Local doctors indicted for 'pill mills'

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Baltimore, Maryland - A federal grand jury has returned three indictments charging a total of 16 individuals with drug conspiracy and other charges for operating purported pain management clinics that the indictments allege were actually "pill mills." The indictments were returned on May 20, 2015, and unsealed late yesterday upon the arrest of eight defendants. In addition to yesterday's arrests, agents executed search warrants at 14 locations, including clinics, pharmacies and residences.

The indictments were announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Special Agent in Charge Karl C. Colder of the Drug Enforcement Administration - Washington Field Division; Special Agent in Charge Nicholas DiGiulio, Office of Investigations, Office of Inspector General of the Department of Health and Human Services; Chief Gary Gardner of the Howard County Police Department; Charles County Sheriff Troy Berry; St. Mary’s County Sheriff Tim Cameron; Chief Mark A. Magaw of the Prince George’s County Police Department; Calvert County Sheriff Mike Evans; Chief Cathy L. Lanier of the Metropolitan Police Department; and Colonel W. Steven Flaherty, Superintendent of the Virginia State Police.

"Pharmaceutical pills can be just as harmful as illegal drugs when they are used without proper medical supervision and without valid medical need," said U.S. Attorney Rod J. Rosenstein. "Abuse of oxycodone is one of our most significant drug enforcement challenges, and it is a direct cause of the epidemic of heroin overdose deaths."

"These indictments, search warrants, and subsequent arrests show that DEA is dedicated to dismantling "pill-mill" operations. When prescriptions are obtained through rogue pain management clinics and then sold on the streets, it creates and feeds a new generation of users and addicts," stated DEA Special Agent in Charge Karl C. Colder. "These addicts will continue to abuse the illegal prescriptions, or switch to a cheaper and more potent drug; heroin. DEA and its partners will continue to work vigilantly to stop this dangerous trend," stated SAC Colder.

"Prescription drug diversion schemes undermine public health and divert Medicare and Medicaid funds meant to pay for legitimate health care," said Special Agent in Charge Nick DiGiulio, of the U.S. Department of Health and Human Services, Office of Inspector General. "Today’s arrests show the commitment of the Office of Inspector General and our law enforcement partners to protecting both the public’s health and the integrity of federal health care programs."

Each of the three indictments alleges that the owners operated the purported pain management clinics as "pill mills," which routinely engaged in the practice of prescribing and dispensing controlled substances - primarily oxycodone - outside the scope of professional practice and without a legitimate medical purpose. The owners kept the profits from the pill mill operations and from the sales of oxycodone in cash. According to the indictments, the owners recruited "distributors" and "runners" to visit their clinics so that they would profit from the cash fees charged for an office visit. Runners are recruited - usually by a distributor - to enter pill mill clinics with fictitious complaints of pain in order to obtain prescriptions for oxycodone and other controlled substances. Typically, runners filled the prescription and gave the oxycodone tablets they received to the distributor. Runners were typically paid in either cash or oxycodone tablets for their services. The distributors then generally sold the pills for a profit.

The indictments allege that the owners of the pill mill clinics required runners to have certain "paperwork," generally an MRI report and a prescription history, which would be kept in the patient's file to support a false claim that there was a medical need for the prescription of oxycodone. The owners or other conspirators created false paperwork for runners who were unable to obtain MRI reports or prescription histories that would provide a basis for requesting a prescription for oxycodone. Conspirators took steps to circumvent the state prescription drug monitoring programs (PDMPs) in order to ensure that runners and distributors would not be prevented from obtaining multiple prescriptions from different doctors at the same time. For example, conspirators directed distributors and runners to fill prescriptions in Washington, DC, which did not have an active PDMP, or in states other than Maryland that had active PDMP systems (such as Delaware and Virginia) because individual state PDMPs were not connected so prescriptions filled in those states would not show up in the Maryland PDMP system. Members of the conspiracies also kept track of which pharmacies had supplies of oxycodone and were willing to fill prescriptions for runners.

U.S. v. Russell Et Al. Criminal No. 15-0288

This indictment charges the following 13 individuals with conspiracy to distribute and possess with intent to distribute oxycodone:

Donald Russell, age 51, of Waldorf, Maryland; Bruce Kevin Lewis, age 52, of Deale, Maryland; Danielle Silberstein, age 31, of Waldorf; Peter Snyder, age 34, of Ocean City, Maryland; Robert Long, age 34, of Mechanicsville, Maryland; Jamie Davis, age 28, of LaPlata, Maryland; Ronald Tennyson, age 32, of Mechanicsville; Terrell Downing, age 25, of New Carrollton, Maryland; John Fields, age 62, of Temple Hills, Maryland; Ronald Rust, age 44, of Alexandria, Virginia; Ronald Kans, age 41, of LaPlata; Walter Moffett, age 51, of Chestertown, Maryland; and Melissa Catlett, age 38, of King George, Virginia.

The indictment alleges that from February 2014 through May 2015, Russell and Lewis owned and operated PG Wellness Center, LLC (PG Wellness), and A Plus Pain Clinic, LLC (A Plus Pain), purported pain management clinics located in Oxon Hill, Maryland and Washington, D.C., respectively. According to the indictment, PG Wellness and A Plus Pain were actually pill mills. The indictment alleges that defendants Silberstein, Snyder, Long, Downing, Rust, Kans, and Moffett each acted as distributors who brought a number of runners to the clinics. Davis and Tennyson allegedly were runners and worked with Long to fund additional visits to pill mill clinics and distribute the pills obtained during those visits. According to the indictment Fields was a runner who dealt directly with
Russell to obtain oxycodone pills and distribute them, and co-defendants Silberstein and Catlett regularly purchased bulk quantities of oxycodone pills from Russell.

The indictment also charges Russell, Fields, and Moffett with health care fraud for submitting or causing to be submitted health insurance claims seeking reimbursement for fraudulent prescriptions, in that the prescription was not for a legitimate medical need. Further, the indictment seeks the forfeiture of $1,200,000, several vehicles and bank accounts. This estimates that, during one month of operation, A Plus Pain and PG Wellness would see at least four hundred patients, each receiving at least 100 oxycodone 30 mg pills, a total of 40,000 pills. The street value of each pill is estimated at $30 per pill, the equivalent of $1,200,000.

U.S. v. Mori and Dalton, Criminal No. 15-0287

This indictment charges Alex Mori, age 29, of Nanjemoy, Maryland, and Thomas Dalton, age 29, of Waldorf, with conspiracy to distribute and possess with intent to distribute oxycodone. The indictment alleges that from November 2013 through May 2015, Mori and Dalton operated First Priority Health Care, LLC, a purported pain management clinic located in Elkridge, Maryland. According to the indictment, First Priority was a pill mill. The indictment also seeks the forfeiture of $600,000 and property in Nanjemoy, Maryland. This estimates that, during one month of operation, First Priority would see at least two hundred patients, each receiving at least 100 oxycodone 30 mg pills, a total of 20,000 pills. The street value of each pill is estimated at $30 per pill, the equivalent of $600,000.

U.S. v. Joyce Vercauteren, Criminal No. 15-284

This indictment charges Joyce Vercauteren, age 41, of Clinton, Maryland, with conspiracy to distribute and possess with intent to distribute oxycodone. According to the indictment, from May 2014 through May 2015, Vercauteren owned and operated MPC Wellness Center, LLC (“MPC Wellness”), a purported pain management clinic located in Greenbelt, Maryland. The indictment alleges that, in reality, MPC Wellness operated as a “pill mill.” Further, the indictment seeks the forfeiture of $1,200,000, and a vehicle. This estimates that, during one month of operation, MPC Wellness would see at least four hundred patients, each receiving at least 100 oxycodone 30 mg pills, a total of 40,000 pills. The street value of each pill is estimated at $30 per pill, the equivalent of $1,200,000.

The defendants in all three indictments face a maximum sentence of 20 years in prison and a $1 million fine for the drug conspiracy. Russell, Fields, and Moffett also face a maximum of 10 years in prison for health care fraud.

Russell, Lewis, Silberstein, Snyder, Mori and Vercauteren had initial appearances on May 27, 2015 in U.S. District Court in Baltimore and were detained, pending detention hearings scheduled today. Rust also had his initial appearance on May 27, 2015 and was released under the supervision of U.S. Pretrial Services. Moffett will have his initial appearance today. Kans and Fields are expected to turn themselves in and will also have an initial appearance later today. Dalton, Long, Davis, Tennyson, Downing and Catlett are still being sought.

An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

The investigation is continuing and additional charges are expected.

United States Attorney Rod J. Rosenstein praised the DEA Tactical Diversion Squads from Baltimore and Washington DC., HHS-Office of Inspector General, Howard County Police Department, Charles County Sheriff’s Office, St. Mary’s County Sheriff’s Office, Prince George’s County Police Department, Calvert County Sheriff’s Office, Metropolitan Police Department, and Virginia State Police for their work in this pharmaceutical investigation. Mr. Rosenstein thanked Assistant United States Attorneys Kenneth S. Clark and Joshua Ferrentino, who are prosecuting this Organized Crime Drug Enforcement Task Force case.