

U.S. Dept. of Justice: Cadott Pharmacy to pay civil penalty for controlled substance dispensing and recordkeeping violations

Posted on Friday, Apr 29, 2022

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MADISON, WIS. – Timothy M. O’Shea, United States Attorney for the Western District of Wisconsin, announced today that Cadott Miller Pharmacy, Ltd., located in Cadott, Wisconsin, entered into a settlement agreement to pay \$20,000 to resolve civil allegations that it violated the Controlled Substances Act (CSA) by dispensing controlled substances outside the usual course of professional pharmacy practice, among other CSA violations.

As a registrant with the U.S. Drug Enforcement Administration (DEA), the CSA required the pharmacy to be both knowledgeable of and to adhere to federal and state statutes and regulations concerning the receipt, storage, recordkeeping, distribution, dispensing, and destruction of controlled substances.

Between 2017 and 2019, the DEA executed several administrative inspection warrants to review the pharmacy’s operations. As part of the inspections, the DEA investigated the pharmacy’s practices regarding the receiving, dispensing, and recordkeeping of controlled substances. On December 17, 2019, after determining the pharmacy’s compliance measures were unsuccessful, DEA served an immediate suspension order of the pharmacy’s DEA Certificate of Registration, and Cadott Miller Pharmacy voluntarily surrendered its DEA registration on January 7, 2020, for cause. As a result, the pharmacy has been unable to dispense controlled substances.

According to the government’s allegations set forth in the settlement agreement,

Cadott Miller Pharmacy dispensed controlled substances outside the usual course of professional pharmacy practice by filling combinations of controlled substances and medications that have no legitimate medical purpose, are highly addictive, and were specifically combined to create or enhance abusive and euphoric effects. In addition, the government alleged that the pharmacy dispensed controlled substances with no valid prescription, provided unauthorized early refills, and dispensed Schedule II controlled substances for opioid dependence, which is prohibited under federal law.

In enacting the CSA, Congress recognized the importance of preventing the diversion of drugs from legitimate to illegitimate uses. The CSA, in relevant part, deters the illegal distribution, possession, dispensing, and improper use of controlled substances, all of which have contributed significantly to the opioid epidemic over the past two decades. The CSA therefore regulates all entities in the chain of distribution, including pharmacies and pharmacists.

“Pharmacies that dispense controlled substances outside the course of professional pharmacy practice endanger the public, abuse their DEA registration, and violate federal law,” said United States Attorney O’Shea. “Pharmacies hold a public trust and grave responsibilities. The overwhelming majority of pharmacies closely adhere to federal and state law and are entirely deserving of the public’s trust. The U.S. Attorney’s Office will, however, gladly partner with DEA to protect the public when pharmacies violate federal law.”

“The men and women of the DEA, alongside our state and local partners, will continue keeping the citizens of Wisconsin safe from the reckless and unscrupulous practices of pharmacies that do not adhere to the Controlled Substances Act,” said John G. McGarry, Assistant Special Agent in Charge for U.S. Drug Enforcement Administration-Wisconsin.

According to the settlement agreement, the civil penalty amount was based on an inability to pay a substantial penalty and determined after analysis and review of the pharmacy’s financial circumstances.

Assistant United States Attorney Leslie Herje represented the government in this matter. The DEA Milwaukee District Office primarily conducted the investigation, along with the United States Attorney’s Office Affirmative Civil Enforcement team. The settlement agreement states CSA allegations only; Cadott Miller Pharmacy denies the allegations.