

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA	:	Hon.
	:	
v.	:	Crim. No. 22-CR-_____
	:	
DUNN MEADOW LLC	:	21 U.S.C. § 846
	:	18 U.S.C. § 371

I N F O R M A T I O N

The Defendant, DUNN MEADOW LLC (“DUNN MEADOW”), having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey charges:

COUNT ONE
(Conspiracy to Violate the Controlled Substances Act)

1. At all times relevant to this Information:
 - a. DUNN MEADOW was a privately held corporation, which was incorporated in New Jersey in or about September 2014.
 - b. DUNN MEADOW was a licensed retail pharmacy in all 50 states and was also registered to distribute controlled substances by the U.S. Drug Enforcement Administration.
 - c. DUNN MEADOW functioned as a mail-order pharmacy, shipping controlled substances and other medications to patients in New Jersey and other states via overnight mail and other delivery methods.

d. Prescription fentanyl was a Schedule II opioid that was 50 to 100 more potent than morphine. The medical use of Schedule II controlled substances, such as oxycodone and prescription fentanyl, was severely restricted because such drugs had a high potential for abuse which might lead to severe psychological and physical dependence. Transmucosal Immediate Release Fentanyl (“TIRF”) was designed to administer an immediate dose of fentanyl. TIRF medications were approved by the United States Food and Drug Administration (“FDA”) for the management of breakthrough pain in adult cancer patients who were already receiving, and who were tolerant to, around-the-clock opioid therapy for their underlying persistent cancer pain.

e. DUNN MEADOW referred to itself as a “specialty pharmacy” and claimed to specialize in pain management medications, i.e., prescription opioids, including TIRF medications. However, prior to working at DUNN MEADOW, the Pharmacist-In-Charge at DUNN MEADOW had no specialized clinical experience or training in the field of pain management.

The Conspiracy

2. From in or about 2015 to at least in or about 2019, in the District of New Jersey, and elsewhere,

DUNN MEADOW

a licensed pharmacy authorized to dispense controlled substances, did knowingly and intentionally conspire and agree with others to distribute and to dispense, outside the usual course of professional practice and not for a legitimate medical purpose, 400 grams or more of a mixture and substance

containing a detectable amount of N-phenyl-N-[1-(2-phenylethyl)-4-piperidinyl] propanamide (“fentanyl”), a Schedule II controlled substance, contrary to 21 U.S.C. § 841(a)(1) and (b)(1)(A)(vi), and 21 C.F.R. § 1306.04.

DUNN MEADOW’s Illegal Dispensing of Fentanyl

3. It was part of the conspiracy that:

a. DUNN MEADOW knowingly filled prescriptions for controlled substances, including fentanyl, that were for patients exhibiting suspicious or drug-seeking behavior, including patients that repeatedly requested early refills, paid thousands of dollars in cash for their prescriptions, or requested that prescriptions be sent to suspicious or inappropriate locations including hotels, casinos, and elementary schools.

b. For example, on or about December 12, 2015, DUNN MEADOW employees using DUNN MEADOW’s instant messaging system referred to a particular patient as a “drug addict” and noted that the patient “pretended” to have “lost two boxes of [TIRF medication].” Nonetheless, DUNN MEADOW continued to fill TIRF prescriptions for the patient until in or about January 2018.

c. In another instant message exchange on or about March 29, 2016, the Pharmacist-In-Charge at DUNN MEADOW asked another DUNN MEADOW employee why a patient would want to pay over \$9,000 in cash for a TIRF product. The other employee responded, “because she’s an addict :)” The Pharmacist-In-Charge replied, “OK ...‘splains dat!” DUNN MEADOW filled the TIRF prescription anyway.

d. DUNN MEADOW knowingly filled prescriptions for controlled substances, including fentanyl, written by prescribers (“Prescribers”) whose prescribing practices indicated that a number of those controlled substance prescriptions were not written for a legitimate medical purpose. For example, on or about September 13, 2016, the Pharmacist-In-Charge emailed another member of the DUNN MEADOW pharmacy staff advising that he had removed alerts from the patient profiles in DUNN MEADOW’s computer system for multiple patients and reinstated their TIRF prescriptions. In response, the other pharmacy employee asked the Pharmacist-In-Charge: “So what happened within less than 24hrs that I now have to redo orders . . . ? Did the MD [doctor] all of a sudden become ‘good’ or did these [patients] develop cancer overnight?”

e. In fact, DUNN MEADOW was warned or otherwise placed on notice regarding the suspicious and problematic prescribing habits and histories of some of these Prescribers by compliance professionals working for companies that supplied DUNN MEADOW with controlled substances. Notwithstanding these warnings, DUNN MEADOW continued to fill prescriptions written by those Prescribers.

f. On a number of occasions, DUNN MEADOW failed to adequately confirm the diagnoses or clinical profiles of patients for whom it filled prescriptions for controlled substances, including fentanyl.

g. DUNN MEADOW dispensed controlled substances based on patient information obtained from sales representatives from opioid

manufacturers, including sensitive clinical information such as diagnoses. DUNN MEADOW relied on the opioid manufacturers' sales representatives rather than confirming the appropriateness of the controlled substance directly with the Prescribers.

h. DUNN MEADOW established a pattern and practice of filling prescriptions for fentanyl and other controlled substances without receiving an original prescription. Specifically, DUNN MEADOW maintained a "Send Without Original" ("SWO") list, which consisted of the names of certain Prescribers across the United States who were important, high-value prescribers of controlled substances, including fentanyl.

i. DUNN MEADOW authorized its employees to fill and ship any prescription for any controlled substance—including fentanyl—to any patient of Prescribers on the SWO list without first receiving the original, hard-copy prescription. In some cases, DUNN MEADOW never received original prescriptions for fentanyl and other controlled substances that it shipped to patients.

j. Prior to February 14, 2016, two different suppliers had stopped selling controlled substances to DUNN MEADOW. One of the suppliers explicitly warned DUNN MEADOW that it had serious concerns about DUNN MEADOW's history of filling prescriptions for controlled substances written by Prescribers whose prescribing practices were highly suspicious and indicative of controlled substance diversion.

k. Thereafter, DUNN MEADOW submitted at least three

different applications to other suppliers in order to purchase controlled substances which falsely represented that no supplier had ever suspended, ceased, or restricted controlled substance sales to DUNN MEADOW.

All in violation of Title 21, United States Code, Section 846.

COUNT TWO
(Conspiracy to Violate the Federal Anti-Kickback Statute)

1. Paragraphs 1 and 3 of Count 1 of this Information are realleged here.

2. To increase the volume of its controlled substance dispensing, DUNN MEADOW employed sales representatives. DUNN MEADOW sales representatives marketed DUNN MEADOW's services to Prescribers specializing in pain management and to sales representatives from drug manufacturers.

3. From in or about 2015 to in or about 2019, in the District of New Jersey, and elsewhere,

DUNN MEADOW

did knowingly and intentionally conspire and agree with others to knowingly and willfully offer and pay any remuneration, directly and indirectly, overtly and covertly, in cash and in kind, that is, kickbacks and bribes, to any person to induce such person to refer an individual for the furnishing and arranging for the furnishing of items and services, namely, the referral of patients' prescriptions, for which payment was made in whole or in part under a Federal health care program, namely Medicare and TRICARE, contrary to Title 42, United States Code, Section 1320a-7b(b)(2)(A).

Goal of the Conspiracy

4. It was the goal of the conspiracy for DUNN MEADOW to profit by providing remuneration to Prescribers and sales representatives from a leading fentanyl manufacturer to induce those Prescribers and sales representatives to

refer patients' prescriptions to DUNN MEADOW, which prescriptions were then billed to Medicare and TRICARE.

Manner and Means of the Conspiracy

5. It was part of the conspiracy that:

a. DUNN MEADOW provided and offered to provide remuneration to Prescribers and their staff in the form of lunches, dinners, and happy hours.

b. DUNN MEADOW sales representatives established close relationships with sales representatives from a leading manufacturer of fentanyl and provided those representatives with remuneration, in part to induce them to market DUNN MEADOW to Prescribers and to encourage Prescribers to send their patients' prescriptions to DUNN MEADOW.

c. DUNN MEADOW was reimbursed over \$4,000,000 by Medicare alone for prescriptions that were written by prescribers to whom DUNN MEADOW paid remuneration.

Overt Acts

6. In furtherance of the conspiracy and to effect its goal, DUNN MEADOW and others committed or caused the commission of the following overt acts in the District of New Jersey and elsewhere:

a. From on or about April 6, 2016, through on or about April 10, 2018, one of DUNN MEADOW's sales representatives spent approximately \$3,800 for marketing and entertainment provided to a single Prescriber's practice based in Louisiana. That Prescriber ultimately sent fentanyl

prescriptions to DUNN MEADOW. For example, on or about March 23, 2017, DUNN MEADOW paid over \$200 for drinks and appetizers for the Louisiana Prescriber's practice.

b. From on or about April 10, 2017 through on or about January 20, 2018, DUNN MEADOW spent approximately \$2,100 for marketing and entertainment provided to another Prescriber's practice based in Colorado, in part to induce the practice to send patient prescriptions to DUNN MEADOW. For example, on or about October 31, 2017, DUNN MEADOW paid over \$600 for a dinner for the Colorado Prescriber's practice.

c. From in or about February 2016 through in or about August 2016, DUNN MEADOW sales representatives offered and paid remuneration to sales representatives employed by a prominent manufacturer of a TIRF medication in the form of lunches, dinners, and happy hours. In return, the manufacturer's sales representatives steered prescriptions to DUNN MEADOW and supplied DUNN MEADOW with patient records and patient-specific clinical information to expedite insurance coverage. For example, on or about June 8, 2016, DUNN MEADOW spent approximately \$514 for a dinner for 4 sales representatives for a fentanyl manufacturer.

All in violation of Title 18, United States Code, Section 371.

FORFEITURE ALLEGATIONS

1. The allegations set forth in Paragraphs 1 through 3 of Count 1 and Paragraphs 1 through 6 of Count 2 of this Information are hereby realleged and incorporated by reference for the purpose of alleging forfeiture pursuant to Title 21, United States Code, Section 853 and 18 U.S.C. § 982(a)(7).

Count 1

2. Pursuant to Title 21, United States Code, Section 853, upon conviction of the controlled substance offense alleged in Count 1 of this Information, the Defendant shall forfeit to the United States any and all property constituting or derived from any proceeds the defendant obtained directly or indirectly as a result of the violation alleged in Count 1 of this Information and any and all property used or intended to be used in any manner or part to commit and to facilitate the commission of the violation alleged in Count 1 of this Information.

Count 2


3. Upon conviction of the Federal health care offense, as defined in 18 U.S.C. § 24, charged in Count 2 of this Information, the Defendant shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(7), all property, real or personal, the Defendant obtained that constitutes or is derived, directly and indirectly, from gross proceeds traceable to the offense charged in Count 2, and all property traceable to such property.

SUBSTITUTE ASSETS PROVISION
(Applicable to All Forfeiture Allegations)

4. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

the United States shall be entitled, pursuant to 21 U.S.C. § 853(p) (as incorporated by 28 U.S.C. § 2461(c), and 18 U.S.C. § 982(b)), to forfeiture of any other property of the defendant up to the value of the above-described forfeitable property.


PHILIP R. SELLINGER
United States Attorney

CASE NUMBER: _____

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

DUNN MEADOW LLC

INFORMATION FOR

**21 U.S.C. § 846
18 U.S.C. § 371**

PHILIP R. SELLINGER
UNITED STATES ATTORNEY
FOR THE DISTRICT OF NEW JERSEY

JONATHAN M. PECK
&
EMMA SPIRO
ASSISTANT U.S. ATTORNEYS
NEWARK, NEW JERSEY
973-297-2064
