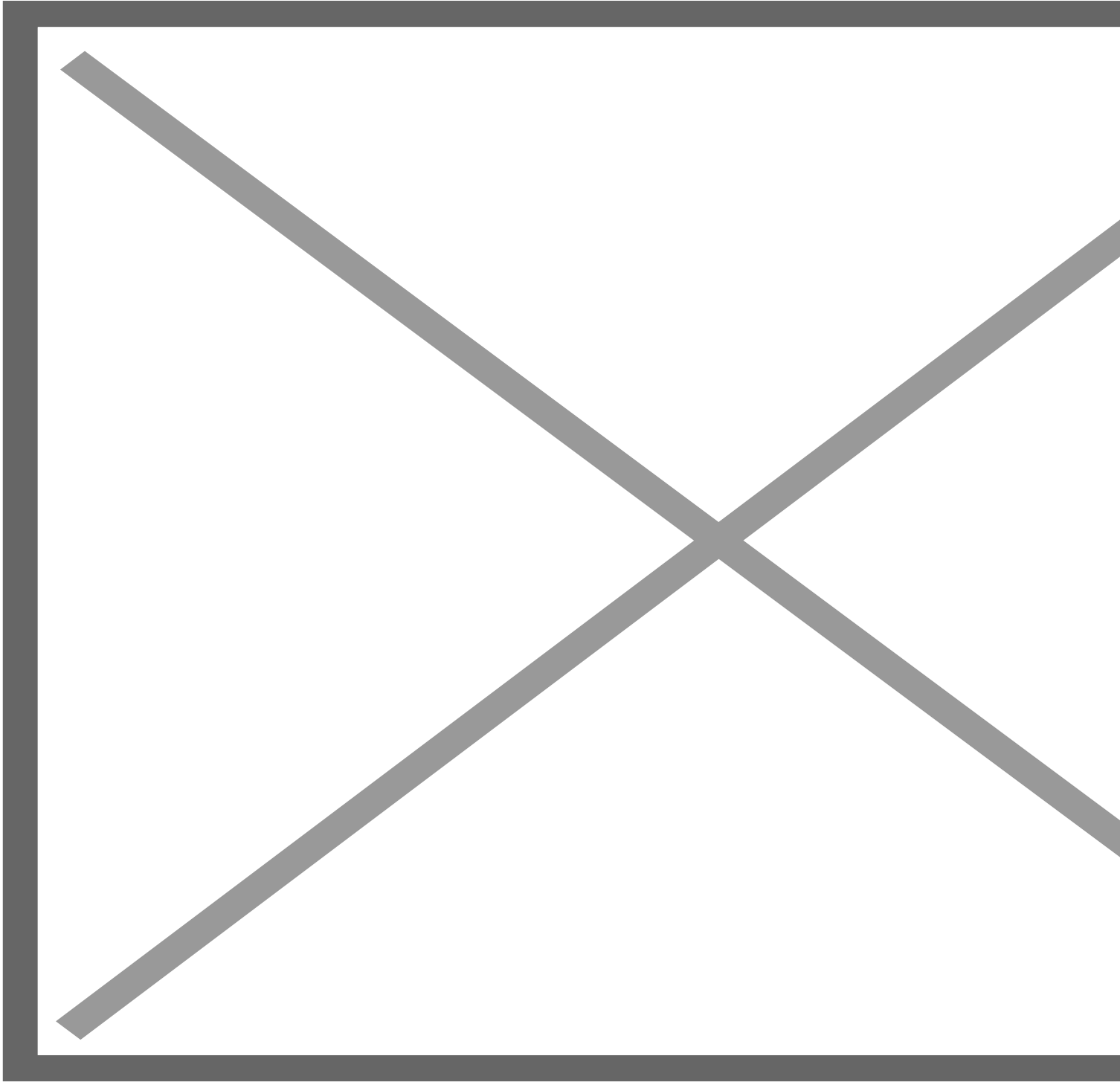


Eli Lilly sues church leaders for alleged \$200 million 'sham' drug program

by [Bob Smietana](#)

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Eli Lilly and Company's corporate center in Indianapolis (Photo courtesy of Wikimedia/Creative Commons)

A group of leaders in the Church of God in Christ have been accused in a lawsuit of defrauding a major pharmaceutical company out of more than \$200 million in rebates for diabetes drugs.

In a complaint filed May 19 in the US District Court for the Southern District of Florida, lawyers for Eli Lilly and Company alleged that a cost-sharing program covering millions of members of COGIC, a Pentecostal denomination, was a “sham.”

Instead of helping church members get access to Trulicity and other diabetes medications manufactured by Lilly, the program’s leaders worked with wholesalers to resell the drugs while collecting millions in rebates, the lawsuit claims.

The complaint names COGIC Bishop Jerry Maynard Sr. of Nashville, along with his son and daughter, both COGIC pastors, as well as Readus C. Smith III, [the general secretary of health and business](#) for the denomination, and several wholesalers.

Most of the alleged fraud involved reimbursements submitted by DrugPlace, Inc., a pharmacy that shared office space with Community Health, a program run by the Maynards and Smith. Community Health is also known as COGIC’s Department of Health.

The lawsuit says DrugPlace purchased “enormous quantities” of Trulicity, allegedly for church members.

“After purchasing the medication, Defendants seek rebates from Lilly for purported utilization of the medication, filtering the rebate claims through a series of intermediaries,” according to the complaint. “In doing so, Defendants represent that the medication has been dispensed to patients—a necessary condition to qualify for rebates.” But the medications never made it to church members, the suit argues. Instead, they were allegedly sent to wholesalers who resold them.

“Defendants then falsely represent to Lilly, through intermediaries, that the resold Trulicity has been dispensed to patients in order to fraudulently cause Lilly to pay rebates,” the complaint alleges.

The church leaders and the wholesalers they worked with “supervised, participated in, conspired to participate in, and benefited from the fraudulent scheme,” according to the complaint.

Neither Smith nor the Maynards responded immediately to requests for comment.

Lilly’s concerns about DrugPlace go back more than a decade. In 2015, the pharmaceutical company cut ties with DrugPlace after finding irregularities with rebates submitted for two diabetes drugs, according to the complaint. At that time, DrugPlace received about \$6 million a year in rebates.

In 2015, Lilly audited DrugPlace’s rebate program and, after the audit, decided to not renew its agreement with the pharmacy.

“Ultimately, Lilly’s audit of DrugPlace was unable to confirm that any of DrugPlace’s rebate claims were valid,” according to the complaint.

But DrugPlace continued to receive millions in rebates, Lilly’s attorneys allege. From 2020 to 2025, the pharmacy submitted more than \$250 million in fraudulent rebates, according to the complaint. The pharmacy did

so by allegedly buying Trulicity from wholesalers, then reselling the drug and using third parties to apply for rebates.

“Defendants’ ‘cost share program’ is a sham,” the complaint alleges. “Defendants—who claim to provide prescription drug coverage for a Church with more than a million members—actually operate out of a nondescript two-room office.”

The complaint also names wholesalers in Florida and Texas, as well as the owner of Galaxy Pharmacy, a cost-sharing program with ties to the Texas chapter of a Hispanic Christian leadership group.

“In the course of investigating DrugPlace’s rebate claims, Lilly identified a Texas-based pharmacy, Defendant Galaxy, that became associated with suspicious rebate claims for Trulicity in July 2024,” the complaint alleges.

The complaint outlines Lilly’s investigation of DrugPlace’s rebates, which included auditing data of third parties as well as surveilling the offices of DrugPlace Nashville. Surveillance images were included in the lawsuit.

“There were neither customers coming to retrieve medications nor any indication of product being mailed to individual customers, such as FedEx or UPS trucks,” according to the complaint. “Rather, DrugPlace appeared to be distributing medication or other products to other pharmacies and medical practices throughout the Nashville area.”

Along with seeking damages from the defendants, attorneys for Lilly also filed a motion for a temporary restraining order and a preliminary injunction to bar the defendants from “submitting fraudulent rebate claims.”
—Religion News Service