THE UNITED STATES ATTORNEY'S OFFICE

NORTHERN DISTRICT of OKLAHOMA

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Department of Justice

U.S. Attorney's Office

Northern District of Oklahoma

FOR IMMEDIATE RELEASE

Friday, February 8, 2019

Marketer Agrees to Pay Nearly \$340,000 for Allegedly Engaging in an Illegal Kickback Scheme with OK Compounding

TULSA, Okla. – James Paul Adams, 35, of Cypress, Texas, also known as Beau Adams, owner of the Texas marketing company One Source Healthcare Organization, LLC, agreed to pay the government \$339,412.50 for allegedly accepting illegal kickback payments from OK Compounding, LLC, announced U.S. Attorney Trent Shores.

The U.S. Attorney's Office in the Northern District of Oklahoma entered into a settlement agreement this week with Adams, in an effort to recoup the costs to the U.S. government resulting from the illegal kickbacks. This civil settlement resulted from an investigation into OK Compounding, a pharmacy previously located in Skiatook, Oklahoma.

The government alleged OK Compounding paid substantial kickbacks to various third-party "marketers" in exchange for those marketers referring prescriptions for compounded drugs to OK Compounding. The kickbacks consisted of a share of the revenue generated by the marketers' referrals. These arrangements violated the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b).

In an investigation into OK Compounding, the U.S. Attorney's Office Criminal Division recently brought criminal charges against two men affiliated with pharmacy. In December, a federal grand jury returned an indictment against Christopher Parks, 57, and Dr. Gary Lee, 58, both of Tulsa, for <u>violations of the federal anti-kickback statute and conspiracy to commit health care fraud.</u>

"The federal health care system was intended to benefit and help ailing Americans. It was not designed to promote a system of corruption and kickbacks so that Mr. Adams could live a lavish lifestyle," said U.S. Attorney Shores. "The Affirmative Civil Enforcement prosecutors in our Civil Division are at the tip of the spear when holding individuals like Mr. Adams accountable for their unscrupulous behavior. Whether due to personal greed or some other corrupt intent, the United

States Attorney's Office will use all tools available - be they criminal or civil - to stop health care fraud."

Through these schemes, Adams knowingly caused false or fraudulent claims to be presented to TRICARE and Medicare programs for the purpose of defrauding the federal program. Because federal health care programs were involved, the kickbacks were also in violation of the False Claims Act. It is illegal to pay or receive "kickbacks" in conjunction with federal health care insurance.

Laws against kickbacks are crucial to insure that financial motives do not undermine the medical judgment of physicians and other health care providers. The civil False Claims Act is an important tool used to protect the integrity of taxpayer-funded health care programs.

Affirmative Civil Enforcement (ACE) refers to filing civil lawsuits on behalf of the United States. The purpose of these civil actions is to recover government money lost to fraud or other misconduct or to impose penalties for violations of Federal health, safety, civil rights or environmental laws. As in this action, the ACE team can recover losses from health care providers who defraud Federal health programs like Medicare, Medicaid, and Tricare by overbilling for goods and services or billing for goods and services that were not rendered, not medically necessary, or substandard.

To report fraud and abuse against the Federal government in the Northern District of Oklahoma, please contact the U.S. Attorney's Office at 918-382-2700 and speak to a member of the ACE unit.

Information regarding health care fraud to Medicare can also be reported to the Department of Health and Human Services, Office of Inspector General, at https://oig.hhs.gov/fraud/report-fraud/index.asp. Information for fraud against Tricare can be reported at https://health.mil/Military-Health-Topics/Access-Cost-Quality-and-Safety/Quality-And-Safety-of-Healthcare/Program-Integrity/Fraud-and-Abuse-Report-Submission-Form.

This matter was handled by Assistant U.S. Attorney for the Affirmative Civil Enforcement unit, Marianne Hardcastle, and is the product of a collaborative investigation by the FBI, U.S. Department of Health & Human Services- Office of Inspector General, Department of Defense-Defense Criminal Investigative Service, Drug Enforcement Administration, U.S. Postal Inspection Service, Oklahoma Attorney General's Office, Oklahoma State Board of Pharmacy, Oklahoma State Board of Medical Licensure and Supervision and Food and Drug Administration-Office of Criminal Investigation.

The claims resolved by the settlement are allegations only; there has been no determination of liability.

Topic(s):

Health Care Fraud

Component(s):

USAO - Oklahoma, Northern

Contact:

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