

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

Thursday, April 14, 2022

Two Marketers Sentenced for Engaging in an Illegal Health Care Kickback Scheme

Two men were sentenced in federal court Wednesday for helping orchestrate a scheme where physicians received kickback payments in exchange for writing and referring expensive compounded drug prescriptions to OK Compounding, announced U.S. Attorney Clint Johnson.

Johnathon Yates Boyd III, 50, of Katy, Texas, was sentenced to 12 months of probation and ordered to pay \$391,475.41 in restitution. Bryan Fred Woodson, 61, of Beach City, Texas, was sentenced to 12 months of probation and ordered to pay \$553,232.45 in restitution.

Boyd III and Woodson each pleaded guilty to *conspiracy to pay kickbacks*.

It is illegal to pay or receive “kickbacks” in conjunction with federal health care insurance. Prohibitions against kickbacks are crucial to ensure that financial motives do not undermine the medical judgment of physicians and other health care providers.

Boyd III and Woodson admitted to conspiring together with Christopher Parks, 60, of Jenks, and Dr. Gary Lee, 61, of Tulsa, to enrich themselves through the scheme at the expense of the federal government.

According to court documents, Boyd III and Woodson, formed R&A Marketing Group LLC around 2012. R&A Marketing introduced its recruited physicians to OK Compounding, a pharmacy controlled and operated by Parks and Lee, for the purpose of entering into a referral relationship with the pharmacy. The conspirators provided illegal kickbacks and bribes to the physicians, and in return, the physicians wrote expensive patient prescriptions for compounded drugs and referred those prescriptions to OK Compounding. The pharmacies then submitted large claims for payment of the costly prescriptions to various federal health care programs.

Physicians were allegedly provided pre-printed prescription pads that listed compounded formula choices. They would then check a box with their preferred selection then fax it directly to OK Compounding, rather than writing a prescription tailored to the patient who could then take it to a pharmacy of their choice.

Payments to physicians were disguised through various sham business arrangements. For example, physicians would enter into agreements with a pharmacy to serve as “medical directors” or “consulting

physicians.” However, physicians did not provide any services to OK Compounding nor any other pharmacies controlled by Parks and/or Lee.

In exchange for recruiting physicians to enter into contracts as “medical directors” or “consulting physicians”, R&A Marketing was paid a commission based on the reimbursed prescriptions.

Compounding prescriptions is a practice in which a pharmacist or physician combines, mixes or alters ingredients of a drug or multiple drugs to create a medication that is tailored to the specific needs of a patient. These medications are prescribed when standard Food and Drug Administration (FDA) approved drugs are unsuitable for the patient. They are also more expensive and reimbursed at a far higher rate by federal and private insurance companies. Compounded drugs are not to be mixed or marketed in bulk.

OK Compounding is no longer in operation. *Charges are currently pending against Parks and Lee. They are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.*

Veteran’s Affairs- Office of Inspector General, Defense Criminal Investigative Service, Department of Labor- Office of Inspector General (OIG), IRS- Criminal Investigation, U.S. Postal Service- OIG, FBI and the Department of Health and Human Services-OIG conducted the investigation. Assistant U.S. Attorneys Melody Noble Nelson and Richard M. Cella prosecuted the case.

Topic(s):

Health Care Fraud

Component(s):

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