



Department of Justice

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NEW JERSEY/PENNSYLVANIA DOCTOR PLEADS GUILTY TO ACCEPTING BRIBES AND KICKBACKS IN EXCHANGE FOR PRESCRIBING POWERFUL FENTANYL DRUG

WASHINGTON – A doctor who practiced in New Jersey and Pennsylvania pleaded guilty today for his participation in a scheme to receive over \$140,000 in bribes and kickbacks from a pharmaceutical company in exchange for prescribing large volumes of a powerful fentanyl narcotic.

Assistant Attorney Brian A. Benzckowski of the Justice Department’s Criminal Division, U.S. Attorney Craig Carpenito of the District of New Jersey, Special Agent in Charge Gregory W. Ehrie of the FBI’s Newark Field Office, Special Agent in Charge Scott J. Lampert of the U.S. Department of Health and Human Services Office of the Inspector General’s (HHS-OIG) Office of Investigations – New York Region, Special Agent in Charge Susan A. Gibson of the Drug Enforcement Administration’s (DEA) New Jersey Division, Special Agent in Charge Kenneth Cleevely of the U.S. Postal Service – Office of Inspector General (USPS-OIG) and Special Agent in Charge Michael C. Mikulka of the U.S. Department of Labor Office of Inspector General New York Region made the announcement.

Kenneth Sun, M.D., 58, of Easton, Pennsylvania, pleaded guilty to one count of conspiracy to defraud the United States and to pay and receive health care kickbacks before U.S. District Judge Anne E. Thompson of the District of New Jersey. Sentencing has been scheduled for Feb. 26, 2020, before Judge Thompson.

As part of his guilty plea, Sun admitted that from 2012 to 2016, he conspired with others to solicit and receive more than \$140,000 in bribes and kickbacks from Insys Therapeutics, a pharmaceutical company based in Arizona in exchange for prescribing more than 28 million micrograms of Subsys, a powerful opioid narcotic designed to rapidly enter a patient’s bloodstream upon being sprayed under the tongue. Subsys contains fentanyl, a synthetic opioid pain reliever which is approximately 50 to 100 times more potent than morphine. The U.S. Food and Drug Administration approved Subsys solely for the “management of breakthrough pain in cancer patients who are already receiving and who are tolerant to around the clock therapy for their underlying persistent cancer pain.” Sun admitted that he prescribed Subsys to patients for whom Subsys was medically unnecessary, not eligible for insurance reimbursement and unsafe.

Sun also admitted that the bribes and kickbacks he received from Insys Therapeutics in exchange for prescribing Subsys were disguised as “honoraria” for educational presentations

regarding Subsys that Sun purportedly provided to licensed practitioners. In reality, Sun admitted, these presentations were a sham: they lacked the appropriate audience of licensed practitioners seeking educational information regarding Subsys; there was no presentation about Subsys whatsoever; the same individuals attended over and over again; and Sun did not attend some of the presentations at all. Sun caused Medicare to pay more than \$847,000 for Subsys prescriptions that were medically unnecessary, procured through the payment of kickbacks and bribes and not eligible for Medicare reimbursement, he admitted.

The FBI, HHS-OIG, the DEA, USPS-OIG and DOL-OIG investigated the case. Trial Attorney Rebecca Yuan of the Criminal Division's Fraud Section is prosecuting the case.

The Fraud Section leads the Medicare Fraud Strike Force. Since its inception in March 2007, the Medicare Fraud Strike Force, which maintains 15 strike forces operating in 24 districts, has charged more than 4,200 defendants who have collectively billed the Medicare program for nearly \$19 billion. In addition, the HHS Centers for Medicare & Medicaid Services, working in conjunction with the HHS-OIG, are taking steps to increase accountability and decrease the presence of fraudulent providers.

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