

New Jersey
State Commission of Investigation



July 10, 2013
Immediate Release

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**SCI EXPOSES CORRUPT DOCTORS,
ORGANIZED CRIME LINKS IN REPORT
ON PRESCRIPTION PILL/HEROIN ABUSE**

TRENTON – The State Commission of Investigation today revealed the operation of illicit medical practices run by unscrupulous entrepreneurs and corrupt physicians, some with ties to organized crime, in a report detailing the latest findings of a comprehensive investigation into prescription pill and heroin abuse in New Jersey.

In one flagrant scheme, homeless Medicaid recipients and drug addicts in downtown Newark were regularly transported by van to a strip-mall “medical center” where they were given unnecessary prescriptions for powerful painkillers as part of a ploy to bilk government health insurance. In another, a chiropractic office operating out of a seemingly abandoned building in Camden was home to a painkiller-prescription

emporium that resulted in the distribution hundreds of thousands of addictive pain pills – including, during one 19-month period, the equivalent of nearly 10 kilograms of the painkilling drug Oxycodone with a street value estimated at nearly \$10 million.

“Some medical management companies with names that incorporate benign terms like ‘pain management’ and ‘wellness’ have transformed street-corner drug-dealing into an orderly and seemingly ordinary business endeavor,” the SCI report states. “Even as law enforcement authorities, public-health officials, social workers, treatment counselors, schools and families redouble their efforts to combat the purveyors and consequences of this predatory scourge, it continues to evolve in ways that few could have imagined when the so-called war on drugs was launched more than four decades ago.”

The report, “Scenes From An Epidemic,” represents the culmination of a multi-faceted investigation initiated by the SCI two years ago with a public hearing that was among the first to focus widespread attention on worsening abuse of prescription painkillers as the leading edge of a new heroin epidemic.

“The findings of this investigation demonstrate that the challenges posed by drug abuse have taken on disturbing dimensions that call into question the conventional wisdom regarding gateway drugs and addiction, as well as the adequacy of current oversight and enforcement strategies,” the report states. The Commission formally referred its findings to the Office of the Attorney General, the New Jersey Division of Consumer Affairs, the Office of the United States Attorney for the District of New Jersey,

the State Board of Medical Examiners and the Office of the County Prosecutors in each of the state's 21 counties.

Beyond the referrals, the Commission called for action on a series of proposed statutory and regulatory reforms, including:

- Stronger oversight of the medical community, particularly in the area of establishing explicit prescription standards for physicians.
- Tougher financial and criminal penalties for prescription drug diversion.
- Better regulation of medical practice ownership and management
- Creation of a statewide, multi-agency law enforcement task force to coordinate and assist with major prescription pill and heroin investigations.
- Improve and strengthen New Jersey's Prescription Monitoring Program (PMP)
- Amend the State's Criminal Code to establish a more realistic threshold for triggering charges of criminal possession of heroin with intent to distribute.



The State Commission of Investigation is an independent New Jersey watchdog agency established in 1968 to investigate organized crime and corruption, waste of tax money and other abuses of the public trust. Copies of public reports are available at the Commission's offices or via its Web site at www.state.nj.us/sci.