

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	<b>:</b>	<b>DATE:</b>
<b>v.</b>	<b>:</b>	<b>CRIMINAL NO.:</b>
<b>LAURENCE T. McKINNEY, M.D.</b>	<b>:</b>	<b>VIOLATIONS:</b>
	<b>:</b>	<b>21 U.S.C. § 841(a)(1), (b)(1)(C)</b>
	<b>:</b>	<b>(distribution of controlled substances –</b>
	<b>:</b>	<b>29 counts)</b>
	<b>:</b>	<b>21 U.S.C. § 841(a)(1), (b)(1)(D)(2)</b>
	<b>:</b>	<b>(distribution of controlled substances -</b>
	<b>:</b>	<b>19 counts)</b>
	<b>:</b>	<b>21 U.S.C. § 856(a)(1) (maintaining a</b>
	<b>:</b>	<b>place for the illegal distribution of</b>
	<b>:</b>	<b>controlled substances - 1 count)</b>
	<b>:</b>	<b>18 U.S.C. § 2 (aiding and abetting)</b>

**INDICTMENT**

**COUNTS ONE THROUGH TWENTY-NINE**

**THE GRAND JURY CHARGES THAT:**

At all times material to this indictment:

1. Defendant LAURENCE T. McKINNEY was a medical doctor (M.D.) who graduated from Hahnemann Medical School and completed a residency in obstetrics and gynecology at Hahnemann. He previously held board certifications in obstetrics and gynecology.
2. Defendant LAURENCE T. McKINNEY was licensed to practice medicine in the Commonwealth of Pennsylvania. Defendant McKINNEY was registered with the Drug Enforcement Administration (“DEA”) to dispense to patients Schedule II through Schedule V controlled substances. As a medical doctor, defendant McKINNEY was authorized to prescribe

medicine to patients, including controlled substances, as long as he did so for a legitimate medical purpose and in the usual course of professional practice. A prescription for a controlled substance that does not meet this standard is an invalid prescription and is an illegal distribution.

3. Defendant LAURENCE T. McKINNEY operated the McKinney Medical Center located at 7514 Frankford Avenue, in Philadelphia, Pennsylvania from at least 2004 until on or about February 5, 2008. Although the McKinney Medical Center purported to be a medical clinic, specializing in physical therapy and rehabilitation services, from at least July 2007 through February 5, 2008, it was in actuality a prescription “pill mill,” at which so-called patients (“customers”) could, for a fee, obtain prescriptions for controlled and non-controlled prescription drugs, without there being a legitimate medical purpose for these prescriptions.

4. Beginning in approximately July 2007, defendant LAURENCE T. McKINNEY sold prescriptions for Percocet, a Schedule II controlled substance, and Xanax, a Schedule IV controlled substance, which are among the most frequently abused prescription drugs, are among the prescription drugs most frequently illegally distributed as “street drugs,” and have a high illegal street market value.

5. The Controlled Substances Act (“the Act”) governs the manufacture, distribution, and dispensing of controlled substances in the United States. The Controlled Substances Act is contained in Title 21 of the United States Code, 21 U.S.C. §§ 801-971.

6. Title 21, United States Code, Section 841, provides that “[e]xcept as authorized, it shall be unlawful for any person to knowingly or intentionally manufacture, distribute, or dispense with intent to manufacture, distribute or dispense, a controlled substance.”

7. Title 21, United States Code, Section 802(10), provides that the term

“dispense” means to deliver a controlled substance to an ultimate user by, or pursuant to the lawful order of, a practitioner, including prescribing a controlled substance.

8. Title 21, United States Code, Section 821, provides that “[t]he Attorney General [of the United States] is authorized to promulgate rules and regulations . . . relating to the registration and control of the manufacture, distribution and dispensing of controlled substances.”

9. The Attorney General of the United States has exercised his rulemaking authority regarding the dispensing of controlled substances through the promulgation of 21 Code of Federal Regulations § 1306.04, governing the issuance of prescriptions, which provides:

- (a) a prescription for a controlled substance to be effective must be issued for a legitimate medical purpose by an individual practitioner acting in the usual course of his professional practice. The responsibility for the proper prescribing and dispensing of controlled substances is upon the prescribing practitioner . . . . An order purporting to be a prescription issued not in the usual course of professional treatment or in legitimate and authorized research is not a prescription within the meaning and intent of section 309 of the Act [21 U.S.C. § 829] and . . . the person issuing it, shall be subject to the penalties provided for violations of the law relating to controlled substances.

10. Under the Controlled Substances Act, there are five schedules of controlled substances Schedules I, II, III, IV, and V. Controlled substances are scheduled into these levels based upon their potential for abuse, among other things. Abuse of Schedule II controlled substances may lead to severe psychological or physical dependence. Abuse of

Schedule III controlled substances may lead to moderate or low physical dependence or high psychological dependence. Abuse of Schedule IV controlled substances may lead to more limited physical dependence or psychological dependence relative to the drugs or other substances in Schedule III.

11. Percocet and other formulations containing the narcotic oxycodone, the active ingredient in Percocet, including Roxicet and Endocet, are the generic names for an addictive prescription painkiller that is classified under the Controlled Substances Act as a Schedule II controlled substance. When Percocet is legally prescribed for a legitimate medical purpose, it is typically used to combat acute, severe pain. Accordingly, the prescription is usually for a modest number of pills to be taken over a short period of time.

12. Xanax is an addictive prescription sedative and anti-anxiety agent and muscle relaxant that is classified under the Controlled Substances Act as a Schedule IV controlled substance.

13. The Pennsylvania Code of Professional and Vocational Standards, Title 49, Chapter 16.92, defines the authority of physicians licensed by the Commonwealth of Pennsylvania to prescribe controlled substances. Chapter 16.92 provides in pertinent part:

(a) A person licensed to practice medicine and surgery in this Commonwealth or otherwise licensed or regulated by the Board, when prescribing, administering or dispensing controlled substances, shall carry out, or cause to be carried out, the following minimum standards:

(1) Initial medical history and physical examination....[B]efore commencing treatment that involves prescribing, administering or dispensing a controlled substances, an initial medical history shall be taken and an initial examination shall be conducted unless emergency circumstances justify otherwise. Alternatively, medical

history and physical examination information recorded by another health care provider may be considered if the medical history was taken and the physical examination was conducted within the immediately preceding thirty days. The physical examination shall include an evaluation of the heart, lungs, blood pressure and body functions that relate to the patient's specific complaint.

- (2) Reevaluations. Among the factors to be considered in determining the number and the frequency of follow-up evaluations that should be recommended to the patient are the condition diagnosed, the controlled substance involved, expected results and possible side effects. For chronic conditions, periodic follow-up evaluations shall be recommended to monitor the effectiveness of the controlled substance in achieving the intended results.
  - (3) Patient counseling. Appropriate counseling shall be given to the patient regarding the condition diagnosed and the controlled substance prescribed, administered or dispensed. Unless the patient is in an inpatient care setting, the patient shall be specifically counseled about dosage levels, instructions for use, frequency and duration of use and possible side effects.
  - (4) Medical Records...[C]ertain information shall be recorded in the patient's medical record on each occasion when a controlled substance is prescribed, administered or dispensed. This information shall include the name of the controlled substance, its strength, the quantity and the date it was prescribed, administered or dispensed to a patient. The medical record shall also include a specification of the symptoms observed and reported, the diagnosis of the condition for which the controlled substance is being given and the directions given to the patient for the use of the controlled substance. If the same controlled substance continues to be prescribed, administered or dispensed, the medical record shall reflect changes in the symptoms observed and reported, in the diagnosis of the condition for which the controlled substance is being given and in the directions given to the patient.
14. From at least July 2007 through February 5, 2008, defendant LAURENCE

T. McKINNEY consistently violated these minimum standards.

15. On or about the dates listed below, in Philadelphia, in the Eastern District of Pennsylvania, defendant

**LAURENCE T. McKINNEY, M.D.**

knowingly and intentionally distributed and dispensed a mixture and substance containing a detectable amount of Percocet, a Schedule II controlled substance, outside the usual course of professional practice, not for a legitimate medical purpose.

<b>COUNT</b>	<b>ON OR ABOUT DATE OF PRESCRIPTION OR DISTRIBUTION BY PHARMACY</b>	<b>PRESCRIBED DRUG - MILLIGRAMS - SCHEDULE OF DRUG</b>
1	7/16/2007	Percocet - 5 mg. - Schedule II
2	8/19/2007	Percocet - 10 mg. - Schedule II
3	9/7/2007	Percocet - 5 mg. - Schedule II
4	9/7/2007	Percocet - 5 mg. - Schedule II
5	9/21/2007	Percocet - 5 mg. - Schedule II
6	10/6/2007	Percocet - 5 mg. - Schedule II
7	10/17/2007	Percocet - 10 mg. - Schedule II
8	10/18/2007	Percocet - 10 mg. - Schedule II
9	10/23/2007	Percocet - 10 mg. - Schedule II
10	11/15/2007	Percocet - 10 mg. - Schedule II
11	11/26/2007	Percocet - 5 mg. - Schedule II
12	11/27/2007	Percocet - 10 mg. - Schedule II
13	12/14/2007	Percocet - 10 mg. - Schedule II
14	12/21/2007	Percocet - 10 mg. - Schedule II
15	12/24/2007	Percocet - 10 mg. - Schedule II

<b>COUNT</b>	<b>ON OR ABOUT DATE OF PRESCRIPTION OR DISTRIBUTION BY PHARMACY</b>	<b>PRESCRIBED DRUG - MILLIGRAMS - SCHEDULE OF DRUG</b>
16	12/24/2007	Percocet - 5 mg. - Schedule II
17	1/2/2008	Percocet - 10 mg. - Schedule II
18	1/9/2008	Percocet - 5 mg. - Schedule II
19	1/14/2008	Percocet - 5 mg. - Schedule II
20	1/18/2008	Percocet - 10 mg. - Schedule II
21	1/18/2008	Percocet - 10 mg. - Schedule II
22	1/22/2008	Percocet - 10 mg. - Schedule II
23	1/22/2008	Percocet - 5 mg. - Schedule II
24	1/28/2008	Percocet - 10 mg. - Schedule II
25	1/28/2005	Percocet - 10 mg. - Schedule II
26	1/30/2008	Percocet - 10 mg. - Schedule II
27	1/30/2008	Percocet - 10 mg. - Schedule II
28	1/30/2008	Percocet - 10 mg. - Schedule II
29	1/31/2008	Percocet - 7.5 mg. - Schedule II

All in violation of Title 21, United States Code, Section 841(a)(1), (b)(1)(C), and Title 18, United States Code, Section 2.

**COUNTS THIRTY THROUGH FORTY-EIGHT**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. The allegations of paragraphs 1 through 14 of Counts One through Twenty-Nine are realleged here.
2. On or about the dates listed below, in Philadelphia, in the Eastern District of Pennsylvania, defendant

**LAURENCE T. McKINNEY, M.D.**

knowingly and intentionally distributed and dispensed a mixture and substance containing a detectable amount of Xanax, a Schedule IV controlled substance, outside the usual course of professional practice, not for a legitimate medical purpose.

<b>COUNT</b>	<b>ON OR ABOUT DATE OF PRESCRIPTION</b>	<b>PRESCRIBED DRUG - MILLIGRAMS - SCHEDULE OF DRUG</b>
30	8/18/2007	Xanax - 2 mg. - Schedule IV
31	9/7/2007	Xanax - 1 mg. - Schedule IV
32	10/9/2007	Xanax - 1 mg. - Schedule IV
33	10/23/2007	Xanax - 1 mg. - Schedule IV
34	11/26/2007	Xanax - 1 mg. - Schedule IV
35	11/26/2007	Xanax - 1 mg. - Schedule IV
36	12/14/2007	Xanax - 1 mg. - Schedule IV
37	12/23/2007	Xanax - 1 mg. - Schedule IV
38	12/24/2007	Xanax - 1 mg. - Schedule IV
39	1/3/2008	Xanax - 1 mg. - Schedule IV
40	1/9/2008	Xanax - 1 mg. - Schedule IV
41	1/17/2008	Xanax - 1 mg. - Schedule IV
42	1/18/2008	Xanax - 1 mg. - Schedule IV



<b>COUNT</b>	<b>ON OR ABOUT DATE OF PRESCRIPTION</b>	<b>PRESCRIBED DRUG - MILLIGRAMS - SCHEDULE OF DRUG</b>
43	1/18/2008	Xanax - 1 mg. - Schedule IV
44	1/22/2008	Xanax - 1 mg. - Schedule IV
45	1/27/2008	Xanax - 1 mg. - Schedule IV
46	1/30/2008	Xanax - 1 mg. - Schedule IV
47	1/30/2008	Xanax - 1 mg. - Schedule IV
48	1/30/2008	Xanax - 1 mg. - Schedule IV

All in violation of Title 21, United States Code, Section 841(a)(1), (b)(1)(D)(2), and Title 18, United States Code, Section 2.

**COUNT 49**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. The allegations of paragraphs 1 through 14 of Counts One through Twenty-Nine are realleged here.

2. From at least in or about July 2007 until at least February 5, 2008, in the Eastern District of Pennsylvania, defendant

**LAURENCE T. McKINNEY, M.D.**

knowingly leased and maintained the building located at 7514 Frankford Avenue, in Philadelphia, Pennsylvania for the purpose of unlawfully distributing controlled substances, that is, Percocet, a Schedule II controlled substance, and Xanax, a Schedule IV controlled substance.

In violation of Title 21, United States Code, Section 856(a)(1).

**A TRUE BILL:**

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**GRAND JURY FOREPERSON**

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**LAURIE MAGID**  
**UNITED STATES ATTORNEY**