

Man Convicted of \$55M Fraud Scheme

Thursday, October 26, 2023

For Immediate Release

Office of Public Affairs

A federal jury in the Northern District of Texas convicted a medical marketer today for his role in a \$55 million fraud conspiracy involving TRICARE, a federal program that provides health insurance benefits to active duty and retired service members and their families, and several other federal health care programs.

According to court documents and evidence presented at trial, Quintan Cockerell, 42, of Palos Verdes Estates, California, worked with others to create and market expensive compounded medications, which are medications intended to be custom-tailored to individual patient needs. However, instead of custom-tailoring these medications, a local pharmacy designed formulations to maximize TRICARE and other federal health care program reimbursements regardless of patient need or medical efficacy. Pharmacy owners and others paid illegal kickbacks to individuals like Cockerell, who recruited area doctors to write prescriptions for these expensive compounded medications, including by creating so-called investment opportunities so that doctors who wrote prescriptions to the pharmacy could profit from the pharmacy operations. Cockerell then spent the proceeds of the scheme on expensive vacations, trips on private jets, and a yacht charter.

The jury convicted Cockerell of one count of conspiracy to defraud the United States, one count of receiving unlawful kickbacks, and one count of money laundering. A sentencing date has not yet been set. He faces a maximum penalty of five years in prison for the count of conspiracy to defraud the United States, five years in prison on the kickback count, and 10 years in prison on the money laundering count. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

Acting Assistant Attorney General Nicole M. Argentieri of the Justice Department's Criminal Division, Special Agent in Charge Michael Mentavlos of the Defense Criminal Investigative Service (DCIS), Special Agent in Charge Jason Meadows of the Department of Health and Human Services Office of Inspector General (HHS-OIG) Dallas Regional

Office, Special Agent in Charge Chad Yarbrough of the FBI Dallas Field Office, Special Agent in Charge Casey J. Howard of the Department of Labor Office of Inspector General (DOL-OIG) Central Regional Office, and Special Agent in Charge Kris Raper of the Department of Veterans Affairs Office of Inspector General (VA-OIG) South Central Field Office made the announcement.

The DCIS, HHS-OIG, FBI, DOL-OIG, and VA-OIG investigated the case.

Trial Attorney Jacqueline DerOvanesian and Assistant Chief Kate Payerle of the Criminal Division's Fraud Section are prosecuting the case, with significant assistance from Assistant Chief Brynn Schiess and Trial Attorney Lee Hirsch.

The Fraud Section leads the Criminal Division's efforts to combat health care fraud through the Health Care Fraud Strike Force Program. Since March 2007, this program, comprised of 15 strike forces operating in 25 federal districts, has charged more than 5,000 defendants who collectively have billed federal health care programs and private insurers more than \$24 billion. In addition, the Centers for Medicare & Medicaid Services, working in conjunction with the HHS-OIG, are taking steps to hold providers accountable for their involvement in health care fraud schemes. More information can be found at www.justice.gov/criminal-fraud/health-care-fraud-unit.

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Topic

FINANCIAL FRAUD

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