



Department of Justice

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Four East Tennessee Doctors Convicted in Drug Trafficking and Fraud Scheme

FRANKFORT, Ky. – A federal jury sitting in Frankfort convicted four Tennessee physicians on Friday of conspiracy to illicitly prescribe controlled substances and related fraud and money laundering offenses.

The defendants worked together in two east Tennessee clinics, called EHC Medical, that purported to offer treatment for opioid use disorder. The evidence presented established that the defendants agreed to unlawfully prescribe buprenorphine (the controlled substance in the drug known by its trade name, Suboxone) and benzodiazepine-class drugs, including clonazepam.

Evann Herrell, Mark Grenkoski, Keri McFarlane, and Stephen Cirelli were each physicians who worked for EHC Medical in Harriman and Jacksboro, Tenn. Robert Taylor, who opened EHC Medical in 2013 and operated it through late 2018, pleaded guilty to a drug trafficking conspiracy charge and was sentenced earlier this year to 30 months in prison. He forfeited \$13.8 million and paid an additional fine of \$200,000. Lori Barnett, a registered nurse who helped Taylor supervise day-to-day operations, and three other physicians – Matthew Rasberry, Helen Bidwaid, and Eva Misra – also pleaded guilty to related drug or money laundering charges and are awaiting sentencing.

At trial, the United States presented evidence of a wide-ranging conspiracy to provide prescriptions for high doses and dangerous combinations of Suboxone and benzodiazepines to cash-paying customers. These drugs were being sold, traded, and abused throughout southeastern Kentucky. The evidence further established that the Defendants engaged in a conspiracy to falsify medical records, while putatively treating patients, and that Herrell, Grenkoski, and McFarlane conspired to cause millions of dollars in fraudulent submissions to Medicare, Kentucky Medicaid, and other health benefit programs for prescription drugs and urine drug testing.

“These physicians focused on their own greed and self-interests, not the needs of their patients,” said Carlton S. Shier, IV, United States Attorney for the Eastern District of Kentucky. “Their illegal scheme had a damaging impact on their patients, fraudulently preyed on health benefit programs, and undermined the public’s faith in legitimate medical practices in this field. We, and our law enforcement partners, remain committed to holding those who take advantage of the medical licenses entrusted to them, to profit through unlawful prescriptions, accountable. The opioid epidemic created an acute need for responsible substance abuse treatment. Drug trafficking, operating under the guise of addiction treatment, is another despicable consequence of

this problem.”

United States Attorney Shier; J. Todd Scott, Special Agent in Charge, DEA, Louisville Field Division; Bryant Jackson, Special Agent in Charge, Internal Revenue Service – Criminal Investigation; and Tamala E. Miles, Special Agent in Charge at the Department of Health and Human Services, Office of Inspector General (HHS-OIG), jointly announced the guilty verdict.

The Defendants are scheduled to appear for sentencing on December 4, 2023. The statutory maximum penalty for the drug trafficking conspiracy is 10 years, for the conspiracy to falsify documents in connection with delivery of health care services is 5 years, and for the fraud and money laundering counts is 20 years. However, the Court must consider the U.S. Sentencing Guidelines and the applicable federal sentencing statutes before imposing a sentence. The defendants also face potential fines, a forfeiture money judgment, and a judgment of restitution, as ordered by the Court.

The investigation was conducted by the DEA, IRS, and HHS, with support from the Kentucky Office of the Attorney General.

The United States was represented in the case by Assistant U.S. Attorneys Greg Rosenberg, Amanda Huang, and Andrew Smith.

This case is part of an Organized Crime Drug Enforcement Task Forces (OCDETF) operation. OCDETF identifies, disrupts, and dismantles the highest-level criminal organizations that threaten the United States using a prosecutor-led, intelligence-driven, multi-agency approach. Additional information about the OCDETF Program can be found at <https://www.justice.gov/OCDETF>.

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