

Tulsa, Oklahoma Man Sentenced to 54 Months for \$7 Million COVID-19 Testing Fraud

Thursday, November 30, 2023

For Immediate Release

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

A Tulsa, Oklahoma man who submitted fraudulent insurance claims for COVID-19 testing, resulting in a more than \$7 million loss to insurers was sentenced Wednesday to 54 months in federal prison, announced U.S. Attorney for the Northern District of Texas Leigha Simonton.

William Paul Gray, 50, was charged via criminal information in March and pleaded guilty to Conspiracy to Commit Health Care Fraud. He was sentenced by U.S. District Judge Brantley Starr. Mr. Gray was also ordered to pay over \$7 million dollars in restitution.

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

Also charged in the scheme are Connie Jo Clampitt, 52, Terrance Barnard, 40, and Don Hogg, 37. Clampitt, Hogg and Barnard have each pled guilty and are pending sentencing.

The Dallas Regional Office of the United States Department of Labor – Employee Benefits Security Administration, the Dallas Office 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 prosecuted the case. Assistant U.S. Attorney Dimitri Rocha handled the forfeiture.

For more information about the Justice Department's response to wrongdoing connected to the COVID-19 pandemic, visit <https://www.justice.gov/coronavirus>.

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