SEALED

FILED
JUN 04 2018
Mark C. McCartt, Clerk
U.S. DISTRICT COURT

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OKLAHOMA

UNITED STATES OF AMERICA,	)	Case No. 18 CR 118 JED
	)	
Plaintiff,	)	FILED UNDER SEAL
	)	
v.	)	INDICTMENT
	)	[COUNT 1: 21 U.S.C. §§ 846 and
	)	841(b)(1)(C) - Drug Conspiracy;
JEREMY DAVID THOMAS,	)	COUNTS 2 Through 11: 21 U.S.C.
CHAD LEE CHOAT,	)	§§ 841(a)(1) and 841(b)(1)(C) –
	)	Distribution of Hydrocodone]
	)	
Defendants.	)	

THE GRAND JURY CHARGES:

COUNT ONE
[21 U.S.C. §§ 846 and 841(b)(1)(C)]

INTRODUCTION

At all times material to this Indictment, unless otherwise specified:

1. The Controlled Substances Act (CSA) governs the manufacture, distribution, and dispensing of controlled substances in the United States. With limited exceptions for medical professionals, the CSA makes it "unlawful for any person knowingly or intentionally . . . to manufacture, distribute, or dispense . . . a controlled substance" or conspire to do so.

2. The CSA and its implementing regulations set forth which drugs and other substances are defined by law as "controlled substances," and assigned those controlled substances to one of five schedules (Schedule I, II, III, IV, or V) depending

on their potential for abuse, likelihood of physical or psychological dependency, accepted medical use, and accepted safety for use under medical supervision.

3. "Schedule II" means that the drug has a high potential for abuse, the drug has a currently accepted medical use in treatment in the United States or a currently accepted medical use with severe restrictions, and abuse of the drug may lead to severe psychological or physical dependence. 21 U.S.C. § 812(b)(2).

4. Pursuant to the CSA and its implementing regulations:

a. Oxycodone was classified as a Schedule II controlled substance. 21 C.F.R. § 1308.12(b)(1). Oxycodone was sold generically and under a variety of brand names, including Oxycodone, OxyContin, and Roxicodone.

b. Hydrocodone was classified as a Schedule II controlled substance. 21 C.F.R. § 1308.12(b). Hydrocodone is found in medications known by the brand names Vicodin, Norco, and Lortab.

5. Medical practitioners, such as physicians, who are authorized to prescribe controlled substances by the jurisdiction in which they are licensed to practice medicine are authorized under the CSA to prescribe, or otherwise distribute, controlled substances, if they are registered with the Attorney General of the United States. 21 U.S.C. § 822(b); 21 C.F.R. § 1306.03. A prescription for a controlled substance may only be dispensed, or filled, "by a pharmacist, acting in the usual course of his professional practice, and either registered individually or employed in a registered pharmacy . . . ." 21 C.F.R. § 1306.06. Upon application by the practitioner, the Drug Enforcement Administration

(DEA) assigns a unique registration number to each qualifying physician, pharmacist, or pharmacy.

6. Under Chapter 21 of the Code of Federal Regulations, Section 1306.04(a), a prescription for a controlled substance "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, but a corresponding responsibility rests with the pharmacist who fills the prescription. 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 [the CSA] and the person knowingly filling such a purported prescription, as well as the person issuing it, [is] subject to the penalties provided for violations of the provisions of law relating to controlled substances."

7. All prescriptions for controlled substances "shall be dated as of, and signed on, the day when issued and shall bear the full name and address of the patient, the drug name, strength, dosage form, quantity prescribed, directions for use, and the name address and registration number of the practitioner." 21 C.F.R. § 1306.05(a). "The refilling of a prescription for a controlled substance listed in Schedule II is prohibited." 21 C.F.R. § 1306.12(a); 21 U.S.C. § 829(a).

DEFENDANTS

8. Defendant **JEREMY DAVID THOMAS** ("Defendant **THOMAS**"), a Doctor of Osteopathic Medicine, was licensed by the State of Oklahoma to practice medicine and maintained a Drug Enforcement Administration Registration Number. He was employed by Hillcrest Medical Systems as an orthopedic surgeon and, in fact, issued prescriptions for controlled substances outside the scope of professional practice and without a legitimate medical purpose. Defendant **THOMAS**' employment responsibilities included performing surgical procedures. Typically, Defendant **THOMAS** performed surgical procedures on Mondays and Wednesdays of each week. On an average, Defendant **THOMAS** performed up to six surgical procedures on one day.

9. Defendant **CHAD LEE CHOAT** ("Defendant **CHOAT**") was a patient of Defendant **THOMAS**. Defendant **CHOAT** was responsible for filling prescriptions for controlled substances from Defendant **THOMAS** and distributing controlled substances back to Defendant **THOMAS** for Defendant **THOMAS**' personal use. Defendant **CHOAT** was not a medical professional licensed in any capacity in the State of Oklahoma.

THE CONSPIRACY

14. Beginning as early as in or about October 2015, a more exact date being unknown to the Grand Jury, and continuing thereafter to October 2017, in the Northern District of Oklahoma, Defendants **THOMAS** and **CHOAT**, did willfully, knowingly, and

intentionally conspire, confederate and agree together and with others, both known and unknown to the Grand Jury, to commit offenses against the United States as follows:

Objects of the Conspiracy

a. To distribute and dispense hydrocodone, a Schedule II controlled substance, a violation of Title 21, United States Code, Section 841(a)(1); and

b. To distribute and dispense oxycodone, a Schedule II controlled substance, a violation of Title 21, United States Code, Section 841(a)(1).

Manner and Means of the Conspiracy

15. The objects of the conspiracy were to be accomplished and were accomplished in the Northern District of Oklahoma by the following manner and means:

a. It was part of the conspiracy that the co-conspirators would and did arrange for, coordinate, and orchestrate the distribution and dispensation of hydrocodone.

b. It was further a part of the conspiracy that the co-conspirators would and did use telephones, cellular and otherwise, to conduct and carry out their objectives.

c. It was further a part of the conspiracy that Defendant **THOMAS** would and did write prescriptions for Hydrocodone.

d. It was further a part of the conspiracy that Defendant **CHOAT**, would and did received prescriptions from Defendant **THOMAS** and took the prescriptions to pharmacies to fill the prescriptions.

f. It was further a part of the conspiracy that the co-conspirators would and did conceal Hydrocodone tablets and put them in discreet places to avoid detection.

g. It was further a part of the conspiracy that the co-conspirators would and did communicate via text message regarding identification of meeting places where Defendant **CHOAT** would meet to distribute hydrocodone to Defendant **THOMAS**.

All in violation of Title 21, United States Code, Sections 846 and 841(b)(1)(C).

COUNT TWO
[21 U.S.C. §§ 841(a)(1) and 841(b)(1)(C)]

On or about March 25, 2015, in the Northern District of Oklahoma, the defendant, **JEREMY DAVID THOMAS**, did knowingly and intentionally distribute and dispense hydrocodone, a Schedule II controlled substance, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

COUNT THREE
[21 U.S.C. §§ 841(a)(1) and 841(b)(1)(C)]

On or about March 25, 2015, in the Northern District of Oklahoma, the defendant, **CHAD LEE CHOAT**, did knowingly and intentionally distribute hydrocodone, a Schedule II controlled substance, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

COUNT FOUR
[21 U.S.C. §§ 841(a)(1) and 841(b)(1)(C)]

On or about July 2, 2015, in the Northern District of Oklahoma, the defendant, **JEREMY DAVID THOMAS**, did knowingly and intentionally distribute and dispense hydrocodone, a Schedule II controlled substance, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

COUNT FIVE
[21 U.S.C. §§ 841(a)(1) and 841(b)(1)(C)]

On or about July 2, 2015, in the Northern District of Oklahoma, the defendant, **CHAD LEE CHOAT**, did knowingly and intentionally distribute hydrocodone, a Schedule II controlled substance, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

COUNT SIX
[21 U.S.C. §§ 841(a)(1) and 841(b)(1)(C)]

On or about March 22, 2016, in the Northern District of Oklahoma, the defendant, **JEREMY DAVID THOMAS**, did knowingly and intentionally distribute and dispense hydrocodone, a Schedule II controlled substance, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

COUNT SEVEN
[21 U.S.C. §§ 841(a)(1) and 841(b)(1)(C)]

On or about March 23, 2016, in the Northern District of Oklahoma, the defendant, **CHAD LEE CHOAT**, did knowingly and intentionally distribute hydrocodone, a Schedule II controlled substance, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

COUNT EIGHT
[21 U.S.C. §§ 841(a)(1) and 841(b)(1)(C)]

On or about April 3, 2017, in the Northern District of Oklahoma, the defendant, **JEREMY DAVID THOMAS**, did knowingly and intentionally distribute and dispense hydrocodone, a Schedule II controlled substance, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

COUNT NINE
[21 U.S.C. §§ 841(a)(1) and 841(b)(1)(C)]

On or about April 3, 2017, in the Northern District of Oklahoma, the defendant, **CHAD LEE CHOAT**, did knowingly and intentionally distribute hydrocodone, a Schedule II controlled substance, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

COUNT TEN
[21 U.S.C. §§ 841(a)(1) and 841(b)(1)(C)]

On or about October 6, 2017, in the Northern District of Oklahoma, the defendant, **JEREMY DAVID THOMAS**, did knowingly and intentionally distribute and dispense hydrocodone, a Schedule II controlled substance, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

COUNT ELEVEN
[21 U.S.C. §§ 841(a)(1) and 841(b)(1)(C)]

On or about October 7, 2017, in the Northern District of Oklahoma, the defendant, **CHAD LEE CHOAT**, did knowingly and intentionally distribute hydrocodone, a Schedule II controlled substance, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

R. TRENT SHORES
UNITED STATES ATTORNEY

JOEL-LYN A. McCORMICK
Assistant United States Attorney

A TRUE BILL

/s/ Grand Jury Foreperson
Grand Jury Foreperson