

Department of Justice
U.S. Attorney's Office
Northern District of Oklahoma

FOR IMMEDIATE RELEASE

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Tulsa Doctor Will Pay \$84,666 for Allegedly Engaging in an Illegal Kickback Scheme

TULSA, Okla. –A Tulsa doctor has agreed to pay the government \$84,666.42 for allegedly accepting illegal kickback payments from OK Compounding, LLC, announced U.S. Attorney Trent Shores.

The U.S. Attorney's Office in the Northern District of Oklahoma has entered into a settlement agreement with Brandon Claflin, 42, a licensed doctor of osteopathic medicine, in an effort to recoup the costs to the U.S. government resulting from the illegal kickbacks. This civil settlement resulted from an investigation into numerous health care providers writing prescriptions for pain creams compounded and sold by OK Compounding.

“Our Affirmative Civil Enforcement attorneys continue to prioritize these cases in an effort to recover illegally obtained funds that served to line the pockets of the corrupt,” said U.S. Attorney Trent Shores. “We are committed to ensuring that federal health care dollars are spent judiciously and in accordance with the law. Our diligence in this area sends a clear signal that abuse of federal health care programs will not be tolerated.”

Beginning in 2013, Dr. Claflin prescribed these pain creams for his patients, facilitating the sale and distribution of the creams. As compensation for his services, OK Compounding, paid Dr. Claflin what was characterized by the parties as “medical director fees” based upon an hourly rate. However, the payments Dr. Claflin received from the company were, in actuality, “kickbacks.” Because some of his patients were insured by TRICARE and the Office of Workers' Compensation Programs of the United States Department of Labor, the kickbacks were in violation of the False Claims Act. It is illegal to pay or receive “kickbacks” in conjunction with federal healthcare insurance.

Prohibitions against kickbacks are crucial to insure that financial motives do not undermine the medical judgment of physicians and other health care providers. The civil False Claims Act is an important tool used to protect the integrity of taxpayer-funded health care programs.

The agreement resolves allegations that Dr. Clafin had an illegal financial relationship with OK Compounding, concerning pain creams from 2013 through 2014.

This matter was handled by Assistant U.S. Attorney Marianne Hardcastle and is the product of a collaborative investigation by the Defense Criminal Investigative Service, Department of Labor–Office of Inspector General (OIG), IRS–Criminal Investigation, U.S. Postal Service–OIG, FBI, Department of Veterans Affairs–OIG and the Department of Health and Human Services–OIG.

Affirmative Civil Enforcement (ACE) refers to filing civil lawsuits on behalf of the United States. The purpose of these civil actions is to recover government money lost to fraud or other misconduct or to impose penalties for violations of Federal health, safety, civil rights or environmental laws.

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

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