

NEWS

United States Department of Justice
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Christopher J. Christie, U.S. Attorney

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Michael Drewniak, Public Information Officer FOR IMMEDIATE RELEASE
973-645-2888 Oct. 10, 2007

Monmouth County Doctor and Office Assistant Indicted
for Unlawfully Distributing Oxycodone and Other Painkillers to
Known Drug Abusers and Others

(More)

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NEWARK – A licensed New Jersey doctor has been charged in a federal Indictment with prescribing controlled substances, including the powerful painkillers oxycodone and morphine sulfate, without a legitimate medical purpose and outside the usual course of professional practice, U.S. Attorney Christopher J. Christie announced.

Dr. Philip B. Eatough, 60, a resident of Rumson with a medical practice office in Keansburg, was expected to turn himself in to Special Agents of the Drug Enforcement Administration tomorrow morning and appear in U.S. District Court in Newark later in the day.

Eatough's longtime office manager, Betty Over, 63, was arrested this morning at her home in Union Beach. Over made an initial appearance today before U.S. Magistrate Judge Patty Shwartz, who allowed Over's release on a \$50,000 unsecured bond.

The 11-count Indictment charging Eatough and Over was returned on Oct. 2 and unsealed with Over's arrest. It charges them both with one count of conspiracy to distribute controlled substances. Eatough is charged with eight counts of possession with intent to distribute controlled substances. Both are charged also with conspiracy to launder the proceeds of the unlawful drug transactions.

The Indictment also contains a forfeiture count, in which the government is seeking \$382,657. That represents the proceeds of the unlawful drug diversions – money the government alleges was laundered by the defendants.

“The allegations against this doctor are disgraceful and disturbing,” said Christie. “Eatough used his licence to practice medicine as a license to flagrantly violate the law.”

“Physicians should subscribe to the Hippocratic oath which requires them to do no harm,” said Gerard P. McAleer, Special Agent in Charge of the Drug Enforcement Administration in New Jersey. “Dr. Eatough violated that basic public trust and the safety of our community by indiscriminately writing prescriptions for monetary gain.”

According to the Indictment, Eatough practiced medicine from an office in Keansburg. The Indictment charges that from January 2001 through about December 2005, Eatough distributed numerous Schedule II controlled substances under the guise of running a pain management clinic.

According to the Indictment, Eatough prescribed excessive amounts of controlled substances knowing that patients would subsequently distribute them on the streets of Central New Jersey or would become addicted. Eatough wrote the prescriptions in return for “office visit fees,” according to the Indictment.

Eatough would allegedly prescribe painkillers at the first visit and at subsequent, often very frequent, return visits. He also allegedly prescribed the Schedule II narcotics with no, or only the most cursory, physical examination of a patient and without any prior medical records or verification of prior treatment.

According to the Indictment, many of the patients seeking treatment in the Keansburg office were drug-seeking individuals who were obviously drug abusers, had track marks from use of illegal substances or who self-reported to Eatough prior addiction to controlled substances.

Eatough ignored these “red flags” as well as other justifications or fabrications for writing prescriptions, such as frequent patient excuses of lost prescriptions.

Despite these obvious warnings, Eatough continued to provide excessive amounts of controlled substances, knowing that such a practice could result in overdoses, dependence, addiction and death to the patients.

Eatough is also charged with money laundering, for allegedly obtaining substantial income from the illegal drug distribution. Patients would pay cash or use insurance for “office visits” when in fact they were paying fees to receive illegal prescriptions written for no legitimate medical purpose. Over would often record the payments in a ledger as legitimate medical “office visits” thus concealing the true nature of the transactions.

Over was the administrative assistant in the doctor’s Keansburg office responsible for among other duties, scheduling appointments and handling patient payments and ledgers, according to the Indictment. She is alleged to have knowingly participated in the drug distribution scheme and money laundering.

All 10 counts in the Indictment related to the drug distribution and money laundering schemes carry the same maximum statutory penalty of 20 years in federal prison.

Despite indictment, the defendants are presumed innocent unless proven guilty beyond a reasonable doubt.

Christie credited Special Agents from the Drug Enforcement Administration, under the direction of Special Agent in Charge Gerard P. McAleer, with the continuing investigation.

The government is represented by Assistant U.S. Attorneys Robert Frazer and Nicole Kim of the U.S. Attorney’s Office in Newark.

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Defense Counsel:
Robert Weir, Esq. Red Bank, for Over
John McDonald, Esq., Somerville, for Eatough