

THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

U.S. Attorney's Office

Northern District of Texas

FOR IMMEDIATE RELEASE

Tuesday, August 23, 2022

Cockerell Dermatopathology To Pay \$3.75 Million to Resolve Healthcare Fraud Claims

A Texas dermatopathology clinic has agreed to pay the United States more than \$3.7 million to resolve allegations that it violated the False Claims Act by submitting fraudulent lab claims to TRICARE and by knowingly concealing an obligation to repay the United States, announced U.S. Attorney for the Northern District of Texas Chad E. Meacham.

Per the terms of a civil settlement executed on Friday, Dallas-based Cockerell Dermatopathology will pay \$3,750,000 – including \$1,875,000 in restitution – over the next 3 ½ years. Its owner and principal physician, Dr. Clay Cockerell, will be liable if the clinic fails to make any of its payments.

“This defendant lined his pockets by committing fraud against TRICARE, a health insurance program for service members, veterans, and their families,” said U.S. Attorney Chad Meacham. “The Department of Justice and its law enforcement partners will not stand by as medical providers bill medically irrelevant tests to federal health insurance programs.”

“The Department of Defense (DoD), Office of Inspector General, Defense Criminal Investigative Service (DCIS) is committed to identifying and neutralizing fraud schemes that not only waste valuable tax payer resources, but impact military readiness,” said Special Agent in Charge Michael Mentavlos of the DCIS Southwest Field Office. “DCIS and our law enforcement partners will aggressively pursue those individuals who defraud the DoD healthcare program known as TRICARE, intended to care for our warfighters, their family members, and military retirees.”

In March 2021, the government filed a civil suit alleging that Dr. Cockerell knowingly permitted the laboratory management company Progen to use CDP's lab license to submit false claims to federal health insurance programs, including TRICARE, for medically unnecessary tests in return for receiving twenty percent of

the net revenue from those tests. The government also alleged that Dr. Cockerell and CDP knowingly avoided and concealed their obligation to repay the United States for the millions of dollars in false TRICARE claims.

In May 2021, Dr. Cockerell and CDP filed a motion to dismiss the Government’s claim that they had knowingly avoided and concealed an obligation to repay the United States. But in an order denying the motion, U.S. District Judge Jane J. Boyle noted that “[Cockerell Dermatopathology]’s actions — as alleged by the Government — plausibly demonstrate an attempt to conceal or avoid the obligation to the Government.”

The Defense Criminal Investigative Service conducted the investigation with the assistance of the Federal Bureau of Investigation’s Dallas Field Office. Assistant U.S. Attorneys Richard Gultinan and Dawn Theiss handled the civil case.

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

Topic(s):

Health Care Fraud

Component(s):

USAO - Texas, Northern

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Updated August 23, 2022