

PRESS RELEASE

Pharmaceutical Marketer Sentenced for Compounded Medications Fraud Scheme

Friday, July 12, 2024

For Immediate Release

Office of Public Affairs

A Texas pharmaceutical marketer was sentenced today to two years and five months in prison and ordered to pay over \$59 million in restitution for conspiring to defraud the United States, receiving illegal kickbacks in exchange for compounded medications prescription referrals, and money laundering.

According to court documents and evidence presented at trial, Quintan Cockerell, 43, of Palos Verdes Estates, California, worked with others to create and market expensive compounded medications, which are intended to be custom-tailored to individual patient needs, that were not medically indicated. Cockerell and others used preloaded prescription pads that identified the high-billing formulations for doctors to easily select. Cockerell, along with his co-conspirators at the compounding pharmacy that received the fraudulent prescriptions, implemented "standing orders" that enabled the pharmacy to swap out ingredients in the medications originally prescribed by doctors to maximize insurance reimbursements. Cockerell and others recruited doctors to write prescriptions for these expensive compounded medications by creating so-called "investment opportunities" so that doctors who wrote prescriptions to the pharmacy could profit from pharmacy operations. Cockerell and others also took doctors on expensive and lavish trips to Las Vegas, Mexico, and the Grand Caymans, among other places.

In an effort to conceal the illegal kickbacks Cockerell received in exchange for prescription referrals, the pharmacy paid Cockerell's wife at the time as a sham employee. Evidence presented at trial demonstrated that Cockerell's wife did not work at the pharmacy, but that Cockerell communicated with the pharmacy using her email address and received checks for his kickbacks in her name. Cockerell then spent the proceeds from the kickback scheme.

In October 2023, a federal jury in the Northern District of Texas [convicted](#) Cockerell of one count of conspiracy to defraud the United States, one count of receiving kickbacks, and one count of money laundering.

Principal Deputy Assistant Attorney General Nicole M. Argentieri, head of the Justice Department's Criminal Division; Special Agent in Charge Michael Mentavlos of the Department of Defense Office of Inspector General's Defense Criminal Investigative Service (DCIS); Special Agent in Charge Jason E. Meadows of the Department of Health and Human Services Office of Inspector General (HHS-OIG) Dallas Regional Office; Special Agent in Charge B. Chad Yarbrough of the FBI Dallas Field Office; Special Agent in Charge Casey 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.

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

Assistant Chiefs Kate Payerle and Brynn Schiess and Trial Attorneys Jacqueline DerOvanesian and Lee Michael Hirsch of the Criminal Division's Fraud Section prosecuted the case.

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, currently comprised of nine strike forces operating in 27 federal districts, has charged more than 5,400 defendants who collectively have billed federal health care programs and private insurers more than \$27 billion. In addition, the Centers for Medicare & Medicaid Services, working in conjunction with 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

HEALTH CARE FRAUD

Components

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