

Office of the Special Narcotics Prosecutor for the City of New York

Bridget G. Brennan, Special Narcotics Prosecutor

80 Centre Street, Sixth Floor
New York, NY 10013
212-815-0400, Gen
212-815-0440, Fax

For Immediate Release
February 5, 2014

Contacts:

Kati Cornell
Special Narcotics Prosecutor's Office
(212) 815-0525

Erin Mulvey
DEA, New York Division
(212) 337-2906

James Margolin
U.S. Attorney' Office
Southern District of New York
(212) 637-2600

Wanda Fischer
New York State Office of the Medicaid
Inspector General
(518) 473-3782

Stephen Davis
New York City Police Department
(646) 610-6700

Bill Schwarz
New York State Department of Health
(518) 474-7354

Physician charged in massive oxycodone distribution scheme and Bronx pain clinic: Funnelled \$90 million in pills on to black market

BRIDGET G. BRENNAN, New York City's Special Narcotics Prosecutor, PREET BHARARA, U.S. Attorney for the Southern District of New York, JAMES J. HUNT, Acting Special Agent in Charge of the U.S. Drug Enforcement Administration's New York Division (DEA), New York City Police Commissioner WILLIAM J. BRATTON, New York State Health Commissioner NIRAV R. SHAH, MD, MPH and JAMES C. COX, Medicaid Inspector General for New York State, announced the indictment and arrest of DR. ROBERT TERDIMAN, a licensed internist, who allegedly conducted illegal sales prescriptions for oxycodone at a pain management clinic, Astramed Physicians, PC, in the Morrisania section of the Bronx.

TERDIMAN, 68, faces charges of Conspiracy in the Fourth Degree and Criminal Sale of a Prescription for a Controlled Substance in connection with eight oxycodone prescriptions the doctor illegally supplied to undercover officers and another individual. The indictment is the result of a two-year investigation by the Office of the Special Narcotics Prosecutor's Prescription Drug Investigation Unit, DEA New York Division, Tactical Diversion Squad, the New York City Police Department (NYPD), the New York State Health Department's Bureau of Narcotic Enforcement (BNE), the Office of the Medicaid Inspector General (OMIG) and New York City's Human Resource Administration (HRA). In a parallel investigation, the U.S. Attorney's Office for the Southern District of New York charged 21 individuals in connection with the distribution scheme, including Astramed owner, DR. KEVIN LOWE.

DEA Agents arrested TERDIMAN yesterday afternoon at Astramed Physicians, PC, located at 1228 Southern Boulevard in the Bronx. Agents also searched a room at the Tuckahoe Motor Inn, 307 Tuckahoe Rd., Yonkers, NY, where the doctor resides, and recovered a .357 revolver, 47 rounds of ammunition hidden in a TV stand, as well as financial records.

TERDIMAN began working at the Southern Boulevard Astramed location in June 2012. The investigation revealed that over the following 20 months, the doctor wrote prescriptions almost exclusively for oxycodone, a highly addictive opioid painkiller, to a steadily increasing number of individuals. As the volume of prescriptions increased, so did TERDIMAN's pay. It appears TERDIMAN had been retired from the active practice of medicine between 2004 and 2012. Prior to joining Astramed, he had rarely prescribed oxycodone.

In total, approximately 18,700 prescriptions were issued by TERDIMAN to over 4,200 individuals and filled in pharmacies since June 2012. Prescriptions were written for an average of 120 to 180 oxycodone pills at 30 mg strength, according to an analysis of TERDIMAN's prescription records, yielding approximately 3 million pills. These pills are sold in New York City for up to \$30 each on the black market for a total street value of over \$90 million.

TERDIMAN conspired with "recruiters" or "crew chiefs," who would supply him with a steady flow of purported "patients" or "runners", for whom oxycodone was not medically necessary. The individuals who received these oxycodone prescriptions were not legitimate patients and no physical examinations were conducted. The runners posed as patients to receive prescriptions, which they filled at pharmacies.

On weekday mornings, crowds gathered outside the office to obtain oxycodone prescriptions. Security guards performed crowd control, both on the sidewalk and inside the medical offices and waiting rooms. Runners waited hours for appointments with TERDIMAN, which lasted no more than a few minutes. Nurses had little to no interaction with purported patients.

For each appointment, a runner was required to pay between \$200 and \$300 in the form of a money order, made payable to Astramed and purchased across the street at a Pay-O-Matic store. Often the recruiters fronted the money for the money orders.

While TERDIMAN's approval was required for the oxycodone prescriptions, he did not hand them directly to the runners. For this, the runners had another long wait, either in the clinic's waiting room or on the sidewalk. On some days, security guards or recruiters called out runners' names on the sidewalk in order to hand out prescriptions. Crowds grew so large that runners had to return on subsequent days to receive a prescription.

The Special Narcotics indictment includes charges related to eight instances between April and December of 2013 in which undercover officers and another individual received prescriptions from TERDIMAN. Law enforcement officers obtained audio and video recordings of these visits. On each occasion, the undercover officer paid by money order. TERDIMAN conducted no physical examination and failed to collect any medical documentation, such as MRIs or x-rays.

TERDIMAN asked a series of cursory questions about pain, physical therapy and surgery, ignoring inconsistent responses from undercover officers on repeat visits. No matter the response given, TERDIMAN always authorized a prescription for oxycodone. Recruiters coached runners on how to respond to TERDIMAN's cursory questions. Sometimes the recruiters escorted the runners into office visits with TERDIMAN.

In response to community complaints, TERDIMAN and his coconspirators imposed a variety of fraudulent precautionary measures. Astramed began requiring urine analysis for patients. Legitimate doctors use these tests to ensure that patients are using only the drugs they are prescribed and are not selling the pills on the black market. At Astramed, recruiters openly sold bottles of urine that tested positive solely for oxycodone. These samples were given to Astramed staff members, who generated reports in an effort to legitimize The Clinic's files. When The Clinic became aware of police scrutiny, a number of the staff members were fired and replaced.

During the investigation, agents learned that some pharmacies in New York City refused to fill prescriptions written by TERDIMAN, while other pharmacies filled large quantities of these prescriptions. More than 99 percent of the oxycodone prescriptions TERDIMAN wrote were issued in the name of New York State residents, but nearly 20 percent of those prescriptions were filled in pharmacies outside of the state. Agents believe purported patients also travelled from states along the eastern seaboard to receive prescriptions from TERDIMAN, including New Jersey, Pennsylvania, North Carolina, Florida and Georgia.

TERDIMAN is expected to be arraigned today in Manhattan Supreme Court before Judge Bruce Allen, 111 Centre St., room 667.

Special Narcotics Prosecutor BRIDGET G. BRENNAN thanked the DEA and the NYPD for their work in the investigation, which he noted is ongoing. MS. BRENNAN also thanked, the United States Attorney's Office Southern District of New York, Town of Orangetown Police Department, Westchester County Police Department, Health and Human Services, United States Marshals Service, the New York State Health Department's Bureau of Narcotic Enforcement, the Office of the Medicaid Inspector General, New York City's Human Resource Administration, New York State Attorney General's Office Medicaid Fraud Control Unit, Beacon New York Police Department, the Internal Revenue Service-Criminal Investigation and the El Dorado Task Force for their assistance.

"These clinics have long been a source of community concern and complaints. Dr. Robert Terdiman is charged with selling prescriptions for highly addictive painkillers on a scale we have not seen before – flooding the black market with oxycodone carrying a street value of over \$90 million," said BRIDGET G. BRENNAN. "Not only is he charged with perpetuating a practice that did little to heal and much to harm, both he and the Clinic reaped huge profits. We would like to recognize the extraordinary commitment and dedication of all of the agencies that participated in this investigation."

U.S. Attorney PREET BHARARA said, "The world of prescription drug trafficking is looking more and more like the world of old-school trafficking in narcotics like heroin, cocaine and crack. In this case, the drug spot was a clinic controlled by traffickers, often through intimidation and violence. The traffickers were supplied with prescriptions by corrupt doctors and clinic employees, dispensed to lower-level 'pretend' patients so that massive quantities of oxycodone could be distributed wherever the most money could be made, often in communities hundreds of miles away. This is poison by prescription, and the volume and money allegedly involved would make hardened illegal drug traffickers envious - over 31,000 medically unnecessary oxycodone prescriptions for 5.5 million tablets sold with a street value between \$170 million and over half a billion dollars. Even legal drugs illegally obtained can be deadly, and more people have been dying from prescription drug abuse than heroin and cocaine combined. Unnecessary painkillers can simply end up being killers. This has to stop and we will do everything we can to stop it."

DEA Acting Special Agent in Charge JAMES J. HUNT, DEA Acting Special Agent in Charge James J. Hunt stated, "Twenty two arrests, the dismantlement of the largest pill mill in the northeast and the ability for residents living near Southern Boulevard and Westchester Avenue in the Bronx to reclaim their neighborhood from drug dealers are the end results of unified police work by local, state and federal law enforcement in New York. I commend the diligent work of the numerous law enforcement agencies who participated in this investigation."

New York City Police Commissioner WILLIAM J. BRATTON said, "Instead of abiding by the Hippocratic Oath, these doctors scheduled pseudo physical exams for greed and self-profit. They fueled a criminal operation which distributed highly addictive prescription drugs in the Bronx community and surrounding areas. Thanks to the investigators and prosecutors in this case, Lowe and his crew will no longer traffic illegal drugs."

"The New York State Department of Health is proud to have partnered with the Office of the Special Narcotics Prosecutor, the U.S. Attorney for the Southern District of New York, the Drug Enforcement Administration, New York City Police Department and others involved in this investigation," State Health

Commissioner NIRAV R. SHAH, MD, MPH, said. "To effectively address the prescription drug abuse epidemic, it is essential that law enforcement and public health continue to partner to combat diversion and abuse, and consequently reduce the resulting harm to the public's health. By sharing our unique expertise and data, the State Health Department's Bureau of Narcotic Enforcement assisted our partners in the development and expansion of this investigation. The Department looks forward to continuing this partnership to protect the health and safety of all New Yorkers."

JAMES C. COX, Medicaid Inspector General for New York State, said, JAMES C. COX, Medicaid Inspector General for New York State, said, "The public has the right to expect ethical behavior from doctors, and Dr. Terdiman has been charged with acting in a manner that was not only illegal but reprehensible. Physicians are supposed to heal, not steal. I commend the work of my staff in collaborating with the Special Narcotics Prosecutor, the U.S. Attorney's Office, the DEA, and the New York City Police to bring an end to this scheme. It sends a message to others who might be considering similar ploys: Don't do it. We will find you."

INDICTED DEFENDANTS	CHARGES
Robert Terdiman Tuckahoe Motor Inn 307 Tuckahoe Rd. Yonkers, NY 03/31/1945	Conspiracy 4 th – 1 ct Criminal Sale of a Prescription for a Controlled Substance – 8 cts

The charges and allegations are merely accusations and the defendants are presumed innocent until proven guilty.