

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

FOR IMMEDIATE RELEASE

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Physician Assistant Agrees to Pay \$620, 500 for Allegedly Engaging in Illegal Kickback Scheme

A Louisiana physician assistant entered into settlement agreement this week with the U.S. Attorney's Office for allegedly accepting illegal payments from OK Compounding, LLC, in return for recommending and prescribing compounded drugs produced by the pharmacy, announced U.S. Attorney Trent Shores.

Stephen Ryan Honeycutt, 44, agreed to pay the government \$620,508.36 for allegedly accepting the illegal kickback payments from Jan. 8 through June 10, 2013, while practicing at Bone & Joint Clinic in Marrero, Louisiana. The settlement agreement resolves allegations that Honeycutt had illegal financial relationships with OK Compounding concerning pain creams.

"Stephen Honeycutt knowingly violated the ethical standards he swore to uphold. He did not pursue courses of treatment based on his patients' needs, he did so based on his greed for profit," said U.S. Attorney Trent Shores. "My office is committed to ensuring federal health care dollars are spent in accordance with the law and will not tolerate the deliberate misuse of federal health care programs."

Honeycutt prescribed pain creams for his patients, facilitating the sale and distribution of the creams. As compensation for his services, OK Compounding paid Honeycutt what was characterized by the parties as "medical director fees" based upon an hourly rate. However, the payments he received from OK Compounding were, in actuality, "kickbacks." Because some of the patients were insured by Medicare and TRICARE, federal health insurance programs, 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 ensure that financial motives do not undermine the integrity of 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 against health care providers.

This matter was handled by Assistant U.S. Attorney Marianne Hardcastle with the Affirmative Civil Enforcement unit and is the product of the collaborative investigative efforts of 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.

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

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