



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

Monday, February 25, 2019

North Carolina Marketer Agrees to Pay \$414,108.08 for Allegedly Engaging in Illegal Kickback Scheme with OK Compounding

David Tsui and Wellcare Consulting, LLC, a North Carolina marketing company, have agreed to pay the government \$414,108.08 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 Tsui, of Chapel Hill, North Carolina, and Wellcare, 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 United States alleged OK Compounding paid substantial kickbacks to various third-party "marketers" in exchange for those marketers arranging for the referral of prescriptions for compounded drugs to the pharmacy. The kickbacks consisted of a share of the revenue that the referrals generated for OK Compounding. These arrangements violated the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b).

"I won't allow corrupt health care professionals to exploit the federal health care system for their fraudulent, personal enrichment. My Affirmative Civil Enforcement team is prioritizing health care fraud cases," said U.S. Attorney Trent Shores. "Federal health care dollars are to be used in accordance with the law. Dollar by dollar, corrupt defendant by corrupt defendant, we will get back the illegally obtained funds."

Through these schemes, Tsui and Wellcare knowingly caused false claims to be presented to the Tricare and Medicare programs for the purpose of defrauding these federal programs. Because federal healthcare 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 healthcare insurance. Laws against kickbacks are crucial to ensure 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.

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 Marianne Hardcastle and is the product of a collaborative investigation by the Defense Criminal Investigative Service, Department of Labor –Office of Inspector General (OIG), IRS–Criminal Investigation, U.S. Postal Service–OIG, FBI, Department of Veterans Affairs–OIG and the Department of Health and Human Services–OIG.

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:

Public

Affairs 918-382-2755