



Department of Justice

United States Attorney's Office
Western District of Texas

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VIDOR, TX, AND HOUSTON AREA PHARMACISTS SENTENCED TO FEDERAL PRISON ON BRIBERY AND TAX CHARGES IN CONNECTION WITH HEALTH CARE FRAUD SCHEME

In Austin today, a federal judge sentenced Brian David Haney, 38-year-old partial owner of Vidor Pharmacy and Kevin Michael Gray, 45-year-old operator of Family Pharmacy, Inc., in the Houston area, each to 28 months in federal prison for bribery and tax violations in connection with a health care fraud scheme announced United States Attorney Richard L. Durbin, Jr.

In addition to the prison term, United States District Judge Sam Sparks ordered that each defendant pay a \$100,000 fine; pay \$6,500 for the cost of prosecution; and, be placed on supervised release for a period of three years after completing his prison term. Judge Sparks also ordered that Haney pay \$351,947 restitution to the IRS; Gray, \$245,692 restitution to the IRS. Judge Sparks also ordered that both defendants pay, jointly and severally, \$813,560.87 restitution to the U.S. Department of Labor.

On December 14, 2016, Haney pleaded guilty to a two-count Information charging him with willful offer and payment of illegal remuneration in relation to a federal health care program and one count of making and filing a false Income Tax return. On April 13, 2016, Gray pleaded guilty to the same charges.

By pleading guilty, the defendants admitted that for over a two-year period ending in January 2014, they paid kickbacks totaling \$813,560.87 to Garry Wayne Craighead. Craighead, a chiropractor, organized and controlled multiple health care related entities, including eight clinics in Texas (Dallas, Fort Worth, Killeen, Austin, San Antonio, Corpus Christi, Weslaco, and Beaumont), that derived substantial revenue from the U.S. Department of Labor's health care benefit programs. Haney and Gray paid Craighead cash for patient referrals of federally-insured employees in need of prescription services.

Both defendants also admitted to filing a false Income Tax return in which they substantially understated their total income, adjusted gross income and taxable income.

On December 4, 2015, Craighead pleaded guilty to one count of solicitation and receipt of illegal remunerations in federal health care programs and one count of engaging in monetary transactions in property derived from specified unlawful activity. On June 10, 2016, Craighead was sentenced to 14 years in federal prison and ordered to pay over \$17 million restitution to the U.S. Department of Labor.

"Today's sentencing of Brian Haney and Kevin Gray further shows that IRS Criminal Investigation is working vigorously to stop perpetrators who devise elaborate methods to conceal their fraudulent proceeds from health care fraud," said Acting Special Agent in Charge Troy Caldron, San Antonio Field Office. "Money gained through illegal sources, such as healthcare fraud, is part of the untaxed, underground economy. This untaxed underground economy poses a threat to our voluntary tax compliance system and undermines the overall public confidence in our American system of taxation."

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“To ensure patient referrals of federally-insured employees in need of prescription services, pharmacists Brian Haney and Kevin Gray paid more than \$800,000 in illegal kickbacks to Dr. Garry Craighead, who is currently serving a 14-year sentence on related charges. We will continue to work with our law enforcement partners to investigate medical providers who exploit injured American workers and defraud the Office of Workers’ Compensation Programs for their personal gain,” said Special Agent in Charge Steven Grell, U.S. Department of Labor, Office of Inspector General, Dallas Region.

“The sentences issued today should be an example to those healthcare providers engaging in illegal schemes that the government is vigilant and fraud committed against federal benefit programs is a serious offense that will not be tolerated,” said Special Agent in Charge Christopher Cave, U.S. Postal Service Office of Inspector General, Southern Area Field Office. “The USPS-OIG, along with our law enforcement partners, will continue to vigorously investigate these types of cases in order to protect the Office of Workers’ Compensation Programs and United States Postal Service from further fraud and abuse.”

“We are very pleased with today’s announcement,” said Director Frank Robey, U.S. Army Criminal Investigation Command's Major Procurement Fraud Unit. “This is a true testament to our continued commitment to work closely and seamlessly with our outstanding fellow law enforcement agencies to help bring those to justice who attempt to defraud the U.S. Government and U.S. Army.”

“The sentences handed down today should send a strong message to healthcare providers, and others who contemplate engaging in illegal kickback schemes, that they will be held accountable for their actions. The FBI will continue to work with our partners, to aggressively investigate and prosecute criminals who abuse the system for personal enrichment, at the expense of hard working U.S. taxpayers,” stated FBI Special Agent in Charge Christopher Combs, San Antonio Division.

The U.S. Postal Service Office of the Inspector General, U.S. Army Criminal Investigation Command’s Major Procurement Fraud Unit, Federal Bureau of Investigation, Internal Revenue Service-Criminal Investigation, and the U.S. Department of Labor Office of the Inspector General conducted this investigation. Assistant U.S. Attorneys James Blankinship and Mark Marshall are prosecuting this case for the government.

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