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**140 CHARGED IN ARKANSAS AS PART OF
NATIONAL PRESCRIPTION DRUG INITIATIVE**

**“OPERATION PILLUTED” CULMINATES WITH ANNOUNCEMENT OF
TWO FEDERAL PRESCRIPTION DRUG DISTRIBUTION INDICTMENTS
CHARGING 46 DEFENDANTS IN REGIONAL OPERATION**

LITTLE ROCK—Christopher R. Thyer, United States Attorney for the Eastern District of Arkansas, and David Downing, Assistant Special Agent in Charge of the Little Rock District Office of the Drug Enforcement Administration (DEA), were joined today by DEA New Orleans Division Special Agent in Charge Keith Brown in announcing the charging and arrests of multiple individuals in several federal indictments presented as part of a DEA national initiative.

In January 2014, as part of the national effort, the DEA New Orleans Field Division—which includes the DEA Little Rock office—launched an aggressive campaign that targeted the largest sources of illegally diverted pharmaceuticals in Arkansas, Louisiana, Mississippi, and Alabama. This effort, dubbed *Operation Pilluted*, involved the extensive investigation of rogue medical practitioners, pharmacists, and other DEA Registrants, as well as the aggressive pursuit of more traditional criminal organizations involved in the distribution of pharmaceuticals. Under the auspices of *Operation Pilluted*, concerted efforts were initiated to heighten community awareness concerning the perils of prescription drug diversion and the strategic implementation/strengthening of pharmaceutical drug laws. Nearly 1,000 law enforcement officers across four states took part in the operation.

In 2014, investigations by DEA and state and local law enforcement agencies resulted in several indictments for the illicit distribution of pharmaceutical narcotics. The most recent Eastern District of Arkansas indictments focus on the illicit distribution of pharmaceuticals in the central Arkansas area, including Pulaski, Faulkner, Perry, Lonoke

and Saline Counties. The organization at the center of each investigation is alleged to have been responsible for the diversion and distribution of hundreds of thousands of Schedule II, III, and IV narcotic drugs, including hydrocodone, oxycodone, and alprazolam (Xanax) during the time period of July 2014 through April 2015.

In total, throughout *Operation Pilluted* Arkansas state and federal authorities have charged 140 individuals with prescription drug crimes, including 94 federal defendants in five separate indictments, and 46 state defendants. Included in that total are 4 doctors, 4 nurses, and 5 pharmacists.

“The abuse of prescription pills is perhaps the greatest drug problem Arkansas currently faces,” Thyer said. “Today’s arrests, and arrests over the course of this operation, include doctors, nurses, and pharmacists, as well as street-level dealers. It is extremely disheartening when trusted professionals such as your local pharmacist or family doctor are engaged in the illegal sale and distribution of controlled substances. My office is committed to stopping the abuse of prescription pills at every level, from the prescribing doctor to individuals trying to sell these drugs on the street. Today’s announcement should signal to those in the medical community and elsewhere that we will aggressively seek to prosecute anyone who violates our prescription drug laws.”

Seven arrests were made today at the KJ Medical Clinic, including Dr. Jerry Reifeiss, prescribing physician, Kristen Holland, pharmacist at Bowman Curve Pharmacy, and Aaron Borengasser, physician’s assistant, formerly with Artex Medical Clinic. In July 2014, DEA received information from local Walgreens and Wal-Mart pharmacies that they were seeing numerous controlled substance prescriptions being written from a clinic in west Little Rock called Artex Medical Clinic. The prescriptions were suspicious, in that they contained typographical errors and were written by the same physician’s assistant for identical pharmaceuticals, namely hydrocodone and alprazolam. Evidence obtained in the investigation revealed that Artex, which later changed its name to KJ Medical Clinic, was operating as a “pill mill,” where individuals obtained prescriptions for narcotic drugs without having legitimate medical need. Beginning in November 2014, individuals were directed by clinic staff to fill the prescriptions at a local pharmacy, Bowman Curve Pharmacy, rather than with a large chain store, such as Walgreens or Wal-Mart. As part of the operation, the homeless and other individuals were recruited to obtain prescriptions at the clinic, after which they would fill the prescriptions, hand over the pills to the recruiter, and receive a small fee.

During the investigation undercover officers and confidential informants working for law enforcement posed as clinic patients, paying \$200 and obtaining prescriptions for narcotic drugs without receiving an examination from a physician, or after receiving an inadequate examination. The indictment includes 16 counts against 18 individuals who participated in the clinic’s illicit distribution of pharmaceutical narcotics, including the clinic owners, doctors, nurses, recruiters, and staff, as well as the pharmacists at Bowman

Curve Pharmacy. Several individuals known to frequent the clinic have been charged with selling hydrocodone to undercover officers. The operation of KJ Medical Clinic was found to be related to several “pill mills” in the Dallas, Texas area, operators of which are under federal indictment in Texas.

This case was investigated by the DEA—Little Rock Tactical Diversion Squad composed of officers from the Conway Police Department, Beebe Police Department, Little Rock Police Department, Pine Bluff Police Department, Jefferson County Sheriff’s Office, and the Benton Police. Also involved in the investigation were the United States Marshals Service, Little Rock Police Department, and the Saline County Sheriff’s Office.

The case against KJ Medical Clinic is the latest in a series of cases in *Operation Pilluted*. On Monday, May 18, 2015, the Lonoke County Sheriff’s Office took Dr. Richard Johns of Little Rock into custody charging him with 187 counts of Fraudulent Practices, a class C felony. This investigation first began November 2014 when detectives responded to an overdose death outside of Cabot. The Sheriff’s Office solicited the assistance of the DEA and began a joint investigation into the doctor and the suspected criminal enterprise headed by Dr. Johns. The investigation determined that 187 fraudulent prescriptions have been filled and distributed within the illicit market in Lonoke County alone. That is approximately 16,830 oxycodone pills with a street value of \$505,000 since July 2014. Dr. Johns is currently released on bond and a trial is scheduled for July 20, 2015.

On May 6, 2015, the Grand Jury for the Eastern District of Arkansas returned a superseding federal indictment against Perryville pharmacist Christopher Watson and 27 others. In July 2014, the DEA and the Arkansas State Police (ASP) initiated an investigation into Christopher Watson, a licensed pharmacist, who was engaging in the unauthorized distribution of Schedule II, III and IV pharmaceutical narcotics from his family owned and operated store in Perryville, Arkansas. Watson and his father, Tommy Watson, own and operate the Perry County Food and Drug store, and Christopher Watson was the managing pharmacist at that location. Evidence obtained in the investigation showed that Christopher Watson sold tens of thousands of hydrocodone pills and other pharmaceuticals from the pharmacy shelves after hours and forged prescriptions to account for the missing pills, as well as filled fraudulent prescriptions presented by pharmacy customers.

Christopher Watson was federally arrested and indicted in a two-count indictment in February 2015. The present superseding indictment includes 44 counts against 28 individuals who participated in the conspiracy to illicitly distribute pharmaceutical drugs, or who obtained pharmaceuticals by fraud, several firearms charges and forfeiture allegations, as well as a scheme to commit insurance fraud by Christopher Watson wherein Watson falsely billed Medicare Part D for patients’ claims.

The operation resulted in the issuance of an Immediate Suspension Order to the Perry County Food and Drug store, the first Order of its kind issued in Arkansas. This Order was issued by the Administrator of DEA on the grounds that the pharmacy constitutes an imminent danger to public health and safety, and it immediately suspends the DEA Registration of the Perry County Food and Drug store required to dispense controlled substances. As a result of this Order, the Perry County Food and Drug store is prohibited from possessing and/or dispensing controlled substances pending the results of a federal administrative hearing. Trial is currently scheduled in the case for September 21, 2015.

This case was investigated by the DEA—Little Rock Tactical Diversion Squad composed of officers from the Conway Police Department, Beebe Police Department, Little Rock Police Department, Pine Bluff Police Department, Jefferson County Sheriff's Office, and the Benton Police Department. Also involved in the investigation were the Federal Bureau of Investigation (FBI), Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), United States Secret Service, United States Marshals Service, Arkansas State Police, and the Perry County Sheriff's Office.

On October 8, 2014, the Grand Jury for the Eastern District of Arkansas returned an indictment against Charolda Walton and 32 others involved in an oxycodone distribution ring in Little Rock. In early 2014, DEA received information about large scale oxycodone distribution from a residence at 1723 S. Grant Street in Little Rock. Investigation of this residence identified Charolda Walton, Felicia Holmes, Tim McCain, and others selling bulk amounts of oxycodone tablets for \$23-27 per tablet to numerous individuals. Through undercover work, wiretaps, and other operations, the DEA identified mid-level and street-level distributors of oxycodone who received their supplies from the individuals associated with 1723 S. Grant Street. The investigation resulted in the indictment of 33 distributors, including former NFL and Arkansas Razorback running back Cedric Cobbs, the seizure of approximately \$22,000, 6 vehicles, a handgun, and 2,210 oxycodone, 189 hydromorphone, and 259 hydrocodone tablets. Distribution of the controlled substances took place at various public locations in Little Rock, Benton, and Sheridan, including restaurant and retail store parking lots. Trial is currently scheduled in the case for June 29, 2015.

A joint investigation into a Dilaudid (hydromorphone) distribution network in the Little Rock area conducted in the fall of 2013 through August 2014 by the DEA and Little Rock Police Department led to a federal indictment against Stephen Otey and his distribution network. Otey was identified as the source of supply for Dilaudid and other pharmaceutical drugs, distributing approximately 2,500 pills per month. It is estimated that the distribution organization profited approximately \$25,000 per month from the sale of these pills. The Grand Jury for the Eastern District of Arkansas returned a second superseding indictment on February 4, 2015, charging Otey and seven others co-defendants. Execution of a search warrant at Otey's residence resulted in the seizure of

cash and two firearms, along with various prescription narcotics. Trial is currently scheduled in the case for December 7, 2015.

The final Arkansas case under the *Operation Pilluted* umbrella stems from an oxycodone distribution ring in central Arkansas that involved Josh Oliver and six other individuals. The DEA, working with local law enforcement agencies in Pulaski, Faulkner, and Saline County, initially discovered people obtaining valid prescriptions for oxycodone and then illegally selling the pills. Ultimately, members of the conspiracy forged prescriptions using computer templates and fraudulently obtained oxycodone. The Grand Jury for the Eastern District of Arkansas returned an indictment on April 2, 2014, and currently all seven defendants have entered guilty pleas and are awaiting sentencing.

“Although prescription medication in the right hands, at the right time and in the right place is safe, the reality is they are deadly to those who abuse the drug,” DEA Assistant Special Agent in Charge David Downing said. “These enforcement activities are the results of our continued commitment to investigating those responsible for turning a blind eye on the fraudulent prescriptions for profit. DEA works side by side with our state and local law enforcement partners in order to keep our neighborhoods free from drug abuse and the dangers that stem from drug trafficking.”

An indictment contains only allegations. A defendant is presumed innocent unless and until proven guilty.

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Recently announced Indictments

Defendants and Charges, *United States v. Christopher Grant Watson, et al.*

Conspiracy to Distribute Schedule II, III and IV controlled substances

CHRISTOPHER GRANT WATSON, 42, Greenbrier, AR
BARTLEY WAYNE McMILLEN, 42, Conway, AR
ERIC FLYNN HORTON, 48, Conway, AR
JAMES KENARS CRENSHAW, SR., 64, Conway, AR
JAMES KENARS CRENSHAW, JR., 29, Conway, AR
LORRIE JEAN KIRK, 55, Bigelow, AR
JONATHAN ARNELL JONES, 30, Little Rock, AR
JESSE LEE MCGRAW, 56, Conway, AR
JOE SHERING JACKSON, 31, Little Rock, AR

Possession with Intent to Distribute and Distribution of Hydrocodone/Oxycodone

CHRISTOPHER GRANT WATSON, 42, Greenbrier, AR
BARTLEY WAYNE McMILLEN, 42, Conway, AR
ERIC FLYNN HORTON, 48, Conway, AR
JAMES KENARS CRENSHAW, SR., 64, Conway, AR
JAMES KENARS CRENSHAW, JR., 29, Conway, AR
JONATHAN ARNELL JONES, 30, Little Rock, AR
JOE SHERING JACKSON, 31, Little Rock, AR

Conspiracy to Obtain Prescription Narcotics by Fraud, and Obtaining Prescription Narcotics by Fraud

CHRISTOPHER GRANT WATSON, 42, Greenbrier, AR
BARTLEY WAYNE McMILLEN, 42, Conway, AR
JAMES KENARS CRENSHAW, SR., 66, Conway, AR
ROY LAMONT WILLARD, 35, Conway, AR
JESSICA TUCKER MONK, 33, Perryville, AR
JEREMY RAY JOHNSON, 32, Cabot, AR
ANDREA DAWN REYNOLDS, 34, Conway, AR
LLOYCE JERMANE LOVE, 37, Conway, AR
BRENDA KAY EBSSEN, 58, Mayflower, AR
GARY WAYNE STRICKLAND, 56, Conway, AR
DOROTHY JO FLOWERS, 65, Conway, AR
BEAU D. ARMSTRONG, 30, Hot Springs, AR
BRENDA GILES JACKSON aka BRENDA BATES, 55, Conway, AR
TAMMY KAY SHARP, 49, Mayflower, AR

SHERMAN RAY TINER, JR., 50, Conway, AR
MASON DEWAYNE TINER, 18, Russellville, AR
JESSICA MARIE WHIDDON, 27, Hot Springs, AR
STACIE R. DUKES, 56, Mayflower, AR
ANGELIA GAYLE FERGUSON, 45, Greenbrier, AR
DAPHNE LYNETTE GARNER, 40, Conway, AR
DORIS JEAN JOHNSON, 58, Conway, AR

Felon in Possession of a Firearm

JOE SHERING JACKSON, 31, Little Rock, AR

Drug User/Addict in Possession of a Firearm

CHRISTOPHER GRANT WATSON, 42, Greenbrier, AR

Possession of a Firearm in Furtherance of a Drug Trafficking Crime

JOE SHERING JACKSON, 31, Little Rock, AR
ERIC FLYNN HORTON, 48, Conway, AR

Possession and Issuing Counterfeit Federal Reserve Notes

TAMMY KAY SHARP, 49, Mayflower, AR

Misprision of a Felony

TOMMY WATSON, 66, Greenbrier, AR

Healthcare Fraud

CHRISTOPHER GRANT WATSON, 42, Greenbrier, AR

STATUTORY SENTENCES

Conspiracy to Possess with Intent to Distribute a Schedule II controlled substance is punishable by not more than 20 years' incarceration in the Bureau of Prisons with a possible fine of up to \$1,000,000, and not less than 3 years supervised release.

Conspiracy to Possess with Intent to Distribute a Schedule III controlled substance is punishable by not more than 10 years' incarceration in the Bureau of Prisons with a possible fine of up to \$250,000, and 2 years supervised release.

Conspiracy to Possess with Intent to Distribute a Schedule IV controlled substance is punishable by not more than 5 years' incarceration in the Bureau of Prisons with a possible fine of up to \$250,000, and 1 year supervised release.

Possession with Intent to Distribute and Distribution of Hydrocodone and Oxycodone, Schedule II controlled substances, is punishable by not more than 20 years' incarceration in the Bureau of Prisons with a possible fine of up to \$1,000,000, and not less than 3 years supervised release.

Possession with Intent to Distribute and Distribution of Hydrocodone, a Schedule III controlled substance is punishable by not more than 10 years' incarceration in the Bureau of Prisons with a possible fine of up to \$250,000, and 2 years supervised release.

Conspiracy to Obtain a Controlled Substance by Fraud and Obtaining a Controlled Substance by Fraud are punishable by not more than 4 years' incarceration in the Bureau of Prisons with a possible fine of up to \$250,000, and not more than 3 years supervised release.

Felon or Drug User/Addict in Possession of a Firearm are punishable by not more than 10 years' incarceration in the Bureau of Prisons with a possible file of up to \$250,000, and not more than 3 years supervised release.

Possession of a Firearm in Furtherance of a Drug Trafficking Crime is punishable by not less than 5 years, not more than life incarceration in the Bureau of Prisons, consecutive to any other sentence, with a possible fine of up to \$250,000, and not more than 3 years supervised release.

Possessing and Uttering Counterfeit Federal Reserve Notes is punishable by not more than 20 years' incarceration in the Bureau of Prisons with a possible fine of up to \$250,000, and not more than 3 years supervised release.

Misprision of a Felony is punishable by not more than 3 years' incarceration in the Bureau of Prisons with a possible file of up to \$250,000, and not more than 1 year supervised release.

Health Care Fraud is punishable by not more than 10 years' incarceration in the Bureau of Prisons with a possible file of up to \$250,000, and not more than 1 year supervised release.

Defendants and Charges, *United States v. Anthony Arkeith King, et al.*:

Conspiracy to Distribute Schedule II, III and IV controlled substances

ANTHONY MARKEITH KING, 39, Little Rock, AR
CHRISTOPHER DION MANSON, 31, Little Rock, AR
SHAWN MICHAEL BROOKS, M.D., 44
JERRY SCOTT REIFEISS, M.D., 60, Conway, AR
FELICIE WYATT, M.D., 41, Memphis, TN
KRISTIN L. RAINES, 38, Little Rock, AR
AARON PAUL BORENGASSER, 35, Little Rock, AR
STELLA OSEI GREEN, 52, Little Rock, AR
JASON DEWAYNE SOWERS, 38, Pine Bluff, AR
RANDY EUGENE CHANE, 52, Houston, TX
GERRY HILL, 29, Little Rock, AR
LAROSHA DANETTE HALL, 33, Pine Bluff, AR
DENSHEO LORRAINE DAVIS, 43, Natchez, MS
AMBER MARNIQUE SMITH, 27, Mablevale, AR
KRISTEN L. HOLLAND, 33, Bryant, AR
JUSTIN RUSSELL DYER, 25, Little Rock, AR
EDWARD LEE PALMER, II, 23, Conway, AR
KENNETH DARRAIL LOWERY, 25, Conway, AR

Possession with Intent to Distribute Schedule II and III controlled substances

SHAWN MICHAEL BROOKS, M.D., 44
JERRY SCOTT REIFEISS, M.D., 60, Conway, AR
STELLA OSEI GREEN, 52, Dallas, TX
KRISTIN L. RAINES, 38, Little Rock, AR
KRISTEN L. HOLLAND, 33, Bryant, AR
KENNETH DARRAIL LOWERY, 25, Conway, AR
AMBER MARNIQUE SMITH, 27, Mablevale, AR
EDWARD LEE PALMER, II, 23, Conway, AR
JASON DEWAYNE SOWERS, 38, Pine Bluff, AR

STATUTORY SENTENCES

Conspiracy to Possess with Intent to Distribute a Schedule II controlled substance is punishable by not more than 20 years' incarceration in the Bureau of Prisons with a possible fine of up to \$1,000,000, and not less than 3 years supervised release.

Conspiracy to Possess with Intent to Distribute a Schedule III controlled substance is punishable by not more than 10 years' incarceration in the Bureau of Prisons with a possible fine of up to \$250,000, and 2 years supervised release.

Conspiracy to Possess with Intent to Distribute a Schedule IV controlled substance is punishable by not more than 5 years' incarceration in the Bureau of Prisons with a possible fine of up to \$250,000, and 1 year supervised release.

Possession with Intent to Distribute and Distribution of Hydrocodone, Schedule II controlled substances, is punishable by not more than 20 years' incarceration in the Bureau of Prisons with a possible fine of up to \$1,000,000, and not less than 3 years supervised release.

Possession with Intent to Distribute and Distribution of Hydrocodone, a Schedule III controlled substance is punishable by not more than 10 years' incarceration in the Bureau of Prisons with a possible fine of up to \$250,000, and 2 years supervised release.