



Department of Justice

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Western District of Wisconsin

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Former Janesville Pharmacy Owner Sentenced to Two Years Federal Prison For Health Care Fraud

Madison, Wis. – Jeffrey M. Anderson, Acting United States Attorney for the Western District of Wisconsin, announced Mark Johnson, 55, Janesville, Wis., was sentenced today by U.S. District James Peterson to 24 months in federal prison for health care fraud. Mr. Johnson will begin serving his sentence in October.

On August 4, 2016, then U.S. Attorney John W. Vaudreuil announced Johnson's arrest along with the unsealing of a 46-count indictment returned by the grand jury charging him with health care fraud, making false statements in a health care fraud audit, and identity theft.

On May 24, 2017, Johnson entered a guilty plea to Count 1 of the indictment, but pursuant to the Federal Sentencing Guidelines, all the charged conduct was considered by the Court at sentencing. Johnson defrauded Medicare and Medicaid from approximately January 2008 to March 2014. During this time-period, he was a licensed pharmacist, and the owner and president of Kealey Pharmacy and Home Care, Inc., a pharmacy located in Janesville, Wisconsin. Kealey Pharmacy was a retail pharmacy providing, among other things, prescription drugs to customers. Kealey was reimbursed for these prescriptions in a number of ways, including reimbursement payments under Medicare and Medicaid.

Johnson submitted false and fraudulent claims to Medicare and Medicaid obtaining reimbursement for medication that was not, in fact, provided to beneficiaries. On occasion, Johnson also created false prescription orders using the identities of physicians and then submitted claims for reimbursement for medication pursuant to these false prescription orders. Johnson also lied in his responses to an audit being conducted by the State of Wisconsin Department of Health Services of paid Medicaid claims in 2013. Johnson obtained approximately \$740,000 in fraudulent prescription reimbursements during his fraud scheme.



At sentencing, Judge Peterson noted that Johnson's criminal conduct caused a considerable financial loss to the Medicare and Medicaid programs, which are designed to protect the sick and the vulnerable.

The charges against Johnson were the result of a lengthy investigation conducted by the United States Department of Health and Human Services, Office of Inspector General, and the United States Postal Inspection Service. Federal investigators began investigating Johnson after being alerted to the possible fraud by two employees who worked at the pharmacy.

Acting U.S. Attorney Anderson commended the outstanding work of the investigators in the case and praised the two former employees who came forward with concerns about possible fraud. Anderson also said, "Johnson's case is an example of this U.S. Attorney's Office's commitment to prosecuting those in the health care profession who abuse the public trust by defrauding the Medicare and Medicaid programs."

Prosecution of this case is being handled by Assistant United States Attorney Meredith P. Duchemin. Ms. Duchemin was previously assisted by former United States Attorney Vaudreuil.

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