

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- - - - - X

UNITED STATES OF AMERICA :

SEALED
INDICTMENT

- v. - :

20 Cr.

HOWARD ADELGLASS, and
MARCELLO SANSONE,

20 CRIM 605

Defendants.

- - - - - X

COUNT ONE
(Conspiracy to Distribute Narcotics)

The Grand Jury charges:

Introduction

1. From at least in or about 2017, up to and including the present, in the Southern District of New York and elsewhere, HOWARD ADELGLASS and MARCELLO SANSONE, the defendants, and others known and unknown, conspired to unlawfully distribute more than one million pills of the Schedule II controlled substance oxycodone to individuals the defendants knew had no legitimate medical need for them.

2. At all times relevant to this Indictment, HOWARD ADELGLASS, the defendant, who is a state-licensed physician, operated a pain-management clinic (the "Clinic") located in New York, New York. In exchange for cash payments, ADELGLASS wrote thousands of prescriptions for large quantities of oxycodone to individuals whom ADELGLASS knew did not need the pills for any

legitimate medical purpose. The purported patients filled these medically unnecessary prescriptions because they were addicted to opioids or, in some cases, sold oxycodone pills on the street to drug users.

3. In total, from in or about November 2017, up to and including in or about September 2020, HOWARD ADELGLASS, the defendant, prescribed more than 1.3 million oxycodone pills to purported patients under his care.

4. At all times relevant to this Indictment, MARCELLO SANSONE, the defendant, was a purported patient of the Clinic and referred other purported patients to the Clinic to receive medically unnecessary prescriptions for large quantities of oxycodone pills. Beginning in or about October 2018, SANSONE began managing the Clinic, exerting greater control over the day-to-day operations of the Clinic and the provision of oxycodone prescriptions.

Background on Oxycodone and the Regulations Governing its
Distribution

5. Oxycodone is a highly addictive, narcotic-strength opioid used to treat severe and chronic pain conditions, such as post-operative pain, serious back and orthopedic injuries, as well as pain associated with certain forms of cancer and other terminal illnesses. Oxycodone can be legitimately obtained from most

pharmacies with a prescription written by a treating physician, and is typically dispensed to patients in five- to thirty-milligram pills.

6. Because of its addictive qualities and potential for abuse, the distribution of oxycodone is heavily regulated. Physicians and other healthcare professionals must register and be approved by the Drug Enforcement Administration and New York State licensing authorities in order to lawfully prescribe oxycodone. Furthermore, federal and state regulations require that, before prescribing oxycodone, physicians must ensure that the prescription is issued for a legitimate medical purpose and in the usual course of generally accepted medical practice. See 21 C.F.R. § 1306.04. The Centers for Disease Control and Prevention and state regulations recommend that physicians do so by, among other things, ordering urinalysis tests to ensure that patients are taking their prescriptions and not abusing other controlled substances, conducting medical histories and physical examinations, assessing addiction risk factors for every patient, and developing a treatment plan to reduce a patient's dependence on the oxycodone. See, e.g., Centers for Disease Control and Prevention, Guideline for Prescribing Opioids for Chronic Pain, 2016; N.Y. Comp. Codes R. & Regs. tit. 10 § 80.63. Pursuant to

federal regulations, prescriptions for oxycodone cannot be refilled until a patient who has exhausted his or her initial prescription has visited his or her doctor again. See 21 C.F.R. § 1306.12.

7. Because oxycodone is highly addictive and available only through a prescription written by a licensed healthcare professional, oxycodone prescriptions have enormous cash value to drug dealers who sell oxycodone pills on the street for thousands of dollars. At all times relevant to this Indictment, thirty-milligram oxycodone pills, which are popular among street-level drug dealers, had a street value of approximately \$30 per pill in New York City, with prices ranging even higher in other parts of the country. Thus, a single thirty-day prescription for 180 thirty-milligram pills of oxycodone could net a street-level dealer in New York City \$5,400 in cash or more.

The Scheme to Distribute Oxycodone

8. HOWARD ADELGLASS and MARCELLO SANSONE, the defendants, operated the oxycodone distribution scheme from the Clinic, located in midtown Manhattan. At all times relevant to this Indictment, ADELGLASS was a New York state-licensed physician specializing in pain medicine, physical medicine, and

rehabilitation, who was authorized to prescribe controlled substances in New York State.

9. The Clinic generally operated on certain weekdays, opening sometime between approximately 2:00 p.m. and 5:00 p.m. The Clinic was generally a cash-only business. For initial visits from purported patients, cash payments varied, ranging from approximately \$250 to \$450. The Clinic typically charged patients \$250 for follow-up visits.

10. In exchange for these cash payments, HOWARD ADELGLASS, the defendant, issued prescriptions to the purported patients for large quantities of medically unnecessary oxycodone pills. A review of records maintained by the narcotics enforcement bureaus in each of New York, New Jersey, Connecticut, and Pennsylvania (the "State Narcotics Bureaus"), shows that ADELGLASS prescribed more than 1.3 million oxycodone pills during the period of approximately November 2017 to September 2020. Records from the State Narcotics Bureaus further show that ADELGLASS prescribed an unusually large quantity of thirty-milligram oxycodone pills: during that period of approximately November 2017 to September

2020, approximately 68% of all prescriptions issued by ADELGLASS for oxycodone were for thirty-milligram pills.

11. HOWARD ADELGLASS, the defendant, generally did not conduct thorough examinations of purported patients under his care to whom he prescribed oxycodone. In some cases, ADELGLASS did not even examine purported patients at all before prescribing them oxycodone pills. When ADELGLASS did conduct examinations, the examinations were usually short and perfunctory "doctor's visits," generally lasting no more than a few minutes and involving little to no physical examination and few questions.

12. In many cases, the Clinic's patients were drug-addicted individuals. Purported patients routinely failed drug tests administered at the Clinic. For example, HOWARD ADELGLASS, the defendant, prescribed oxycodone to purported patients even after their urine tested positive for the presence of cocaine or methamphetamine, among other controlled substances.

13. The prescribing data and patient records obtained from the Clinic and State Narcotics Bureaus also show the following: (a) many of the Clinic's purported patients received the same quantity and dosage of oxycodone; (b) HOWARD ADELGLASS, the defendant, appears to have made little to no attempts to wean purported patients off of oxycodone; (c) many purported patients

traveled long distances to visit the Clinic to receive oxycodone prescriptions; (d) in some instances, members of the same family received prescriptions for the same quantity and dosage of oxycodone; and (e) many of the Clinic's purported patients to whom ADELGLASS prescribed oxycodone were formerly patients of New York City-area doctors who had been arrested and charged with unlawful oxycodone distribution.

14. Most new patients came to the Clinic through referrals by existing, trusted patients. Some of the Clinic's purported patients served as "gatekeepers" insofar as they referred many patients to the Clinic, thereby granting access to HOWARD ADELGLASS, the defendant, to receive medically unnecessary oxycodone pills. As described above, these purported patients generally paid in cash for oxycodone prescriptions from ADELGLASS. In exchange for referring purported patients to the Clinic, these gatekeeper patients received certain benefits, such as discounts for doctor's visits during which ADELGLASS prescribed large quantities of oxycodone pills.

15. At all times relevant to this Indictment, MARCELLO SANSONE, the defendant, was a gatekeeper patient for the Clinic. In that capacity, he referred a large number of patients to the Clinic to receive oxycodone prescriptions. Over time, SANSONE

began exercising greater control over the Clinic and its practice of illicitly providing oxycodone. Beginning in or about October 2018, SANSONE began managing the Clinic's operations alongside HOWARD ADELGLASS, the defendant. In that role, SANSONE helped exercise control over ADELGLASS's patient schedule and played an important role in allowing ADELGLASS's purported patients continued access to the practice and prescriptions for medically unnecessary oxycodone. Among other things, SANSONE and ADELGLASS communicated by text message to set up doctors' visits for purported patients who received oxycodone prescriptions from ADELGLASS.

Statutory Allegations

16. From at least in or about 2017, up to and including in or about the present, in the Southern District of New York and elsewhere, HOWARD ADELGLASS and MARCELLO SANSONE, the defendants, and others known and unknown, intentionally and knowingly did combine, conspire, confederate and agree, together and with each other, to violate the narcotics laws of the United States.

17. It was a part and an object of the conspiracy that HOWARD ADELGLASS and MARCELLO SANSONE, the defendants, and others known and unknown, would and did distribute, dispense, possess with intent to distribute and dispense, and cause to be distributed

and dispensed, a controlled substance outside the scope of professional practice and not for a legitimate medical purpose, in violation of Title 21, United States Code, Section 841(a)(1).

18. The controlled substance that HOWARD ADELGLASS and MARCELLO SANSONE, the defendants, conspired to distribute and dispense, possess with intent to distribute and dispense, and caused to be distributed and dispensed, outside the scope of professional practice and not for a legitimate medical purpose, was mixtures and substances containing a detectable amount of oxycodone, in violation of Title 21, United States Code, Section 841(b)(1)(C).

(Title 21, United States Code, Section 846.)

FORFEITURE ALLEGATION

19. As a result of committing the offense alleged in Count One of this Indictment, HOWARD ADELGLASS and MARCELLO SANSONE, the defendants, shall forfeit to the United States, pursuant to Title 21, United States Code, Section 853, any and all property constituting, or derived from, any proceeds obtained, directly or indirectly, as a result of said offense and any and all property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, said offense, including but not limited to a sum of money in United States

currency representing the amount of proceeds traceable to the commission of said offense.

Substitute Assets Provision

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

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- 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 subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other

property of the defendants up to the value of the above forfeitable property.

(Title 21, United States Code, Section 853.)



FOREPERSON

Audrey Strauss

AUDREY STRAUSS

Acting United States Attorney

UNITED STATES DISTRICT COURT
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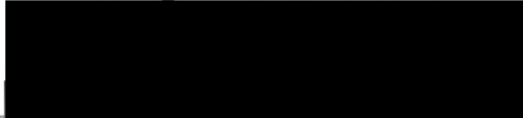
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(21 U.S.C. § 846)

AUDREY STRAUSS

Acting United States Attorney


Foreperson
