)? Yes _____ No

9. Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to October 3, 2019 (Mag. Judge Jared Strauss)? Yes _____ No


SARA CLINGAN, DOJ TRIAL ATTORNEY
COURT ID NO. A5502508

*Penalty Sheet(s) attached

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

PENALTY SHEET

Defendant's Name: BRIAN HUMPHREY

Case No: _____

Count #: 1

Title 18, United States Code, Section 1349

Conspiracy to Commit Health Care Fraud

***Max Penalty:** Ten (10) years' imprisonment

Count #:

***Max Penalty:** _____

***Refers only to possible term of incarceration, does not include possible fines, restitution, special assessments, parole terms, or forfeitures that may be applicable.**

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: BRANDON LANTZ

Case No: _____

Count #: 1

Title 18, United States Code, Section 1349

Conspiracy to Commit Health Care Fraud

*Max Penalty: Ten (10) years' imprisonment

Count #: _____

*Max Penalty: _____

***Refers only to possible term of incarceration, does not include possible fines, restitution, special assessments, parole terms, or forfeitures that may be applicable.**

AO 455 (Rev. 01/09) Waiver of an Indictment

UNITED STATES DISTRICT COURT
for the
Southern District of Florida

United States of America)

v.)

Case No.)

Brian Humphrey,)

Defendant)

WAIVER OF AN INDICTMENT

I understand that I have been accused of one or more offenses punishable by imprisonment for more than one year. I was advised in open court of my rights and the nature of the proposed charges against me.

After receiving this advice, I waive my right to prosecution by indictment and consent to prosecution by information.

Date: _____

Defendant's signature

Signature of defendant's attorney

TAMA KUDMAN, ESQ.
Printed name of defendant's attorney

Judge's signature

Judge's printed name and title

AO 455 (Rev. 01/09) Waiver of an Indictment

UNITED STATES DISTRICT COURT

for the
Southern District of Florida

United States of America

v.

Brandon Lantz,

Defendant

)
)
)
)
)

Case No.

WAIVER OF AN INDICTMENT

I understand that I have been accused of one or more offenses punishable by imprisonment for more than one year. I was advised in open court of my rights and the nature of the proposed charges against me.

After receiving this advice, I waive my right to prosecution by indictment and consent to prosecution by information.

Date:

Defendant's signature

Signature of defendant's attorney

ROBERT NICHOLSON, ESQ.

Printed name of defendant's attorney

Judge's signature

Judge's printed name and title