

Department of Justice
U.S. Attorney's Office
Western District of Texas

FOR IMMEDIATE RELEASE

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Houston Pharmacist Sentenced to Federal Prison for Role in Multi-Million Dollar Health Care Fraud Scheme

In Austin today, Nermin Awad El-Hadik, 42-year-old owner of Hope Pharmacy, Inc., in Houston, was sentenced to five years in federal prison for paying kickbacks in a health care fraud scheme.

That announcement was made by United States Attorney John F. Bash; Special Agent in Charge Christopher Cave, U.S. Postal Service Office of Inspector General (USPS OIG), Southern Area Field Office; Special Agent in Charge Steven Grell, Department of Labor Office of Inspector General (DOL OIG), Dallas Region; and, Special Agent in Charge Christopher Combs, Federal Bureau of Investigation (FBI), San Antonio Division.

In addition to the prison term, United States District Judge Sam Sparks ordered that the defendant pay \$5,334,303.04 restitution to the DOL and be placed on supervised release for a period of three years after completing her prison term.

“The sentence imposed today should send a clear message that these crimes will not be tolerated,” said USPS OIG Special Agent in Charge Cave. “The USPS Office of Inspector General, along with our law enforcement partners, will continue to aggressively pursue these investigations in order to ensure the protection of the Postal Service and federal benefits programs.”

“Nermin Awad El-Hadik fraudulently paid more than \$5.3 million to a medical provider in a kickback scheme in exchange for referrals of injured employees covered by the DOL Federal Employees’ Compensation Act. We will continue to work with our law enforcement partners and DOL’s Office of Workers’ Compensation Programs to protect the integrity of DOL benefits programs,” said DOL OIG Special Agent in Charge Grell.

“Rooting out health care fraud is central to the well-being of both our citizens and the overall economy. Health care fraud costs the country billions of dollars a year, and the FBI seeks to identify

and pursue investigations against the most egregious offenders involved in health care fraud through investigative partnerships with other federal agencies,” said FBI Special Agent in Charge Combs.

On November 9, 2016, the Houston resident pleaded guilty to a one count Information charging her with willful offer and payment of illegal remuneration in relation to a federal health care program. By pleading guilty, El-Hadik admitted that from March 2015 to December 2015, she paid kickbacks 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 DOL health care benefit programs. El-Hadik paid Craighead cash for patient referrals of federally-insured employees in need of prescription services; and, for his influence in encouraging physicians to prescribe compounded medications for patients, which would then be furnished at Hope Pharmacy.

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.

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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