

Department of Justice

U.S. Attorney's Office

Middle District of Pennsylvania

FOR IMMEDIATE RELEASE

Thursday, September 1, 2022

**Scranton Doctor Sentenced To 140 Months' Imprisonment
For Unlawfully Prescribing Controlled Substances And
Health Care Fraud**

SCRANTON – The United States Attorney's Office for the Middle District of Pennsylvania announced that a Scranton physician, Kurt Moran, age 70, was sentenced yesterday by United States District Court Judge Robert D. Mariani to 140 months' imprisonment for unlawful distribution of controlled substances and engaging in a health care fraud scheme.

According to the United States Attorney Gerard M. Karam, Moran previously pleaded guilty to crimes related to the unlawful distribution of a controlled substance (Subsys), maintaining drug-involved premises, and health care fraud. As part of his plea agreement, Moran also agreed that he knowingly and intentionally distributed oxycodone and fentanyl, Schedule II controlled substances, outside the usual course of professional practice and not for legitimate medical purposes, and that the death of one of his patients resulted from the use of the substances.

With respect to the health care fraud scheme, Moran admitted that between December 2014 and through 2017, he conspired with others to receive bribes in exchange for prescribing the drug Subsys (sublingual fentanyl spray) to his patients. Subsys is a transmucosal immediate release fentanyl (TIRF) drug. It is approved by the Food and Drug Administration (FDA) only for use in cancer patients suffering from breakthrough cancer pain. Moran admitted that Insys Therapeutics paid him approximately \$140,000 over a two-year period to prescribe Subsys to his patients for pain not associated with cancer. In order to conceal and disguise that kickbacks and bribes were being paid to Moran to prescribe Subsys, the company falsely designated the payments to Moran as "honoraria" for purportedly providing educational presentations regarding Subsys. Moran prescribed millions of micrograms of the sublingual fentanyl spray to patients with no cancer diagnosis and not suffering from breakthrough cancer pain.

Moran surrendered his DEA registration on September 18, 2020. His license to practice medicine in the Commonwealth of Pennsylvania was suspended on October 7, 2020.

Judge Mariani ordered Moran to serve 3 years of supervised release upon release from custody. Forfeiture of illicit proceeds were also ordered forfeited by Judge Mariani and included unlawful proceeds in the amount of \$140,000; his medical license; the contents of a bank account in the amount of \$12,570.45; and \$5,430.00 seized from Moran in January 2018.

Restitution in the amount of \$6,586.00 related to funeral expenses was also ordered.

The case was investigated by the Drug Enforcement Administration (DEA) located in Scranton, the United States Postal Service – Office of Inspector General, U.S. Department of Labor – Office of Inspector General, and the Pennsylvania Attorney General's Office. Assistant United States Attorneys Michelle Olshefski and Michael Consiglio prosecuted the case.

This case was prosecuted as part of a district wide initiative to combat the nationwide epidemic regarding the use and distribution of heroin and other opioids. Led by the United States Attorney's Office, the Heroin Initiative targets heroin and opioid traffickers operating in the Middle District of Pennsylvania and is part of a coordinated effort among federal, state and local law enforcement agencies to locate, apprehend, and prosecute individuals who commit opioid trafficking offenses.

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Topic(s):
Prescription Drugs

Component(s):
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