

PRESS RELEASE

COVID-19 Testing Fraudster Sentenced to 7 Years in Federal Prison

Thursday, April 4, 2024

For Immediate Release

U.S. Attorney's Office, Northern District of Texas

An Irving man was sentenced yesterday to seven years in prison for his role in a \$7 million COVID-19 testing fraud, announced U.S. Attorney for the Northern District of Texas Leigha Simonton.

Terrance Barnard, 40, was indicted in December 2022 and pleaded guilty in September 2023 to conspiracy to commit health care fraud and aggravated identity theft. He was sentenced Wednesday by U.S. District Judge Brantley Starr, who ordered him to pay more than \$7 million in restitution.

"These defendants took advantage of unsuspecting patients – and a global pandemic – to steal millions of dollars from insurers using private patient information," said U.S. Attorney Leigha Simonton. "This sort of crime breaches patients' trust and raises the cost of healthcare for all – at a time when access to medical care feels precarious to many."

"Terrance Barnard and his co-conspirators submitted false claims to multiple healthcare plans, including Employee Retirement Income Security Act covered plans, for COVID-19 testing services using the stolen personal identifiable information of numerous individuals. Today's sentencing affirms the U.S. Department of Labor, Office of Inspector General's commitment to working with our law enforcement partners and the U.S. Department of Labor's Employee Benefits Security Administration to protect the integrity of employee benefit plans," said Casey Howard, Special Agent-in-Charge, Central Region, U.S. Department of Labor, Office of Inspector General.

According to plea papers, Mr. Barnard admitted that he and his coconspirators accessed private patient information – including names, dates of birth, and insurance subscriber

numbers – through various clinics where Barnard worked as a contract lab technician. Mr. Barnard admitted that on some occasions, he took photographs of patient information and stored the images on “burner” phones, and on other occasions, he and a coconspirator accessed the clinics’ confidential electronic medical records to obtain large amounts of patient information at once.

They then used the patient information to submit claims to insurance providers – including Blue Cross Blue Shield, Cigna, United Healthcare, Aetna, Humana, and Molina Health Care – for COVID-19 testing that was never performed. (The patients had not requested COVID-19 testing, nor were they aware their information was being used to submit claims.)

Mr. Barnard admitted that the “labs” at which the coconspirators claimed the testing occurred, including TC Diagnostics, ME Diagnostics, and PHR Diagnostics, were, in fact, shell entities that never operated as labs. Collectively, these three entities submitted approximately \$30 million in claims and were paid more than \$7 million in reimbursements for fake testing.

Under the terms of his plea agreement, Mr. Barnard agreed to forfeit almost \$2.5 million from bank accounts tied to him or his family, several real properties, five vehicles, and five luxury watches.

Also charged in the scheme were Connie Jo Clampitt, William Paul Gray, and Don Hogg, all of whom submitted guilty pleas. Mr. Gray was sentenced to 54 months in prison for conspiracy to commit healthcare fraud; Ms. Clampitt and Mr. Hogg await sentencing on April 10 and May 1, respectively.

The Dallas Regional Office of the United States Department of Labor – Employee Benefits Security Administration, the Central Region of the Department of Labor – Office of Inspector General, the Texas Department of Insurance Fraud Unit's Fort Worth Field Office, and the Federal Bureau of Investigation's Dallas Field Office conducted the investigation. Assistant U.S. Attorney Renee Hunter is prosecuting the case.

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