

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
AT KNOXVILLE

FILED

2017 JUL -7 A 9:11

U.S. DISTRICT COURT
EASTERN DIST. TENN.

DEPT. CLERK

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
v.)
)
 SYLVIA HOFSTETTER,)
 ALAN PECORELLA,)
 THEODORE McCRARY,)
 COURTNEY NEWMAN,)
 CYNTHIA CLEMONS,)
 HOLLI WOMACK, also known as)
 HOLLI CARMICHAEL,)
 CLYDE CHRISTOPHER TIPTON, and)
 MAYNARD ALVAREZ,)
)
 Defendants.)

3:15-CR-27

JUDGES VARLAN/SHIRLEY

SECOND SUPERSEDING INDICTMENT

**Part I: DRUG TRAFFICKING AND MONEY LAUNDERING ALLEGATIONS
RELATED TO THE OPERATION OF ILLEGAL PAIN CLINICS**

General Allegations

At all times material to this Indictment:

The Defendants and Related Entities

1. An opioid-based pain management clinic (Pain Clinic) meant any facility whose business model centered on providing opioid prescriptions to patients for profit.

2. Urgent Care & Surgery Center (UCSC) operated Pain Clinics in Florida and Tennessee. The first Tennessee clinic opened in or about 2011. The Tennessee clinics were later renamed Comprehensive Healthcare Systems (CHCS), and were located in Lenoir City and Knoxville. From in or about May 2011 through in or about March 2015, medical providers at CHCS prescribed opioids and other controlled substances to thousands of purported pain patients in exchange for grossly excessive fees. CHCS did not accept insurance. The vast majority of the

prescriptions were unreasonable and medically unnecessary. Patients were required to keep follow-up appointments every 28 days to continue receiving their prescriptions. Providers at CHCS ordered medically unnecessary qualitative and quantitative drug screens (Drug Screenings) for every patient every 28 days.

3. East Knoxville Healthcare Services (EKHCS) operated a Pain Clinic in Knoxville, Tennessee. From in or about September 2013 through in or about March 2015, medical providers at EKHCS prescribed opioids and other controlled substances to thousands of purported pain patients in exchange for grossly excessive fees. EKHCS did not accept insurance. The vast majority of the prescriptions were unreasonable and medically unnecessary. Patients were required to keep follow-up appointments every 28 days to continue receiving their prescriptions. Providers at EKHCS ordered medically unnecessary Drug Screenings for every patient every 28 days.

4. Knoxville Hope Clinic (KHC) was a Pain Clinic in Knoxville, Tennessee. From in or about March 2014 through the present, medical providers at KHC prescribed opioids and other controlled substances to thousands of purported pain patients in exchange for grossly excessive fees. KHC did not accept insurance. The vast majority of the prescriptions were unreasonable and medically unnecessary. Patients were required to keep follow-up appointments every 28 days to continue receiving their prescriptions. Providers at KHC ordered medically unnecessary Drug Screenings for every patient every 28 days.

5. Confirmatrix was a Lab headquartered in Lawrenceville, Georgia. From in or about February 2013 through in or about July 2016, Confirmatrix billed Medicare and TennCare for laboratory services, including, but not limited to, Drug Screenings.

6. Sterling Laboratories (Sterling) was a Lab headquartered in or near Seattle, Washington. From in or about August 2013 through in or about March 2015, Sterling billed Medicare for laboratory services, including, but not limited to, Drug Screenings.

7. Integrated Lab Solutions (Integrated) was a Tennessee corporation established in or about April 2014 and headquartered in Knoxville, Tennessee. Integrated purported to provide marketing services for Confirmatrix. In fact, Integrated was shell company created and used as a vehicle to generate cash for defendant **CLYDE CHRISTOPHER TIPTON**, defendant **MAYNARD ALVAREZ**, and other co-conspirators.

8. Genesis Marketing (Genesis) was a Tennessee corporation established in or about August 2013 and headquartered in Knoxville, Tennessee. Genesis purported to provide marketing services for Sterling. In fact, Genesis was shell company created and used as a vehicle to generate cash for defendant **CLYDE CHRISTOPHER TIPTON**, defendant **MAYNARD ALVAREZ**, and other co-conspirators.

9. Pinnacle Laboratory (Pinnacle) was a Tennessee corporation formed by defendant **CLYDE CHRISTOPHER TIPTON** to process Drug Screenings for patients of CHCS and EKHCS who did not have health insurance. Pinnacle was subsidized by the commission payments Genesis received from Sterling. Pinnacle received over \$685,000 from Genesis between in or about September 2013 and in or about February 2015.

10. LELF Global Healthcare (LELF) was a shell company owned and controlled by co-conspirators of defendants **CLYDE CHRISTOPHER TIPTON** and **MAYNARD ALVAREZ**, and was created to funnel kickbacks from Sterling through Genesis and ultimately to the co-conspirators.

11. Defendant **SYLVIA HOFSTETTER**, a resident of Tennessee and Florida, administered and managed CHCS, and owned, administered and managed EKHCS, from in or

about May 2011 through in or about March 2015. Defendant **SYLVIA HOFSTETTER** personally enriched herself with millions of dollars as a result of her management, administration, and ownership of those Pain Clinics. Before coming to Tennessee to operate new Pain Clinics, defendant **SYLVIA HOFSTETTER** worked at USCS in Hollywood, Florida.

12. Defendant **ALAN PECORELLA**, a resident of Tennessee and New Jersey, was employed as a physician assistant at CHCS and EKHCS from in or about January 2012 through in or about August 2013. Defendant **ALAN PECORELLA** prescribed hundreds of thousands of opioid pain killers and other narcotics to thousands of patients at CHCS and EKHCS outside the scope of professional practice and without a legitimate medical purposes.

13. Defendant **THEODORE MCCRARY**, a resident of Tennessee, was employed as a physician assistant at CHCS and EKHCS from in or about September 2012 through in or about October 2013. Defendant **THEODORE MCCRARY** prescribed hundreds of thousands of opioid pain killers and other narcotics to thousands of patients at CHCS and EKHCS outside the scope of professional practice and without a legitimate medical purposes.

14. Defendant **COURTNEY NEWMAN**, a resident of Tennessee, was employed as a nurse practitioner at CHCS and EKHCS from in or about October 2013 through in or about March 2014. Defendant **COURTNEY NEWMAN** prescribed hundreds of thousands of opioid pain killers and other narcotics to hundreds of patients at CHCS and EKHCS outside the scope of professional practice and without a legitimate medical purposes.

15. Defendant **CYNTHIA CLEMONS**, a resident of Tennessee, was employed as a nurse practitioner at CHCS and EKHCS from in or about November 2013 through in or about March 2015. Defendant **CYNTHIA CLEMONS** prescribed hundreds of thousands of opioid pain killers and other narcotics to thousands of patients at CHCS and EKHCS outside the scope of professional practice and without a legitimate medical purposes.

16. Defendant **HOLLI WOMACK**, a.k.a. **HOLLI CARMICHAEL**, a resident of Tennessee, was employed as a nurse practitioner EKHCS from in or about August 2013 through in or about April 2014. Defendant **HOLLI WOMACK**, a.k.a. **HOLLI CARMICHAEL**, prescribed hundreds of thousands of opioid pain killers and other narcotics to thousands of patients at CHCS and EKHCS outside the scope of professional practice and without a legitimate medical purposes.

17. Defendant **CLYDE CHRISTOPHER TIPTON**, a resident of Tennessee and Florida, held ownership interests in CHCS, EKHCS, KHC, and various shell companies, including Integrated Lab Solutions (Integrated), Genesis Marketing (Genesis), and Pinnacle Laboratory (Pinnacle), for various spans of time between in or about May 2011 and in or about July 2016. Defendant **CLYDE CHRISTOPHER TIPTON** personally enriched himself with millions of dollars as a result of his ownership of those Pain Clinics and related entities.

18. Defendant **MAYNARD ALVAREZ**, a resident of Knox County, Tennessee, held ownership interests in KHC, Integrated, and Genesis for various spans of time between in or about August 2013 and in or about July 2016. Defendant **MAYNARD ALVAREZ** personally enriched himself with millions of dollars as a result of his ownership of that Pain Clinic and related entities.

Count One

(Conspiracy to Distribute and Dispense Controlled Substances – 21 U.S.C. § 846)

19. The allegations contained in Paragraphs 1 through 18 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

20. The Grand Jury charges that, from in or about November 2010 through on or about March 10, 2015, in the Eastern District of Tennessee and elsewhere, the defendants,

SYLVIA HOFSTETTER, ALAN PECORELLA, THEODORE McCrARY, COURTNEY NEWMAN, CYNTHIA CLEMONS, and HOLLI WOMACK, a.k.a. HOLLI

CARMICHAEL did combine, conspire, confederate, and agree with one another and others to knowingly, intentionally, and without authority commit violations of Title 21, United States Code, Section 841(a)(1), that is, to distribute and dispense, and cause to be distributed and dispensed, outside the scope of professional practice and not for a legitimate medical purpose, a mixture and substance containing a detectable amount of Oxycodone, Oxymorphone, and Morphine, Schedule II controlled substances, all in violation of Title 21, United States Code, Sections 846, 841(a)(1), and 841(b)(1)(C).

ENHANCED PENALTY UNDER TITLE 21,
UNITED STATES CODE, SECTION 841(b)(1)(C)

(Death or Serious Bodily Injury Resulting from Use of Controlled Substance)

21. The allegations contained in Paragraphs 1 through 20 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

22. On or about February 10, 2014, in the Eastern District of Tennessee, a person whose identity is known to the grand jury (S.B.) did fatally ingest and overdose on a controlled substance, namely oxycodone, which had been distributed and dispensed, and caused to be distributed and dispensed, outside the scope of professional practice and not for a legitimate medical purpose, as a part of the conspiracy between **CYNTHIA CLEMONS, SYLVIA HOFSTETTER**, and others, to violate the federal drug laws as alleged in Count One.

23. As a result of the conspiracy to violate the federal drug laws by **CYNTHIA CLEMONS, SYLVIA HOFSTETTER**, and others, as alleged in Count One, death did result from the use of a controlled substance, namely oxycodone, a Schedule II controlled substance,

all in violation of the enhanced penalty provisions of Title 21, United States Code, Section 841(b)(1)(C).

DRUG CONSPIRACY FORFEITURE ALLEGATIONS

24. The allegations contained in Paragraphs 1 through 23 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein. for the purpose of alleging forfeiture pursuant to Title 21, United States Code, Section 853.

25. Pursuant to Title 21, United States Code, Section 853, upon conviction of an offense in violation of Title 21, United States Code, Sections 841 and 846, the defendants, **SYLVIA HOFSTETTER, ALAN PECORELLA, THEODORE McCrARY, COURTNEY NEWMAN, CYNTHIA CLEMONS, and HOLLI WOMACK, a.k.a. HOLLI CARMICHAEL**, shall forfeit to the United States of America any property constituting, or derived from, any proceeds obtained, directly or indirectly, as the result of such offenses and any property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of the offenses. The property to be forfeited includes, but is not limited to, the following:

A. **Money Judgment**

A personal money judgment against defendant, SYLVIA HOFSTETTER, and in favor of the United States, for up to \$21,255,956, which represents the maximum amount of money the defendant personally obtained, directly or indirectly, for controlled substances during the course of the conspiracy alleged in the Indictment, in violation of 21 U.S.C. §§ 846 and 841.

B. **Bank Accounts**

- 1) The contents of Bank of America, bank account number xxxx-4433, account holder East Tennessee Healthcare Services LLC;
- 2) The contents of Bank of America, bank account number xxxx-9859, account holder Urgent Care & Surgery Center Mgmt LLC;

- 3) The contents of Bank of America, bank account number xxxx-9888, account holder Comprehensive Healthcare Systems of Knoxville PC;
- 4) The contents of Bank of America, bank account number xxxx-9875, account holder Comprehensive Healthcare Systems of Lenoir City PC;
- 5) The contents of Bank of America, bank account number xxxx-4135, account holder East Knoxville Healthcare Services LLC;
- 6) The contents of FSG Bank, bank account number xxxx 4322, account holder Sylvia Hofstetter;
- 7) The contents of FSG Bank, bank account number xxxx 8537, account holder Sylvia Hofstetter;
- 8) The contents of FSG Bank, bank account number xxxx 6140, account holder Urgent Care & Surgery Center Mgmt LLC;
- 9) The contents of FSG Bank, bank account number, xxxx 0653, account holder Prodigal Primary Care;
- 10) The contents of FSG Wealth, account number xxxx-3681, account holder Sylvia S. Hofstetter Agency, FSG Bank, Agent;
- 11) The contents of SunTrust Bank, bank account number xxxx5493, account holder TCHS Management LLC; and
- 12) The contents of Bank of America, bank account number xxxx-3968, account holder Shadd Management Services, LLC.

C. **Vehicles**

- 1) 2014 Lexus IS 250, VIN: JTHBF1D22E5020719 purchased by Sylvia Hofstetter, possessed by Sylvia Gil.
- 2) 2015 Lexus GS350 Sedan, VIN number JTHCE1BL6FA000257, License number T5356T; seized from Sylvia Hofstetter on March 10, 2015 at 1842 Falcon Pointe Drive, Knoxville, Tennessee.

D. **Real Property**

- 1) Real property known and numbered as **1842 Falcon Pointe Drive, Knoxville, TN 37922**, with all appurtenances, improvements, and attachments thereon, is more fully described as:

SITUATED in the 6th Civil District of Knox County, Tennessee, and without the corporate limits of the City of Knoxville, Tennessee, and

being known and designated as Lot 30 of Falcon Pointe, Unit 1, as shown on plat of record as Instrument #200409100021975 in the Register's Office for Knox County, Tennessee, to which plat specific reference is hereby made for a more particular description.

For further reference see Quit Claim Deed conveying the property to Sylvia Hofstetter recorded on April 29, 2013 in Instrument Number 201304290071002 in the Knox County, Tennessee Register of Deeds.

- 2) Real Property located at 1307 West Simpson Road, Lenoir City, Tennessee 37771, belonging to Urgent Care & Surgery Center Management, LLC, shown on Map 015, Parcel 340.00 and recorded in Book 366, Page 123 at the Loudon County Register of Deeds Office, with all appurtenances, improvements, and attachments thereon.
- 3) Real Property located at 780 Highway 321 North, Lenoir City, Tennessee 37771, belonging to Urgent Care & Surgery Center Management, LLC, shown on Map 015, Parcel 341.00 and recorded in Book 366, Page 123 at the Loudon County Register of Deeds Office, with all appurtenances, improvements, and attachments thereon.

E. **Jewelry**

- 1) Michelle Watch, Model# MW21A01A1966, Serial# GH06637SS;
- 2) Kay Jewelers gold pendant;
- 3) 14k gold diamond cluster earrings;
- 4) 14k White Gold diamond ring;
- 5) 14k single chain necklace;
- 6) John Hardy Designer sterling silver bracelet;
- 7) Rolex Timepiece Stainless Steel and 18k white gold, Serial# 3001338428UX;
- 8) Cartier Automatic Stainless Steel Watch, Serial# 3001338428UX;
- 9) Cartier Auto Stainless Steel Watch, Serial# 211927CE2510;
- 10) Cartier Tank Style Auto Watch, Model # 2302, Serial# 372122CD;
- 11) Phillipe Charriol Tank Style Watch, Style# 8682;
- 12) Hamilton Automatic Tank Style Watch;

- 13) MK Stainless Steel Watch, Model# MK8323CE, Serial# 25130;
- 14) MK Stainless Steel Watch, Model# MK8215CE, Serial# 111112;
- 15) MK Stainless Steel Watch with Rhinestone Bezel, Model# MK563L/CE, Serial# 861308;
- 16) MK White Ceramic Quartz Watch, Model# MK5654CE, Serial# 111211;
- 17) MK Stainless Steel Watch, Model# MK5353CE, Serial# 111201;
- 18) Four Strand Hematite Necklace;
- 19) Sterling Silver 18" Loop Necklace;
- 20) Sterling Silver and Diamond Bracelet;
- 21) Plated Silver Bracelet with Greek Design;
- 22) Sterling Silver Necklace Extender;
- 23) 14k White Gold Diamond Bracelet;
- 24) Pair 5 Centavos Earrings;
- 25) 14k White Gold Box Link Chain with Diamond Cross;
- 26) 10k Box Link Chain with 10k White Gold Diamond Cross;
- 27) Swarovski Crystal and Sterling Silver Bracelet;
- 28) Sterling Silver and Synthetic Stone Bracelet;
- 29) 14k White Gold Bracelet with 49 Round Diamonds;
- 30) 14k White Gold Ring with 109 Round Diamonds;
- 31) 14k White Gold Diamond Ring with 58 Round Diamonds;
- 32) 14k White Gold Diamond Bracelet with 71 Round Diamonds;
- 33) 14k White Gold Diamond Bracelet with 71 Round Diamonds;
- 34) Sterling Silver Pandora Bracelet;

- 35) Sterling Silver Pandora Bracelet;
- 36) 18k White Gold Cartier "Love" Bracelet;
- 37) Plated 5 Centavos Coin;
- 38) Pair of 14k White Gold Diamond Earrings with 68 Round Diamonds;
- 39) 14k White Gold Band with 15 full cut Diamonds;
- 40) 14k White Gold Pierced Earrings with 34 Full Cut Diamonds;
- 41) 18k Cartier "Love" Ring;
- 42) Pair Diamond Earrings with Stuller Mountings and LaPosse Backs;
- 43) 14k White Gold Ring with 50 Full Cut Diamonds;
- 44) 14k White Gold Pierced Earring Hoops with 20 Full Cut Diamonds;
- 45) White Gold Diamond Heart Pendant with 38 Square Diamonds;
- 46) 14k White Gold Diamond Heart Shaped Pendant;
- 47) 14k White Gold Diamond Band;
- 48) 14k White Gold Huggie Style Earrings;
- 49) Pandora Hawaiian Charm;
- 50) Diamond "D" with 16 Full Cut Diamonds;
- 51) Diamond "S" Charm with 15 Cut Diamonds;
- 52) 14k White Gold Diamond Cross with 140 full cut Diamonds;
- 53) 14k and Sterling Silver Heart Shaped Pendant with 32 Round Full Cut Diamonds;
- 54) Bracelet with Jamaica Island Shaped Sections;
- 55) Sterling Silver Twist Design Chain;
- 56) Sterling Silver Stud Mountings with Cubic Zirconia Stones (Pair);

- 57) Sterling Silver Earrings (Pair);
- 58) Sterling Silver and CZ Woven Hoop Earrings;
- 59) Sterling Silver and CZ Ring;
- 60) Sterling Silver Heart Pendant;
- 61) Costume/Plated CZ Earrings;
- 62) Swarovski Crystal and Sterling Silver Dome;
- 63) Sterling Silver Three Stone Ring (Red);
- 64) Sterling Silver Three Stone Ring (Blue);
- 65) Sterling Silver Three Stone Ring (Green);
- 66) Three Stone Ring with Cubic Zirconia Stones;
- 67) Sterling Silver Cubic Zirconia Crossover Ring;
- 68) Sterling Silver Cubic Zirconia Anniversary Band;
- 69) Sterling Silver Princess Cut Cubic Zirconia Anniversary Band;
- 70) Sterling Silver Cubic Zirconia Anniversary Band
- 71) Sterling Silver Woven 11mm Band;
- 72) Sterling Silver Plain Wedding Band;
- 73) Stainless Steel and Base Metal Lot of 3 Rings and Chain;
- 74) Sterling Silver Dome Ring by Britton Jewelry;
- 75) Sterling Silver and Cubic Zirconia Ring;
- 76) Sterling Silver Cluster Cubic Zirconia Ring;
- 77) Sterling Silver Heart Shaped CZ Reversible Spinning Ring;
- 78) 3 Sterling Silver CZ Rings;
- 79) 2 Sterling Silver CZ Anniversary Bands;
- 80) Stainless Steel 10mm Band;

- 81) Six Sterling Silver Bands;
- 82) Costume Butterfly Broach;
- 83) Base Metal Rhinestone 7 1/2" Bracelet;
- 84) White Metal Plated Ball-End Cuff Bracelet;
- 85) White Metal-Plated and Enamel Charm Bracelet;
- 86) White Metal 16 inch Costume Necklace;
- 87) 18' Sterling Heart and X Link Necklace;
- 88) Pandora Charm Bracelet;
- 89) Pandora Heart Charm;
- 90) Anchor Link Necklace;
- 91) Sterling Ring with Cable Design on Top;
- 92) Sterling Ring with Heart Design on Top;
- 93) Mexican Silver Braided Ring;
- 94) 14kt White Gold Signet Ring;
- 95) Mexican Triple-Interlocking Silver Band Ring;
- 96) 14kt White Gold Band with Nine Diamonds;
- 97) Costume Rhinestone Hoop Earrings (Pair);
- 98) Three Hoop Sterling Earrings;
- 99) Mismatched Sterling Hoop Earrings;
- 100) Costume Tear Drop Earrings (Pair);
- 101) Sterling White and Black Stone Ring;
- 102) Sterling Silver and White Stone Ring;
- 103) Lot of Costume Jewelry;

- 104) Plated Costume Rhinestone Red and White Heart Bracelet; and
- 105) Sterling Heart Pendant with Rhinestones.

If any of the property described above, 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 divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p).

Count Two

(Money Laundering Conspiracy – 18 U.S.C. § 1956(h))

26. The allegations contained in Paragraphs 1 through 25 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

27. The Grand Jury further charges that, from in or about March 2011, through on or about March 10, 2015, in the Eastern District of Tennessee and elsewhere, the defendants, **SYLVIA HOFSTETTER** and **CLYDE CHRISTOPHER TIPTON**, did knowingly, intentionally, and without authority combine, conspire, confederate, and agree with other persons, known and unknown to the Grand Jury, to commit certain offenses against the United States in violation of Title 18, United States Code, Sections 1956 and 1957, as follows:

- a. to knowingly conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, which involved the proceeds of a specified

unlawful activity, that is, conspiracy to violate the federal drugs laws as alleged in Count One, with the intent to promote the carrying on of said 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 Title 18, United States Code, Section 1956(a)(1)(A)(i); and

- b. to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce and foreign commerce, which transactions involved the proceeds of a specified unlawful activity, that is, conspiracy to violate federal drug laws as alleged in Count One, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said 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 Title 18 United States Code, Section 1956(a)(1)(B)(i);
- c. to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce, which transactions involved the proceeds of specified unlawful activity, that is, conspiracy to violate the federal drugs laws as alleged in Count One, with the intent to promote the carrying on of said specified unlawful activity, in order to avoid a transaction reporting requirement under state or federal law, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(ii); and

d. to knowingly engage and attempt to engage, in monetary transactions by, through or to a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000, that is, United States currency, such property having been derived from a specified unlawful activity, conspiracy to violate the federal drugs laws as alleged in Count One, with the intent to promote the carrying on of said specified unlawful activity, in violation of Title 18, United States Code, Section 1957;

all in violation of Title 18, United States Code, Section 1956(h).

Counts Three through Seven

(Money Laundering – 18 U.S.C. § 1957(a))

28. The allegations contained in Paragraphs 1 through 27 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

29. The Grand Jury further charges that on or about the following dates, in the Eastern District of Tennessee and elsewhere, the defendant, **SYLVIA HOFSTETTER**, knowingly engaged, attempted to engage, and caused others to engage, in a monetary transaction affecting interstate commerce, in criminally derived property of a value greater than \$10,000, that is the withdrawal, deposit, and transfer of funds from and to the financial institutions identified below, such property having been derived from a specified unlawful activity, that is, conspiracy to violate the federal drugs laws as alleged in Count One:

Count	On or About Date	Monetary Transaction	Amount
3	March 14, 2013	Cashier's Check No. 109749, issued to Admiral Title, funded by FSG Account xxxx4322 used to purchase HOFSTETTER'S personal residence at 1842 Falcon Pointe Drive, Knoxville, Tennessee, 37922	\$101,690.00

4	May 23, 2014	Bank Check No. 1173, issued to Lexus of Knoxville, funded by Bank of America Shadd Management Account No. xxxx3968 issued to Lexus of Knoxville used to purchase 2014 Lexus IS 250, VIN JTHBF1D22E5020719	\$30,000.00
5	July 5, 2013	Withdrawal of funds from Bank of America Shadd Management Account No. xxxx3968 then deposited at Harrah's Cherokee Casino, North Carolina for the purpose of gambling	\$15,600.00
6	August 16, 2013	Withdrawal of funds from Bank of America Shadd Management Account No. xxxx3968 then deposited at Harrah's Cherokee Casino, North Carolina for the purpose of gambling	\$15,000.00
7	June 2, 2014	Withdrawal of funds from Bank of America Shadd Management Account No. xxxx3968 then deposited at Harrah's Cherokee Casino, North Carolina for the purpose of gambling	\$14,500.00

All in violation of Title 18, United States Code, Section 1957.

MONEY LAUNDERING FORFEITURE ALLEGATIONS

30. The allegations contained in Paragraphs 1 through 29 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 982(a)(1).

31. Pursuant to Title 18, United States Code, Section 982(a)(1), upon conviction of an offense in violation of Title 18, United States Code, Section 1956 or 1957, the defendants, **SYLVIA HOFSTETTER** and **CLYDE CHRISTOPHER TIPTON**, shall forfeit to the United States of America any property, real or personal, involved in such offense, and any property

traceable to such property. The property to be forfeited includes, but is not limited to, the following:

A. **Money Judgment**

A personal money judgment against defendants SYLVIA HOFSTETTER and CLYDE CHRISTOPHER TIPTON, and in favor of the United States, for \$21,255,956, which represents the amount of money involved in the money laundering offenses.

B. **Bank Accounts**

- 1) The contents of Bank of America, bank account number xxxx-4433, account holder East Tennessee Healthcare Services LLC;
- 2) The contents of Bank of America, bank account number xxxx-9859, account holder Urgent Care & Surgery Center Mgmt LLC;
- 3) The contents of Bank of America, bank account number xxxx-9888, account holder Comprehensive Healthcare Systems of Knoxville PC;
- 4) The contents of Bank of America, bank account number xxxx-9875, account holder Comprehensive Healthcare Systems of Lenoir City PC;
- 5) The contents of Bank of America, bank account number xxxx-4135, account holder East Knoxville Healthcare Services LLC;
- 6) The contents of FSG Bank, bank account number xxxx 4322, account holder Sylvia Hofstetter;
- 7) The contents of FSG Bank, bank account number xxxx 8537, account holder Sylvia Hofstetter;
- 8) The contents of FSG Bank, bank account number xxxx 6140, account holder Urgent Care & Surgery Center Mgmt LLC;
- 9) The contents of FSG Bank, bank account number, xxxx 0653, account holder Prodigal Primary Care;
- 10) The contents of FSG Wealth, account number xxxx-3681, account holder Sylvia S. Hofstetter Agency, FSG Bank, Agent;
- 11) The contents of SunTrust Bank, bank account number xxxx5493, account holder TCHS Management LLC;

- 12) The contents of Bank of America, bank account number xxxx-3968, account holder Shadd Management Services, LLC.

C. **Vehicles**

- 1) 2014 Lexus IS 250, VIN: JTHBF1D22E5020719 purchased by Sylvia Hofstetter, possessed by Sylvia Gil.
- 2) 2015 Lexus GS350 Sedan, VIN number JTHCE1BL6FA000257, License number T5356T; seized from Sylvia Hofstetter on March 10, 2015 at 1842 Falcon Pointe Drive, Knoxville, Tennessee.

D. **Real Property**

- 1) Real property known and numbered as **1842 Falcon Pointe Drive, Knoxville, TN 37922**, with all appurtenances, improvements, and attachments thereon, is more fully described as:

SITUATED in the 6th Civil District of Knox County, Tennessee, and without the corporate limits of the City of Knoxville, Tennessee, and being known and designated as Lot 30 of Falcon Pointe, Unit 1, as shown on plat of record as Instrument #200409100021975 in the Register's Office for Knox County, Tennessee, to which plat specific reference is hereby made for a more particular description.

For further reference see Quit Claim Deed conveying the property to Sylvia Hofstetter recorded on April 29, 2013 in Instrument Number 201304290071002 in the Knox County, Tennessee Register of Deeds.

- 2) Real Property located at 1307 West Simpson Road, Lenoir City, Tennessee 37771, belonging to Urgent Care & Surgery Center Management, LLC, shown on Map 015, Parcel 340.00 and recorded in Book 366, Page 123 at the Loudon County Register of Deeds Office, with all appurtenances, improvements, and attachments thereon.
- 3) Real Property located at 780 Highway 321 North, Lenoir City, Tennessee 37771, belonging to Urgent Care & Surgery Center Management, LLC, shown on Map 015, Parcel 341.00 and recorded in Book 366, Page 123 at the Loudon County Register of Deeds Office, with all appurtenances, improvements, and attachments thereon.

E. **Jewelry**

- 1) Michelle Watch, Model# MW21A01A1966, Serial# GH06637SS;
- 2) Kay Jewelers gold pendant;

- 3) 14k gold diamond cluster earrings;
- 4) 14k White Gold diamond ring;
- 5) 14k single chain necklace;
- 6) John Hardy Designer sterling silver bracelet;
- 7) Rolex Timepiece Stainless Steel and 18k white gold, Serial# 3001338428UX;
- 8) Cartier Automatic Stainless Steel Watch, Serial# 3001338428UX;
- 9) Cartier Auto Stainless Steel Watch, Serial# 211927CE2510;
- 10) Cartier Tank Style Auto Watch, Model # 2302, Serial# 372122CD;
- 11) Phillipe Charriol Tank Style Watch, Style# 8682;
- 12) Hamilton Automatic Tank Style Watch;
- 13) MK Stainless Steel Watch, Model# MK8323CE, Serial# 25130;
- 14) MK Stainless Steel Watch, Model# MK8215CE, Serial# 111112;
- 15) MK Stainless Steel Watch with Rhinestone Bezel, Model# MK563L/CE, Serial# 861308;
- 16) MK White Ceramic Quartz Watch, Model# MK5654CE, Serial# 111211;
- 17) MK Stainless Steel Watch, Model# MK5353CE, Serial# 111201;
- 18) Four Strand Hematite Necklace;
- 19) Sterling Silver 18" Loop Necklace;
- 20) Sterling Silver and Diamond Bracelet;
- 21) Plated Silver Bracelet with Greek Design;
- 22) Sterling Silver Necklace Extender;
- 23) 14k White Gold Diamond Bracelet;
- 24) Pair 5 Centavos Earrings;

- 25) 14k White Gold Box Link Chain with Diamond Cross;
- 26) 10k Box Link Chain with 10k White Gold Diamond Cross;
- 27) Swarovski Crystal and Sterling Silver Bracelet;
- 28) Sterling Silver and Synthetic Stone Bracelet;
- 29) 14k White Gold Bracelet with 49 Round Diamonds;
- 30) 14k White Gold Ring with 109 Round Diamonds;
- 31) 14k White Gold Diamond Ring with 58 Round Diamonds;
- 32) 14k White Gold Diamond Bracelet with 71 Round Diamonds;
- 33) 14k White Gold Diamond Bracelet with 71 Round Diamonds;
- 34) Sterling Silver Pandora Bracelet;
- 35) Sterling Silver Pandora Bracelet;
- 36) 18k White Gold Cartier "Love" Bracelet;
- 37) Plated 5 Centavos Coin;
- 38) Pair of 14k White Gold Diamond Earrings with 68 Round Diamonds;
- 39) 14k White Gold Band with 15 full cut Diamonds;
- 40) 14k White Gold Pierced Earrings with 34 Full Cut Diamonds;
- 41) 18k Cartier "Love" Ring;
- 42) Pair Diamond Earrings with Stuller Mountings and LaPosse Backs;
- 43) 14k White Gold Ring with 50 Full Cut Diamonds;
- 44) 14k White Gold Pierced Earring Hoops with 20 Full Cut Diamonds;
- 45) White Gold Diamond Heart Pendant with 38 Square Diamonds;
- 46) 14k White Gold Diamond Heart Shaped Pendant;
- 47) 14k White Gold Diamond Band;

- 48) 14k White Gold Huggie Style Earrings;
- 49) Pandora Hawaiian Charm;
- 50) Diamond "D" with 16 Full Cut Diamonds;
- 51) Diamond "S" Charm with 15 Cut Diamonds;
- 52) 14k White Gold Diamond Cross with 140 full cut Diamonds;
- 53) 14k and Sterling Silver Heart Shaped Pendant with 32 Round Full Cut Diamonds;
- 54) Bracelet with Jamaica Island Shaped Sections;
- 55) Sterling Silver Twist Design Chain;
- 56) Sterling Silver Stud Mountings with Cubic Zirconia Stones (Pair);
- 57) Sterling Silver Earrings (Pair);
- 58) Sterling Silver and CZ Woven Hoop Earrings;
- 59) Sterling Silver and CZ Ring;
- 60) Sterling Silver Heart Pendant;
- 61) Costume/Plated CZ Earrings;
- 62) Swarovski Crystal and Sterling Silver Dome;
- 63) Sterling Silver Three Stone Ring (Red);
- 64) Sterling Silver Three Stone Ring (Blue);
- 65) Sterling Silver Three Stone Ring (Green);
- 66) Three Stone Ring with Cubic Zirconia Stones;
- 67) Sterling Silver Cubic Zirconia Crossover Ring;
- 68) Sterling Silver Cubic Zirconia Anniversary Band;
- 69) Sterling Silver Princess Cut Cubic Zirconia Anniversary Band;
- 70) Sterling Silver Cubic Zirconia Anniversary Band

- 71) Sterling Silver Woven 11mm Band;
- 72) Sterling Silver Plain Wedding Band;
- 73) Stainless Steel and Base Metal Lot of 3 Rings and Chain;
- 74) Sterling Silver Dome Ring by Britton Jewelry;
- 75) Sterling Silver and Cubic Zirconia Ring;
- 76) Sterling Silver Cluster Cubic Zirconia Ring;
- 77) Sterling Silver Heart Shaped CZ Reversible Spinning Ring;
- 78) 3 Sterling Silver CZ Rings;
- 79) 2 Sterling Silver CZ Anniversary Bands;
- 80) Stainless Steel 10mm Band;
- 81) Six Sterling Silver Bands;
- 82) Costume Butterfly Broach;
- 83) Base Metal Rhinestone 7 1/2" Bracelet;
- 84) White Metal Plated Ball-End Cuff Bracelet;
- 85) White Metal-Plated and Enamel Charm Bracelet;
- 86) White Metal 16-inch Costume Necklace;
- 87) 18' Sterling Heart and X Link Necklace;
- 88) Pandora Charm Bracelet;
- 89) Pandora Heart Charm;
- 90) Anchor Link Necklace;
- 91) Sterling Ring with Cable Design on Top;
- 92) Sterling Ring with Heart Design on Top;
- 93) Mexican Silver Braided Ring;
- 94) 14kt White Gold Signet Ring;

- 95) Mexican Triple-Interlocking Silver Band Ring;
- 96) 14kt White Gold Band with Nine Diamonds;
- 97) Costume Rhinestone Hoop Earrings (Pair);
- 98) Three Hoop Sterling Earrings;
- 99) Mismatched Sterling Hoop Earrings;
- 100) Costume Tear Drop Earrings (Pair);
- 101) Sterling White and Black Stone Ring;
- 102) Sterling Silver and White Stone Ring;
- 103) Lot of Costume Jewelry;
- 104) Plated Costume Rhinestone Red and White Heart Bracelet; and
- 105) Sterling Heart Pendant with Rhinestones.

If any of the property described above, 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 divided without difficulty,

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

Count Eight

**(Maintaining a Drug-Involved Premises:
Urgent Care and Surgery Center/Comprehensive Healthcare Systems,
780 Highway 321, Lenoir City, Tennessee—21 U.S.C. § 856(a)(1) and 18 U.S.C. § 2)**

32. The allegations contained in Paragraphs 1 through 31 of this Indictment are re-
alleged and incorporated by reference as though fully set forth herein.

33. The Grand Jury further charges that, from in or about May 2011 through on or
about March 10, 2015, in the Eastern District of Tennessee, the defendants, **SYLVIA
HOFSTETTER, COURTNEY NEWMAN, and CYNTHIA CLEMONS**, aided and abetted by
one another, did knowingly and intentionally open, use, and maintain a business, to wit **Urgent
Care and Surgery Center/Comprehensive Healthcare Systems, 780 Highway 321, Lenoir
City, Tennessee**, for the purpose of illegally distributing and dispensing Schedule II controlled
substances outside the scope of professional practice and not for a legitimate medical purpose, in
violation of Title 21, United States Code, Section 856(a)(1) and Title 18, United States Code,
Section 2.

Count Nine

**(Maintaining a Drug-Involved Premises:
Comprehensive Healthcare Systems, 301 South Gallaher View Road, Suite 224,
Knoxville, Tennessee—21 U.S.C. § 856(a)(1) and 18 U.S.C. § 2)**

34. The allegations contained in Paragraphs 1 through 33 of this Indictment are re-
alleged and incorporated by reference as though fully set forth herein.

35. The Grand Jury further charges that, from in or about January 2012 through on or
about August 2013, in the Eastern District of Tennessee, the defendants, **SYLVIA
HOFSTETTER, ALAN PECORELLA, and THEODORE McCrARY**, aided and abetted by
one another, did knowingly and intentionally open, use, and maintain a business, to wit

Comprehensive Healthcare Systems, 301 South Gallaher View Road, Suite 224, Knoxville, Tennessee, for the purpose of illegally distributing and dispensing Schedule II controlled substances outside the scope of professional practice and not for a legitimate medical purpose, in violation of Title 21, United States Code, Section 856(a)(1) and Title 18, United States Code, Section 2.

Count Ten

**(Maintaining a Drug-Involved Premises:
East Knoxville Healthcare Services, 509 Lovell Road,
Knoxville, Tennessee—21 U.S.C. § 856(a)(1) and 18 U.S.C. § 2)**

36. The allegations contained in Paragraphs 1 through 35 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

37. The Grand Jury further charges that, from in or about September 2013 through on or about March 10, 2015, in the Eastern District of Tennessee, the defendants, **SYLVIA HOFSTETTER, ALAN PECORELLA, THEODORE McCRARY, COURTNEY NEWMAN, CYNTHIA CLEMONS, and HOLLI WOMACK, a.k.a. HOLLI CARMICHAEL,** aided and abetted by one another, did knowingly and intentionally open, use, and maintain a business, to wit **East Knoxville Healthcare Services, 509 Lovell Road, Knoxville, Tennessee,** for the purpose of illegally distributing and dispensing Schedule II controlled substances outside the scope of professional practice and not for a legitimate medical purpose, in violation of Title 21, United States Code, Section 856(a)(1) and Title 18, United States Code, Section 2.

Count Eleven

(Distributing and Dispensing Controlled Substances – 21 U.S.C. § 841)

38. The allegations contained in Paragraphs 1 through 37 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

39. The Grand Jury further charges that, on or about February 10, 2014, in the Eastern District of Tennessee, the defendants, **SYLVIA HOFSTETTER, CYNTHIA CLEMONS**, and others, aided and abetted by one another, did knowingly and intentionally distribute and dispense, and cause to be distributed and dispensed, outside the scope of professional practice and not for a legitimate medical purpose, a mixture and substance containing a detectable amount of oxycodone, a Schedule II controlled substance, all in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C), and Title 18, United States Code, Section 2.

**ENHANCED PENALTY UNDER TITLE 21,
UNITED STATES CODE, SECTION 841(b)(1)(C)**

(Death or Serious Bodily Injury Resulting from Use of Controlled Substance)

40. The allegations contained in Paragraphs 1 through 39 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

41. On or about February 10, 2014, in the Eastern District of Tennessee, a person whose identity is known to the grand jury (S.B.) did fatally ingest and overdose on a controlled substance, namely oxycodone, which had been distributed and dispensed, and caused to be distributed and dispensed, outside the scope of professional practice and not for a legitimate medical purpose, by defendant **CYNTHIA CLEMONS**, aided and abetted by **SYLVIA HOFSTETTER** and others, to S.B. (the deceased person).

42. As a result of the distribution and dispensation of oxycodone committed by **CYNTHIA CLEMONS**, aided and abetted by **SYLVIA HOFSTETTER** and others, as alleged

in Count Thirteen, death did result from the use of a controlled substance, namely oxycodone, a Schedule II controlled substance, all in violation of the enhanced penalty provisions of Title 21, United States Code, Section 841(b)(1)(C).

Part II: ANTI-KICKBACK AND MONEY LAUNDERING ALLEGATIONS RELATED TO CONFIRMATION DRUG SCREENING KICKBACK SCHEMES

43. The allegations contained in Paragraphs 1 through 42 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

Additional General Allegations

At all times material to this Indictment:

The Medicare Program

44. The Medicare Program (Medicare) was a federally funded healthcare program providing benefits to individuals that were over the age of 65 or disabled. The benefits available under Medicare were governed by federal statutes and regulations. Medicare was administered by the Centers of Medicare and Medicaid Services, a federal agency under the United States Department of Health and Human Services (HHS). Individuals who received benefits under Medicare were commonly referred to as Medicare “beneficiaries.”

45. Medicare was a “health care benefit program,” as defined by Title 18, United States Code, Section 24(b) and a “Federal health care program,” as defined by Title 42, United States Code, Section 1320a-7b(f).

46. The federal Medicaid program (Medicaid) provided basic medical coverage for persons whose incomes were insufficient to meet the costs of necessary medical expenses. Medicaid operates as a joint federal and state healthcare program using both federal and state funds. Tennessee's Medicaid program operates under the name TennCare and is administered by the Bureau of TennCare. TennCare is a managed Medicaid program and, thus, the Bureau of

TennCare contracts with various managed care organizations to manage and provide health services to TennCare beneficiaries.

47. TennCare was a “Federal health care program” as defined in Title 42, United States Code, Section 1320a-7b(f) and a “health care benefit program” as defined in Title 18, United States Code, Section 24(b).

48. The Medicare and TennCare programs covered reimbursement for qualitative and Drug Screenings that were provided in connection with a laboratory testing facility (Lab). Labs submitted claims for Medicare reimbursement for Drug Screenings to Medicare’s Part B Trust Fund (Medicare Part B). Medicare Part B was administered in Tennessee by Cahaba GBA, which, pursuant to its contract with HHS, receives, adjudicates, and pays Medicare Part B claims submitted to it by Labs for Drug Screenings. Labs submitted claims for TennCare reimbursement for Drug Screenings to the beneficiaries’ assigned or chosen TennCare plans or managed care organizations. Those managed care organizations receive, adjudicate, and pay TennCare claims submitted to it by Labs for Drug Screenings.

49. For a Lab to properly bill and be paid by Medicare and TennCare for Drug Screenings, the Drug Screening must be both reasonable and medically necessary. For example, a Drug Screening is medically necessary if the patient presents to a physician with a suspected drug overdose. In the context of opioid-based pain management, Drug Screening is reasonable and medically necessary if (1) a patient is suspected of diverting or not using prescribed medication as prescribed, using medication that has not been prescribed, or using illicit drugs; or (2) the Drug Screening is part of a valid protocol designed to monitor a patient’s drug use (or lack thereof). Further, the patient’s medical record must include documentation that fully supports the reasonableness of and medical necessity for the Drug Screening.

Count Twelve

(Conspiracy to Defraud the United States, and Solicit and Receive Health Care Kickbacks from Confirmatrix -- 18 U.S.C. § 371)

50. The allegations contained in Paragraphs 1 through 49 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

51. From in or about August 2013, and continuing through at least in or about July 2016, in the Eastern District of Tennessee and elsewhere, the defendants, **CLYDE CHRISTOPHER TIPTON** and **MAYNARD ALVAREZ**, did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate and agree with one another and others to defraud the United States by impairing, impeding, obstructing, and defeating through deceitful and dishonest means, the lawful government functions of the United States Department of Health and Human Services in its administration and oversight of the Medicare program; and to commit certain offenses against the United States, that is to violate Title 42, United States Code, Section 1320a-7b(b)(1)(A), by knowingly and willfully soliciting and receiving any remuneration, including kickbacks and bribes, directly and indirectly, overtly and covertly, in cash and in kind, in return for referring an individual to a person for the furnishing and arranging for the furnishing of any item and service for which payment may be made in whole or in part by a Federal health care program, that is, Medicare.

Purpose of the Conspiracy

52. It was the purpose of the conspiracy for the defendants and their co-conspirators to unlawfully enrich themselves by: (1) soliciting and receiving kickbacks and bribes in return for causing Medicare and TennCare beneficiaries to be referred to Confirmatrix for medically unnecessary Drug Screening; (2) submitting claims to Medicare and TennCare through

Confirmatrix based on bribes and kickbacks; and (3) concealing the payment of bribes and kickbacks.

Manner and Means of the Conspiracy

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

53. Defendants **CLYDE CHRISTOPHER TIPTON** and **MAYNARD ALVAREZ**, exercising their authority as owners of KHC, influenced medical providers at KHC to refer each and every Medicare and TennCare beneficiary patient at KHC to Confirmatrix for medically unnecessary monthly Drug Screenings.

54. Confirmatrix, by and through its principals and agents, paid bribes and kickbacks to defendants **CLYDE CHRISTOPHER TIPTON** and **MAYNARD ALVAREZ** in return for causing Medicare and TennCare beneficiaries from KHC to be referred to Confirmatrix for medically unnecessary Drug Screenings.

55. Defendants **CLYDE CHRISTOPHER TIPTON** and **MAYNARD ALVAREZ** and their co-conspirators at Confirmatrix caused Confirmatrix to submit claims to Medicare and TennCare for medically unnecessary Drug Screenings for Medicare and TennCare beneficiaries at KHC.

56. Defendants **CLYDE CHRISTOPHER TIPTON**, **MAYNARD ALVAREZ**, and their co-conspirators created false and fraudulent documentation in order to disguise the true nature of the bribes and kickbacks paid to them.

57. In order to further conceal from Medicare and other regulators the payment of bribes and kickbacks, defendants **CLYDE CHRISTOPHER TIPTON** and **MAYNARD ALVAREZ** created shell companies, including Integrated, to make it appear as if Integrated performed legitimate services for Confirmatrix.

58. Between in or about March 2014 and in or about July 2016, defendants **CLYDE CHRISTOPHER TIPTON** and **MAYNARD ALVAREZ**, and their co-conspirators, caused the submission of approximately \$547,849 in claims to Medicare, and approximately \$14,353 in claims to TennCare, for medically unnecessary services purportedly provided by Confirmatrix.

Overt Acts

In furtherance of the conspiracy, and to accomplish its objects and purpose, at least one of the co-conspirators committed and caused to be committed, in the Eastern District of Tennessee, at least one of the following overt acts, among others:

59. On or about February 11, 2015, one or more co-conspirators at Confirmatrix caused approximately \$51,750 to be deposited into Integrated's bank account ending in 6936.

60. On or about February 19, 2015, defendant **CLYDE CHRISTOPHER TIPTON** caused approximately \$23,000 to be transferred from Integrated's bank account ending in 6936 to defendant **CLYDE CHRISTOPHER TIPTON**'s personal bank account ending in 9511

61. On or about February 13, 2015, defendant **MAYNARD ALVAREZ** caused approximately \$33,000 to be transferred from Integrated's bank account ending in 6936 to defendant **MAYNARD ALVAREZ**'s personal bank account ending in 8784.

62. On or about March 13, 2015, one or more co-conspirators at Confirmatrix caused approximately \$48,450 to be deposited into Integrated's bank account ending in 6936.

63. On or about March 13, 2015, defendant **CLYDE CHRISTOPHER TIPTON** caused approximately \$20,000 to be transferred from Integrated's bank account ending in 6936 to defendant **CLYDE CHRISTOPHER TIPTON**'s personal bank account ending in 3076.

64. On or about March 13, 2015, defendant **MAYNARD ALVAREZ** caused approximately \$29,000 to be transferred from Integrated's bank account ending in 6936 to defendant **MAYNARD ALVAREZ**'s personal bank account ending in 8784.

65. On or about April 15, 2015, one or more co-conspirators at Confirmatrix caused approximately \$64,050 to be deposited into Integrated's bank account ending in 6936.

66. On or about April 17, 2015, defendant **CLYDE CHRISTOPHER TIPTON** caused approximately \$26,000 to be transferred from Integrated's bank account ending in 6936 to defendant **CLYDE CHRISTOPHER TIPTON's** personal bank account ending in 9511.

67. On or about April 15, 2015, defendant **MAYNARD ALVAREZ** caused approximately \$36,000 to be transferred from Integrated's bank account ending in 6936 to defendant **MAYNARD ALVAREZ's** personal bank account ending in 8784.

68. On or about May 15, 2015, one or more co-conspirators at Confirmatrix caused approximately \$45,950 to be deposited into Integrated's bank account ending in 6936.

69. On or about May 18, 2015, defendant **CLYDE CHRISTOPHER TIPTON** caused approximately \$18,000 to be transferred from Integrated's bank account ending in 6936 to defendant **CLYDE CHRISTOPHER TIPTON's** personal bank account ending in 9511.

70. On or about May 15, 2015, defendant **MAYNARD ALVAREZ** caused approximately \$27,000 to be transferred from Integrated's bank account ending in 6936 to defendant **MAYNARD ALVAREZ's** personal bank account ending in 8784.

All in violation of Title 18, United States Code, Section 371.

Count Thirteen

(Conspiracy to Defraud the United States, and (18 Solicit and Receive Health Care Kickbacks from Sterling -- 18 U.S.C. § 371)

71. The allegations contained in Paragraphs 1 through 70 of this Indictment are alleged and incorporated by reference as though fully set forth herein.

72. From in or about August 2013, and continuing through in or about August 2015, in the Eastern District of Tennessee and elsewhere, the defendants, **CLYDE CHRISTOPHER TIPTON** and **MAYNARD ALVAREZ**, did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate and agree with one another and others to defraud the United States by impairing, impeding, obstructing, and defeating through deceitful and dishonest means, the lawful government functions of the United States Department of Health and Human Services in its administration and oversight of the Medicare program; and to commit certain offenses against the United States, that is to violate Title 42, United States Code, Section 1320a-7b(b)(1)(A), by knowingly and willfully soliciting and receiving any remuneration, including kickbacks and bribes, directly and indirectly, overtly and covertly, in cash and in kind, in return for referring an individual to a person for the furnishing and arranging for the furnishing of any item and service for which payment may be made in whole or in part by a Federal health care program, that is, Medicare.

Purpose of the Conspiracy

73. It was the purpose of the conspiracy for the defendants and their co-conspirators to unlawfully enrich themselves by: (1) soliciting and receiving kickbacks and bribes in return for causing Medicare beneficiaries to be referred to Sterling for medically unnecessary Drug Screening; (2) submitting claims to Medicare through Sterling based on bribes and kickbacks; and (3) concealing the payment of bribes and kickbacks.

Manner and Means of the Conspiracy

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

74. Defendant **CLYDE CHRISTOPHER TIPTON**, exercising his authority as owner, in whole or in part, of CHCS and EKHCS, influenced medical providers at CHCS and

EKHCS to refer each and every Medicare beneficiary patient at CHCS and EKHCS to Sterling for medically unnecessary monthly Drug Screenings.

75. Sterling, by and through its agents, paid bribes and kickbacks to defendants **CLYDE CHRISTOPHER TIPTON** and **MAYNARD ALVAREZ**, and others, in return for causing Medicare beneficiaries to be referred to Sterling for medically unnecessary Drug Screening.

76. Defendants **CLYDE CHRISTOPHER TIPTON**, **MAYNARD ALVAREZ**, and others, as well as their co-conspirators at Sterling, caused Sterling to submit claims to Medicare for medically unnecessary urine testing for Medicare beneficiaries.

77. Defendants **CLYDE CHRISTOPHER TIPTON**, **MAYNARD ALVAREZ**, and their co-conspirators, created false and fraudulent documentation in order to disguise the true nature of the bribes and kickbacks paid to them.

78. In order to further conceal, from Medicare and other regulators, the payment of bribes and kickbacks, defendants **CLYDE CHRISTOPHER TIPTON** and **MAYNARD ALVAREZ** created shell companies, including Genesis, to make it appear as if Genesis performed legitimate services for Sterling.

79. Between in or about August 2013 and in or about March 2015, defendants **CLYDE CHRISTOPHER TIPTON**, **MAYNARD ALVAREZ**, and their co-conspirators, caused the submission of approximately \$1,172,747 in claims to Medicare for medically unnecessary services purportedly provided by Sterling.

80. On or about July 16, 2014, LELF paid approximately \$300,000 to defendants **CLYDE CHRISTOPHER TIPTON** and **MAYNARD ALVAREZ** to buy an equity stake in Genesis and receive a percentage of the kickbacks from Sterling. Between approximately

September 22, 2014 and June 16, 2015, Genesis distributed approximately \$589,195 in kickbacks received from Sterling to LELF.

Overt Acts

In furtherance of the conspiracy, and to accomplish its objects and purpose, at least one of the co-conspirators committed and caused to be committed, in the Eastern District of Tennessee, at least one of the following overt acts, among others:

81. On or about September 15, 2014, one or more co-conspirators at Sterling caused approximately \$271,797 to be deposited into Genesis's bank account ending in 5508.

82. On or about September 18, 2014, defendant **CLYDE CHRISTOPHER TIPTON** caused approximately \$65,000 to be transferred from Genesis' bank account ending in 5508 to defendant **CLYDE CHRISTOPHER TIPTON's** personal bank account ending in 9511.

83. On or about September 16, 2014, defendant **MAYNARD ALVAREZ** caused approximately \$65,000 to be transferred from Genesis' bank account ending in 5508 to defendant **MAYNARD ALVAREZ's** personal bank account ending in 8784.

84. On or about September 16, 2014, defendants **CLYDE CHRISTOPHER TIPTON** and **MAYNARD ALVAREZ** caused \$60,000 to be transferred to Pinnacle.

85. On or about October 16, 2014, one or more co-conspirators at Sterling caused approximately \$425,150 to be deposited into Genesis's bank account ending in 5508.

86. On or about October 17, 2014, defendant **CLYDE CHRISTOPHER TIPTON** caused approximately \$105,308 to be transferred from Genesis' bank account ending in 5508 to defendant **CLYDE CHRISTOPHER TIPTON's** personal bank account ending in 9511.

87. On or about October 16, 2014, defendant **MAYNARD ALVAREZ** caused approximately \$105,308 to be transferred from Genesis' bank ending in 5508 account to defendant **MAYNARD ALVAREZ's** personal bank account ending in 8784.

88. On or about November 14, 2014, one or more co-conspirators at Sterling caused approximately \$284,490 to be deposited into Genesis's bank account ending in 5508.

89. On or about November 19, 2014, defendant **CLYDE CHRISTOPHER TIPTON** caused approximately \$55,783 to be transferred from Genesis' bank account ending in 5508 to defendant **CLYDE CHRISTOPHER TIPTON's** personal bank account ending in 9511.

90. On or about November 17, 2014, defendant **MAYNARD ALVAREZ** caused approximately \$55,783 to be transferred from Genesis' bank account ending in 5508 to defendant **MAYNARD ALVAREZ's** personal bank account ending in 8784.

91. On or about December 15, 2014, one or more co-conspirators at Sterling caused approximately \$341,717 to be deposited into Genesis's bank account ending in 5508.

92. On or about December 17, 2014, defendant **CLYDE CHRISTOPHER TIPTON** caused approximately \$75,000 to be transferred from Genesis' bank account ending in 5508 to defendant **CLYDE CHRISTOPHER TIPTON's** personal bank account ending in 9511.

93. On approximately December 16, 2014, defendant **MAYNARD ALVAREZ** caused approximately \$75,000 to be transferred from Genesis' bank account ending in 5508 to defendant **MAYNARD ALVAREZ's** personal bank account ending in 8784.

All in violation of Title 18, United States Code, Section 371.

FORFEITURE

(18 U.S.C. § 982)

94. The allegations contained in Paragraphs 1 through 93 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein. for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 982(a)(7).

95. Upon conviction of the offenses in violation of Title 18, United States Code, Section 371 and Title 42, United States Code, Section 1320a-7b(b)(2)(A), set forth in this

Indictment, the defendants, **CLYDE CHRISTOPHER TIPTON** and **MAYNARD ALVAREZ**, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 982(a)(7), any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense, including but not limited to the following property:

Money Judgment

A personal money judgment in favor of the United States and against defendants **CLYDE CHRISTOPHER TIPTON** and **MAYNARD ALVAREZ** in the amount of \$2,993,949, which represents the amount of proceeds defendants personally obtained from the offenses described above.

96. If any of the property described above, 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 divided without difficulty,

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

Count Fourteen

(Money Laundering Conspiracy – 18 U.S.C. § 1956(h))

97. The allegations contained in Paragraphs 1 through 96 of this Indictment are alleged and incorporated by reference as though fully set forth herein.

98. From in or about April 2014, through on or about July 2016, in the Eastern District of Tennessee and elsewhere, defendants **CLYDE CHRISTOPHER TIPTON** and **MAYNARD ALVAREZ**, did knowingly, intentionally, and without authority combine, conspire, confederate, and agree with one another and others to commit certain offenses against the United States in violation of Title 18, United States Code, Sections 1956 and 1957, as follows:

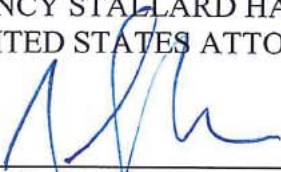
- a. to knowingly conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, which involved the proceeds of a specified unlawful activity, that is, conspiracy to violate the federal anti-kickback laws as alleged in Counts Twelve and Thirteen, with the intent to promote the carrying on of said 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 Title 18, United States Code, Section 1956(a)(1)(A)(i); and
- b. to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce and foreign commerce, which transactions involved the proceeds of a specified unlawful activity, that is, conspiracy to violate federal anti-kickback laws as alleged in Counts Twelve and Thirteen, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said 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 Title 18 United States Code, Section 1956(a)(1)(B)(i);

all in violation of Title 18, United States Code, Section 1956(h).

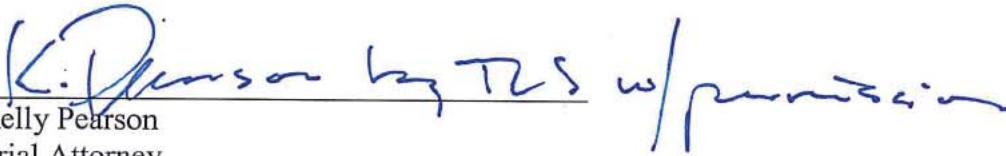
A TRUE BILL:

SIGNATURE REDACTED

NANCY STALLARD HARR
UNITED STATES ATTORNEY



Tracy L. Stone
Anne-Marie Svolto
Assistant United States Attorneys
United States Department of Justice



Kelly Pearson
Trial Attorney
Organized Crime and Gang Section
United States Department of Justice

CRIMINAL CASE COVER SHEET

U.S. ATTORNEY'S OFFICE

Defendant Name: SYLVIA HOFSTETTER

Place of Offense (City & County): Knoxville & Knox

Juvenile: Yes ___ No X Matter to be Sealed: Yes ___ No X

Interpreter: No X Yes ___ Language: _____

Total # of Counts: ___ Petty ___ Misdemeanor (Class ___) 11 Felony

ORIGINAL INDICTMENT		Count(s)
U.S.C. Citation(s) and Description of Offense Charged		
Set 1		

(Use tab key after entering counts to create additional rows)

	SUPERSEDING INDICTMENT U.S.C. Citation(s) and Description of Offense Charged	New count? Y or N	New Count #	Old Count # <i>(if applicable)</i>
Set 1	21 U.S.C. §§ 846, 841(a)(1), and 841(b)(1)(C) – Conspiracy to distribute and dispense, and cause to be distributed and dispensed, outside the scope of professional practice and not for a legitimate medical purpose a mixture and substance containing a detectable amount of Oxycodone, Oxymorphone, and Morphine, Schedule II controlled substances	N	1	1
Set 2	18 U.S.C. § 1956(h) – Conspiracy to commit money laundering	N	2	2
Set 3	18 U.S.C. § 1956(a)(1)(B)(i) – Money laundering	N	3, 4, 5, 6, 7,	3, 4, 5, 6, 7,
Set 4	21 U.S.C. § 856(a)(1) & 18 U.S.C. § 2 – aided and abetted by one another, did maintain a drug-involved premise	N	8, 9, 10	10, 11, 12
Set 3	21 U.S.C. §§ 841(a)(1), 841(b)(1)(C) & 18 U.S.C. § 2 – aided and abetted by one another, did knowingly and intentionally distribute and dispense, and cause to be distributed and dispensed, outside the scope of professional practice and not for a legitimate medical purpose, a mixture and substance containing a detectable amount of oxycodone, a Schedule II controlled substance	N	11	13

(Use tab key after entering counts to create additional rows)

Current Trial Date (if set): September 12, 2017 before Judge Varlan

Criminal Complaint Filed: No Yes _____ Case No. _____

Defendant on Supervised Release: Yes _____ No

Violation Warrant Issued? No Yes _____ Case No. _____

Related Case(s):

Case Number	Defendant's attorney	How related
3:15-cr-14, 3:15-cr-20 through 50, 3:15-cr-150, 3:16-cr-95, 3:16-cr-96, 3:16-cr-97		

Case Number	Defendant's attorney	How related

Criminal Informations:

Pending criminal case: No _____ Yes _____ Case No. _____

New Separate Case _____ Supersedes Pending Case _____

Name of defendant's attorney: _____

Retained: _____ Appointed: _____

Date: July 6, 2017 Signature of AUSA: _____

CRIMINAL CASE COVER SHEET

U.S. ATTORNEY'S OFFICE

Defendant Name: ALAN PECORELLA

Place of Offense (City & County): Knoxville & Knox

Juvenile: Yes ___ No X Matter to be Sealed: Yes ___ No X

Interpreter: No X Yes ___ Language: _____

Total # of Counts: ___ Petty ___ Misdemeanor (Class ___) 3 Felony

	ORIGINAL INDICTMENT U.S.C. Citation(s) and Description of Offense Charged	Count(s)
Set 1		

(Use tab key after entering counts to create additional rows)

	SUPERSEDING INDICTMENT U.S.C. Citation(s) and Description of Offense Charged	New count? Y or N	New Count #	Old Count # (if applicable)
Set 1	21 U.S.C. §§ 846, 841(a)(1), and 841(b)(1)(C) – Conspiracy to distribute and dispense, and cause to be distributed and dispensed, outside the scope of professional practice and not for a legitimate medical purpose a mixture and substance containing a detectable amount of Oxycodone, Oxymorphone, and Morphine, Schedule II controlled substances	N	1	1
Set 2	21 U.S.C. § 856(a)(1) & 18 U.S.C. § 2 – aided and abetted by one another, did maintain a drug-involved premise	N	9, 10	11, 12

(Use tab key after entering counts to create additional rows)

Current Trial Date (if set): September 12, 2017 before Judge Varlan

Criminal Complaint Filed: No X Yes ___ Case No. _____

Defendant on Supervised Release: Yes ___ No X

Violation Warrant Issued? No X Yes ___ Case No. _____

Related Case(s):

<u>3:15-cr-14, 3:15-cr-20 through 50, 3:15-cr-150, 3:16-cr-95, 3:16-cr-96, 3:16-cr-97</u>
Case Number Defendant's attorney How related

Case Number Defendant's attorney How related
--

Criminal Informations:

Pending criminal case: No _____ Yes _____ Case No. _____

New Separate Case _____ Supersedes Pending Case _____

Name of defendant's attorney: _____

Retained: _____ Appointed: _____

Date: July 6, 2017 Signature of AUSA: _____

CRIMINAL CASE COVER SHEET

U.S. ATTORNEY'S OFFICE

Defendant Name: THEODORE MCCRARY

Place of Offense (City & County): Knoxville & Knox

Juvenile: Yes ___ No X Matter to be Sealed: Yes ___ No X

Interpreter: No X Yes ___ Language: _____

Total # of Counts: ___ Petty ___ Misdemeanor (Class ___) 3 Felony

	ORIGINAL INDICTMENT U.S.C. Citation(s) and Description of Offense Charged	Count(s)
Set 1		

(Use tab key after entering counts to create additional rows)

	SUPERSEDING INDICTMENT U.S.C. Citation(s) and Description of Offense Charged	New count? Y or N	New Count #	Old Count # <i>(if applicable)</i>
Set 1	21 U.S.C. §§ 846, 841(a)(1), and 841(b)(1)(C) – Conspiracy to distribute and dispense, and cause to be distributed and dispensed, outside the scope of professional practice and not for a legitimate medical purpose a mixture and substance containing a detectable amount of Oxycodone, Oxymorphone, and Morphine, Schedule II controlled substances	N	1	1
Set 2	21 U.S.C. § 856(a)(1) & 18 U.S.C. § 2 – aided and abetted by one another, did maintain a drug-involved premise	N	9, 10	11, 12

(Use tab key after entering counts to create additional rows)

Current Trial Date (if set): September 12, 2017 before Judge Varlan

Criminal Complaint Filed: No X Yes ___ Case No. _____

Defendant on Supervised Release: Yes ___ No X

Violation Warrant Issued? No X Yes ___ Case No. _____

Related Case(s):

3:15-cr-14, 3:15-cr-20 through 50, 3:15-cr-150, 3:16-cr-95, 3:16-cr-96, 3:16-cr-97

Case Number	Defendant's attorney	How related

Case Number	Defendant's attorney	How related

Criminal Informations:

Pending criminal case: No _____ Yes _____ Case No. _____

New Separate Case _____ Supersedes Pending Case _____

Name of defendant's attorney: _____

Retained: _____ Appointed: _____

Date: July 6, 2017 Signature of AUSA: _____

CRIMINAL CASE COVER SHEET

U.S. ATTORNEY'S OFFICE

Defendant Name: **COURTNEY NEWMAN**

Place of Offense (City & County): **Knoxville & Knox**

Juvenile: Yes ___ No X Matter to be Sealed: Yes ___ No X

Interpreter: No X Yes ___ Language: _____

Total # of Counts: ___ Petty ___ Misdemeanor (Class ___) 3 Felony

	ORIGINAL INDICTMENT U.S.C. Citation(s) and Description of Offense Charged	Count(s)
Set 1		

(Use tab key after entering counts to create additional rows)

	SUPERSEDING INDICTMENT U.S.C. Citation(s) and Description of Offense Charged	New count? Y or N	New Count #	Old Count # (if applicable)
Set 1	21 U.S.C. §§ 846, 841(a)(1), and 841(b)(1)(C) – Conspiracy to distribute and dispense, and cause to be distributed and dispensed, outside the scope of professional practice and not for a legitimate medical purpose a mixture and substance containing a detectable amount of Oxycodone, Oxymorphone, and Morphine, Schedule II controlled substances	N	1	1
Set 2	21 U.S.C. § 856(a)(1) & 18 U.S.C. § 2 – aided and abetted by one another, did maintain a drug-involved premise	N	8, 10	10, 12

(Use tab key after entering counts to create additional rows)

Current Trial Date (if set): September 12, 2017 before Judge Varlan

Criminal Complaint Filed: No X Yes ___ Case No. _____

Defendant on Supervised Release: Yes ___ No X

Violation Warrant Issued? No X Yes ___ Case No. _____

Related Case(s):

3:15-cr-14, 3:15-cr-20 through 50, 3:15-cr-150, 3:16-cr-95, 3:16-cr-96, 3:16-cr-97

Case Number Defendant's attorney How related

Case Number Defendant's attorney How related

Criminal Informations:

Pending criminal case: No _____ Yes _____ Case No. _____

New Separate Case _____ Supersedes Pending Case _____

Name of defendant's attorney: _____

Retained: _____ Appointed: _____

Date: July 6, 2017 Signature of AUSA: _____

CRIMINAL CASE COVER SHEET

U.S. ATTORNEY'S OFFICE

Defendant Name: **CYNTHIA CLEMONS**

Place of Offense (City & County): **Knoxville & Knox**

Juvenile: Yes ___ No X Matter to be Sealed: Yes ___ No X

Interpreter: No X Yes ___ Language: _____

Total # of Counts: ___ Petty ___ Misdemeanor (Class ___) 4 Felony

	ORIGINAL INDICTMENT U.S.C. Citation(s) and Description of Offense Charged	Count(s)
Set 1		

(Use tab key after entering counts to create additional rows)

	SUPERSEDING INDICTMENT U.S.C. Citation(s) and Description of Offense Charged	New count? Y or N	New Count #	Old Count # <i>(if applicable)</i>
Set 1	21 U.S.C. §§ 846, 841(a)(1), and 841(b)(1)(C) – Conspiracy to distribute and dispense, and cause to be distributed and dispensed, outside the scope of professional practice and not for a legitimate medical purpose a mixture and substance containing a detectable amount of Oxycodone, Oxymorphone, and Morphine, Schedule II controlled substances	N	1	1
Set 2	21 U.S.C. § 856(a)(1) & 18 U.S.C. § 2 – aided and abetted by one another, did maintain a drug-involved premise	N	8, 10	10, 12
Set 3	21 U.S.C. §§ 841(a)(1), 841(b)(1)(C) & 18 U.S.C. § 2 – aided and abetted by one another, did knowingly and intentionally distribute and dispense, and cause to be distributed and dispensed, outside the scope of professional practice and not for a legitimate medical purpose, a mixture and substance containing a detectable amount of oxycodone, a Schedule II controlled substance	N	11	13

(Use tab key after entering counts to create additional rows)

Current Trial Date (if set): September 12, 2017 before Judge Varlan

Criminal Complaint Filed: No X Yes ___ Case No. _____

Defendant on Supervised Release: Yes ___ No X

Violation Warrant Issued? No Yes Case No. _____

Related Case(s):

3:15-cr-14, 3:15-cr-20 through 50, 3:15-cr-150, 3:16-cr-95, 3:16-cr-96, 3:16-cr-97

Case Number Defendant's attorney How related

Case Number Defendant's attorney How related

Criminal Informations:

Pending criminal case: No Yes Case No. _____

New Separate Case _____ Supersedes Pending Case _____

Name of defendant's attorney: _____

Retained: _____ Appointed: _____

Date: July 7, 2017 Signature of AUSA: _____

CRIMINAL CASE COVER SHEET

U.S. ATTORNEY'S OFFICE

Defendant Name: HOLLI WOMACK, also known as "HOLLI CARMICHAEL"

Place of Offense (City & County): Knoxville & Knox

Juvenile: Yes ___ No X Matter to be Sealed: Yes ___ No X

Interpreter: No X Yes ___ Language: _____

Total # of Counts: ___ Petty ___ Misdemeanor (Class ___) 2 Felony

	ORIGINAL INDICTMENT U.S.C. Citation(s) and Description of Offense Charged	Count(s)
Set 1		

(Use tab key after entering counts to create additional rows)

	SUPERSEDING INDICTMENT U.S.C. Citation(s) and Description of Offense Charged	New count? Y or N	New Count #	Old Count # <i>(if applicable)</i>
Set 1	21 U.S.C. §§ 846, 841(a)(1), and 841(b)(1)(C) – Conspiracy to distribute and dispense, and cause to be distributed and dispensed, outside the scope of professional practice and not for a legitimate medical purpose a mixture and substance containing a detectable amount of Oxycodone, Oxymorphone, and Morphine, Schedule II controlled substances	Y	1	
Set 2	21 U.S.C. § 856(a)(1) & 18 U.S.C. § 2 – aided and abetted by one another, did maintain a drug-involved premise	Y	10	

(Use tab key after entering counts to create additional rows)

Current Trial Date (if set): _____ before _____

Criminal Complaint Filed: No X Yes ___ Case No. _____

Defendant on Supervised Release: Yes ___ No X

Violation Warrant Issued? No X Yes ___ Case No. _____

Related Case(s):

3:15-cr-14, 3:15-cr-20 through 50, 3:15-cr-150, 3:16-cr-95, 3:16-cr-96, 3:16-cr-97

Case Number Defendant's attorney How related

Case Number Defendant's attorney How related

Criminal Informations:

Pending criminal case: No _____ Yes _____ Case No. _____

New Separate Case _____ Supersedes Pending Case _____

Name of defendant's attorney: _____

Retained: _____ Appointed: _____

Date: July 6, 2017 Signature of AUSA: _____

CRIMINAL CASE COVER SHEET

U.S. ATTORNEY'S OFFICE

Defendant Name: CLYDE CHRISTOPHER TIPTON

Place of Offense (City & County): Knoxville & Knox

Juvenile: Yes ___ No X Matter to be Sealed: Yes ___ No X

Interpreter: No X Yes ___ Language: _____

Total # of Counts: ___ Petty ___ Misdemeanor (Class ___) 4 Felony

	ORIGINAL INDICTMENT U.S.C. Citation(s) and Description of Offense Charged	Count(s)
Set 1		

(Use tab key after entering counts to create additional rows)

	SUPERSEDING INDICTMENT U.S.C. Citation(s) and Description of Offense Charged	New count? Y or N	New Count #	Old Count # (if applicable)
Set 1	18 U.S.C. § 1956(h) – Conspiracy to commit money laundering	Y	2, 14	
Set 2	18 U.S.C. § 371 – Conspiracy to defraud the United States and solicit and receive health care kickbacks from Confirmatrix	Y	12	
Set 3	18 U.S.C. § 371 – Conspiracy to defraud the United States and solicit and receive health care kickbacks from Sterling	Y	13	

(Use tab key after entering counts to create additional rows)

Current Trial Date (if set): _____ before _____

Criminal Complaint Filed: No X Yes ___ Case No. _____

Defendant on Supervised Release: Yes ___ No X

Violation Warrant Issued? No X Yes ___ Case No. _____

Related Case(s):

3:15-cr-14, 3:15-cr-20 through 50, 3:15-cr-150, 3:16-cr-95, 3:16-cr-96, 3:16-cr-97
 Case Number Defendant's attorney How related

 Case Number Defendant's attorney How related

Criminal Informations:

Pending criminal case: No ___ Yes ___ Case No. _____

New Separate Case _____ Supersedes Pending Case _____

Name of defendant's attorney: _____

Retained: _____ Appointed: _____

Date: July 6, 2017 Signature of AUSA: _____

CRIMINAL CASE COVER SHEET

U.S. ATTORNEY'S OFFICE

Defendant Name: MAYNARD ALVAREZ

Place of Offense (City & County): Knoxville & Knox

Juvenile: Yes ___ No X Matter to be Sealed: Yes ___ No X

Interpreter: No X Yes ___ Language: _____

Total # of Counts: ___ Petty ___ Misdemeanor (Class ___) 3 Felony

ORIGINAL INDICTMENT		Count(s)
U.S.C. Citation(s) and Description of Offense Charged		
Set 1		

(Use tab key after entering counts to create additional rows)

SUPERSEDING INDICTMENT		New count? Y or N	New Count #	Old Count # <i>(if applicable)</i>
U.S.C. Citation(s) and Description of Offense Charged				
Set 1	18 U.S.C. § 371 – Conspiracy to defraud the United States and solicit and receive health care kickbacks from Confirmatrix	Y	12	
Set 2	18 U.S.C. § 371 – Conspiracy to defraud the United States and solicit and receive health care kickbacks from Sterling	Y	13	
Set 3	18 U.S.C. § 1956(h) – Conspiracy to commit money laundering	Y	14	

(Use tab key after entering counts to create additional rows)

Current Trial Date (if set): _____ before _____

Criminal Complaint Filed: No X Yes ___ Case No. _____

Defendant on Supervised Release: Yes ___ No X

Violation Warrant Issued? No X Yes ___ Case No. _____

Related Case(s):

3:15-cr-14, 3:15-cr-20 through 50, 3:15-cr-150, 3:16-cr-95, 3:16-cr-96, 3:16-cr-97
 Case Number Defendant's attorney How related

Case Number Defendant's attorney How related

Criminal Informations:

Pending criminal case: No ___ Yes ___ Case No. _____

New Separate Case _____ Supersedes Pending Case _____

Name of defendant's attorney: _____

Retained: _____ Appointed: _____

Date: **July 6, 2017** _____ Signature of AUSA: _____