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Manhattan doctor illegally sold painkiller prescriptions to drug trafficking organization

BRIDGET G. BRENNAN, New York City's Special Narcotics Prosecutor, New York City Police Commissioner RAYMOND W. KELLY, Medicaid Inspector General JAMES C. COX, New York State Commissioner of Health NIRAV R. SHAH, M.D., M.P.H., ROBERT DOAR, Commissioner of the New York City Human Resources Administration (HRA) and BRIAN R. CROWELL, Special Agent in Charge, Drug Enforcement Administration (DEA), New York Division, announced today the arrest and indictment of Dr. ROBERT S. GIBBS, SR., a licensed internal medicine physician, for allegedly writing dozens of oxycodone prescriptions for individuals not under his care in exchange for cash payments. These prescriptions were collected by a drug trafficking ring for distribution on the black market.

Also named in the 58-count indictment is RONALD VAUGHAN, leader of the narcotic trafficking organization, who illegally obtained numerous prescriptions for oxycodone from GIBBS. VAUGHAN filled prescriptions under his own name and an alias, and recruited "runners" to fill prescriptions written in their names in a pyramid-style scheme.

The new indictment follows an 18-month investigation by investigators with the Special Narcotics Prosecutor's Office, intelligence officers with the NYPD's 19th Precinct, investigators with the New York State Health Department's Bureau of Narcotic Enforcement (BNE), the New York State Office of the Medicaid Inspector General (OMIG) and the New York City's Human Resources Administration's Bureau of Fraud Investigation (BFI), and DEA agents. Investigators interviewed numerous witnesses, conducted surveillance and completed a comprehensive review of data. The indictment charges Vaughan and Gibbs in a conspiracy dating back to 2009. However, the investigation revealed the relationship between the two dates back to at least 2008.

NYPD intelligence officers from the 19th Precinct arrested GIBBS, 75, at approximately 10 a.m. this morning in his office at 10 West 135th Street, Suite 1P, in Harlem, with assistance from investigators with

Special Narcotics, OMIG and BNE, and DEA agents. GIBBS practices internal medicine at the office, located on the ground floor of a residential apartment building, and works part-time as a physician for the Department of Corrections. Investigators with Special Narcotics and OMIG conducted a court authorized search of the doctor's office and a storage unit in the basement of the building at the time of the arrest and seized medical records, financial records and over \$45,000 in cash, among other evidence. GIBBS voluntarily agreed to surrender his DEA license to prescribe controlled substances.

VAUGHAN, 44, was also arrested this morning at his home at 3591 Bainbridge Avenue, Apt. 5K, in the Bronx by NYPD officers and Special Narcotics investigators. At the time of VAUGHAN's arrest, Special Narcotics investigators conducted a court authorized search of his residence and seized hundreds of prescription forms, a money counter, a stamp bearing the name of a different doctor, an imitation firearm and other evidence.

Both defendants are scheduled to be arraigned later this afternoon in Part 21, Manhattan Supreme Court, before Judge Michael R. Sonberg. GIBBS faces 42 counts of Criminal Sale of a Prescription for a Controlled Substance for prescriptions he sold in the course of the scheme, one count of Conspiracy in the 4th degree and three counts of Criminal Facilitation in the 2nd and 4th degrees. VAUGHAN is charged with one count each of Conspiracy in the 2nd and 4th degrees, one count of Attempted Criminal Possession of a Controlled Substance in the 2nd degree and 10 counts of Fraud and Deceit under the Public Health Law.

In carrying out the scheme, VAUGHAN allegedly supplied GIBBS with numerous individuals' personal information, including names and dates of birth, to be used on prescriptions. In most cases this information corresponded with runners who had been recruited to fill prescriptions for VAUGHAN's organization. GIBBS then allegedly wrote out prescriptions for oxycodone – typically for 180 pills at 30 mg strength – without ever having met or treated the individuals he named on the prescriptions. GIBBS also vouched for prescriptions in instances where pharmacists called for verification. The charges in the new indictment relate to 42 prescriptions for pills with an approximate street value of more than \$150,000. However, investigators believe GIBBS wrote out hundreds of such fraudulent prescriptions.

VAUGHAN used middle-men to assist him in recruiting runners and collecting oxycodone pills once the prescriptions had been filled. Investigators believe VAUGHAN recruited several of his relatives, his friends and numerous Facebook friends. Additionally, VAUGHAN is believed to have created a fictitious "patient" identity in the name of "Rodney Vaughn."

The investigation revealed that GIBBS routinely wrote multiple prescriptions to VAUGHAN, in both his real name and his alias, in a single day. GIBBS would also write prescriptions to several of VAUGHAN's friends and relatives on this same day. In each instance, the prescriptions were filled within a short period of time. GIBBS also prescribed 180 pills of oxycodone two or more times to the same individual within a 23-day time frame. These prescriptions were made out to VAUGHAN, his alias and several other patients believed to be in the VAUGHAN organization.

Beyond supplying prescriptions to the VAUGHAN organization, GIBBS is also believed to have sold prescriptions to other unrelated individuals. In connection with one of these sales, GIBBS is charged with writing a prescription in the name of a woman who was deceased.

Since January 2008, GIBBS wrote prescriptions for more than a million pills of oxycodone. Between January 2008 and August 2012, GIBBS wrote nearly 7,300 prescriptions for controlled substances, of which over 6,400 or 88% were for oxycodone. More than half of the controlled substance prescriptions GIBBS wrote went to a mere 9 percent of his patient population.

Similarly, the number of patients for whom GIBBS wrote prescriptions grew 542 percent between 2008 and 2011 – from approximately 160 patients to over 1,010. The number of prescriptions GIBBS wrote annually for controlled substances more than tripled. In 2008 GIBBS wrote a total of nearly 900 prescriptions, as compared to over 2,800 in 2011.

The NYPD first became aware of the GIBBS/VAUGHAN scheme in 2011 upon receiving complaints about illegal prescription drug transactions taking place outside an Upper East Side pharmacy. In July and August of 2011, detectives made a total of eight arrests during three incidents in the vicinity of the pharmacy, which was one of several pharmacies frequented by runners. At the time of these arrests, police seized records and other evidence related to the prescription drug diversion scheme.

Following these eight arrests in late 2011, there was an immediate sharp decline in the number of controlled substance prescriptions written by GIBBS. In the first 10 months of 2011, GIBBS wrote an average of 272 prescriptions per month. Between November 2011 and February 2012, that number dropped to an average of just 63 per month. Subsequently, the number of prescriptions escalated once again to an average of 139 per month from March 2012 to July 2012.

Special Narcotics Prosecutor BRIDGET G. BRENNAN thanked the New York County District Attorney's Office, the New York City Police Department, the New York State Office of the Medicaid Inspector General, the Bureau of Narcotic Enforcement for the New York State Department of Health, the Bureau of Fraud Investigation for the New York City's Human Resources Administration and the U.S. Drug Enforcement Administration, New York Field Division.

BRIDGET G. BRENNAN said, "Dr. Gibbs betrayed his profession and Ronald Vaughan built an organization with one goal: to rake in hundreds of thousands of dollars selling addictive drugs. Both men lined their pockets and caused untold misery by flooding our streets with deadly painkillers. Today marks the end of their poisonous partnership."

RAYMOND W. KELLY said, "The explosion in the illicit trafficking of oxycodone has produced addiction, violence, and as this case demonstrates, corruption of the medical profession. I want to commend Special Narcotics Prosecutor Bridget Brennan who long ago identified this burgeoning problem and has focused appropriate law enforcement attention on it."

"People put their faith in medical professionals to provide proper medical care, not to abuse their hard-earned medical credentials for fraud," said Medicaid Inspector General JAMES C. COX. "OMIG is proud to have played a role in stopping Dr. Gibbs from continuing to exploit his medical privileges for ill-gotten gain through selling powerful narcotics on the street."

NIRAV R. SHAH M.D. M.P.H. said, "Medical professionals have a duty and obligation to 'do no harm' to the individuals they serve, and Dr. Gibbs failed to live up to this essential tenet. His actions pose significant risks to the health and safety of countless individuals, and I applaud the on-going, tireless efforts of all the organizations involved to identify and hold-accountable those who seek to profit from the exploitation of their medical credentials."

ROBERT DOAR, Commissioner of the NYC Human Resources Administration (HRA), said, "Doctors like Dr. Gibbs represent two serious kinds of Medicaid fraud: inappropriate use of a professional license and taking advantage of Medicaid recipients, sometimes with deadly consequences. HRA will continue to work with our partners in law enforcement to find and weed out these schemes that hurt people and waste taxpayers' money."

DEA Special Agent in Charge BRIAN R. CROWELL stated, "Simultaneously, as the national statistics of abusing prescription medication dramatically increased over the last 5 years, Dr. Gibbs' number of patients and written prescriptions more than tripled – which is the wrong direction. Prescription painkiller overdoses killed nearly 15,000 people in the US in 2008, which is more than three times the 4,000 people killed by these drugs in 1999. Law enforcement identified Dr. Gibbs office as a one stop shopping center for Vaughan and others who wanted quick, fast and illegal prescriptions for oxycodone. Dr. Gibbs profited while putting lives at risk, knowingly writing prescriptions for non-medical use and abuse. City wide and nationwide, DEA is committed to working with our law enforcement, treatment and prevention partners to curb this epidemic."

INDICTED DEFENDANTS	CHARGES
Robert S. Gibbs, Sr. 1/20/38 10 West 135th Street, Suite 1P New York, NY	Conspiracy 4 th – 1 ct Criminal Sale of a Prescription for a Controlled Substance – 42 cts Criminal Facilitation 2 nd – 1 ct Criminal Facilitation 4 th – 2 cts
Ronald Vaughan 11/9/68 3591 Bainbridge Avenue, Apt. 5K Bronx, NY	Conspiracy 2 nd – 1 ct Conspiracy 4 th – 1 ct Attempted CPCS 2 nd – 1 ct Fraud and Deceit – 10 cts

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