UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 10-80149-CR-MARRA/HOPKINS(S)(S)
21 U.S.C. § 846
21 U.S.C. § 841
21 U.S.C. § 859(a)
18 U.S.C. § 1956(h)

UNITED STATES OF AMERICA

v.

CYNTHIA CADET, M.D. and
JOSEPH CASTRONUOVO, M.D.,

Defendants.
_____/

SECOND SUPERSEDING INDICTMENT

The Grand Jury charges that:

GENERAL ALLEGATIONS

At times material to this Second Superseding Indictment:

1. Co-conspirators operated a series of "pill mills" where patrons procured prescription narcotics and controlled substances under the guise of medical necessity. A "pill mill" is a physician's office, clinic, or health care facility that routinely engages in the practice of prescribing and/or dispensing controlled substances outside the scope of the prevailing standards of medical practice and without a legitimate medical purpose.

2. American Pain, LLC (hereinafter referred to as "American Pain") was a purported pain management clinic located at 5801 N. Federal Highway, Boca Raton, Florida and, thereafter, at 1200 North Dixie Highway, Lake Worth, Florida. South Florida Pain, LLC (hereinafter referred to as "South Florida Pain"), was a purported pain management clinic located at 500 W. Oakland Park Boulevard, Wilton Manors, Florida and, thereafter, at 2700 W. Cypress Creek Road, Building A,

Suite 100, Fort Lauderdale, Florida; 1001 W. Cypress Creek Road, Suite 206, Fort Lauderdale, Florida;; and 1200 North Dixie Highway, Lake Worth, Florida.

3. Executive Pain, Inc. (hereinafter referred to as "Executive Pain") was a purported pain management clinic located at 4047 Okeechobee Road, West Palm Beach, Florida.

Introduction

4. The discipline of pain management was an accepted and recognized medical sub-speciality practiced by physicians throughout the United States. Legitimate and qualified pain management experts have specialized knowledge, education, training, and experience and utilize a multi-disciplinary approach. Presently, the discipline of pain management is recognized by state regulatory boards as a sub-specialty of anesthesiology, physical medicine and rehabilitation, neurology, and psychiatry, which are recognized as primary specialties in the United States. Fellowship training programs exist for the purpose of further education in the sub-specialty of pain management, making graduates eligible for board certification in pain management.

5. The co-conspirators ran what were "pill mills" which involved ostensibly offering individuals "pain management" by doing little more than writing prescriptions for narcotics and other controlled substances which the individuals requested. The prescriptions were primarily for large quantities of oxycodone in 15 and 30 milligram (mg) dosage units. From their businesses in the Southern District of Florida, the co-conspirators provided narcotics and other controlled substances to drug addicts and drug traffickers from Kentucky, Tennessee, Ohio, West Virginia and elsewhere.

6. Co-conspirators, including defendant physicians Cadet and Castronuovo, attempted to insulate themselves from criminal liability through the appearance of legitimate medical practice, including the use of cursory physical exams, preprinted medical forms, magnetic resonance imaging

("MRI') reports, and urinalysis. The dispensing and distribution of controlled substances was undertaken primarily for a profit motive.

Applicable Federal Law

7. The Controlled Substances Act, Title 21, United States Code, Section 801, et seq. (hereinafter "the CSA") governed the distribution and dispensing of various listed drugs, including narcotics that are prescribed by physicians and other licensed health care providers.

8. The CSA assigned legal authority for the regulation of controlled substances to the U.S. Drug Enforcement Administration (hereinafter "the DEA"). The CSA charges the DEA with the prevention, detection, and investigation of the diversion of controlled substances from legitimate channels while simultaneously ensuring that adequate supplies are available to meet legitimate domestic medical, scientific, and industrial needs.

9. The DEA issued registration numbers to qualifying persons who are authorized to dispense controlled substances. To issue a prescription for a controlled substance lawfully, a physician must be licensed to practice by a state authority, must have a DEA registration number, and must comply with all DEA regulations and all applicable federal laws.

10. Under the CSA, the term "practitioner" was defined, in pertinent part, as a "physician . . . registered, or otherwise permitted by the United States or the jurisdiction in which the practitioner practices . . . to distribute, dispense . . . or administer . . . a controlled substance in the course of professional practice . . ." The DEA registration grants practitioners federal authority to handle controlled substances. However, a DEA-registered practitioner may only engage in those activities that are authorized under state law for the jurisdiction in which the practice is located.

11. Controlled substances may only be distributed or dispensed lawfully in the manner prescribed by the mechanism created by the CSA. The legitimate distribution of controlled

substances is based upon the concept of a "closed system." Such a closed system enables the DEA to monitor and track controlled substances from the manufacturer to the end user. This requires each person or entity in the distribution chain to obtain a registration number from the DEA, to keep records, and to make reports of all controlled substance transactions. As a condition of maintaining such a registration, each registrant must take reasonable steps to ensure that the registration is not being utilized as a source of diversion.

12. Provisions of the CSA mandated that the person or entity registered with the DEA must be able to account for all controlled substances which have been received, distributed, dispensed or disposed. All registrants, manufacturers, distributors, pharmacies, and practitioners share responsibility for maintaining appropriate safeguards against diversion.

Controlled Substances

13. The CSA and its implementing regulations set forth which drugs and other substances are defined by law as "controlled substances," and those controlled substances are then assigned to one of five schedules, Schedule I, II, III, IV, or V, depending upon their potential for abuse, likelihood of physical or psychological dependency, accepted medical use, and accepted safety for use under medical supervision.

14. The term "Schedule II" means that "[t]he drug or other substance has a high potential for abuse[, t]he drug or other substance 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 or other substances may lead to severe psychological or physical dependence."

15. The term "Schedule III" means that "[t]he drug or other substance has a potential for abuse less than the drugs or other substances in schedules I and II[, t]he drug or other substance has

a currently accepted medical use in treatment in the United States[, and] abuse of the drug or other substances may lead to moderate or low physical dependence or high psychological dependence."

16. The term "Schedule IV" means that "[t]he drug or other substance has a low potential for abuse relative to the drugs or other substances in schedule III[, t]he drug or other substance has a currently accepted medical use in treatment in the United States[, and] abuse of the drug or other substances may lead to limited physical dependence or psychological dependence relative to the drugs or other substances in schedule III."

17. Oxycodone is classified as a Schedule II controlled substance. It is sold generically or under a variety of brand names, including Roxicodone, OxyContin, and Percocet. When legally prescribed for a legitimate medical purpose, these drugs are used to treat moderate to severe pain.

18. Pursuant to the CSA and its implementing regulations, alprazolam, is classified as a Schedule IV controlled substance, and is sold generically or under a brand name such as Xanax. When legally prescribed for a legitimate medical purpose, it is used to treat anxiety disorder, panic disorder, and anxiety caused by depression.

19. Oxycodone can be crushed and snorted, or dissolved and injected, to result in an immediate high. This abuse can lead to overdose and sometimes death. The injection method of abuse of oxycodone (and other drugs) generally leaves highly visible scars and ulcers on a individual's arms.

20. Title 21, Code of Federal Regulations, Section 1306.04(a) stated, in pertinent part, that a valid 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. ... 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 CSA] (21 U.S.C. § 829) and the person knowingly filling such a purported prescription, as well as the person issuing it, shall be subject to the penalties provided for violations of the provisions of law relating to controlled substances."

21. Title 21, Code of Federal Regulation, Section 1301.76(a) provided, in pertinent part, that physician registrants "shall not employ as an agent or employee who has access to controlled substances, any person who has been convicted of a felony offense related to controlled substances..."

22. Title 21, Code of Federal Regulation, Sections 1304.11(a) and 1304.11(3)(I) and (ii) provided, in pertinent part, that an inventory is "a complete and accurate record of all controlled substances on hand on the date the inventory is taken" as determined by an "exact count" for Schedule I and II controlled substances and an "estimated count or measure of the contents" of a Schedule III, IV, or V controlled substance (unless the container holds more than 1,000 tablets, in which case he/she must make an exact count of the contents).

23. Title 21, Code of Federal Regulation, Sections 1304.14(f)(1) provided that inventories and records of Schedule II controlled substances "shall be maintained separately from all of the records of the registrant."

24. Title 21, Code of Federal Regulation, Sections 1304.11(b) provided, in pertinent part, that "[e]very person required to keep records shall take an inventory of all stocks of controlled substances on hand on the date he/she first engages in the ... distribution, or dispensing of controlled substances ..."

25. Title 21, Code of Federal Regulation, Section 1305.03 provided that a DEA Form 222 or its electronic equivalent is required for each distribution of a Schedule II controlled substance, with limited exceptions not applicable to the instant case.

26. Title 21, Code of Federal Regulation, Section 1305.05 provided that any physician registrant may authorize one or more individuals, whether or not they are located at the registered location, to obtain and execute DEA Forms 222 by granting a power of attorney to each such individual.

Applicable Florida Laws and Regulations

27. The Florida Administrative Code Rule 64B8-9.013 - Standards for the Use of Controlled Substances for the Treatment of Pain - to which all physicians licensed to practice medicine in Florida must comply, stated, in pertinent part, as follows:

> (3) Standards: The Board [Florida Board of Medicine] has adopted the following standards for the use of controlled substances for pain control:
>
> (a) Evaluation of the Patient. A complete medical history and physical examination must be conducted and documented in the medical record ...
>
> (b) Treatment Plan. The written treatment plan should state objectives that will be used to determine treatment success, such as pain relief and improved physical and psychosocial function, and should indicate if any further diagnostic evaluations or other treatments are planned. After treatment begins, the physician should adjust drug therapy to the individual medical needs of each patient. Other treatment modalities or a rehabilitation program may be necessary depending on the etiology of the pain and the extent to which pain is associated with physical and psychosocial impairment.
>
> (c) Informed Consent and Agreement for Treatment. ... The patient shall receive prescriptions from one physician and one pharmacy where possible. ...
>
> (d) Periodic Review. Based on the individual circumstances of the patient, the physician should review the course of treatment and any new information about the etiology of the pain. Continuation or modification of therapy should depend on the physician's evaluation of the patient's progress. If treatment goals are not being achieved, despite medication adjustments, the physician should reevaluate the appropriateness of continued treatment. The physician should monitor patient compliance in medication usage and related treatment plans.
>
> (e) Consultation. The physician should be willing to refer the patient as necessary for additional evaluation and treatment in order to achieve treatment objectives. Special attention should be given to those pain patients who are at risk for misusing their medications and those whose living arrangements pose a risk for medication misuse or diversion. ...
>
> (f) Medical records. The physician is required to keep accurate and complete records to include, but not be limited to:

1. The medical history and physical examination, including history of drug abuse or dependence, as appropriate;
2. Diagnostic, therapeutic, and laboratory results;
3. Evaluations and consultations;
4. Treatment objectives;
5. Discussion of risks and benefits;
6. Treatments;
7. Medications (including date, type, dosage, and quantity prescribed);
8. Instructions and agreements; and
9. Periodic reviews. Records must remain current and be maintained in an accessible manner and readily available for review.

(g) Compliance with Controlled Substances Laws and Regulations. To prescribe, dispense, or administer controlled substances, the physician must be licensed in the state and comply with applicable federal and state regulations. ...

Defendant Physicians Cynthia Cadet and Joseph Castronuovo

28. Defendant physician Cadet was a physician licensed to practice medicine in the State of Florida. Defendant physician Cadet obtained DEA number BC8112637 which allowed defendant Cadet to dispense controlled substances. Defendant physician Cadet worked primarily at American Pain.

29. From in or about December 2008 to on or about March 3, 2010, defendant physician Cadet ordered and/or received from various pharmaceutical wholesalers 876,200 dosage units of oxycodone.

30. Defendant physician Castronuovo was a physician licensed to practice medicine in the State of Florida. Defendant physician Castronuovo obtained DEA number AC7880950 which allowed defendant physician Castronuovo to dispense controlled substances. Defendant physician Castronuovo worked at Executive Pain.

31. From on or about February 26, 2009 to on or about March 3, 2010, defendant physician Castronuovo ordered and/or received from various pharmaceutical wholesalers 388,600 dosage units of oxycodone.

Distribution and Dispensing Statistics

32. During the operation of South Florida Pain and American Pain, the physicians employed there ordered at least 6,155,020 dosage units of oxycodone.

33. During the operation of Executive Pain, the physicians employed there ordered at least 1,438,200 dosage units of oxycodone.

34. From on or about July 7, 2008 through on or about March 2, 2010, approximately 66,871 prescriptions were dispensed from American Pain. Of the prescriptions filled at American Pain, approximately 96 percent were filled for either oxycodone or alprazolam.

35. The prescriptions filled at American Pain reflect that approximately 80 percent were for individuals who listed addresses outside of Florida.

36. Of the 66,871 prescriptions filled at American Pain, approximately 43 percent were filled for individuals who listed an address in Kentucky. Individuals from Tennessee accounted for approximately 18.4 percent and those from Ohio accounted for approximately 11.5 percent.

37. Kentucky, Tennessee, and Ohio were states with active operational prescription drug monitoring programs ("PDMP") which enable physicians, pharmacists, and local, state and federal administrative and law enforcement authorities to identify and track drug abusers who obtain multiple prescriptions within a thirty-day period. A PDMP is a state-administered data collection system used to gather prescription information. Such databases assist in preventing drug abusers from obtaining prescriptions from multiple physicians. The PDMP's are used by states to address prescription drug abuse, diversion and addiction. The PDMP's facilitate and encourage the

identification, intervention and treatment of persons addicted to prescription drugs, and enable states to establish public health initiatives through the identification of use and abuse trends. During the time period set forth in the instant Second Superseding Indictment, thirty-five states had operational PDMPs.

38. During the time period set forth in the Second Superseding Indictment, Florida had no active operational PDMP.

Roles and Responsibilities of Defendant Physicians and Co- Conspirator Physicians

39. Defendant physicians Cadet and Castronuovo, through their employment at the clinics, would prescribe large quantities of controlled substances to individuals, without a legitimate medical purpose and outside the course of accepted medical practice. Defendant physicians Cadet and Castronuovo had their initial employment interviews with co-conspirators Christopher Paul George and/or Ethan Baumhoff. Neither Christopher Paul George or Ethan Baumhoff had prior legitimate experience owning, managing and supervising medical offices, but were in fact primarily interested in the amount and type of controlled substances the physicians were willing to prescribe. Once hired, the physicians would "shadow" other corrupt physicians employed at the clinics in order to become familiar with the examination and prescribing practices. The defendant physicians and co-conspirator physicians (hereinafter referred to as "the physicians") would fail to implement a treatment plan which would particularize and vary the treatment given to individuals based upon their condition, functionality and goals, and instead would prescribe a standard "cocktail" of controlled substances in violation of accepted medical practice in order to generate as much income as possible. The physicians would practice medicine outside the scope of their education, training, experience and expertise. The physicians conspired with other co-conspirators to have urine tests and

MRIs conducted prior to examination of individuals in order to create the appearance that the doctors were engaging in legitimate medical practice, in an attempt to insulate the physicians from scrutiny by law enforcement and other agencies. Such diagnostic tests were insufficient to justify the prescription of large quantities of controlled substances. The physicians would agree to be paid per individual examined in order to maximize their compensation. The physicians would agree to obtain controlled substances from multiple pharmaceutical wholesalers, by use of their DEA numbers, in order to maintain adequate inventories for dispensing from the clinics. The physicians were aware that the inventories of controlled substances ordered and maintained under their DEA numbers were mishandled by clinic employees. The physicians would fail to determine the accuracy of any inventories and/or inspections of their supply of controlled substances. The physicians were aware that supplies of controlled substances were transferred between physicians' inventories without the required DEA forms. The physicians would agree to be paid in cash, without supporting documentation, in return for maintaining inventories of controlled substances at the clinics. The physicians would agree to make material misrepresentations to pharmaceutical wholesalers regarding the true percentage of individuals from outside the State of Florida who had been prescribed controlled substances and the true percentage of prescriptions which were for controlled substances, in order to ensure the continued shipment by pharmaceutical wholesalers of large quantities of controlled substances to the clinics. The physicians would conduct brief physical examinations of individuals seeking controlled substances in order to examine as many individuals per day as possible and to make it appear that they were practicing legitimate medicine. The physicians employed at American Pain and Executive Pain were aware that the majority of the individuals seeking controlled substances were not residents of Florida and had traveled in excess of one thousand miles to obtain controlled substances. Defendant physician Castronuovo and the co-

conspirator physicians employed at Executive Pain were aware that many of the individuals seeking controlled substances previously had been refused service and discharged from American Pain because they exhibited intravenous track marks and scars and other reasons, and had been referred to Executive Pain by co-conspirators, including co-conspirator Derik Nolan.

40. Urine samples maintained for analysis were often tainted or falsified to provide inaccurate results and were analyzed by clinic personnel who were not qualified to perform such a function. The physicians would agree to refrain from additional, sophisticated urinalysis tests which would more accurately reflect prior drug usage. The physicians would utilize medical forms provided and created by co-conspirators, including co-conspirators Christopher and Jeffrey George, to make it appear that they were engaged in the legitimate practice of medicine. The physicians would refrain from conducting inventories of the controlled substances ordered and maintained at the clinics under their DEA numbers. The physicians would refrain from communicating with prior treating physicians and/or specialists in order to expedite the examinations. The physicians would not require the production of prior treatment records of individuals seeking controlled substances prior to the issuance of prescriptions for controlled substances. The physicians would agree to use a stamp to prepare prescriptions for controlled substances. These stamps would have pre-printed quantities and strengths of controlled substances. The physicians would refrain from individualized and particularized treatment plans in order to expedite examinations and the illegal dispensing of controlled substances. Defendant physician Castronuovo and the co-conspirator physicians employed at Executive Pain would occasionally reduce the quantity of oxycodone pills prescribed to individuals in an attempt to avoid law enforcement and administrative scrutiny. The physicians would not require the production of original MRI, X-ray, CT scan films and/or other diagnostic tools and instead would rely on MRI radiologist reports in order to expedite the examination of

individuals. The physicians would, at times, rely on preliminary radiologist reports in their prescribing of large quantities of controlled substances. The physicians would take minimal, if any, steps to determine if the complaint of alleged pain correlated with the MRI report. The physicians would fail to undertake meaningful action to examine, diagnose or treat the underlying cause of the alleged pain. The physicians understood that the majority of individuals seeking controlled substances would allege complaints of neck or back pain. The majority of such individuals had traveled in excess of one thousand miles from Tennessee, Kentucky, Ohio and elsewhere and paid large sums of cash for examination, MRIs, and the purchase of controlled substances. The physicians would refrain from carefully reviewing the alleged medical files pertaining to such individuals in order to ascertain inconsistencies in the information provided by such individuals. The physicians would refrain from prescribing alternative treatment modalities, including anti-inflammatory medications, TENS units, physical therapy, muscle relaxants, low doses of controlled substances and/or interventional pain management procedures. The individuals obtaining controlled substances sought the 30 mg oxycodone pills because such pills could be diverted, illegally sold and/or unlawfully consumed. The physicians would refrain from appreciably reducing the quantity and strength of oxycodone pills prescribed to individuals. The physicians would agree to refrain from attempting to wean individuals off of high dosages of controlled substances and/or refer such individuals to licensed detoxification facilities and mental health addiction experts. The physicians would refrain from significantly adjusting the drug therapy to the individual medical needs of the individuals. The physicians would require individuals to be examined every 28 days in order to generate proceeds for themselves and the clinics. During the initial operation of American Pain, the physicians would refrain from reviewing and initialing prescriptions. The physicians would prescribe controlled substances to employees of the defendant clinics without the showing of a

medical necessity. Such employees were working on a daily basis in the defendant clinics and exhibiting no signs of pain. The physicians would prescribe minimal quantities of medication other than controlled substances, such as blood pressure and antibiotics, in order to make it appear that they were engaged in a legitimate practice of medicine and to ensure the continued supply of controlled substances from pharmaceutical suppliers. Co-conspirator Christopher Paul George would review the treatment records in order to monitor the amount of controlled substances prescribed. Managers and clinic employees of American Pain and Executive Pain were friends, family members and/or associates of co-conspirator Christopher Paul George who had no prior experience operating medical clinics. The physicians would agree to be transferred among and between the defendant clinics by co-conspirator Christopher Paul George and other co-conspirators. Co-conspirators who dispensed controlled substances in the clinics would be friends and/or associates of co-conspirator Christopher Paul George who did not have any medical or pharmaceutical training or experience. The physicians were aware that the individuals preparing and dispensing controlled substances were often committing errors in the preparation of prescription bottles.

COUNT 1

1. The General Allegations section of this Second Superseding Indictment is re-alleged and expressly incorporated herein as if set forth in full.

2. From in or about 2007 to on or about March 3, 2010, in the Southern District of Florida and elsewhere, the defendants,

CYNTHIA CADET, M.D. and
JOSEPH CASTRONUOVO, M.D.,

as registrants authorized to dispense controlled substances, knowingly and willfully combined, conspired, confederated, and agreed, with one another and with other persons known and unknown to the Grand Jury, to distribute, dispense, and possess with intent to distribute and dispense, a quantity of oxycodone, a Schedule II narcotic 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).

Manner and Means of the Conspiracy

3. In or about 2007, co-conspirators would establish the illegal pain management clinic, South Florida Pain, based upon advice received from a corrupt physician. The co-conspirators would thereafter establish American Pain which would be situated at several locations in Broward and Palm Beach counties.

4. Co-conspirators would solicit physicians through the use of advertisements placed on Craigslist and in newspapers.

5. In or about December 2008, defendant physician Cadet was employed by co-conspirators at American Pain.

6. In or about 2009, co-conspirators would establish Executive Pain in an effort to retain those individuals seeking controlled substances who would be discharged from American Pain due to marks and/or scars from intravenous drug usage and other reasons.

7. Once individuals would be discharged from American Pain for intravenous drug usage or other reasons, co-conspirators would direct them to Executive Pain.

8. Executive Pain would be owned by a co-conspirator, who was previously convicted of a felony offense related to controlled substances and therefore prohibited from having access to

controlled substances, and placed in the name of a co-conspirator in order to conceal his ownership interest.

9. In or about February 2009, defendant physician Castronuovo would be employed by co-conspirators to work at Executive Pain.

10. Initially, defendant physician Castronuovo would be directed by co-conspirators to observe defendant physician Cadet at American Pain in order to become familiar with the prescribing practices of the conspiracy.

11. Co-conspirators who had no medical education, training, or experience would create medical forms to be used by the physicians in order to give the appearance of legitimate medical practice.

12. Co-conspirators would refuse to accept insurance as a payment method and would agree to accept only cash or credit cards as payment for examination by the physicians and the issuance of prescriptions, in order to avoid potential law enforcement and administrative scrutiny.

13. Co-conspirators would require individuals seeking controlled substances to present MRI reports less than two years old in an attempt to insulate the co-conspirators and to make the clinics and physicians appear legitimate.

14. Co-conspirators employed at the clinics would provide individuals with either pre-signed prescriptions for MRIs or cards directing the individuals to an MRI facility without having such individuals first confer with the physicians.

15. Co-conspirators employed at the clinics would inquire of the individuals whether such individuals requested primarily neck or back MRIs.

16. Co-conspirators employed at the clinics would refer individuals to, among other facilities, a mobile MRI facility which would remain open after midnight in order to accommodate individuals seeking controlled substances.

17. Co-conspirators would require that individuals provide a urine sample in order that a urinalysis be conducted prior to examination by a physician. The urinalysis would be conducted in order to make it appear that the activities of the clinic and the physicians were proper and in an attempt to make the prescription of controlled substances appear to be legitimate. The urine sample would be provided by individuals without supervision or monitoring.

18. Co-conspirators would illegally solicit individuals from outside the State of Florida through recruiters, who would refer large numbers of individuals from Tennessee, Kentucky, Ohio, West Virginia, and elsewhere.

19. The physicians would refrain from appreciably reducing the quantity and strength of oxycodone pills prescribed to individuals. The physicians would agree to refrain from attempting to wean individuals off of high dosages of controlled substances and/or refer such individuals to licensed detoxification facilities and mental health addiction experts. The physicians would refrain from significantly adjusting the drug therapy to the individual medical needs of the individuals.

20. The physicians discussed and accepted that co-conspirator Christopher Paul George would review the treatment records in order to monitor the amount of controlled substances prescribed.

21. The physicians would refrain from prescribing alternative treatment modalities, including anti-inflammatory medications, TENS units, physical therapy, muscle relaxants, low doses of controlled substances, and/or interventional pain management procedures.

22. Co-conspirators would agree to compensate the physicians per individual examined in order to induce the physicians to inappropriately examine as many individuals as possible.

23. The physicians would perform a minimal and cursory physical examination of the individuals in an attempt to insulate the co-conspirators and make their activities appear legitimate.

24. The physicians would agree to examine each individual for the minimal amount of time in order to examine the largest number of individuals each day and to generate the largest amount of criminal proceeds for themselves and the other members of the conspiracy.

25. The physicians, in order to examine the maximum number of individuals on a daily basis, would refrain from communicating with specialists, prior treating physicians or alternative medical providers.

26. The physicians would not require the production of original MRI, X-ray, CT scan films and/or other diagnostic tools, and instead would rely on MRI radiologist reports in order to expedite the examination of individuals. The physicians would, at times, rely on preliminary radiologist reports in their prescribing of large quantities of controlled substances.

27. Co-conspirators would direct individuals to the dispensing facilities located within the clinics or the pharmacies owned and controlled by co-conspirators, in order to generate criminal proceeds and in an attempt to avoid government scrutiny.

28. The physicians would use prepared stamps to create prescriptions for controlled substances. These stamps would list the same amount of controlled substances for each individual.

29. Co-conspirators would distribute cards and fliers on the street and at hotels frequented by individuals from outside the State of Florida in order to advertise the clinics and to solicit individuals from outside the State of Florida.

30. Co-conspirators would make cash payments of approximately $1,000 per month to the physicians employed at American Pain and Executive Pain in return for their maintaining inventories of controlled substances at the facility.

31. The physicians would execute power-of-attorney forms allowing co-conspirators to order and obtain controlled substances from pharmaceutical wholesalers by means of the physicians' DEA registration numbers.

32. Defendant physicians Cadet and Castronuovo and other co-conspirators would order quantities of non-controlled substances from pharmaceutical suppliers to be dispensed from the clinics, Boca Drugs, and QuickPharm Inc., in an attempt to avoid law enforcement scrutiny and make such entities appear to be legitimate.

33. Co-conspirators were aware that individuals seeking controlled substances would bring urine samples obtained from other persons in containers and/or condoms in order to provide such urine for urinalysis. Such activity was conducted to conceal the illegal drug use of the individuals seeking controlled substances and to provide fraudulent results on the urinalysis tests.

34. Co-conspirators would discuss the deaths of individuals who had obtained controlled substances from the physicians at pain clinics owned and/or controlled by co-conspirators.

35. Individuals whose urinalysis reflected marijuana use would be permitted to be examined by a clinic physician. The urine samples taken at American Pain would be maintained in a tray on the floor of the clinic. Individuals whose urinalysis results reflected cocaine usage would be instructed to leave the clinic and return for treatment within one to two weeks.

36. Co-conspirators who had no training or experience in the dispensing of controlled substances would act in the capacity of pharmacy technicians and would frequently dispense such controlled substances at the clinics.

37. Co-conspirators who would dispense controlled substances at the clinics would take controlled substances from one physician's inventory in order to cover a shortage in another physician's inventory without executing the documentation as required by DEA regulations and federal law.

38. Co-conspirators at American Pain clinic would accept cash gratuities from individuals in order to expedite such individuals meeting with the physicians. These co-conspirators would obtain thousands of dollars per week in illegal gratuities.

39. Various employees of the clinics owned and/or operated by the co-conspirators would be examined by the physicians, including defendant physicians Cadet and Castronuovo, and be prescribed large amounts of controlled substances without the showing of a medical necessity. Such co-conspirators would illegally sell and distribute the controlled substances.

40. Physicians employed at the clinics, including defendant physicians Cadet and Castronuovo, competed for access to "follow-up visits" because such exams could be completed more quickly than initial visits and therefore more individuals could be examined on a daily basis.

41. Physicians, during the initial period of the conspiracy, would fail to inspect and initial the prescriptions issued to individuals seeking controlled substances.

42. Physicians, during the initial period of the conspiracy, would fail to inspect prescription bottles prior to the dispensing of such bottles.

43. Individuals who presented at American Pain clinic with obvious marks and scars from intravenous drug use would be referred to Executive Pain clinic by a co-conspirator, to be prescribed controlled substances by the co-conspirator physicians, including defendant physician Castronuovo.

44. Defendant physician Castronuovo agreed to sign and re-issue prescriptions for controlled substances which had been previously issued by co-conspirator physicians during defendant physician Castronuovo's absence from Executive Pain.

45. Co-conspirators at American Pain would maintain cash generated through the distribution and dispensing of controlled substances in trash bags in the clinics. Such trash bags filled with cash would then be deposited at various financial institutions.

46. Co-conspirators would maintain an inventory of Florida Department of Health complaints filed against defendant physicians Cadet and Castronuovo and the other co-conspirator physicians. Co-conspirators would retain an attorney to represent defendant physician Cadet and co-conspirator physicians in administrative proceedings in order to continue the illegal operation of the clinics.

47. Co-conspirators would discuss the possibility that a pharmaceutical wholesaler would reduce the amount of controlled substances provided to the co-conspirators if the true number of out-of-state individuals who received controlled substances was disclosed to the wholesaler.

48. Co-conspirators, including co-conspirator physicians, would discuss making material misrepresentations to a pharmaceutical supplier regarding the percentage of medications prescribed which were controlled substances and the percentage of individuals being provided controlled substances who resided outside the State of Florida.

49. Defendant physicians Cadet and Castronuovo would sign forms sent to pharmaceutical suppliers which contained false statements regarding out-of-state individuals who had received controlled substances.

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

COUNT 2

1. The General Allegations section, and the Manner and Means of the Conspiracy section of Count 1 of this Second Superseding Indictment, are re-alleged and expressly incorporated herein as if set forth in full.

2. From in or about 2009 to on or about March 3, 2010 in the Southern District of Florida and elsewhere, the defendant,

JOSEPH CASTRONUOVO, M.D.,

as a registrant authorized to dispense controlled substances, knowingly and willfully combined, conspired, confederated and agreed with other persons known and unknown to the Grand Jury for a person at least 18 years of age to distribute, dispense, and possess with intent to distribute and dispense, a quantity of oxycodone, a Schedule II narcotic controlled substance, outside the scope of professional practice and not for a legitimate medical purpose, to persons under twenty-one years of age.

All in violation of Title 21, United States Code, Sections 846, 841(a)(1) and 859(a).

COUNT 3

On or about December 31, 2008, in the Southern District of Florida, the defendant,

CYNTHIA CADET, M.D.,

a registrant authorized to dispense controlled substances, knowingly and intentionally distributed, dispensed, and possessed with intent to distribute and dispense, a quantity of oxycodone, a Schedule II narcotic controlled substance, and a quantity of alprazolam, a Schedule IV controlled substance, outside the scope of professional practice and not for a legitimate medical purpose, which resulted in the death of Stacy Edward Mason from the use of that oxycodone and alprazolam, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

COUNT 4

On or about July 16, 2009, in the Southern District of Florida, the defendant,

CYNTHIA CADET, M.D.,

a registrant authorized to dispense controlled substances, knowingly and intentionally distributed, dispensed, and possessed with intent to distribute and dispense, a quantity of oxycodone, a Schedule II narcotic controlled substance, and a quantity of alprazolam, a Schedule IV controlled substance, outside the scope of professional practice and not for a legitimate medical purpose, which resulted in the death of Alice Marie Moore from the use of that oxycodone and alprazolam, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

COUNT 5

On or about October 28, 2009, in the Southern District of Florida, the defendant,

CYNTHIA CADET, M.D.,

a registrant authorized to dispense controlled substances, knowingly and intentionally distributed, dispensed, and possessed with intent to distribute and dispense, a quantity of oxycodone, a Schedule II narcotic controlled substance, outside the scope of professional practice and not for a legitimate medical purpose, which resulted in the death of Patricia Marcus from the use of that oxycodone, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

COUNT 6

On or about December 4, 2009, in the Southern District of Florida, the defendant,

CYNTHIA CADET, M.D.,

a registrant authorized to dispense controlled substances, knowingly and intentionally distributed, dispensed, and possessed with intent to distribute and dispense, a quantity of oxycodone, a Schedule II narcotic controlled substance, outside the scope of professional practice and not for a legitimate

medical purpose, which resulted in the death of Stephen Andrew Wooten from the use of that oxycodone, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

COUNT 7

On or about December 7, 2009, in the Southern District of Florida, the defendant,

CYNTHIA CADET, M.D.,

a registrant authorized to dispense controlled substances, knowingly and intentionally distributed, dispensed, and possessed with intent to distribute and dispense, a quantity of oxycodone, a Schedule II narcotic controlled substance, outside the scope of professional practice and not for a legitimate medical purpose, which resulted in the death of Bobby Shane Romine from the use of that oxycodone, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

COUNT 8

On or about December 28, 2009, in the Southern District of Florida, the defendant,

CYNTHIA CADET, M.D.,

a registrant authorized to dispense controlled substances, knowingly and intentionally distributed, dispensed, and possessed with intent to distribute and dispense, a quantity of oxycodone, a Schedule II narcotic controlled substance, outside the scope of professional practice and not for a legitimate medical purpose, which resulted in the death of David Keith Coffmann from the use of that oxycodone, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

COUNT 9

On or about January 15, 2010, in the Southern District of Florida, the defendant,

CYNTHIA CADET, M.D.,

a registrant authorized to dispense controlled substances, knowingly and intentionally distributed, dispensed, and possessed with intent to distribute and dispense, a quantity of oxycodone, a Schedule

II narcotic controlled substance, outside the scope of professional practice and not for a legitimate medical purpose, which resulted in the death of Shawn Michael Harper from the use of that oxycodone, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

COUNT 10

On or about March 30, 2009, in the Southern District of Florida, the defendant,

JOSEPH CASTRONUOVO, M.D.,

a registrant authorized to dispense controlled substances, knowingly and intentionally distributed, dispensed, and possessed with intent to distribute and dispense, a quantity of oxycodone, a Schedule II narcotic controlled substance, outside the scope of professional practice and not for a legitimate medical purpose which, resulted in the death of Tommy Wayne Harris from the use of that oxycodone, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

COUNT 11

On or about June 29, 2009, in the Southern District of Florida, the defendant,

JOSEPH CASTRONUOVO, M.D.,

a registrant authorized to dispense controlled substances, knowingly and intentionally distributed, dispensed, and possessed with intent to distribute and dispense, a quantity of oxycodone, a Schedule II narcotic controlled substance, outside the scope of professional practice and not for a legitimate medical purpose, which resulted in the death of Michael Grant from the use of that oxycodone, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C).

COUNT 12

1. From in or about May 2009 to in or about September 2009, in the Southern District of Florida, the defendant,

CYNTHIA CADET, M.D.,

a registrant authorized to dispense controlled substances, knowingly and willfully combined, conspired, confederated and agreed, with other persons known and unknown to the Grand Jury, to distribute, dispense, and possess with intent to distribute and dispense, a quantity of anabolic steroids, including Stanozolol, Oxandrolone, Nandrolone Decanoate, and Testosterone Cypionate, Schedule III controlled substances, outside the scope of professional practice and not for a legitimate medical purpose, in violation of Title 21, United States Code, Sections 841(a)(1) and 829(e).

Applicable Federal Law

2. Title 21, United States Code, Section 829(e)(1) stated, "No controlled substance that is a prescription drug as determined under the Federal Food, Drug and Cosmetic Act may be delivered, distributed, or dispensed by means of the Internet without a valid prescription."

3. Title 21, United States Code, Section 829(e) stated that a "valid prescription" means a prescription issued by a practitioner for a legitimate medical purpose in the usual course of professional practice by a physician after he has conducted at least one in-person medical evaluation. An "in-person medical evaluation" is "a medical evaluation that is conducted with the patient in the physical presence of the practitioner, without regard to whether portions of the evaluation are conducted by other health professionals."

Manner and Means of the Conspiracy

4. Co-conspirators would finance, establish, manage, and operate an illegal internet anabolic steroid distribution business, L A Health & Rejuvenation Inc., which illegally distributed anabolic steroids to customers without first conducting an in person examination as required by federal law.

5. A co-conspirator would refer defendant physician Cadet to other co-conspirators for employment in the illegal steroid distribution business.

6. Co-conspirators would employ defendant physician Cadet to illegally prescribe large quantities of anabolic steroids to customers of L A Health & Rejuvenation Inc. without conducting an in-person examination as required by federal law.

7. Defendant physician Cadet would authorize and issue prescriptions for large quantities of anabolic steroids without establishing a legitimate physician/patient relationship and without first conducting an "in-person medical evaluation" of the customers, and without a legitimate medical purpose and outside the course of professional practice.

8. Co-conspirators would agree to pay defendant physician Cadet one thousand dollars per week to issue prescriptions for anabolic steroids.

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

COUNT 13

1. The General Allegations section, and the Manner and Means of the Conspiracy section of Count 1 of this Second Superseding Indictment, are re-alleged and expressly incorporated herein as if set forth in full.

2. Beginning in or about 2007 and continuing to in or about April 2010, the exact dates being unknown, in the Southern District of Florida and elsewhere, the defendants,

CYNTHIA CADET, M.D. and
JOSEPH CASTRONUOVO, M.D.,

knowingly and willfully combined, conspired, confederated, and agreed with each other and with other persons known and unknown to the Grand Jury, to commit certain offenses against the United States, in violation of Title 18, United States Code, Section 1957, that is to knowingly engage and attempt to engage in monetary transactions by, through, or to a financial institution, affecting

interstate and foreign commerce, in criminally derived property of a value greater than $10,000, such property having been derived from a specified unlawful activity.

It is further alleged that the specified unlawful activity is the distribution, dispensing and possession with intent to distribute and dispense, oxycodone, a Schedule II narcotic 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).

All in violation of Title 18, United States Code, Section 1956(h).

DRUG CONSPIRACY FORFEITURE ALLEGATIONS

1. The allegations contained in Count 1 of this Second Superseding Indictment are hereby re-alleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 21, United States Code, Section 853.

2. Upon conviction of Count 1 of this Second Superseding Indictment, the defendants,

CYNTHIA CADET, M.D. and
JOSEPH CASTRONUOVO, M.D.,

shall forfeit to the United States any property constituting, or derived from, any proceeds obtained, directly or indirectly, as the result of such offense, and any property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, the offense. The property to be forfeited includes, but is not limited to, the sum of $1.3 million, representing a money judgment for the amount of proceeds the defendants obtained from the violation alleged in Count 1.

3. If the property described above as being subject to forfeiture, as a result of any act or omission of the defendant[s],

(1) cannot be located upon the exercise of due diligence;
(2) has been transferred or sold to, or deposited with a third person;
(3) has been placed beyond the jurisdiction of the Court;
(4) has been substantially diminished in value; or
(5) has been commingled with other property which cannot be subdivided without difficulty;

the United States shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p).

4. The above-named defendants, and each of them, are jointly and severally liable for the forfeiture-money judgment alleged above.

All pursuant to Title 21, United States Code, Section 853(a)(1) and (a)(2).

MONEY LAUNDERING CONSPIRACY FORFEITURE ALLEGATIONS

1. The allegations contained in Count 13 of this Second Superseding Indictment are hereby re-alleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 982(a)(1).

2. Upon conviction of Count 14 of this Second Superseding Indictment, the defendants,

CYNTHIA CADET, M.D. and
JOSEPH CASTRONUOVO, M.D.,

shall forfeit to the United States of America any property, real or personal, involved in or traceable to the offense. The property to be forfeited includes, but is not limited to, the sum of $1.3 million, representing a money judgment for the amount of proceeds defendants derived from the conspiracy set forth in Count 14.

3. If any of the property described above, as a result of any act or omission of the defendant[s]:

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 of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1).

4. The above-named defendants, and each of them, are jointly and severally liable for the forfeiture-money judgment alleged above.

All pursuant to Title 18, United States Code, Sections 982(a)(1), and the procedures of Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1).

A TRUE BILL

Richard P. Murad

Richard P. Murad for

WIFREDO A. FERRER
UNITED STATES ATTORNEY

PAUL F. SCHWARTZ
ASSISTANT UNITED STATES ATTORNEY

LAWRENCE D. LaVECCHIO
ASSISTANT UNITED STATES ATTORNEY