



Pharmacy Diversion Awareness Conference

Pharmaceutical Diversion in Medicare

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U.S. Department of Health and Human Services
Office of Inspector General
Office of Investigations





HHS OIG

- **Mission:** Protect the integrity HHS programs as well as the health and welfare of program beneficiaries
- Fight fraud, waste, abuse in over 100 HHS programs
- Largest Inspector General's office in Federal Government
- Office of Investigations performs criminal, civil and administrative enforcement





HHS/OIG Components

- **Office of Evaluations & Inspections:**
 - Conducts and publishes studies on various vulnerabilities in Medicare/Medicaid. Reports on OIG website with recommendations. Several drug related reports.
- **Office of Audit:**
 - Conducts independent audits of HHS programs/grantees. Also create reports and make recommendations.
- **Office of Council to IG:**
 - Provides legal counsel to IG and other components. Performs civil monetary penalties, provider self disclosures, collaborates with DOJ on national cases, provide advisory opinions to industry.
- **Office of Management and Policy:**
 - Provides mission and administrative support to the OIG. **Data analytic unit.**
- **Office of Investigations:**
 - Law enforcement arm of OIG. Traditional law enforcement techniques with contemporary data analytic tools to identify trends and targets for investigations and prosecution



2017 OEI Report



U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL

HHS OIG Data Brief • OEI-02-17-00250

Opioids in Medicare Part D: Concerns about Extreme Use and Questionable Prescribing

Key Takeaways:

- ✓ *One in three Medicare Part D beneficiaries received a prescription opioid in 2016*
- ✓ *About 500,000 beneficiaries received high amounts of opioids*

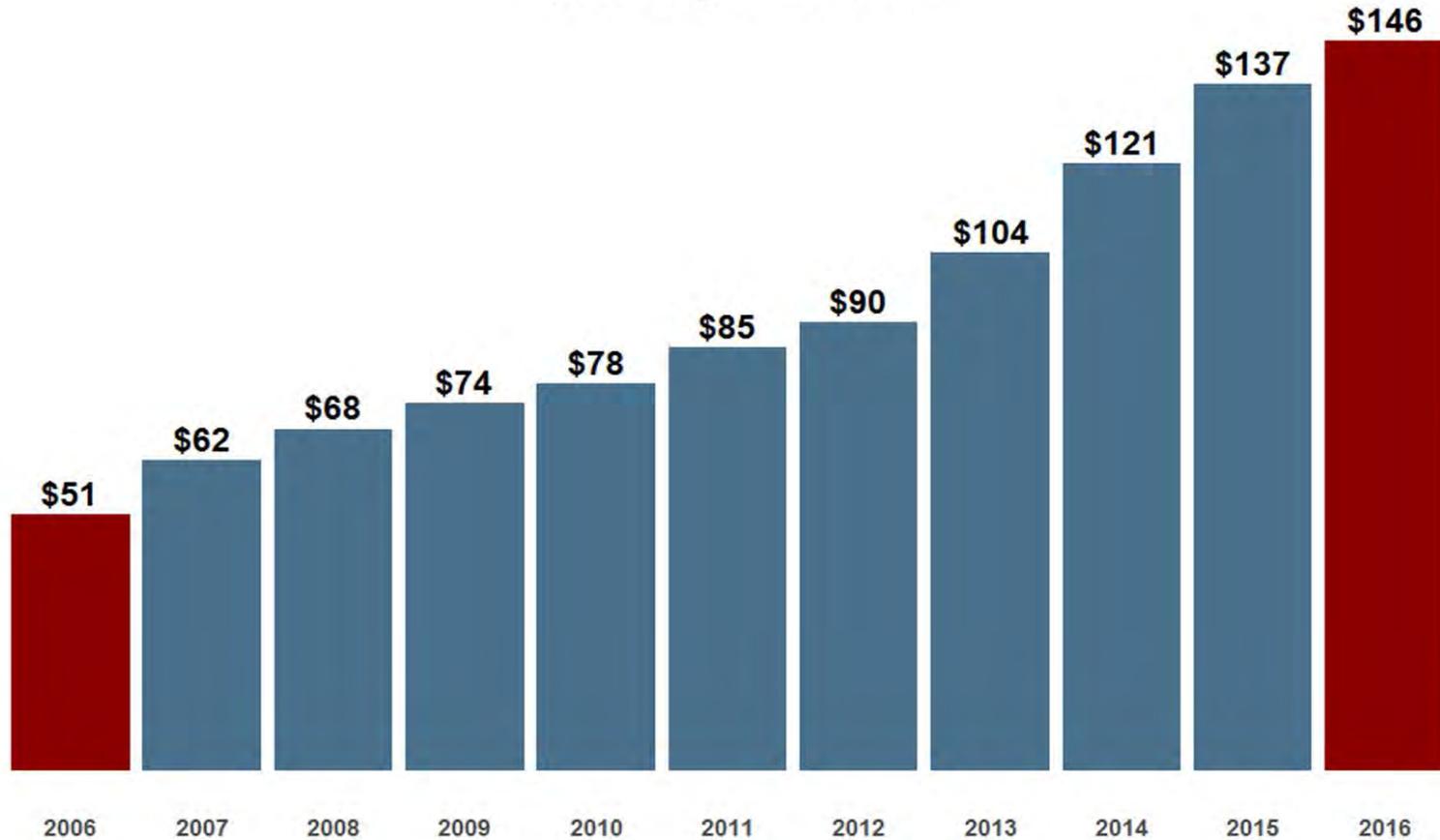
Opioid abuse and overdose deaths are at epidemic levels in the United States. In 2015, the number of opioid-related deaths exceeded 33,000 for the first time.¹ Nearly half of these deaths involved prescription opioids.

Opioids include narcotics intended to manage pain from surgery, injury, or illness. They can create a euphoric effect, which makes them vulnerable to abuse and misuse (i.e., taking opioids in a way



Spending for Part D Drugs 2006-2016

Spending in Billions





Part D Breakdown

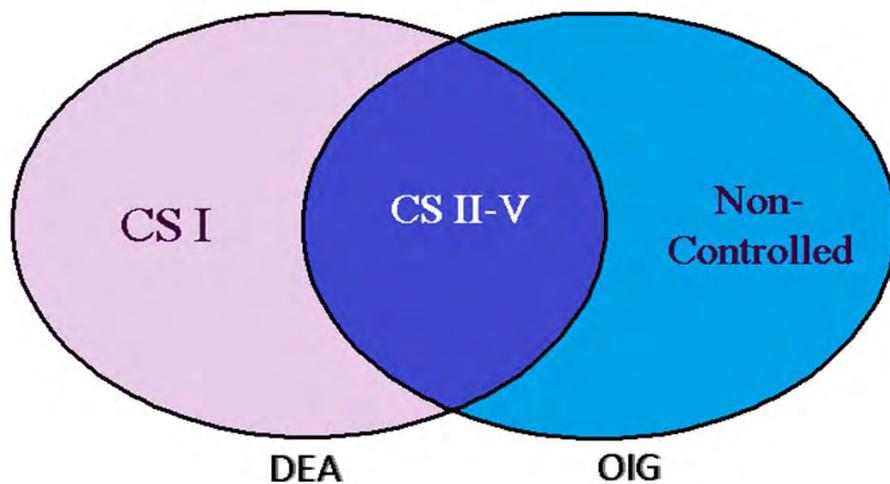
- \$8.7 B spent on controlled drugs (6%)
- \$137 B spent on non-controlled drugs
- Predicted to double by 2023





Drug Jurisdictions

- **DEA:** Controlled substance laws and regulations of the United States
- **HHS/OIG:** Pharmaceuticals billed to federal healthcare program (Medicare, Medicaid), including CS AND Non-CS





Basis for Many Pharmaceutical Frauds Involve **KICKBACKS**

Antikickback Statute - 42 U.S.C. Section 1320a-7b(b)

Statute is violated if person:

1. Knows the law prohibits offering or paying remuneration to generate business
2. Engages in prohibited conduct with specific intent to disobey the law





KICKBACKS

“Drug Company Sales Rep Admits Role in Kickback Scheme Related to Fentanyl Spray Prescriptions”

- Indicated for breakthrough cancer pain in patients receiving around the clock opioid treatment
- Sublingual spray fentanyl – 170 prescriptions = \$1.2M Medicare Part D
- False Dx
- Sales reps doing prior authorizations in doctor offices w/false & misleading information

Caught on tape: Pharma rep lies to get opioid tied to Cherry Hill death

On the recording, the rep can be heard misrepresenting patient diagnosis so that she could receive one of the most powerful and deadly opioids on the market. The motivation? This drug, approved only for cancer patients, costs over \$20,000 a month. In Sarah Fuller's case, the bill to taxpayers came to more than a quarter-million dollars, since she was disabled and covered by Medicare
Philly Enquirer 9/7/17





Pharmacy Examples

- Pharmacy paid money to physician to write for expensive brand medications without regard for medical necessity
- Pharmacy receiving dinners, cash, rebates and discounts from drug companies
- Pharmacy hired “marketing firm” to hire recruiters to find patients and physicians to write for expensive compounding cream
- Offer physician a percent of insurance reimbursement to write scripts and send them to your pharmacy





Common Pharmacy Schemes

- Billed but not dispensed
- Fictitious scripts/name
- Auto refills
- Add-on scripts
- Dispense generic/bill for brand
- Paying patients for scripts
- Payment for referrals

Other Issues:

- Medical Identity Theft
- Prescription shorting
- Narcotics without prescriptions (backdoor sales)





Diversion & Fraud

Red Flags – Pharmacy:

- Dramatic billing spike after a change in ownership
- Very high refill rates (not really dispensed, just filled and re-shelved when patient doesn't pick it up—but claim not reversed)
- Very high billing for brand drugs (dispensing generics but billing for brand)
- Billing data shows zero controlled drugs sold
- Billing for two antipsychotics per patient at the same time (uncommon in real clinical world)
- Medications billed but not dispensed
- High utilization; Mental illness 4.1% of population - pharmacy dispensing antipsychotics to 60% to its customers?





Diversion & Fraud

Pharmacy Analysis:

Medicare Part D Reimbursements: **\$1,984,259**

Referring/Prescribing Physicians: 372

Of the 372 referring physicians noted during the period covered:

-The top ten referring physicians (.02% of all referring physicians used during the period) accounted for 44% of the Rx Medicare billing

-The top 20 accounted for 64%

-The top 30 (.08% of the total referring physicians used) accounted for 76% of all Medicare reimbursements

- Find out what other entities are associated w/these physicians

During the 1.5 year period the pharmacy billed for approximately 43,800 Medicare prescriptions

-Only 1,721 prescriptions were for Schedule I-V drugs

-Drugs obtained during Undercover Operations (UCOs) - Abilify, Zyprexa, Cymbalta, Liboderm, and Namenda - accounted for significant #'s of prescriptions

-The two highest referring physicians on the beneficiary located on a box of Liboderm previously purchased during a UCO, are also among the top 30 highest prescribers on the pharmacy list





Opioid Diversion

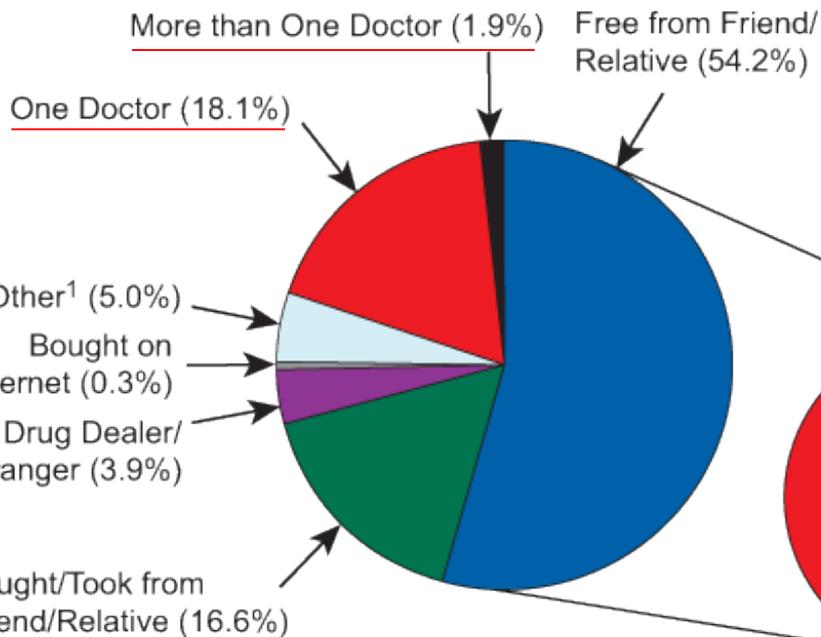




Opioid Diversion

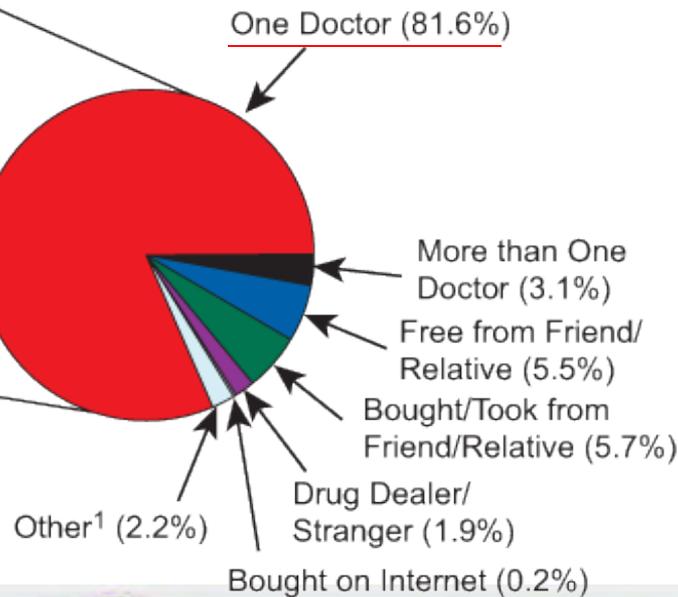
Sources of Supply

Source Where User Obtained



- Traffickers sourced from Over-prescribers
- Constant link between over-prescribers and capped/drug seeking Part D benes

Source Where Friend/Relative Obtained





Opioid Diversion

Beneficiaries

- Beneficiary cases are pursued if Part-D benefit or Medicaid is being used to fund drug trafficking – bene case becomes distribution case



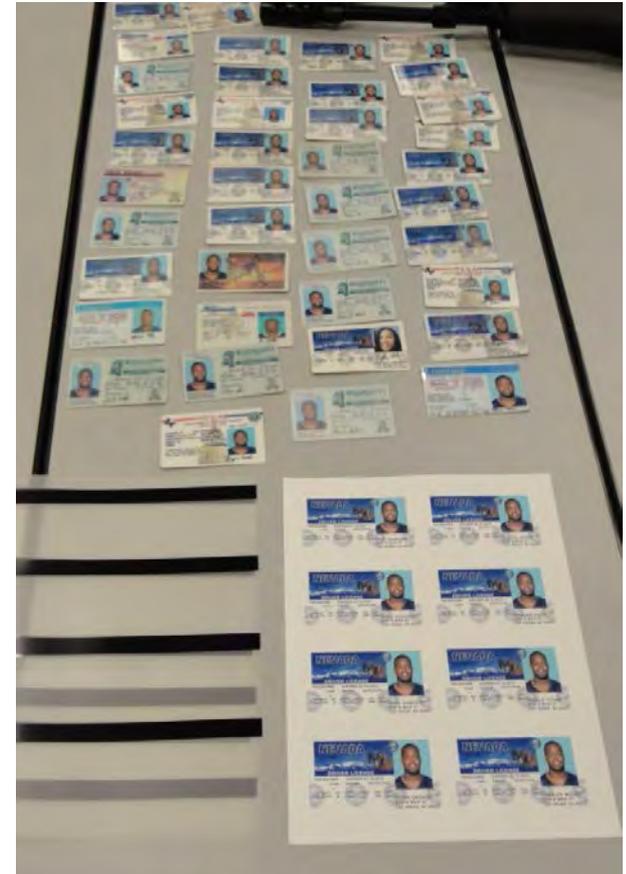


Opioid Diversion

Beneficiaries

Diversion Scheme - Seattle to Sacramento:

- Pills Shipped from Sacramento to Seattle
- Cash Deposited in Seattle w/d in Sacramento
- Subject Not a Medicaid or Medicare Bene





Opioid Diversion

Beneficiaries

Surveillance:

- ‘Hand to Hand’ observed with what turned out to be six Medicaid and/or Medicare Benes
 - Data shows all six receiving high quantities of Oxy 30mg, all funded by drug benefit
- Taken individually, none of the six would probably set of a data analysis red flag
- Example of how data is great but not the only tool we should be using
 - Pharmacy staff observations
 - Physician verification
 - Trust your eyes & listen

Date	Provider City	Label Name	Drug Units	Medi-Cal Billed Amt	Medi-Cal Paid Amt
03/17/2014	STOCKTON	METHADONE HCL 10 MG TABLET	105	22.98	18.08
04/15/2014	STOCKTON	METHADONE HCL 10 MG	105	23.90	16.27
05/14/2014	STOCKTON	METHADONE HCL 10 MG TABLET	105	24.48	14.74
01/08/2014	STOCKTON	OXYCODONE HCL 30 MG	120	437.97	164.38
02/11/2014	STOCKTON	OXYCODONE HCL 30 MG	120	437.97	147.94
03/08/2014	STOCKTON	OXYCODONE HCL 30 MG	120	437.97	147.94
03/10/2014	STOCKTON	OXYCODONE HCL 30 MG	120	437.97	147.94
04/08/2014	STOCKTON	OXYCODONE HCL 30 MG	120	437.97	147.94
05/06/2014	STOCKTON	OXYCODONE HCL 30 MG	120	437.97	147.94
06/05/2014	STOCKTON	OXYCODONE HCL 30 MG	120	437.97	147.94
07/02/2014	STOCKTON	OXYCODONE HCL 30 MG	120	437.97	147.94
08/04/2014	STOCKTON	OXYCODONE HCL 30 MG	120	437.97	147.94

1 of 6
benes





Opioid Diversion

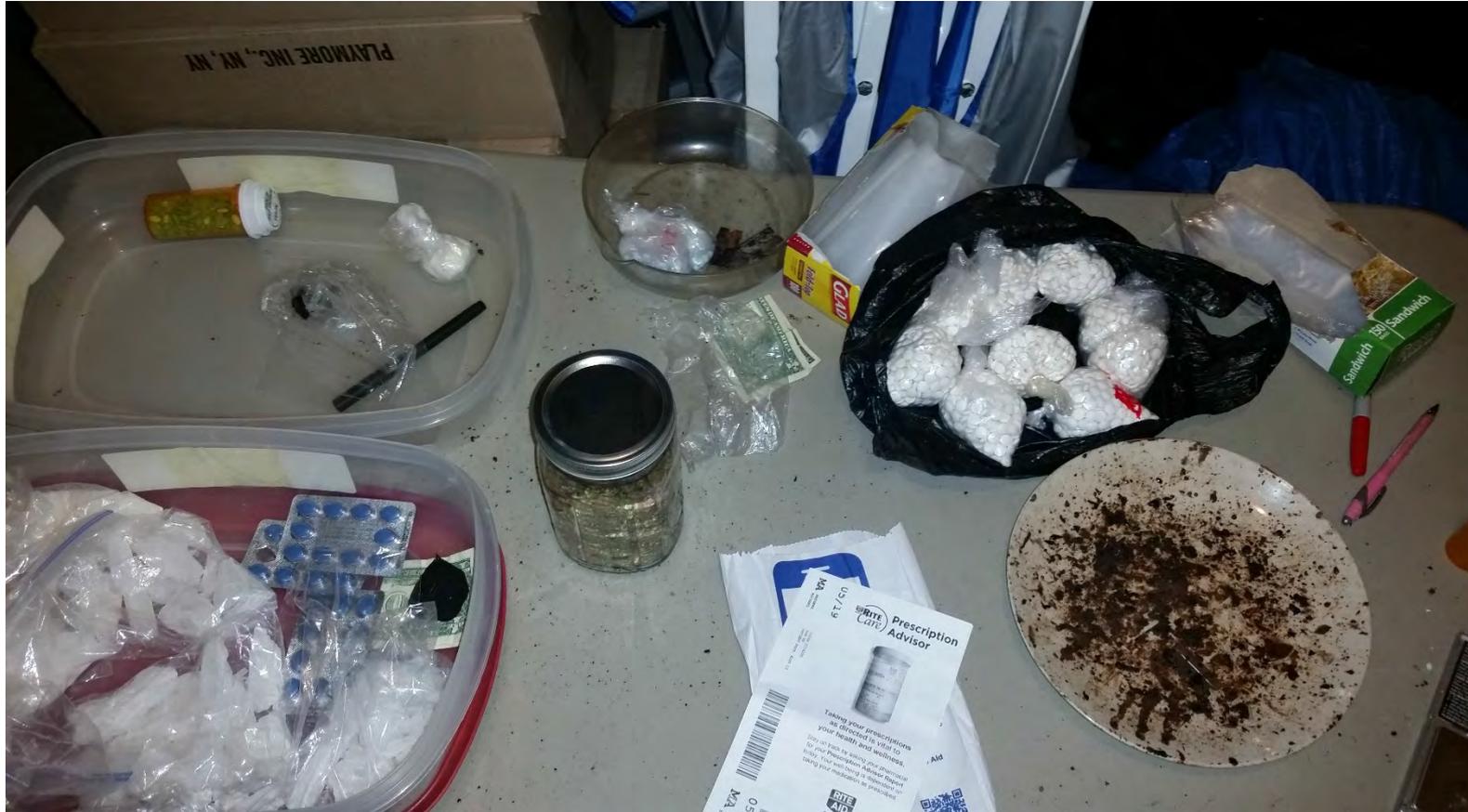
Beneficiaries





Opioid Diversion

Beneficiaries





Opioid Diversion

Organized Groups

Another Example:

Pharmacist tip on forged prescription:

- No Medicare/Medicaid Nexus initially but we look into it as part of diversion team
- By the third pharmacy visit, found Medicaid bene information being used on the prescription
- After first Month, linked this scheme to two other schemes going back at least two years





Opioid Diversion

Organized Groups

Alert Pharmacist results in:

- 19 Physician victims of ID theft & script theft
- 48 Beneficiaries – Medicare, Medicaid, BC/BS, Tricare, CALPERS, Cash
- @24,000 diverted pills, mostly Oxy 30mg IR
- Since the diversion is spread across so many physicians and benes, the data is not going to show a trend one way or another; required pharmacy interviews and surveillance

Scheme: Cleaning crews stealing rx pads (and potentially beneficiary information from multiple occupational health facilities)

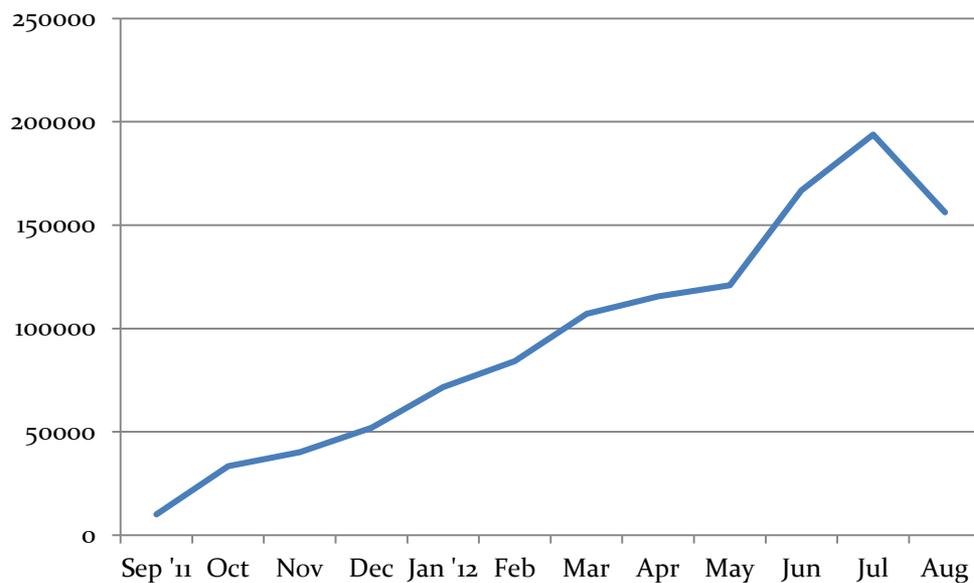




Opioid Diversion

Prescribers

#Total Pills



WE CARE ABOUT YOUR HEALTHCARE!

California-licensed M.D. on site! (No PA's or RN's!)

Discounts for military, Medi-Cal, Medicaid, and veterans!

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24 Hour verification

100% confidential

Walk-ins welcome!!

House-calls available*

Adjustable grow limitations*

Best pricing in Sacramento

Get Your 420 Card Today

\$60 New Patients

\$50 Renewals

Best 420 Medical Evaluations





Opioid Diversion

Prescribers

The Philadelphia Inquirer

Winner of 20 Pulitzer Prizes

SUNDAY OCTOBER 18, 2015 | ESTABLISHED IN 1829 | PHILLYINQUIRER | SOUTH JERSEY | C | \$2

philly.com

Thousands of pills, 4 deaths later ...

Doctor's license suspended after three complaints. A lawyer seeks justice in a U.S. epidemic.

Over-prescribers:

- Cash for prescriptions
- Rx in exchange for diagnostic testing/medical billing
- No medical necessity
- Inappropriate patient relationships
- OD of patients
- Identity theft + pharmacy connection





Opioid Diversion

Online



where to buy oxy in sacramento



All Shopping News Maps Videos More Settings Tools

About 2,850,000 results (0.79 seconds)

- ✓ [Oxycontin for sale at Market and Sixth | San Francisco - Yelp](#)
<https://www.yelp.com/topic/san-francisco-oxycontin-for-sale-at-market-and-sixth> ▼
5/29/2009. This Yelper's account has been closed. This Yelper's account has been closed. Erin L. Sacramento, CA. 96 friends; 44 reviews. That shit will kill you.
- ✓ [The Heroin Crisis - Sacramento Magazine - January 2016 ...](#)
www.sacmag.com/Sacramento-Magazine/January-2016/The-Heroin-Crisis/ ▼
Jan 12, 2016 - "So I called my dealer and was planning to buy enough heroin to As Mike's Oxy addiction engulfed him, his drug dealing fell by the wayside.
- ✓ [Culture - - How to find oxycontin, etc. | Drugs-Forum](#)
<https://drugs-forum.com> > ... > Opiates & Opioids > Oxycodone ▼
Mar 7, 2010 - ★★★★★ Rating: 3 - 1 vote
I am NOT posting this as an offer for people to purchase - just a general idea vJust wanted to point out that weed dealers and Oxy/Hard drug ...
- ✓ [Silk Road may be gone, but Topix is still a haven for drug dealers ...](#)
<https://www.theverge.com/.../amidst-silk-roads-takedown-topix-still-a-haven-for-drug...> ▼
Oct 2, 2013 - He did a quick Google search for "Where to buy Oxycodone Los Angeles" and landed in a Topix forum, which was the number one Google ...
- ✓ [Sacramento Or San Francisco Doctors Who Are Not Afraid To ...](#)
<https://www.medschat.com> > Drugs: N > Norco > Discussions ▼
Sep 18, 2017 - 11 posts - 10 authors
I need a civilian doctor in Sacramento or San Francisco area who is not af. ... doctors who prescribe oxycodone near San Fernando having a ...
- ✓ [The Adult's Guide to Finding Drugs When You're Home for the Holidays](#)
gawker.com/the-adults-guide-to-finding-drugs-when-youre-home-for-t-1662579422 ▼
Nov 25, 2014 - ... home for the holidays: You don't know where to buy drugs anymore. ... diazepam (Valium), oxycodone (duh), any compound that contains ...
- ✓ [Heroin In The Foothills | Thought Catalog](#)
<https://thoughtcatalog.com/jason-smith/2014/09/heroin-in-the-foothills/> ▼
Sep 16, 2014 - "If you buy in bulk, it's cheaper," my host states flatly, eyes darting around as if he's ...
"OxyContin was like the initiation for a heroin addict," he says. ... Inserting himself between the supply coming up from Sacramento and the ...





Non-Scheduled Diversion



"CRACK?!...NO, I ONLY DEAL ANTI-DEPRESSANTS."





Why Divert Non-Controlled?

Controlled Drugs:

- Diverted for recreational use
- \$100+B in societal costs

Non-Controlled:

1. High reimbursement
2. Some diverted to other countries
3. Others mixed into street cocktails with controlled substances; are "POTENTIATORS"
4. Dispensed and reintroduced into the marketplace
5. Fraud shift from Part B to Part D – Why?





Non-Scheduled Diversion

Recreational Diversion

Non-CS Drugs are abused, but nowhere near the level to account for the huge dollar loss:

Polypharmacy Cocktails:

- Seroquel + caffeine + Vicodin + cannabis (dream machine)
- Concerta + Seroquel
- Intranasal/IV Seroquel (jailhouse heroin, Quell)
- Risperdal + Depakote
- Risperdal after Psilocin (morning glory seed)
- Zyprexa + Benadryl
- Snort 5 Zyprexa + cannabis
- Seroquel + Zyprexa + Ativan + ETOH + Cocaine

- Drug blogs teach how to abuse/potentiate:





Pharmaceutical Diversion

Non-Scheduled

Erowid Experience Vaults

Index Full List Search Submit Settings About Main Vaults

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...by rating us in Great Nonprofit's "Health Nonprofits 2013" campaign.
Spread the word that Erowid improves health. [Write a Review]

Knocked Out!!!
Percocet, Floricet, Elavil & Lyrica
by webguy15

Citation: webguy15: "Knocked Out!!!: experience with Percocet, Floricet, Elavil & Lyrica (ID 77351)". Erowid.org. Mar 21, 2010. erowid.org/exp/77361

DOSE:	300 mg	oral	Pharms - Pregabalin	(pill / tablet)
	200 mg	oral	Pharms - Amitriptyline	(pill / tablet)
	10 mg	oral	Pharms - Oxycodone	(pill / tablet)
	1 tablet	oral	Acetaminophen	(pill / tablet)

BODY WEIGHT:	160 lb
--------------	--------

1945- I just took 300mg lyrica, 200mg elavil, 10mg percocet, and 1 floricet. I also have one of those power energy shots that im thinking of taking when i get really tired. Looking back at all of that typed out makes me think that it may not have been my best idea ever, but i guess im just going to have to see where this takes me...

1950- Already bored of waiting for the effects to kick in, I guess that I will just go smoke a bowl (marijuana) while I wait.

2000- Starting to feel a little warm in the face and lightheaded... a little bit of tingling. Its pretty faint and not easy to describe, but it is noticeable. I have been reading some of the other experiences and I just want to mention this incase something crazy happens and I die or something, I love you mom and am so proud of my two brothers that i cant even describe it.

2011- I find myself feeling really tingly and also really warm and fuzzy. Im spacing out alot and forgetting to keep typing, im normally a really quick typist but im finding it really really hard to focus on it at all, its now 2018 and I am still typing...

2033- My thinking and even my movement seems really slow and sluggish, like things are delayed or something. it also feels really hard to move, like I weigh about another 100 pounds. Even my eyes seam very slow when I move them from one place to another or when I try to read. 2040 is the time right now, so it took about 7 minutes in order to type this...

Well, after that last entry I just kind of passed out, I remember seeing something out of the corner of my eyes and trying to grab for it but never actually catching it. Once I passed out I was GONE, people tried to wake me and I was completely unresponsive, they almost called 911 but decided against when they could see I was still breathing. So... yea.. I am going to do it again pretty soon probably...

“I just took 300mg lyrica, 10mg percocet, and 1 floricet. I also have one of those power energy shots that I’m thinking of taking when I get really tired. Looking back at all of that typed out makes me think it may not have been the best idea ever...I’m going to have to see where this takes me”





Diversion & Fraud

Organized Criminal Groups:

- Nationally, various ethnic groups have participated in diversion. Includes former Soviet bloc groups in California (Russian, Armenian, and Ukrainian) and Florida (Cuban)
- Multiple participants: nominee (pharmacy) owner, participating physician, co-conspirator beneficiary, “capper” or recruiter/handler, money runners, etc. (They can use the same infrastructure as Part B Fraud – It is already in place)
- Huge problem with dual-eligible co-conspirator beneficiaries receiving kickbacks for participating or selling their card
- Safer for organized groups (not as much LE focus)





Diversion & Fraud



oxycodone concealed in
cigarettes (\$400)



oxycodone concealed in straw
in binder of folder (\$50)





Diversion & Fraud

Non-CS Diverted Drugs transported in plain view - @\$15k





Diversion & Fraud

- The same UC buy:
 - One month prescription worth of oxycodone concealed in children's cereal...in a bag...under the seat



- UC target: “If I get caught doing this stuff (oxycodone pills) I will go to prison but with these (\$15k worth of antipsychotic meds) nobody cares”





Diversion & Fraud

Organized Diversion:

- Collection
- Management
- Distribution





Non-Narcotic Diversion Collection

Intelligence Assessment

- Low level runners/cappers obtain Rx meds via
 - Identity Theft
 - Capping Patients
 - False/Forged Scripts
- Pills are sent ‘up the chain’ to a manager type

**(U) Eurasian Summer
Work/Travel J-1 Visa
Holders Recruited to Commit
Health Care Fraud**

16 June 2010





Non-Narcotic Diversion Collection

- Prescriptions faxed to dozens of pharmacy throughout SW US
 - Real Dr's; Fake Prescription – but with local phone numbers*
- All scripts faxed from same location and same format; heading changed to fit the local phone (dummy numbers)
- All benes contacted denied knowledge

Page 2 of 4

2010-05-17 20:23:07 (GMT)

16154525921 From: [REDACTED]

Paul M Chretien, MD (circled in red)
5061 F St, Suite 307
San Ramon, CA, 94583
Phone: (925) 447-0001 Fax: (925) 452-9021

Paul M Chretien, MD
5061 F St, Suite 307
San Ramon, CA, 94583
Phone: (925) 447-0001 Fax: (925) 452-9021

Date: 05-17-10 No. _____
Name: R. D. Good
Street: _____ City: _____
Rx: 1 Belicity 10mg #30
Sig: i PO QHS

Date: 05-19-10 No. _____
Name: R. D. Good
Street: _____ City: _____
Rx: Zyprexa 15mg #30
Sig: i PO QHS

MEDICARE ID: [REDACTED] HEALTH INSURANCE SOCIAL SECURITY ACT

NAME OF BENEFICIARY: [REDACTED]
MEDICARE CLAIM NUMBER: [REDACTED] SEX: MALE
BENEFITIED TO: O-M EFFECTIVE DATE: [REDACTED]
HOSPITAL (PART A): 9-1-95
MEDICAL (PART B): 4-1-94
SIGN HERE: [Signature]

State of California
Benefits Identification Card
ID No.: [REDACTED]
PHI: M 04
Exp Date: 05 01 94

CALIFORNIA SENIOR CITIZEN IDENTIFICATION CARD
PHI: [REDACTED]
Exp Date: 05 01 94
122 HONOLULU, HAWAII
TEMPLE CITY, CA 91780
75





Non-Narcotic Diversion Collection

C – CVS
R – Rite Aid
W- Walgreens

10	100 WEST LAGO AVENUE LAGO 95240 209-369-5853		
	1284 PACIFIC AVENUE STOCKTON 95207 209-951-8821		A-30 Z-10
3	102 N Jack Torne Rd #R Ripon 95386 (209) 599-1839	W	A-15 Z-15
	1000 WEST KETTLERMAN LANE LAGO 95240 209-368-2722		A-10 Z-15
5	1000 W Monte Vista Ave Turlock 95382 (209) 669-9704	R	A-5 Z-15
	1071 N Main St Manteca 95336 (209) 825-5481		Z-15 G-80
7	1963 C STREET GALT 95632 209-745-3787	C	Z-15 G-80
8	1032 Oakdale Road Modesto 95355 (209) 577-6060	R	Z-15 G-80
9	1080 SPERRY AVENUE PATTERSON 95363 209-892-6182	C	A-30 Z-10





Diversion & Fraud

Red Flags - Beneficiary

Year	PDEs	Part D	Patient Pay Amount
2012	19	\$2,273.15	\$0.00
2013	382	\$40,936.12	\$192.74
Totals	401	\$43,209.27	\$192.74

Suspected Part D Fraud – Single Beneficiary Label Located on Liboderm Box Purchased by UC





Non-Narcotic Diversion Collection

MEDICATION	QTY DSP	DAYS SPLY	RETAIL PRICE	PAY AMT
	CLM REF #		PRESCRIBER	
ABILIFY 15 MG TABLET	30	30	\$640.99	\$3.30
	1			
ZYPREXA 15 MG TABLET	30	30	\$899.99	\$3.30
TOTAL AMOUNT :			\$1,540.98	\$6.60

- No ID required
- Small cash copy
- No way to track recipient



With us, it's personal.

Store #06077
4020 FLORIN ROAD
SACRAMENTO, CA 95823
(916) 421-6486

Register #1 Transaction #338615
Cashier #60778774 3/23/11 4:11PM

1 SCANNED PHARMACY	3.30
RX# 616240	
1 SCANNED PHARMACY	3.30
RX# 616239	
2 Items	Subtotal 6.60
	Tax .00
	Total 6.60
* CASH PAYMENT *	10.00
	Tendered 10.00
	Cash Change 3.40





Non-Narcotic Diversion Management

- Manager runs a crew of cappers/runners who obtain the prescriptions
 - “warehouses full” of Medications
- Broker will send the pills to the distributor or make side-deals to get a bigger cut of profits
- Smart enough to stay away from (in general) scheduled narcotics





Diversion & Fraud

Partial Price List by the Bottle:

ACIPHEX 20MG #30	#7	+	\$284 EACH	\$1988
EVISTA #30	#1	+	\$161	
ULORIC 40MG #30	#2		\$182 EACH	\$364
COLCRYS 0.6MG #30	#3	+	\$143 EACH	\$429
ZETIA 10MG #30	#9	+	\$139 EACH	\$1,251
NEXIUM 40MG #30	#10	+	\$197 EACH	\$1,970
CYMBALTA 30MG #30	#15	+	\$195 EACH	\$2,925
CYMBALTA 60MG #30	#5	+	\$195 EACH	\$975
NIASPAN 500MG #90	#2	+	\$287 EACH	\$574
TRILIPIX 135MG #90	#1	+	\$490	
ABILIFY 2MG #30	#7	+	\$619 EACH	\$4,333
ABILIFY 5MG #30	#2	+	\$619 EACH	\$1,238
36,021				
Zetia 10mg #90	#24	+	\$417 each	\$10,008
Niaspan 750mg #90	#3		\$409 each	\$1,227
11,235				
ADVAIR 500/50	#4	+	\$314 EACH	\$1,256
WELCHOL 3.75G #30	#2		\$265 EACH	\$530
ADVAIR 250/50	#1		\$238	
EXELON PATCH 9.5MG #2	#2	+	\$291 EACH	\$582
NEXIUM 40MG #30	#4	+	\$187 EACH	\$788
ACTONEL 150MG #1	#1	+	\$140	
ABILIFY 10MG #30	#2	+	\$619 EACH	\$1,238
VESICARE 5MG #30	#2	+	\$183 EACH	\$366
PATANOL 5ML	#1	+	\$131	
CYMBALTA 30MG #30	#1	+	\$195	
CYMBALTA 60MG #30	#1	+	\$195	
VYTORIN 10/20MG #30#1	#1	+	\$141	

“I can get anything you want just give me the brand name and how much you want”





Non-Narcotic Diversion Management



Package inserts are valuable:

- Offer to 'buy back' inserts
- Runners ask for original packaging from pharmacy
- High end laser printers to forge inserts (inserts are printed with proprietary ink)

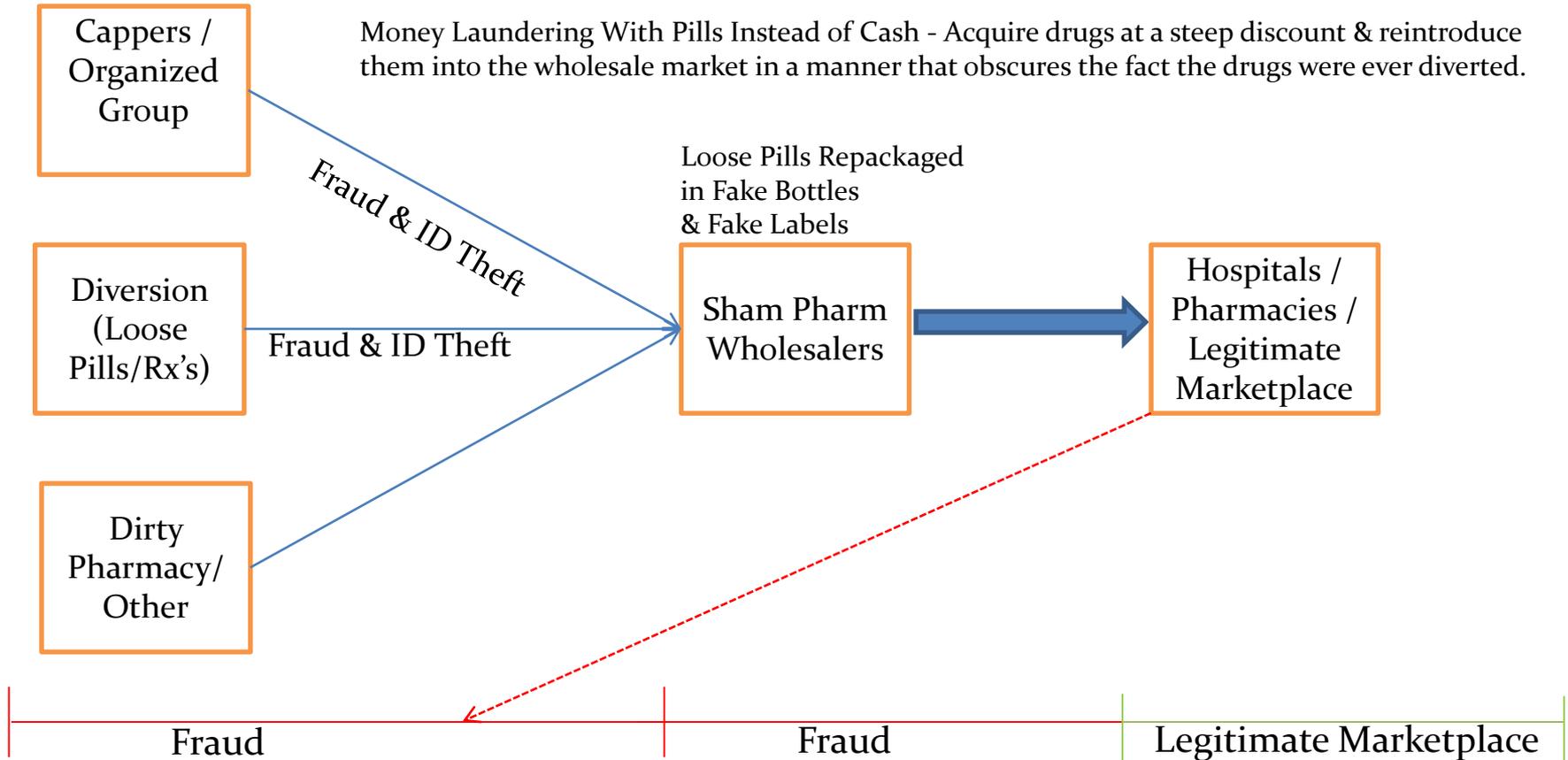
Red Flag:

- Request original packaging and/or original inserts





Diversion & Fraud





Pharmaceutical Fraud

The Scheme

Puerto Rico indicts suspects in \$650M drug scheme

By DANICA COTO, Associated Press

DECEMBER 10, 2012, 2:18 PM | SAN JUAN, PUERTO RICO

Members of a group accused of generating **\$650 million in revenue** by selling prescription drugs not approved by the FDA to pharmacies in the U.S. have been arrested in one of the largest cases of its kind, federal officials said Thursday.

The drugs were sold from 2007 to 2011 to chain and independent pharmacies across the United States, mostly in cities such as Detroit, New York, Miami and Los Angeles, Assistant U.S. Attorney Charles Walsh said.

"There was evidence that the drugs were expired and had counterfeit labels, some with incorrect dosages," Walsh said.





Pharmaceutical Fraud





Questions

