

IN THE MATTER OF

* BEFORE THE

LAWRENCE M. SCHULTZ, P.D.

* MARYLAND STATE BOARD

* OF PHARMACY

* * * * *

FINDINGS OF FACT
CONCLUSIONS OF LAW AND ORDER

Upon certain information coming to the attention of the Maryland State Board of Pharmacy (the "Board") the Board directed an investigation of the pharmacy practice of Lawrence M. Schultz, P.D., (the "Respondent"). Following the investigation and after considering various reports the Board determined to charge Respondent pursuant to §12-311(b)(21) of the Health Occupations Article (the "Act").

Appropriate notice of the charges and the grounds upon which they were based was given to Respondent by letter dated January 30, 1984. A hearing on the charges was scheduled for April 18, 1984. A prehearing conference on the charges was scheduled for March 5, 1984.

The prehearing conference was held on March 5, 1984, and was attended by Respondent, Respondent's attorney, Leonard I. Desser, Esquire, Bernard B. Lachman, President of the Board, Roslyn Scheer, Executive Director of the Board, Ronald S. Gass, Assistant Attorney General, counsel to the Board, and Barbara Hull Foster, Assistant Attorney General, and the Administrative Prosecutor. At the prehearing conference Mr. Desser and Ms. Foster presented their suggestions for settlement of the case to Dr. Lachman, a representative of the Board. Respondent, after consultation with his counsel, agreed to enter into the following Consent Order.

FINDINGS OF FACT

Based upon the information known and available to it

the Board finds that:

1. At all times pertinent to the charge, Respondent was a pharmacist licensed and practicing in Maryland and was and is subject to the jurisdiction of the Board;
2. At all times pertinent to the charge, Respondent was employed at K-Mart Pharmacy in Baltimore, Maryland;
3. While at K-Mart, Respondent submitted fraudulent prescription drug claims and the corresponding payment receipts to Blue Cross/Blue Shield of Michigan in order to generate \$33,000 in reimbursements for claimed medical expenses which were never incurred;
4. As a result of these actions an information was filed against Respondent in the United States District Court for the Eastern District of Michigan, Criminal No. 83-60320;
5. Respondent subsequently pled guilty to Count I of the information, was convicted of mail fraud in violation of 18 U.S.C. §1341 on August 18, 1983, was sentenced to one year of incarceration, commencing on September 1, 1983, at Lewisberg Penitentiary and was ordered to make restitution in the amount of \$20,000.00;
6. Respondent has made full and satisfactory restitution in the amount of \$20,000.00 to the Court, and served time at Lewisberg Penitentiary until February 8, 1984, at which time he was transferred to a halfway house in Baltimore, Volunteers of America, to remain there until June 8, 1984, at which time he will be released without any conditions whatsoever. Respondent was not required to serve a full year at Lewisberg due to his exemplary behavior while incarcerated;
7. Prior to entering Lewisberg penitentiary, Respondent entered therapy. While imprisoned Respondent saw another therapist, and upon his release he has resumed therapy with his original therapist; and

8. Respondent submitted recommendations from the following individuals for the Board's consideration:

- a. A letter addressed "To Whom It May Concern," dated February 22, 1984, from Lawrence F. Solomon, M.D.;
- b. A letter addressed to "Board of Pharmacy," dated February 26, 1984, from H. Gerald Oster, M.D.;
- c. A letter addressed "To Whom It May Concern," dated February 20, 1984, from Cantor Elias Roochvarg of Beth Israel Mikro Kodesh Congregation;
- d. A letter addressed "To Whom It May Concern," dated February 22, 1984, from Irwin E. Meyers, P.D.;
- e. A letter addressed "To Whom It May Concern," dated February 20, 1984, from Morris Sacks;
- f. A letter addressed "To Whom It May Concern," from Morton I. Shear, P.D., dated February 20, 1984;
- g. A letter addressed "To Whom It May Concern," dated February 25, 1984, from Norman S. Miller; and
- h. A letter addressed "To Whom It May Concern," undated from Shirle M. Osler.

CONCLUSION OF LAW

Based on the foregoing Findings of Fact the Board

hereby concludes as a matter of law that Respondent violated §12-311(b)(21) of the Act

- (21) Is convicted of or pleads guilty ... to a felony ... whether or not any appeal or other proceeding is pending to have the conviction or plea set aside

ORDER

Based on the foregoing Findings of Fact and Conclusions of Law it is this 21st day of March 1984, by unanimous vote of those members of the Board considering this case:

ORDERED that Respondent's license to practice pharmacy is hereby **SUSPENDED** four(4) months and be it further

ORDERED that at the end of the four(4) months the

suspension is **IMMEDIATELY STAYED** and Respondent is placed on **PROBATION** subject to the following conditions:

1. Within thirty (30) days from the date of this Order, Respondent shall arrange to have his therapist write the Board evaluating Respondent's mental health, the progress Respondent has made in coping with his problems that lead to his conviction and his ability to return to the practice of pharmacy;
2. Respondent shall immediately give a copy of the Findings of Fact, Conclusions of Law and Order to his therapist;
3. Respondent shall continue in therapy and comply with any and all recommendations made by his therapist in the time suggested by his therapist;
4. Respondent shall arrange for his therapist to submit written quarterly reports indicating what progress Respondent is making in dealing with his problems that lead to his conviction. The first report shall be due a month after the initial evaluation report was due and shall continue until such time as the Respondent is terminated from probation by the Board or at such time when he is terminated from probation by his therapist;
5. Respondent shall continue in therapy until such a time as he is discharged from treatment by the therapist. Upon discharge from treatment, Respondent shall arrange for his therapist to submit a written discharge report to the Board;
6. In the event that Respondent discontinues therapy prior to discharge by his therapist, the therapist shall immediately notify the Board in writing;
7. In the event that Respondent's therapist reports to the Board that Respondent is incapable or practicing pharmacy safely or that Respondent's previous problems are interfering with Respondent's ability to practice pharmacy, Respondent shall voluntarily discontinue the practice of pharmacy until such time

resuming his practice of pharmacy;

8. Respondent shall immediately notify any and all of his pharmacy employers that he has been placed on probation by the Board and inform the employers of the conditions of his probation. Within thirty (30) days of being hired as a pharmacist Respondent shall submit written proof to the Board that he has notified his employer of the conditions of probation contained in this Order;

9. Respondent shall arrange for any and all of his pharmacy employers to submit to the Board written quarterly reports evaluating his job performance and describing the nature and duties of his position. The first report shall be due a month after Respondent assumes a position as a pharmacist and shall continue until all conditions are removed from Respondent's license;

10. In the event that Respondent changes jobs as a pharmacist, or decides not to practice pharmacy, Respondent shall immediately notify the Board, in writing, identifying his new employer by name, address, telephone number and describing his new position;

11. Respondent shall notify the Board, in writing, of his current address. In the event that Respondent moves he shall promptly notify the Board in writing of the change of address and any change in his telephone number;


12. Respondent shall arrange for the director of Volunteers of America to send a written report to the Board upon completion of his mandatory time spent in this halfway house indicating how Respondent has complied with all requirements of residing in the halfway house;

13. Respondent shall refrain from engaging in the conduct which led to his conviction and violation of the Maryland Pharmacy Act; and

14. Respondent shall practice in accordance with the Maryland Pharmacy Act and in a competent manner; and be it further

ORDERED, that if Respondent violates any of the foregoing conditions of probation or fails to practice in accordance with the laws governing the practice of pharmacy in Maryland or if the Board receives an unsatisfactory report from the Respondent's therapist, and/or the halfway house, the Board may, after notification and hearing, and a determination of violation, withdraw Respondent's probationary status and may impose such disciplinary action as provided by law; and be it further


ORDERED that after one year and four months from the date of this Order the Board shall entertain a petition for termination of Respondent's probationary status and full reinstatement of his license to practice pharmacy without any conditions or restrictions as to the scope of practice. If after consideration and with good cause the Board determines that the termination of probation and complete reinstatement would not be appropriate at the time the Board may modify one or more of the conditions upon which Respondent was placed on probation.


Paul Freiman, P.D.
Secretary, Maryland Board of Pharmacy

CONSENT

By this consent, knowingly and voluntarily executed by me, I hereby consent and submit to the foregoing Order and its

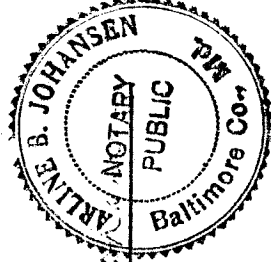
conditions. I do not admit the truth of the charges but acknowledge the validity of the Order as if made after a hearing at which I would have had the right to counsel, to confront witnesses, to give testimony and to call witnesses on my behalf and to all other substantive and procedural protections provided by law. I also recognize that I am waiving my rights to appeal any adverse ruling of the Maryland State Board of Pharmacy that might have followed such a hearing. By this Consent, I waive all such rights. I acknowledge that if I fail to abide by the conditions set forth in the Order, I may suffer disciplinary action against my license to practice pharmacy in the State of Maryland.

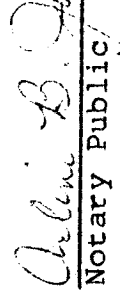

Lawrence M. Schultz, P.D.

STATE OF MARYLAND)
CITY OF BALTIMORE) ss:

I HEREBY CERTIFY that on this 21st day of March, 1984 before me, a Notary Public of the State and City aforesaid, personally appeared Lawrence M. Schultz, P.D. and he made oath in due form of law that the foregoing Consent was his voluntary act and deed.

AS WITNESS my hand and notarial seal.




Arlene B. Johansen
Notary Public

My Commission expires: 7/1/86

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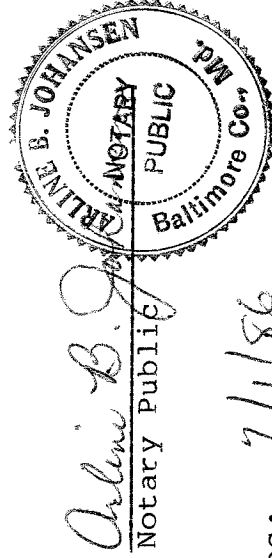
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AS WITNESS my hand and notarial seal.



My Commission expires: 7/1/86