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8  
9 **BEFORE THE**  
**BOARD OF PHARMACY**  
10 **DEPARTMENT OF CONSUMER AFFAIRS**  
**STATE OF CALIFORNIA**

11 In the Matter of the Statement of Issues  
12 Against:  
13 **GREAT LAKES MEDICAL PHARMACY,**  
**LLC**  
14 **JAMES LETKO, CEO**  
15 **Nonresident Pharmacy Permit Applicant**  
16 Respondent.

Case No. 6275

**FIRST AMENDED**  
**STATEMENT OF ISSUES**

17  
18 Complainant alleges:

19 **PARTIES**

20 1. Virginia Herold (Complainant) brings this First Amended Statement of Issues solely  
21 in her official capacity as the Executive Officer of the Board of Pharmacy, Department of  
22 Consumer Affairs (Board).

23 2. On or about March 1, 2017, the Board received an application for a Nonresident  
24 Pharmacy Permit from Great Lakes Medical Pharmacy, LLC, James Letko, CEO (Respondent).  
25 Within the application, Respondent disclosed that one of its parent corporations or limited  
26 liability owners is Letko Asset Management, LLC, for which Jon Letko is sole owner and CEO.  
27 On or about March 1, 2017, Respondent's sole owner, James Letko, certified under penalty of

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1 perjury to the truthfulness of all statements, answers, and representations in the application. The  
2 Board denied the application on August 25, 2017.

3 **JURISDICTION**

4 3. This Statement of Issues is brought before the Board under the authority of the  
5 following laws. All section references are to the Business and Professions Code unless otherwise  
6 indicated.

7 **STATUTORY PROVISIONS**

8 4. Section 480 of the Business and Professions Code (“Code”) provides, in pertinent  
9 part:

10 (a) A board may deny a license regulated by this code on the grounds  
11 that the applicant has one of the following:

12 . . .

13 (3)(A) Done any act that if done by a licentiate of the business or  
profession in question, would be grounds for suspension or revocation of license.

14 (B) The board may deny a license pursuant to this subdivision only if the  
15 crime or act is substantially related to the qualifications, functions, or duties of the  
business or profession for which application is made. . . .

16 5. Section 4081 of the Code states, in pertinent part:

17 (a) All records of manufacture and of sale, acquisition, receipt, shipment,  
18 or disposition of dangerous drugs or dangerous devices shall be at all times during  
business hours open to inspection by authorized officers of the law, and shall be  
19 preserved for at least three years from the date of making. A current inventory shall  
be kept by every manufacturer, wholesaler, third-party logistics provider, pharmacy,  
20 veterinary food-animal drug retailer, outsourcing facility, physician, dentist,  
podiatrist, veterinarian, laboratory, clinic, hospital, institution, or establishment  
21 holding a currently valid and unrevoked certificate, license, permit, registration, or  
exemption under Division 2 (commencing with Section 1200) of the Health and  
22 Safety Code or under Part 4 (commencing with Section 16000) of Division 9 of the  
Welfare and Institutions Code who maintains a stock of dangerous drugs or  
23 dangerous devices.

24 (b) The owner, officer, and partner of a pharmacy, wholesaler, third-  
party logistics provider, or veterinary food-animal drug retailer shall be jointly  
25 responsible, with the pharmacist-in-charge, responsible manager, or designated  
representative-in-charge, for maintaining the records and inventory described in this  
26 section. . . .

27 6. Section 4300 of the Code states, in pertinent part that the board may refuse a license  
28 to any applicant guilty of unprofessional conduct.

1 7. Section 4301 of the Code states, in pertinent part:

2 The board shall take action against any holder of a license who is guilty  
3 of unprofessional conduct or whose license has been issued by mistake.  
4 Unprofessional conduct shall include, but is not limited to, any of the following:

5 ...

6 (f) The commission of any act involving moral turpitude, dishonesty,  
7 fraud, deceit, or corruption, whether the act is committed in the course of relations as  
8 a licensee or otherwise, and whether the act is a felony or misdemeanor or not.

9 ...

10 (o) Violating or attempting to violate, directly or indirectly, or assisting  
11 in or abetting the violation of or conspiring to violate any provision or term of this  
12 chapter or of the applicable federal and state laws and regulations governing  
13 pharmacy, including regulations established by the board or by any other state or  
14 federal regulatory agency. . . .

15 8. Section 4332 of the Code states:

16 "Any person who fails, neglects, or refuses to maintain the records required by Section  
17 4081 or who, when called upon by an authorized officer or a member of the board, fails, neglects,  
18 or refuses to produce or provide the records within a reasonable time, or who willfully produces  
19 or furnishes records that are false, is guilty of a misdemeanor."

20 **HEALTH AND SAFETY CODE**

21 9. Health and Safety Code section 11164 states, in pertinent part:

22 Except as provided in Section 11167, no person shall prescribe a  
23 controlled substance, nor shall any person fill, compound, or dispense a prescription  
24 for a controlled substance, unless it complies with the requirements of this section.

25 (a) Each prescription for a controlled substance classified in Schedule II,  
26 III, IV, or V, except as authorized by subdivision (b), shall be made on a controlled  
27 substance prescription form as specified in Section 11162.1 and shall meet the  
28 following requirements:

(1) The prescription shall be signed and dated by the prescriber in ink  
and shall contain the prescriber's address and telephone number; the name of the  
ultimate user or research subject, or contact information as determined by the  
Secretary of the United States Department of Health and Human Services; refill  
information, such as the number of refills ordered and whether the prescription is a  
first-time request or a refill; and the name, quantity, strength, and directions for use of  
the controlled substance prescribed.

(2) The prescription shall also contain the address of the person for  
whom the controlled substance is prescribed. If the prescriber does not specify this  
address on the prescription, the pharmacist filling the prescription or an employee  
acting under the direction of the pharmacist shall write or type the address on the

1 prescription or maintain this information in a readily retrievable form in the  
2 pharmacy. . . .

### 3 REGULATORY PROVISIONS

4 10. Code of Federal Regulations, title 16, section 1701.1 states, in pertinent part:

5 (a) In order to assist manufacturers of prescription drugs in discharging  
6 their responsibilities under the act concerning such drugs that are distributed to  
7 pharmacies, the Consumer Product Safety Commission has codified this statement of  
8 its policy concerning which prescription drug packages supplied by manufacturers to  
9 pharmacies must comply with the "special" (child-resistant) packaging requirements  
10 contained in 16 CFR 1700.15.

11 . . .

12 (c) Manufacturers should also note that section 4(a) of the act (which  
13 allows a product to be marketed in noncomplying packaging of a single size under  
14 certain circumstances) does not apply to prescription drugs subject to section 4(b) of  
15 the act. Thus, since the section 4(a) single-size exemption for over-the-counter drugs  
16 and other household substances does not apply to prescription drugs, every unit of a  
17 prescription drug subject to a special packaging standard which is distributed to a  
18 pharmacy in a package intended by the manufacturer to be dispensed to a consumer  
19 shall be in special packaging. . . .

20 11. California Code of Regulations, title 16, section 1707.2 states:

21 (a) A pharmacist shall provide oral consultation to his or her patient or  
22 the patient's agent in all care settings:

23 (1) upon request; or

24 (2) whenever the pharmacist deems it warranted in the exercise of his or  
25 her professional judgment.

26 (b)

27 (1) In addition to the obligation to consult set forth in subsection (a), a  
28 pharmacist shall provide oral consultation to his or her patient or the patient's agent in  
any care setting in which the patient or agent is present:

(A) whenever the prescription drug has not previously been dispensed to  
a patient; or

(B) whenever a prescription drug not previously dispensed to a patient in  
the same dosage form, strength or with the same written directions, is dispensed by  
the pharmacy.

(2) When the patient or agent is not present (including but not limited to  
a prescription drug that was shipped by mail) a pharmacy shall ensure that the patient  
receives written notice:

(A) of his or her right to request consultation; and

(B) a telephone number from which the patient may obtain oral  
consultation from a pharmacist who has ready access to the patient's record.

1 (3) A pharmacist is not required by this subsection to provide oral  
2 consultation to an inpatient of a health care facility licensed pursuant to section 1250  
3 of the Health and Safety Code, or to an inmate of an adult correctional facility or a  
4 juvenile detention facility, except upon the patient's discharge. A pharmacist is not  
obligated to consult about discharge medications if a health facility licensed pursuant  
to subdivision (a) or (b) of Health and Safety Code Section 1250 has implemented a  
written policy about discharge medications which meets the requirements of Business  
and Professions Code Section 4074.

5 (c) When oral consultation is provided, it shall include at least the  
6 following:

7 (1) directions for use and storage and the importance of compliance with  
8 directions; and

9 (2) precautions and relevant warnings, including common severe side or  
adverse effects or interactions that may be encountered.

10 (d) Whenever a pharmacist deems it warranted in the exercise of his or  
her professional judgment, oral consultation shall also include:

11 (1) the name and description of the medication;

12 (2) the route of administration, dosage form, dosage, and duration of  
13 drug therapy;

14 (3) any special directions for use and storage;

15 (4) precautions for preparation and administration by the patient,  
including techniques for self-monitoring drug therapy;

16 (5) prescription refill information;

17 (6) therapeutic contraindications, avoidance of common severe side or  
18 adverse effects or known interactions, including serious potential interactions with  
19 known nonprescription medications and therapeutic contraindications and the action  
required if such side or adverse effects or interactions or therapeutic contraindications  
are present or occur;

20 (7) action to be taken in the event of a missed dose.

21 (e) Notwithstanding the requirements set forth in subsection (a) and (b), a  
22 pharmacist is not required to provide oral consultation when a patient or the patient's  
agent refuses such consultation.

23 12. California Code of Regulations, title 16, section 1718 states:

24 "Current Inventory" as used in Sections 4081 and 4332 of the Business  
25 and Professions Code shall be considered to include complete accountability for all  
dangerous drugs handled by every licensee enumerated in Sections 4081 and 4332.

26 The controlled substances inventories required by Title 21, CFR, Section  
27 1304 shall be available for inspection upon request for at least 3 years after the date of  
the inventory.

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1 13. California Code of Regulations, title 16, section 1761(a) states:

2 “(a) No pharmacist shall compound or dispense any prescription which contains any  
3 significant error, omission, irregularity, uncertainty, ambiguity or alteration. Upon receipt of any  
4 such prescription, the pharmacist shall contact the prescriber to obtain the information needed to  
5 validate the prescription. . . .”

6 14. California Code of Regulations, title 16, section 1770, states:

7 “For the purpose of denial, suspension, or revocation of a personal or facility license  
8 pursuant to Division 1.5 (commencing with Section 475) of the Business and Professions Code, a  
9 crime or act shall be considered substantially related to the qualifications, functions or duties of a  
10 licensee or registrant if to a substantial degree it evidences present or potential unfitness of a  
11 licensee or registrant to perform the functions authorized by his license or registration in a manner  
12 consistent with the public health, safety, or welfare.”

13 **DANGEROUS DRUGS AND CONTROLLED SUBSTANCES**

14 15. Lidocaine is a combination medication used to treat irritation, soreness, and itchiness  
15 from certain skin conditions (e.g., scrapes, minor burns, eczema, and insect bites). It is a  
16 dangerous drug under Code section 4022.

17 16. Diclofenac is a nonsteroidal anti-inflammatory drug. It is a dangerous drug under  
18 Code section 4022.

19 17. Omega-3 is a fish oil supplement that is issued by prescription. It is a dangerous drug  
20 under Code section 4022.

21 18. Oxycodone is an opioid pain medication. It is a Schedule II controlled substance  
22 under Code of Federal Regulations, title 21, section 1308.12(b)(1)(xiii), and California Health  
23 and Safety Code section 11055(b)(1)(M).

24 19. Norco is a brand name for the combination prescription drug  
25 acetaminophen/hydrocodone. It is used to treat moderate to severe pain. It is a Schedule II  
26 controlled substance under Code of Federal Regulations, title 21, section 1308.12(b)(vi), and  
27 California Health and Safety Code section 11055(b)(2).

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1 20. Ambien (zolpidem) is a sedative, also called a hypnotic. It is a Schedule IV  
2 controlled substance under Code of Federal Regulations, title 21, section 1308.14(c)(54), and  
3 California Health and Safety Code section 11057(d)(32).

4 21. Alprazolam is a benzodiazepine. It is used to treat anxiety disorders, panic disorders,  
5 and anxiety caused by depression. It is a Schedule IV controlled substance under Code of Federal  
6 Regulations, title 21, section 1308.14(c)(2), and California Health and Safety Code section  
7 11057(d)(1).

8 **FACTUAL BACKGROUND**

9 22. Jon Paul Letko is CEO/President of the following businesses:

- 10 a. Global Healthcare Management, LLC, located in Milford, NJ  
11 b. Keystone Choice Pharmacy, LLC, located in Easton, PA  
12 c. Loyalton Pharmacy, located in Loyalton, CA  
13 d. Letko Asset Management, LLC

14 23. On or about September 16, 2016, the Board issued Original Permit No. PHY 54562 to  
15 Complete Pharmacy Services LLC, Sierra Nevada Pharmacy Holdings LLC, Melchor Wealth  
16 Management, Inc., Letko Asset Management LLC, and Loyalton Holding LLC to do business as  
17 Loyalton Pharmacy, with Jon Letko as president.

18 24. Within Respondent's license application, Letko Asset Management, LLC is disclosed  
19 as a parent corporation or limited liability company owner. Accordingly, Jon Paul Letko, as CEO  
20 of Letko Asset Management, LLC, has an ownership interest in Respondent's business.

21 25. On or about June 1, 2017, the Board received an online complaint from S.E., a  
22 physician assistant with LifeLong Medical Care (LifeLong), a non-profit organization with health  
23 centers that provide primary health and dental care, pediatric, adult, and geriatric care, and  
24 chronic disease and HIV/AIDS treatment, located in Berkeley, California. According to the  
25 complaint, since late 2016, LifeLong staff received faxes and calls from various clinics and call  
26 centers requesting approval for fraudulent prescriptions, usually Lidocaine ointment. In every  
27 instance, the patient was a LifeLong patient and the prescribers had not prescribed Lidocaine

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1 ointment. The faxes were from Loyalton Pharmacy, USA Health Initiatives, Curexa, and Woods  
2 Pharmacy.

3 26. On or about June 26, 2017, Board Inspector P.P. spoke with physician assistant S.E.  
4 S.E. stated that the callers said they were from Loyalton Pharmacy and requested prescriptions for  
5 Lidocaine ointment, sometimes patches. A couple of the callers said they were from Global  
6 Healthcare. LifeLong rarely prescribes Lidocaine.

7 27. On or about July 6, 2017, Board Inspector P.P. conducted an inspection of Loyalton  
8 Pharmacy.

9 28. Loyalton Pharmacy's Pharmacist-in-Charge E.P. said that Global Healthcare  
10 advertised diabetic supplies on television and the internet. When asked how Loyalton Pharmacy  
11 received the prescriptions, E.P. first said Global Healthcare called the patients to approve  
12 Lidocaine prescriptions, then changed her answer to Loyalton Pharmacy calling the patients to  
13 approve Lidocaine prescriptions. E.P. said she did not know whether the patients had Lidocaine  
14 products prior to the calls, however she had no record of previous prescriptions having been  
15 issued at Loyalton Pharmacy.

16 29. Board Inspector P.P. investigated whether Loyalton Pharmacy maintained allergy  
17 information and physical addresses for its patients. From a patient list P.P. was using throughout  
18 her inspection, she discovered seven patients with no allergy information on file, and eight  
19 patients with no physical address on file. For this group of patients, P.P. discovered that Loyalton  
20 Pharmacy had dispensed the following controlled substances: Oxycodone 10mg, Norco  
21 10/325mg, Norco 5/325mg, Ambien 10mg, Oxycodone ER 10mg, and Alprazolam 1mg. P.P.  
22 asked Pharmacist-in-Charge E.P. how she would know if these patients lived in the area, and E.P.  
23 stated she would not know, she just assumed the patients lived in or around Loyalton. When P.P.  
24 showed E.P. one of the prescriptions Norco 10 for a patient whose doctor was in Grass Valley,  
25 hours away from Loyalton Pharmacy, E.P. admitted she had not verified the prescription with the  
26 doctor.

27 30. During the inspection, Pharmacist-in-Charge E.P. provided Board Inspector P.P. with  
28 a list which described the process for dispensing prescription-only medication by Loyalton



1 Pharmacy. According to this process, Keystone Choice Pharmacy, rather than Loyalton  
 2 Pharmacy, would engage in prospective drug review, interventions, and patient counseling, and  
 3 then create labels for prescriptions which would be overnight-mailed to Loyalton Pharmacy.

4 31. Board Inspector P.P. conducted an audit of some of Loyalton Pharmacy's dangerous  
 5 drugs which revealed the following:

<b>Dangerous Drug</b>	<b>Beginning Inventory</b>	<b>Total Acquisitions</b>	<b>Ending Inventory</b>	<b>Total Disposition</b>	<b>Variance</b>
Omega 3 1gm	19	96,169	0	75,870	20,299
Lidocaine 5% Ointment	0	1,894,550	88,270	1,817,029	77,521
Lido/ prolocaine 2.5%	0	327,600	510	301,650	25,950
Diclofenac 1.5 ml	0	64,800	11,250	61,800	3,000

18 32. After auditing Loyalton Pharmacy's inventory, Board Inspector P.P. spoke with  
 19 Pharmacist-in-Charge E.P. regarding invoices for the dangerous drugs that P.P. audited. E.P. said  
 20 she did not have invoices because they were sent "back east" so they would pay the invoices.  
 21 E.P. acknowledged to P.P. that the invoices were to be kept in the pharmacy and stored for seven  
 22 years.

23 33. Loyalton Pharmacy was unable to account for any of the variances (losses) identified  
 24 by Board Inspector P.P.'s audit for Omega 3, Lidocaine 5% ointment, Lido/prolocaine 2.5%, and  
 25 diclofenac.

26 34. On or about August 18, 2017, Pharmacist-in-Charge E.P. provided Board Inspector  
 27 P.P. with audio records of Patient H.G. regarding how this patient obtained Lidocaine from  
 28 Loyalton Pharmacy. In the first recording, H.G. called into a website to order a knee and back

1 brace. In the second recording, H.G. spoke with a representative from Global Healthcare, where  
2 H.G. again indicated an interest in knee and back braces. The Global Healthcare representative  
3 solicited H.G. to obtain Lidocaine and diclofenac topicals for pain. H.G. told the Global  
4 Healthcare representative that she was taking Ibuprofen. The Global Healthcare representative  
5 told H.G. there was no problem using Lidocaine and diclofenac with the medications H.G. was  
6 on. The Global Healthcare representative told H.G. that Loyalton Pharmacy would be giving  
7 H.G. the prescriptions and gave H.G. Loyalton Pharmacy's customer service number.

8 35. Diclofenac external and Ibuprofen oral are in the steroidal anti-inflammatory agents  
9 class and may represent a therapeutic duplication. They have potentially severe life-threatening  
10 reaction/interaction which may cause deterioration in the patient's clinical status. Administration  
11 of diclofenac sodium external should be used with extreme caution in geriatric patients.

12 36. After receiving the audio recordings, Board Inspector P.P. spoke with Pharmacist-in-  
13 Charge E.P. E.P. admitted that she never called and consulted with Patient H.G. on the use of  
14 Lidocaine or diclofenac. E.P. admitted that no one from Loyalton Pharmacy called H.G. to obtain  
15 a medication history. E.P. admitted that she did not check H.G.'s medication history for drug  
16 interactions or use in the elderly.

17 37. At the conclusion of her investigation, Board Inspector P.P. determined that Global  
18 Healthcare used a call-in request for knee and back braces to obtain the callers' medical  
19 information and to solicit prescriptions from the callers' prescribers. Loyalton Pharmacy then  
20 used the information Global Healthcare obtained to solicit prescriptions from the callers'  
21 prescribers when the callers had not been issued the prescriptions previously.

22 **Patient H.G.**

23 38. On or about February 21, 2017, Board Inspector P.P. received a complaint from  
24 Patient H.G. H.G. alleged that she had received Lidocaine from Loyalton Pharmacy without any  
25 notification from her doctor that such a prescription was issued. The prescription was issued on  
26 or about December 7, 2016.

27 39. During Board Inspector P.P.'s July 6, 2017 inspection of Loyalton Pharmacy, she  
28 conducted an investigation regarding Loyalton Pharmacy's issuance of Lidocaine to Patient H.G.

1           40. Pharmacist-in-Charge E.P. stated that she could not find the prescription for  
2 Lidocaine for Patient H.G. Loyalton Pharmacy never provided this prescription to Board  
3 Inspector P.P., after being requested to do so.

4           **Patient P.G.**

5           41. On or about February 23, 2017, the Board received a complaint regarding Patient  
6 P.G.'s receipt of prescription medications from Loyalton Pharmacy which P.G. contended were  
7 not authorized by his doctor. P.G. lived in Claremont, CA, approximately 500 miles away from  
8 Loyalton Pharmacy.

9           42. During Board Inspector P.P.'s July 6, 2017 inspection of Loyalton Pharmacy, she  
10 conducted an investigation regarding Loyalton Pharmacy's issuance of prescription medication to  
11 Patient P.G.

12           43. While reviewing Patient P.G.'s profile with Pharmacist G.S., it was determined that  
13 on or about January 16, 2017, Loyalton Pharmacy issued Patient P.G. Lidocaine 5% ointment.  
14 Pharmacist G.S. was unable to retrieve any prescription for P.G.

15           44. On or about August 18, 2017, Board Inspector P.P. spoke with Pharmacist-in-Charge  
16 E.P. regarding the Lidocaine prescription that was issued to Patient P.G. Pharmacist-in-Charge  
17 E.P. admitted that she did not consult with P.G. on the use of Lidocaine or diclofenac, that no one  
18 from Loyalton Pharmacy called P.G. to obtain a medication history, and that E.P. did not check  
19 P.G.'s medication history for drug interactions or use in the elderly.

20           **Audio Calls**

21           46. On or about May 24, 2018, Board Inspector P.P. received approximately 120  
22 recorded calls from Pharmacist G.S. The calls occurred on or about and between May 22, 2017,  
23 and August 15, 2017. The recorded calls were of verbal authorizations for prescriptions for  
24 Omega-3, Lidocaine ointment, Lidocaine/prilocaine cream, and diclofenac solution.

25           47. The audio files of the recorded calls were sent via electronic mail from Global  
26 Healthcare to Pharmacist-in-Charge E.P., Pharmacist G.S., and Pharmacist M.B. A pharmacist  
27 from Loyalton Pharmacy would listen to the audio file and reduce it to a hard copy prescription.

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1 48. On or about May 24, 2018, Board Inspector P.P. received a dispensing report for  
2 prescriptions dispensed from August 1, 2017, through September 21, 2017. The dispensing report  
3 included prescriptions obtained by Global Healthcare that were dispensed by Loyalton Pharmacy  
4 and Pharmacist-in-Charge E.P.

5 **FIRST CAUSE FOR DENIAL OF APPLICATION**

6 **(Unprofessional Conduct)**

7 45. Respondent's application is subject to denial under section 480, subdivision (a)(3) of  
8 the Code as follows:

9 46. Loyalton Pharmacy, for which Respondent's parent corporation or limited liability  
10 owner's CEO, Jon Letko, is also president and CEO, violated Code section 4301 in that between  
11 September 16, 2016 and July 6, 2017, Loyalton Pharmacy committed acts of unprofessional  
12 conduct as follows:

13 a. Could not account for the losses of Omega-3, Lidocaine 5% ointment, diclofenac  
14 1.5% solution, and Lidocaine/prilocaine 2.5% cream.

15 b. Pharmacist-in-Charge E.P. had no relationship with most of the patients who received  
16 Omega-3, Lidocaine 5% ointment, Lidocaine/prilocaine 2.5% cream, and diclofenac 1.5%  
17 solution. E.P. did not know how the prescriptions were obtained nor was she aware that Loyalton  
18 Pharmacy obtained the prescriptions by solicitation of prescribers when patients were not on the  
19 prescriptions previously.

20 c. Failed to keep, store, and provide invoices to show purchases of Omega-3, Lidocaine  
21 5% ointment, Lidocaine/prilocaine 2.5% cream, and diclofenac 1.5% solution.

22 d. Failed to obtain addresses of patients who received Schedule II through IV controlled  
23 substances, thereby increasing the risk of drug diversion.

24 e. The facts and circumstances are described with more particularity in paragraphs 28-  
25 29 and 31-37, above.

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1 **THIRD CAUSE FOR DENIAL OF APPLICATION**

2 **(Failure to Maintain Records and Inventory)**

3 49. Respondent's application is subject to denial under section 480, subdivision (a)(3) of  
4 the Code as follows.

5 50. Loyaltan Pharmacy, for which Respondent's parent corporation or limited liability  
6 owner's CEO, Jon Letko, is also president and CEO, violated Code section 4081, subdivisions (a)  
7 and (b) as follows:

8 a. Failed to maintain invoices for dangerous drugs, in violation of California Code of  
9 Regulations, title 16, section 1718.

10 b. Failed to have complete accountability for all dangerous drugs, in violation of Code  
11 section 4332 and California Code of Regulations, title 16, section 1718.

12 c. The facts and circumstances are described with more particularity in paragraphs 31-  
13 33, above.

14 **FOURTH CAUSE FOR DENIAL OF APPLICATION**

15 **(Unprofessional Conduct)**

16 51. Respondent's application is subject to denial under section 4300 of the Code in that  
17 Respondent's parent corporation or limited liability owner's CEO, Jon Letko, committed  
18 unprofessional conduct. The facts and circumstances are described with more particularity in  
19 paragraphs 22-48, above.

20 **PRAYER**

21 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,  
22 and that following the hearing, the Board of Pharmacy issue a decision:

23 1. Denying the application of Great Lakes Medical Pharmacy, LLC for a Nonresident  
24 Pharmacy Permit; and,

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2. Taking such other and further action as deemed necessary and proper.

DATED: 11/29/18



VIRGINIA HEROLD  
Executive Officer  
Board of Pharmacy  
Department of Consumer Affairs  
State of California  
*Complainant*

SA2017109422

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15 **Nonresident Pharmacy Permit Applicant**

16 Respondent.

17  
18 Complainant alleges:

19 **PARTIES**

20 1. Virginia Herold (Complainant) brings this Statement of Issues solely in her official  
21 capacity as the Executive Officer of the Board of Pharmacy, Department of Consumer Affairs  
22 (Board).

23 2. On or about March 1, 2017, the Board received an application for a Nonresident  
24 Pharmacy Permit from Great Lakes Medical Pharmacy, LLC, James Letko, CEO (Respondent).  
25 Within the application, Respondent disclosed that one of its parent corporations or limited  
26 liability owners is Letko Asset Management, LLC, for which Jon Letko is sole owner and CEO.  
27 On or about March 1, 2017, Respondent's sole owner, James Letko, certified under penalty of  
28

1 perjury to the truthfulness of all statements, answers, and representations in the application. The  
2 Board denied the application on August 25, 2017.

3 **JURISDICTION**

4 3. This Statement of Issues is brought before the Board under the authority of the  
5 following laws. All section references are to the Business and Professions Code unless otherwise  
6 indicated.

7 **STATUTORY PROVISIONS**

8 4. Section 480 of the Business and Professions Code (“Code”) provides, in pertinent  
9 part:

10 (a) A board may deny a license regulated by this code on the grounds  
11 that the applicant has one of the following:

12 . . .

13 (3)(A) Done any act that if done by a licentiate of the business or  
profession in question, would be grounds for suspension or revocation of license.

14 (B) The board may deny a license pursuant to this subdivision only if the  
15 crime or act is substantially related to the qualifications, functions, or duties of the  
business or profession for which application is made. . . .

16 5. Section 4081 of the Code states, in pertinent part:

17 (a) All records of manufacture and of sale, acquisition, receipt, shipment,  
18 or disposition of dangerous drugs or dangerous devices shall be at all times during  
business hours open to inspection by authorized officers of the law, and shall be  
19 preserved for at least three years from the date of making. A current inventory shall  
be kept by every manufacturer, wholesaler, third-party logistics provider, pharmacy,  
20 veterinary food-animal drug retailer, outsourcing facility, physician, dentist,  
podiatrist, veterinarian, laboratory, clinic, hospital, institution, or establishment  
21 holding a currently valid and unrevoked certificate, license, permit, registration, or  
exemption under Division 2 (commencing with Section 1200) of the Health and  
22 Safety Code or under Part 4 (commencing with Section 16000) of Division 9 of the  
Welfare and Institutions Code who maintains a stock of dangerous drugs or  
23 dangerous devices.

24 (b) The owner, officer, and partner of a pharmacy, wholesaler, third-  
party logistics provider, or veterinary food-animal drug retailer shall be jointly  
25 responsible, with the pharmacist-in-charge, responsible manager, or designated  
representative-in-charge, for maintaining the records and inventory described in this  
26 section. . . .

27 6. Section 4300 of the Code states, in pertinent part that the board may refuse a license  
28 to any applicant guilty of unprofessional conduct.

1 7. Section 4301 of the Code states, in pertinent part:

2 The board shall take action against any holder of a license who is guilty  
3 of unprofessional conduct or whose license has been issued by mistake.  
4 Unprofessional conduct shall include, but is not limited to, any of the following:

5 ...

6 (f) The commission of any act involving moral turpitude, dishonesty,  
7 fraud, deceit, or corruption, whether the act is committed in the course of relations as  
8 a licensee or otherwise, and whether the act is a felony or misdemeanor or not.

9 ...

10 (o) Violating or attempting to violate, directly or indirectly, or assisting  
11 in or abetting the violation of or conspiring to violate any provision or term of this  
12 chapter or of the applicable federal and state laws and regulations governing  
13 pharmacy, including regulations established by the board or by any other state or  
14 federal regulatory agency. . . .

15 8. Section 4332 of the Code states:

16 "Any person who fails, neglects, or refuses to maintain the records required by Section  
17 4081 or who, when called upon by an authorized officer or a member of the board, fails, neglects,  
18 or refuses to produce or provide the records within a reasonable time, or who willfully produces  
19 or furnishes records that are false, is guilty of a misdemeanor."

20 **HEALTH AND SAFETY CODE**

21 9. Health and Safety Code section 11164 states, in pertinent part:

22 Except as provided in Section 11167, no person shall prescribe a  
23 controlled substance, nor shall any person fill, compound, or dispense a prescription  
24 for a controlled substance, unless it complies with the requirements of this section.

25 (a) Each prescription for a controlled substance classified in Schedule II,  
26 III, IV, or V, except as authorized by subdivision (b), shall be made on a controlled  
27 substance prescription form as specified in Section 11162.1 and shall meet the  
28 following requirements:

(1) The prescription shall be signed and dated by the prescriber in ink  
and shall contain the prescriber's address and telephone number; the name of the  
ultimate user or research subject, or contact information as determined by the  
Secretary of the United States Department of Health and Human Services; refill  
information, such as the number of refills ordered and whether the prescription is a  
first-time request or a refill; and the name, quantity, strength, and directions for use of  
the controlled substance prescribed.

(2) The prescription shall also contain the address of the person for  
whom the controlled substance is prescribed. If the prescriber does not specify this  
address on the prescription, the pharmacist filling the prescription or an employee  
acting under the direction of the pharmacist shall write or type the address on the



1 prescription or maintain this information in a readily retrievable form in the  
2 pharmacy. . . .

### 3 REGULATORY PROVISIONS

4 10. Code of Federal Regulations, title 16, section 1701.1 states, in pertinent part:

5 (a) In order to assist manufacturers of prescription drugs in discharging  
6 their responsibilities under the act concerning such drugs that are distributed to  
7 pharmacies, the Consumer Product Safety Commission has codified this statement of  
8 its policy concerning which prescription drug packages supplied by manufacturers to  
9 pharmacies must comply with the "special" (child-resistant) packaging requirements  
10 contained in 16 CFR 1700.15.

11 . . .

12 (c) Manufacturers should also note that section 4(a) of the act (which  
13 allows a product to be marketed in noncomplying packaging of a single size under  
14 certain circumstances) does not apply to prescription drugs subject to section 4(b) of  
15 the act. Thus, since the section 4(a) single-size exemption for over-the-counter drugs  
16 and other household substances does not apply to prescription drugs, every unit of a  
17 prescription drug subject to a special packaging standard which is distributed to a  
18 pharmacy in a package intended by the manufacturer to be dispensed to a consumer  
19 shall be in special packaging. . . .

20 11. California Code of Regulations, title 16, section 1707.2 states:

21 (a) A pharmacist shall provide oral consultation to his or her patient or  
22 the patient's agent in all care settings:

23 (1) upon request; or

24 (2) whenever the pharmacist deems it warranted in the exercise of his or  
25 her professional judgment.

26 (b)

27 (1) In addition to the obligation to consult set forth in subsection (a), a  
28 pharmacist shall provide oral consultation to his or her patient or the patient's agent in  
any care setting in which the patient or agent is present:

(A) whenever the prescription drug has not previously been dispensed to  
a patient; or

(B) whenever a prescription drug not previously dispensed to a patient in  
the same dosage form, strength or with the same written directions, is dispensed by  
the pharmacy.

(2) When the patient or agent is not present (including but not limited to  
a prescription drug that was shipped by mail) a pharmacy shall ensure that the patient  
receives written notice:

(A) of his or her right to request consultation; and

(B) a telephone number from which the patient may obtain oral  
consultation from a pharmacist who has ready access to the patient's record.

1 (3) A pharmacist is not required by this subsection to provide oral  
2 consultation to an inpatient of a health care facility licensed pursuant to section 1250  
3 of the Health and Safety Code, or to an inmate of an adult correctional facility or a  
4 juvenile detention facility, except upon the patient's discharge. A pharmacist is not  
obligated to consult about discharge medications if a health facility licensed pursuant  
to subdivision (a) or (b) of Health and Safety Code Section 1250 has implemented a  
written policy about discharge medications which meets the requirements of Business  
and Professions Code Section 4074.

5 (c) When oral consultation is provided, it shall include at least the  
6 following:

7 (1) directions for use and storage and the importance of compliance with  
8 directions; and

9 (2) precautions and relevant warnings, including common severe side or  
adverse effects or interactions that may be encountered.

10 (d) Whenever a pharmacist deems it warranted in the exercise of his or  
her professional judgment, oral consultation shall also include:

11 (1) the name and description of the medication;

12 (2) the route of administration, dosage form, dosage, and duration of  
13 drug therapy;

14 (3) any special directions for use and storage;

15 (4) precautions for preparation and administration by the patient,  
including techniques for self-monitoring drug therapy;

16 (5) prescription refill information;

17 (6) therapeutic contraindications, avoidance of common severe side or  
18 adverse effects or known interactions, including serious potential interactions with  
known nonprescription medications and therapeutic contraindications and the action  
19 required if such side or adverse effects or interactions or therapeutic contraindications  
are present or occur;

20 (7) action to be taken in the event of a missed dose.

21 (e) Notwithstanding the requirements set forth in subsection (a) and (b), a  
22 pharmacist is not required to provide oral consultation when a patient or the patient's  
agent refuses such consultation.

23 12. California Code of Regulations, title 16, section 1718 states:

24 "Current Inventory" as used in Sections 4081 and 4332 of the Business  
25 and Professions Code shall be considered to include complete accountability for all  
dangerous drugs handled by every licensee enumerated in Sections 4081 and 4332.

26 The controlled substances inventories required by Title 21, CFR, Section  
27 1304 shall be available for inspection upon request for at least 3 years after the date of  
the inventory.

28 ///

1 13. California Code of Regulations, title 16, section 1761(a) states:

2 “(a) No pharmacist shall compound or dispense any prescription which contains any  
3 significant error, omission, irregularity, uncertainty, ambiguity or alteration. Upon receipt of any  
4 such prescription, the pharmacist shall contact the prescriber to obtain the information needed to  
5 validate the prescription. . . .”

6 14. California Code of Regulations, title 16, section 1770, states:

7 “For the purpose of denial, suspension, or revocation of a personal or facility license  
8 pursuant to Division 1.5 (commencing with Section 475) of the Business and Professions Code, a  
9 crime or act shall be considered substantially related to the qualifications, functions or duties of a  
10 licensee or registrant if to a substantial degree it evidences present or potential unfitness of a  
11 licensee or registrant to perform the functions authorized by his license or registration in a manner  
12 consistent with the public health, safety, or welfare.”

13 **DANGEROUS DRUGS AND CONTROLLED SUBSTANCES**

14 15. Lidocaine is a combination medication used to treat irritation, soreness, and itchiness  
15 from certain skin conditions (e.g., scrapes, minor burns, eczema, and insect bites). It is a  
16 dangerous drug under Code section 4022.

17 16. Diclofenac is a nonsteroidal anti-inflammatory drug. It is a dangerous drug under  
18 Code section 4022.

19 17. Omega-3 is a fish oil supplement that is issued by prescription. It is a dangerous drug  
20 under Code section 4022.

21 18. Oxycodone is an opioid pain medication. It is a Schedule II controlled substance  
22 under Code of Federal Regulations, title 21, section 1308.12(b)(1)(xiii), and California Health  
23 and Safety Code section 11055(b)(1)(M).

24 19. Norco is a brand name for the combination prescription drug  
25 acetaminophen/hydrocodone. It is used to treat moderate to severe pain. It is a Schedule II  
26 controlled substance under Code of Federal Regulations, title 21, section 1308.12(b)(vi), and  
27 California Health and Safety Code section 11055(b)(2).

28 ///



1 ointment. The faxes were from Loyalton Pharmacy, USA Health Initiatives, Curexa, and Woods  
2 Pharmacy.

3 26. On or about June 26, 2017, Board Inspector P.P. spoke with physician assistant S.E.  
4 S.E. stated that the callers said they were from Loyalton Pharmacy and requested prescriptions for  
5 Lidocaine ointment, sometimes patches. A couple of the callers said they were from Global  
6 Healthcare. LifeLong rarely prescribes Lidocaine.

7 27. On or about July 6, 2017, Board Inspector P.P. conducted an inspection of Loyalton  
8 Pharmacy.

9 28. Loyalton Pharmacy's Pharmacist-in-Charge E.P. said that Global Healthcare  
10 advertised diabetic supplies on television and the internet. When asked how Loyalton Pharmacy  
11 received the prescriptions, E.P. first said Global Healthcare called the patients to approve  
12 Lidocaine prescriptions, then changed her answer to Loyalton Pharmacy calling the patients to  
13 approve Lidocaine prescriptions. E.P. said she did not know whether the patients had Lidocaine  
14 products prior to the calls, however she had no record of previous prescriptions having been  
15 issued at Loyalton Pharmacy.

16 29. Board Inspector P.P. investigated whether Loyalton Pharmacy maintained allergy  
17 information and physical addresses for its patients. From a patient list P.P. was using throughout  
18 her inspection, she discovered seven patients with no allergy information on file, and eight  
19 patients with no physical address on file. For this group of patients, P.P. discovered that Loyalton  
20 Pharmacy had dispensed the following controlled substances: Oxycodone 10mg, Norco  
21 10/325mg, Norco 5/325mg, Ambien 10mg, Oxycodone ER 10mg, and Alprazolam 1mg. P.P.  
22 asked Pharmacist-in-Charge E.P. how she would know if these patients lived in the area, and E.P.  
23 stated she would not know, she just assumed the patients lived in or around Loyalton. When P.P.  
24 showed E.P. one of the prescriptions Norco 10 for a patient whose doctor was in Grass Valley,  
25 hours away from Loyalton Pharmacy, E.P. admitted she had not verified the prescription with the  
26 doctor.

27 30. During the inspection, Pharmacist-in-Charge E.P. provided Board Inspector P.P. with  
28 a list which described the process for dispensing prescription-only medication by Loyalton



1 Pharmacy. According to this process, Keystone Choice Pharmacy, rather than Loyalton  
 2 Pharmacy, would engage in prospective drug review, interventions, and patient counseling, and  
 3 then create labels for prescriptions which would be overnight-mailed to Loyalton Pharmacy.

4 31. Board Inspector P.P. conducted an audit of some of Loyalton Pharmacy's dangerous  
 5 drugs which revealed the following:

6 <b>Dangerous</b>	7 <b>Beginning</b>	8 <b>Total</b>	9 <b>Ending</b>	10 <b>Total</b>	11 <b>Variance</b>
12 <b>Drug</b>	13 <b>Inventory</b>	14 <b>Acquisitions</b>	15 <b>Inventory</b>	16 <b>Disposition</b>	
17 Omega 3 18 1gm	19 19	20 96,169	21 0	22 75,870	23 20,299
24 Lidocaine 25 5% 26 Ointment	27 0	28 1,894,550	88,270	1,817,029	77,521
Lido/ prolocaine 2.5%	0	327,600	510	301,650	25,950
Diclofenac 1.5 ml	0	64,800	11,250	61,800	3,000

32. After auditing Loyalton Pharmacy's inventory, Board Inspector P.P. spoke with  
 Pharmacist-in-Charge E.P. regarding invoices for the dangerous drugs that P.P. audited. E.P. said  
 she did not have invoices because they were sent "back east" so they would pay the invoices.  
 E.P. acknowledged to P.P. that the invoices were to be kept in the pharmacy and stored for seven  
 years.

33. Loyalton Pharmacy was unable to account for any of the variances (losses) identified  
 by Board Inspector P.P.'s audit for Omega 3, Lidocaine 5% ointment, Lido/prolocaine 2.5%, and  
 diclofenac.

34. On or about August 18, 2017, Pharmacist-in-Charge E.P. provided Board Inspector  
 P.P. with audio records of Patient H.G. regarding how this patient obtained Lidocaine from  
 Loyalton Pharmacy. In the first recording, H.G. called into a website to order a knee and back

1 brace. In the second recording, H.G. spoke with a representative from Global Healthcare, where  
2 H.G. again indicated an interest in knee and back braces. The Global Healthcare representative  
3 solicited H.G. to obtain Lidocaine and diclofenac topicals for pain. H.G. told the Global  
4 Healthcare representative that she was taking Ibuprofen. The Global Healthcare representative  
5 told H.G. there was no problem using Lidocaine and diclofenac with the medications H.G. was  
6 on. The Global Healthcare representative told H.G. that Loylton Pharmacy would be giving  
7 H.G. the prescriptions and gave H.G. Loylton Pharmacy's customer service number.

8 35. Diclofenac external and Ibuprofen oral are in the steroidal anti-inflammatory agents  
9 class and may represent a therapeutic duplication. They have potentially severe life-threatening  
10 reaction/interaction which may cause deterioration in the patient's clinical status. Administration  
11 of diclofenac sodium external should be used with extreme caution in geriatric patients.

12 36. After receiving the audio recordings, Board Inspector P.P. spoke with Pharmacist-in-  
13 Charge E.P. E.P. admitted that she never called and consulted with Patient H.G. on the use of  
14 Lidocaine or diclofenac. E.P. admitted that no one from Loylton Pharmacy called H.G. to obtain  
15 a medication history. E.P. admitted that she did not check H.G.'s medication history for drug  
16 interactions or use in the elderly.

17 37. At the conclusion of her investigation, Board Inspector P.P. determined that Global  
18 Healthcare used a call-in request for knee and back braces to obtain the callers' medical  
19 information and to solicit prescriptions from the callers' prescribers. Loylton Pharmacy then  
20 used the information Global Healthcare obtained to solicit prescriptions from the callers'  
21 prescribers when the callers had not been issued the prescriptions previously.

22 **Patient H.G.**

23 38. On or about February 21, 2017, Board Inspector P.P. received a complaint from  
24 Patient H.G. H.G. alleged that she had received Lidocaine from Loylton Pharmacy without any  
25 notification from her doctor that such a prescription was issued. The prescription was issued on  
26 or about December 7, 2016.

27 39. During Board Inspector P.P.'s July 6, 2017 inspection of Loylton Pharmacy, she  
28 conducted an investigation regarding Loylton Pharmacy's issuance of Lidocaine to Patient H.G.

1 40. Pharmacist-in-Charge E.P. stated that she could not find the prescription for  
2 Lidocaine for Patient H.G. Loyalton Pharmacy never provided this prescription to Board  
3 Inspector P.P., after being requested to do so.

4 **Patient P.G.**

5 41. On or about February 23, 2017, the Board received a complaint regarding Patient  
6 P.G.'s receipt of prescription medications from Loyalton Pharmacy which P.G. contended were  
7 not authorized by his doctor. P.G. lived in Claremont, CA, approximately 500 miles away from  
8 Loyalton Pharmacy.

9 42. During Board Inspector P.P.'s July 6, 2017 inspection of Loyalton Pharmacy, she  
10 conducted an investigation regarding Loyalton Pharmacy's issuance of prescription medication to  
11 Patient P.G.

12 43. While reviewing Patient P.G.'s profile with Pharmacist G.S., it was determined that  
13 on or about January 16, 2017, Loyalton Pharmacy issued Patient P.G. Lidocaine 5% ointment.  
14 Pharmacist G.S. was unable to retrieve any prescription for P.G.

15 44. On or about August 18, 2017, Board Inspector P.P. spoke with Pharmacist-in-Charge  
16 E.P. regarding the Lidocaine prescription that was issued to Patient P.G. Pharmacist-in-Charge  
17 E.P. admitted that she did not consult with P.G. on the use of Lidocaine or diclofenac, that no one  
18 from Loyalton Pharmacy called P.G. to obtain a medication history, and that E.P. did not check  
19 P.G.'s medication history for drug interactions or use in the elderly.

20 **FIRST CAUSE FOR DENIAL OF APPLICATION**

21 **(Unprofessional Conduct)**

22 45. Respondent's application is subject to denial under section 480, subdivision (a)(3) of  
23 the Code as follows:

24 46. Loyalton Pharmacy, for which Respondent's parent corporation or limited liability  
25 owner's CEO, Jon Letko, is also president and CEO, violated Code section 4301 in that between  
26 September 16, 2016 and July 6, 2017, Loyalton Pharmacy committed acts of unprofessional  
27 conduct as follows:

28 ///

1 a. Could not account for the losses of Omega-3, Lidocaine 5% ointment, diclofenac  
2 1.5% solution, and Lidocaine/prilocaine 2.5% cream.

3 b. Pharmacist-in-Charge E.P. had no relationship with most of the patients who received  
4 Omega-3, Lidocaine 5% ointment, Lidocaine/prilocaine 2.5% cream, and diclofenac 1.5%  
5 solution. E.P. did not know how the prescriptions were obtained nor was she aware that Loylton  
6 Pharmacy obtained the prescriptions by solicitation of prescribers when patients were not on the  
7 prescriptions previously.

8 c. Failed to keep, store, and provide invoices to show purchases of Omega-3, Lidocaine  
9 5% ointment, Lidocaine/prilocaine 2.5% cream, and diclofenac 1.5% solution.

10 d. Failed to obtain addresses of patients who received Schedule II through IV controlled  
11 substances, thereby increasing the risk of drug diversion.

12 e. The facts and circumstances are described with more particularity in paragraphs 28-  
13 29 and 31-37, above.

#### 14 **SECOND CAUSE FOR DENIAL OF APPLICATION**

##### 15 **(Violation of Federal and State Laws and Regulations Governing Pharmacy)**

16 47. Respondent's application is subject to denial under section 480, subdivision (a)(3) of  
17 the Code as follows.

18 48. Loylton Pharmacy, for which Respondent's parent corporation or limited liability  
19 owner's CEO, Jon Letko, is also president and CEO, violated Code section 4301, subdivision (o),  
20 as follows:

21 a. Failed to obtain physical addresses on prescriptions written for controlled substances,  
22 in violation of Health and Safety Code section 11164, subdivision (a)(2).

23 b. Failed to obtain allergy information for up to fifty percent of its patients prior to  
24 dispensing dangerous drugs, which could result in serious adverse reactions to patients, in  
25 violation of Code of Federal Regulations, title 16, section 1701.1, subdivision (a).

26 c. Loylton Pharmacy entered into an agreement with Keystone Choice Pharmacy,  
27 located in Easton, PA, and for which Jon Paul Letko is also president and CEO, to conduct drug  
28

1 review, interventions, and patient counseling for prescriptions obtained for Loyalton Pharmacy, in  
2 violation of California Code of Regulations, title 16, section 1707.2.

3 d. Loyalton Pharmacy dispensed a prescription for Lidocaine 5% ointment without first  
4 verifying the legitimacy of the prescription, which was sent to Loyalton Pharmacy from Global  
5 Healthcare, in violation of California Code of Regulations, title 16, section 1761, subdivision (a).

6 e. Loyalton Pharmacy dispensed a prescription for Lidocaine 5% ointment without first  
7 verifying the legitimacy of the prescription, which was sent to Loyalton Pharmacy from Global  
8 Healthcare, in violation of California Code of Regulations, title 16, section 1761, subdivision (a).

9 f. The facts and circumstances are described with more particularity in paragraphs 22-  
10 44, above.

11 **THIRD CAUSE FOR DENIAL OF APPLICATION**

12 **(Failure to Maintain Records and Inventory)**

13 49. Respondent's application is subject to denial under section 480, subdivision (a)(3) of  
14 the Code as follows.

15 50. Loyalton Pharmacy, for which Respondent's parent corporation or limited liability  
16 owner's CEO, Jon Letko, is also president and CEO, violated Code section 4081, subdivisions (a)  
17 and (b) as follows:

18 a. Failed to maintain invoices for dangerous drugs, in violation of California Code of  
19 Regulations, title 16, section 1718.

20 b. Failed to have complete accountability for all dangerous drugs, in violation of Code  
21 section 4332 and California Code of Regulations, title 16, section 1718.

22 c. The facts and circumstances are described with more particularity in paragraphs 31-  
23 33, above.

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**FOURTH CAUSE FOR DENIAL OF APPLICATION**

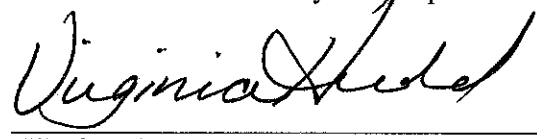
**(Unprofessional Conduct)**

51. Respondent's application is subject to denial under section 4300 of the Code in that Respondent's parent corporation or limited liability owner's CEO, Jon Letko,, committed unprofessional conduct. The facts and circumstances are described with more particularity in paragraphs 22-44, above.

**PRAYER**

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Board of Pharmacy issue a decision:

1. Denying the application of Great Lakes Medical Pharmacy, LLC for a Nonresident Pharmacy Permit; and,
2. Taking such other and further action as deemed necessary and proper.

DATED: 1/16/18   
VIRGINIA HEROLD  
Executive Officer  
Board of Pharmacy  
Department of Consumer Affairs  
State of California  
*Complainant*

SA2017109422