

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

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Major Oxycodone Ring Dismantled in “Operation Bad Medicine”

BRIDGET G. BRENNAN, New York City's Special Narcotics Prosecutor, New York State Health Commissioner NIRAV R. SHAH, M.D. and Richmond County District Attorney DANIEL M. DONOVAN JR. announced today the indictment of 31 members of an extensive drug trafficking ring that pumped nearly 43,000 pills worth \$1 million onto the black market in New York City the course of one year.

Between July 2009 and June 2010, LOUIS SCALA and JOSEPH ZAFFUTO, the leaders of the organization, obtained fraudulent prescriptions through a third defendant, NANCY WILKINS, who worked as an office manager for a Manhattan orthopedic surgeon. ZAFFUTO was a patient of the physician's and met WILKINS during an office visit. WILKINS, the lynchpin of the scheme, stole prescription pads from the office without the physician's knowledge and sold the sheets to SCALA AND ZAFFUTO in exchange for cash payments.

A nine-month investigation revealed that SCALA and ZAFFUTO obtained a total of 317 fraudulent prescriptions by these means. The prescriptions yielded 42,755 tablets of 30 mg oxycodone, which each carry a street value of approximately \$20. Investigators with the Office of the Special Narcotics Prosecutor and the Bureau of Narcotic Enforcement, the enforcement branch of the Health Department, and spent hundreds of man-hours tracking down these fraudulent prescriptions and interviewing witnesses and pharmacists during “Operation Bad Medicine.” The Richmond County District Attorney's Office also assisted in the investigation.

In carrying out the scheme, SCALA and ZAFFUTO, who are both from Staten Island, recruited dozens of individuals to take the stolen prescriptions to pharmacies and get them filled. These recruits, nearly all Staten Island residents, were paid in either cash or oxycodone.

Many of the drug runners were relatives, friends or neighbors of SCALA's and ZAFFUTO's. The pair often recruited individuals who were desperate for money or already had drug abuse problems. In some cases, multiple members of a single family or multiple households on the same block were involved in

filling prescriptions. A number of individuals developed a dependence on oxycodone as a direct result of their involvement with SCALA and ZAFFUTO.

As part of their strategy to avoid law enforcement attention, SCALA and ZAFFUTO directed these individuals to use only smaller, independently owned pharmacies. The prescriptions were filled at 22 different pharmacies, half of which are located on Staten Island. In the event that a pharmacist grew suspicious, he or she would call the physician's office, where WILKINS would answer the phone. WILKINS would falsely tell the pharmacist that the prescription was legitimate.

After getting the prescriptions filled, the recruits brought the pills back to SCALA and ZAFFUTO. SCALA, who worked as an ice cream truck driver, developed an inventive method of selling the pills. As he made his regular rounds with his Lickety Split ice cream truck, SCALA would stop on prearranged blocks where he knew his oxycodone customers would be waiting. After serving ice cream to whatever children appeared, SCALA would invite the adult pill customers, who were typically sitting in nearby cars, to climb inside his truck and complete their transactions.

The entire scheme began to unravel in June 2010 when one of the runners SCALA and ZAFFUTO used to fill prescriptions was implicated in a string of armed robberies at pharmacies in Brooklyn and Staten Island. One of the pharmacists recognized the robber as someone who had been turned away while trying to fill a suspicious prescription at his pharmacy on a prior occasion. The pharmacist reported this observation to a Bureau of Narcotic Enforcement (BNE) investigator, who was investigating the robberies for the Health Department.

The investigator learned that the robber, RAYMOND CAPPOLA, had obtained the prescription for the oxycodone from a physician's office in Manhattan. In a review of Health Department databases, the investigator identified a suspicious pattern of prescriptions being issued by the office, where WILKINS was employed. The investigation revealed that seven prescriptions filled by CAPPOLA and hundreds of others had been forged over the previous year. WILKINS abruptly left her job at the physician's office at the time the investigation began.

Investigators from BNE and the Special Narcotics Prosecutor's Office learned the identities of 31 individuals who participated in the scheme. Among those charged as runners are SCALA's brother, his fiancée, two uncles and a codefendant in a Nov. 8, 2010 burglary of a home in New Jersey, JASON REIFF.

Special Narcotics Prosecutor BRIDGET G. BRENNAN said, "This narcotics organization was as predatory as any I have seen – in its structure and distribution practices. Most of the individuals recruited to fill bogus prescriptions were among society's most vulnerable – young, financially desperate and addicted to oxycodone. To attract buyers, highly addictive drugs were often initially given out for free. Once the customers were hooked, they were charged ever escalating prices for their ever increasing appetite for oxycodone. Hopefully, this case will act as a wake-up call to young people tempted to experiment with oxycodone and help a drug organization by fraudulently obtaining prescription drugs."

Representing the Health Department, BNE Chief Investigator TIMOTHY J. DEWEY said, "The New York State Department of Health's, Bureau of Narcotic Enforcement's mission is to combat the illegal use of and trade in controlled substances while allowing their legitimate use. We accomplished this through enforcement, data management and analysis, as well as educational activities. In a two-year time period, New York State prescriptions for oxycodone have risen 41 percent. Overall, prescriptions for controlled substances have risen 14 percent."

"Today's takedown should obliterate any delusions that prescription painkillers are safer and more respectable than so-called 'street drugs,'" said Staten Island District Attorney DANIEL M. DONOVAN JR. "In many ways, this new trend of illegal drugs is no different than the crack epidemic that plagued our city in the 1990s: Both are highly addictive narcotics, both engender violent crime and both destroy lives and communities."

This case is symptomatic of a dangerous drug epidemic that has hit New York City – the skyrocketing rates of prescription opiate use and abuse. Data from the New York State Health Department for 2010 shows more than one million prescriptions for oxycodone were filled in New York City – enough to supply one prescription for every eighth person, or 13% of the total population. This is a dramatic increase from 2007, when just half a million prescriptions were filled or 6% of the citywide population.

Staten Island is the borough most inundated with oxycodone, with a prescription rate that could supply 28 % percent of the population with the drug. Meanwhile, the mortality rate for accidental prescription opioid poisonings (excluding methadone) in NYC increased by 20% between 2005 and 2009, according to an analysis by the New York City Department of Health and Mental Hygiene.

A total of 21 defendants were arrested this week. Three additional defendants are already in custody. CAPPOLA is currently serving a state prison term of one to three years for robbing pharmacies in Brooklyn and Staten Island. REIFF and SALVATORE CUTAIA are in custody on unrelated cases. Arrests of seven other defendants are pending.

All of the arrested defendants were arraigned before Manhattan Supreme Court Justice Jill Konviser this week. The indictments include multiple counts of Conspiracy, Criminal Possession of a Controlled Substance in the Third Degree with Intent to Sell and other charges. SCALA was released on \$15,000 bail yesterday. ZAFFUTO and WILKINS are both in custody, with bail set at \$15,000 and \$5,000 respectively.

DEFENDANTS	CHARGES
Babicky, Noel 12/25/1982 42 Willow Rd. West 1A, Staten Island, NY 10303	1 Count of Conspiracy in the 4 th 14 Counts of CPCS in the 3 rd 14 Counts of CPCS in the 4 th 14 Counts of a Forged Instrument in the 2 nd 14 Counts of CPCS in the 7 th
Cappola, Raymond 5/6/1986 69 Seguire Loop Staten Island, NY 10314	1 Count of Conspiracy in the 4 th 7 Counts of CPCS in the 3 rd 7 Counts of CPCS in the 4 th 7 Counts of a Forged Instrument in the 2 nd 7 Counts of CPCS in the 7 th
Corigliano, James 12/2/1981 45 Vineland Ave. Staten Island, NY 10312	4 Counts of CPCS in the 3 rd 4 Counts of CPCS in the 4 th 4 Counts of a Forged Instrument in the 2 nd 4 Counts of CPCS in the 7 th
Corsaro, Victor D 9/29/1968 65 Pheasant Lane Staten Island, NY 10309	1 Count of Conspiracy in the 4 th 6 Counts of CPCS in the 3 rd 6 Counts of CPCS in the 4 th 6 Counts of a Forged Instrument in the 2 nd 6 Counts of CPCS in the 7 th

Cutaia, Salvatore 7/12/1980 10 Sharrots Rd. Staten Island, NY 10308	1 Count of Conspiracy in the 4 th 3 Counts of CPCS in the 3 rd 3 Counts of CPCS in the 4 th 3 Counts of a Forged Instrument in the 2 nd 3 Counts of CPCS in the 7 th
Genna, Calogera 8/23/1985 62 Darnell Ave. Staten Island, NY 10309	1 Count of Conspiracy in the 4 th 3 Counts of CPCS in the 3 rd 3 Counts of CPCS in the 4 th 3 Counts of a Forged Instrument in the 2 nd 3 Counts of CPCS in the 7 th
Jennaco, Jennifer R 5/6/1983 120 Rosewell Ave Staten Island, NY 10314	1 Count of Conspiracy in the 4 th 6 Counts of CPCS in the 3 rd 6 Counts of CPCS in the 4 th 6 Counts of a Forged Instrument in the 2 nd 6 Counts of CPCS in the 7 th
Justensen, Laurie 10/10/1970 1040 Rathburn Ave. Apt. C, Staten Island, NY 10309	1 Count of Conspiracy in the 4 th 5 Counts of CPCS in the 3 rd 5 Counts of CPCS in the 4 th 5 Counts of a Forged Instrument in the 2 nd 5 Counts of CPCS in the 7 th
Miliante, Christopher 11/28/1976 37 Gilroy St. Staten Island, NY 10309	1 Count of Conspiracy in the 4 th 13 Counts of CPCS in the 3 rd 13 Counts of CPCS in the 4 th 13 Counts of a Forged Instrument in the 2 nd 13 Counts of CPCS in the 7 th
Miliante, Steven M 8/8/1980 37 Gilroy St. Staten Island, NY 10309	1 Count of Conspiracy in the 4 th 28 Counts of CPCS in the 3 rd 28 Counts of CPCS in the 4 th 28 Counts of a Forged Instrument in the 2 nd 28 Counts of CPCS in the 7 th
Murphy, Christopher A 2/22/1965 26 Ficarelle Dr. Staten Island, NY 10309	1 Count of Conspiracy in the 4 th 7 Counts of CPCS in the 3 rd 7 Counts of CPCS in the 4 th 7 Counts of a Forged Instrument in the 2 nd 7 Counts of CPCS in the 7 th
Murphy, Thomas J 1/4/1963 491 Craig Ave. Staten Island, NY 10307	1 Count of Conspiracy in the 4 th 29 Counts of CPCS in the 3 rd 29 Counts of CPCS in the 4 th 29 Counts of a Forged Instrument in the 2 nd 29 Counts of CPCS in the 7 th

Pagan, Jessica 4/21/1982 131 Shiel Ave. Staten Island, NY 10309	1 Count of Conspiracy in the 4 th 13 Counts of CPCS in the 3 rd 13 Counts of CPCS in the 4 th 13 Counts of a Forged Instrument in the 2 nd 13 Counts of CPCS in the 7 th
Pantaleo, Adam 12/29/1984 138 Russek Drive Staten Island, NY 10312	1 Count of Conspiracy in the 4 th 4 Counts of CPCS in the 3 rd 4 Counts of CPCS in the 4 th 4 Counts of a Forged Instrument in the 2 nd 4 Counts of CPCS in the 7 th
Reiff, Doris M 6/5/1958 68 Eldridge Ave. 2nd Fl. Staten Island, NY 10302	1 Count of Conspiracy in the 4 th 6 Counts of CPCS in the 3 rd 6 Counts of CPCS in the 4 th 6 Counts of a Forged Instrument in the 2 nd 6 Counts of CPCS in the 7 th
Reiff, Jason M 3/22/1981 69 Eldridge St. 2nd Fl. Staten Island, NY 10302	1 Count of Conspiracy in the 4 th 22 Counts of CPCS in the 3 rd 22 Counts of CPCS in the 4 th 22 Counts of a Forged Instrument in the 2 nd 22 Counts of CPCS in the 7 th
Rispoli, Joseph E 7/25/1980 838 Rathburn Ave. Staten Island, NY 10309	1 Count of Conspiracy in the 4 th 2 Counts of CPCS in the 3 rd 2 Counts of CPCS in the 4 th 2 Counts of a Forged Instrument in the 2 nd 2 Counts of CPCS in the 7 th
Scala, Anthony V 12/5/1989 82 Bedell St. Staten Island, NY 10309	1 Count of Conspiracy in the 4 th 9 Counts of CPCS in the 3 rd 9 Counts of CPCS in the 4 th 9 Counts of a Forged Instrument in the 2 nd 9 Counts of CPCS in the 7 th
Scala, Louis II 8/30/1981 82 Bedell St. Staten Island, NY 10309	1 Count of Conspiracy in the 4 th 22 Counts of CPCS in the 3 rd 22 Counts of CPCS in the 4 th 22 Counts of a Forged Instrument in the 2 nd 22 Counts of CPCS in the 7 th
Scheerer, Jennifer L 4/21/1981 85 Travis Ave. Staten Island, NY 10314	1 Count of Conspiracy in the 4 th 5 Counts of CPCS in the 3 rd 5 Counts of CPCS in the 4 th 5 Counts of a Forged Instrument in the 2 nd 5 Counts of CPCS in the 7 th

Scheerer, Jessica 2/1/1986 85 Travis Ave. Staten Island, NY 10314	1 Count of Conspiracy in the 4 th 7 Counts of CPCS in the 3 rd 7 Counts of CPCS in the 4 th 7 Counts of a Forged Instrument in the 2 nd 7 Counts of CPCS in the 7 th
Schutz, Phillip F 12/5/1983 51 Florence Place, Staten Island 10309	1 Count of Conspiracy in the 4 th 7 Counts of CPCS in the 3 rd 7 Counts of CPCS in the 4 th 7 Counts of a Forged Instrument in the 2 nd 7 Counts of CPCS in the 7 th
Wilkins, Nancy L 10/28/1970 3373 Fulton St. 3F, Brooklyn, NY	1 Count of Conspiracy in the 4 th 46 Counts of Criminal Diversion of Prescription Medications and Prescriptions in the 4 th 46 Counts of Facilitation in the 4 th
Zaffuto, Joseph J 10/3/1971 69 Darnell Lane, Staten Island, NY 10309	1 Count of Conspiracy in the 4 th 24 Counts of CPCS in the 3 rd 24 Counts of CPCS in the 4 th 24 Counts of a Forged Instrument in the 2 nd 24 Counts of CPCS in the 7 th

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