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ATTORNEY FOR PLAINTIFF
UNITED STATES OF AMERICA

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MONTANA
GREAT FALLS DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

DR. ARNOLD SCOTT DEVOUS,

Defendant.

CR 20-18-GF-BMM

OFFER OF PROOF

THE CHARGE

The defendant, DR. ARNOLD SCOTT DEVOUS, is charged by indictment with Federal Medical Officer with Conflict of Interest, in violation of 18 U.S.C. §§ 208(a) and 216(a)(2).

PLEA

The defendant, DR. ARNOLD SCOTT DEVOUS, will enter a voluntary plea of guilty to the sole count in the indictment. The motion for change of plea filed with the Court represents, in the government's view, the most favorable disposition of the case against the defendant. *See, e.g., Missouri v. Frye*, 132 S. Ct. 1399 (2012).

ELEMENTS

The defendant will plead guilty because he is guilty of count I contained in the indictment. In pleading guilty to count I, the defendant acknowledges that:

First, the defendant was an officer or employee of the executive branch or of an independent agency of the federal government;

Second, the defendant participated personally and substantially in his official governmental capacity through decision, approval, recommendation, the rendering of advice, or otherwise;

Third, the defendant did so in an application, contract, claim, or other particular matter;

Fourth, the defendant knew that he, his spouse, or a person with whom he has any arrangement concerning prospective employment, had a financial interest in that particular matter; and,

Fifth, the defendant did so willfully.

PENALTY

Count I of the indictment charges the crime of Federal Medical Officer with Conflict of Interest, in violation of 18 U.S.C. §§ 208(a), 216(a)(2). This offense carries up to five years imprisonment, a \$250,000 fine, three years supervised release, and a \$100 special assessment.

ANTICIPATED EVIDENCE

If this case were tried in United States District Court, the United States would prove the following:

Dr. Arnold Scott Devous was a Medical Officer for Indian Health Services in Browning, Montana. Dr. Devous was in charge of the diabetes program at Indian Health Services, which is part of the executive branch (and an agency) of the United States.

Dr. Devous used his position at Indian Health Services to prescribe Farxiga, which was a Type 2 diabetes medication. Farxiga was not on the Indian Health Services formulary, meaning it could not be obtained at the Indian Health Services facility. Dr. Devous solicited multiple pharmacies in Montana to fill expensive prescriptions of Farxiga in exchange for Dr. Devous receiving a “cut” of the profits and kickbacks. Government personnel are strictly prohibited from engaging in these types of relationships.

Ultimately, a pharmacy agreed to Dr. Devous' terms, and the amount of money totaled \$45,540.89 in approximately six months. Dr. Devous first hid the kickbacks by sending the money to his wife, and he then used a prospective business associate. Neither of these options were allowable under the law.

When interviewed, Dr. Devous admitted that his wife received the money, which was illegal. Dr. Devous also admitted that he never informed his superiors of the outside income as required by law.

The United States would have presented this evidence through the testimony of law enforcement and lay witnesses.

DATED this 8th day of September, 2020.

KURT G. ALME
United States Attorney

/s/ Ryan G. Weldon
RYAN G. WELDON
Assistant U.S. Attorney