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Former PIN Rx Pharmacist Pleads Guilty to Kickback and Tax Charges

Portland, Maine: United States Attorney Thomas E. Delahanty II announced today that **Reginald S. Gracie, Jr.**, age 40, of Bowdoin, Maine, pleaded guilty today in the U.S. District Court, in Portland, before Chief Judge John A. Woodcock, Jr., to corruptly soliciting and receiving kickbacks as an agent of an organization that received federal funds, and filing false federal income tax returns, all of which was relating to his employment at PIN Rx, a mail order pharmacy operated by the Penobscot Indian Nation in 2005 and 2006.

According to Court records, **Gracie** was the director of operations at PIN Rx beginning in October 2005 and the pharmacist-in-charge beginning in April 2006. Between May of 2006 and November of 2006, he solicited and received more than \$120,000 from six companies that sold prescription drugs, including controlled substances, over the Internet. In Court today, **Gracie** admitted to receiving a kickback payment of \$8,760 that was wired to his personal bank account by the Pitcairn Group, in exchange for causing PIN Rx to fill 975 prescriptions for customers of the Pitcairn Group in October 2006. **Gracie** also admitted to filing a false federal corporate income tax return for Gracie Enterprises Inc. for the fiscal year ending February 28, 2007 that underreported gross receipts by about \$32,000 and to overstating corporate deductions on that return. In addition, **Gracie** admitted to filing a false individual income tax return that failed to report any of the kickbacks he received from the Internet companies.

Gracie faces 10 years of imprisonment on the kickback charge, 3 years on the tax charges and a fine of \$250,000 on each count. He will be sentenced after completion of a pre-sentence report by the United States Probation Office.

This case was initiated after a referral by the Maine Attorney General's Office and the Maine Board of Pharmacy. It was investigated by the Drug Enforcement Administration, the U.S. Food and Drug Administration, Office of Investigations, the Internal Revenue Service, Criminal Investigation, the U.S. Department of Housing and Urban Development, Office of Inspector General, and the U.S. Department of Agriculture, Office of Inspector General.

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