

**BEFORE THE
BOARD OF PHARMACY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of Accusation Against:

**UMC PHARMACY, INC. DBA UMC PHARMACY,
KAREN GARY KHACHATRYAN
Permit No. PHY 49956,**

**UMC PHARMACY, INC., DBA UMC PHARMACY #2,
KAREN GARY KHACHATRYAN,
Permit No. PHY 50777,**

and

**KAREN GARY KHACHATRYAN
Pharmacist License No. RPH 57500**

Respondents

Agency Case No. 6926

OAH Case No. 2021010217

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the Board of Pharmacy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective at 5:00 p.m. on September 29, 2021.

It is so ORDERED on August 30, 2021.

BOARD OF PHARMACY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

By 

Seung W. Oh, Pharm D
Board President

1 ROB BONTA
Attorney General of California
2 THOMAS L. RINALDI
Supervising Deputy Attorney General
3 DIANA PETIKYAN
Deputy Attorney General
4 State Bar No. 306153
300 So. Spring Street, Suite 1702
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7 *Attorneys for Complainant*

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

12
13 In the Matter of the Accusation Against:

14 **UMC PHARMACY, INC. DBA UMC**
PHARMACY, KAREN GARY
15 **KHACHATRYAN**
1201 1/1 N. Vermont Ave
16 Los Angeles, CA 90029

17 **Permit No. PHY 49956,**

18 **UMC PHARMACY, INC. DBA UMC**
PHARMACY #2, KAREN GARY
19 **KHACHATRYAN**
4318 W. Victory Blvd
20 Burbank, CA 91505

21 **Permit No. PHY 50777,**

22 **and**

23 **KAREN GARY KHACHATRYAN**
4318 W. Victory Blvd
24 Burbank, CA 91505

25 **Pharmacist License No. RPH 57500**

26 Respondents.
27
28

Case No. 6926

OAH No. 2021010217

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER [AS TO
PHARMACIST LICENSE NO. RPH 57500
ONLY]**

1 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
2 entitled proceedings that the following matters are true:

3 **PARTIES**

4 1. Anne Sodergren (Complainant) is the Executive Officer of the Board of Pharmacy
5 (Board). She brought this action solely in her official capacity and is represented in this matter by
6 Rob Bonta, Attorney General of the State of California, by Diana Petikyan, Deputy Attorney
7 General.

8 2. UMC Pharmacy, Inc. dba UMC Pharmacy, Karen Gary Khachatryan (Respondent
9 UMC Pharmacy), UMC Pharmacy, Inc. dba UMC Pharmacy, Karen Gary Khachatryan
10 (Respondent UMC Pharmacy #2), and Karen Gary Khachatryan (Respondent Khachatryan) are
11 represented in this proceeding by attorney Herbert L. Weinberg, whose address is: 1990 South
12 Bundy Drive, Suite 777, Los Angeles, CA 90025.

13 3. On or about June 4, 2009, the Board of Pharmacy issued Permit Number PHY 49956
14 To Respondent UMC Pharmacy. Karen Gary Khachatryan is and has been the President,
15 Secretary, Treasurer/Chief Financial Officer, Director, and 100% shareholder since June 4, 2009.
16 Permit Number PHY 49956 was in full force and effect at all times relevant to the charges
17 brought herein and will expire on June 1, 2022, unless renewed.

18 4. On or about October 10, 2011, the Board of Pharmacy issued Permit Number PHY
19 50777 to Respondent UMC Pharmacy #2. Karen Gary Khachatryan is and has been the
20 President, Secretary, Treasurer/Chief Financial Officer, Director, and 100% shareholder since
21 October 10, 2011. Permit PHY 50777 was in full force and effect at all times relevant to the
22 charges brought herein and will expire on October 1, 2021, unless renewed.

23 5. On or about August 29, 2005, the Board of Pharmacy issued Pharmacist License
24 Number RPH 57500 to Respondent Khachatryan. The Pharmacist
25 License was in full force and effect at all times relevant to the charges brought herein and will
26 expire on January 31, 2023, unless renewed.

1 **JURISDICTION**

2 6. Accusation No. 6926 was filed before the Board, and is currently pending against
3 Respondents UMC Pharmacy, UMC Pharmacy #2, and Khachatryan. The Accusation and all
4 other statutorily required documents were properly served on all Respondents on October 13,
5 2020. All Respondents timely filed their Notice of Defense contesting the Accusation.

6 7. A copy of Accusation No. 6926 is attached as Exhibit A and incorporated by
7 reference.

8 **ADVISEMENT AND WAIVERS**

9 8. Respondent Khachatryan has carefully read, fully discussed with counsel, and
10 understands the charges and allegations in Accusation No. 6926. Respondent Khachatryan has
11 also carefully read, fully discussed with counsel, and understands the effects of this Stipulated
12 Settlement and Disciplinary Order.

13 9. Respondent Khachatryan is fully aware of his legal rights in this matter, including the
14 right to a hearing on the charges and allegations in the Accusation; the right to confront and cross-
15 examine the witnesses against him; the right to present evidence and to testify on his own behalf;
16 the right to the issuance of subpoenas to compel the attendance of witnesses and the production of
17 documents; the right to reconsideration and court review of an adverse decision; and all other
18 rights accorded by the California Administrative Procedure Act and other applicable laws.

19 10. Respondent Khachatryan voluntarily, knowingly, and intelligently waives and gives
20 up each and every right set forth above.

21 **CULPABILITY**

22 11. Respondent Khachatryan understands that the charges and allegations in Accusation
23 No. 6926, if proven at a hearing, constitute cause for imposing discipline upon Respondent
24 Khachatryan's pharmacist license.

25 12. For the purpose of resolving the Accusation without the expense and uncertainty of
26 further proceedings, Respondent Khachatryan agrees that, at a hearing, Complainant could
27 establish a factual basis for the charges in the Accusation and that those charges constitute cause
28

1 for discipline. Respondent Khachatryan hereby gives up his right to contest that cause for
2 discipline exists based on those charges.

3 13. Respondent Khachatryan agrees that his pharmacy license is subject to discipline and
4 agrees to be bound by the Board's probationary terms as set forth in the Disciplinary Order
5 below.

6 **CONTINGENCY**

7 14. This stipulation shall be subject to approval by the Board of Pharmacy. Respondent
8 Khachatryan understands and agrees that counsel for Complainant and the staff of the Board of
9 Pharmacy may communicate directly with the Board regarding this stipulation and settlement,
10 without notice to or participation by Respondent Khachatryan or his counsel. By signing the
11 stipulation, Respondent Khachatryan understands and agrees that he may not withdraw his
12 agreement or seek to rescind the stipulation prior to the time the Board considers and acts upon it.
13 If the Board fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement and
14 Disciplinary Order shall be of no force or effect, except for this paragraph, it shall be inadmissible
15 in any legal action between the parties, and the Board shall not be disqualified from further action
16 by having considered this matter.

17 15. The parties understand and agree that Portable Document Format (PDF) and facsimile
18 copies of this Stipulated Settlement and Disciplinary Order, including PDF and facsimile
19 signatures thereto, shall have the same force and effect as the originals.

20 16. This Stipulated Settlement and Disciplinary Order is intended by the parties to be an
21 integrated writing representing the complete, final, and exclusive embodiment of their agreement.
22 It supersedes any and all prior or contemporaneous agreements, understandings, discussions,
23 negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary
24 Order may not be altered, amended, modified, supplemented, or otherwise changed except by a
25 writing executed by an authorized representative of each of the parties.

26 17. In consideration of the foregoing admissions and stipulations, the parties agree that
27 the Board may, without further notice or formal proceeding, issue and enter the following
28 Disciplinary Order:

DISCIPLINARY ORDER

IT IS HEREBY ORDERED that Pharmacist License Number RPH 57500 issued to Karen Gary Khachatryan is revoked. However, the revocation is stayed and Respondent is placed on probation for five (5) years on the following terms and conditions:

1. Obey All Laws

Respondent shall obey all state and federal laws and regulations.

Respondent shall report any of the following occurrences to the board, in writing, within seventy- two (72) hours of such occurrence:

an arrest or issuance of a criminal complaint for violation of any provision of the

Pharmacy Law, state and federal food and drug laws, or state and federal controlled substances laws

a plea of guilty, or nolo contendere, no contest, or similar, in any state or federal

criminal proceeding to any criminal complaint, information or indictment

a conviction of any crime

the filing of a disciplinary pleading, issuance of a citation, or initiation of another

administrative action filed by any state or federal agency which involves

respondent's license or which is related to the practice of pharmacy or the

manufacturing, obtaining, handling, distributing, billing, or charging for any drug,

device or controlled substance.

Failure to timely report such occurrence shall be considered a violation of probation.

2. Report to the Board

Respondent shall report to the board quarterly, on a schedule as directed by the board or its designee. The report shall be made either in person or in writing, as directed. Among other requirements, respondent shall state in each report under penalty of perjury whether there has been compliance with all the terms and conditions of probation.

Failure to submit timely reports in a form as directed shall be considered a violation of probation. Any period(s) of delinquency in submission of reports as directed may be added to the total period of probation. Moreover, if the final probation report is not made as directed,

1 probation shall be automatically extended until such time as the final report is made and accepted
2 by the board.

3 **3. Interview with the Board**

4 Upon receipt of reasonable prior notice, respondent shall appear in person for interviews
5 with the board or its designee, at such intervals and locations as are determined by the board or its
6 designee. Failure to appear for any scheduled interview without prior notification to board staff,
7 or failure to appear for two (2) or more scheduled interviews with the board or its designee during
8 the period of probation, shall be considered a violation of probation.

9 **4. Cooperate with Board Staff**

10 Respondent shall timely cooperate with the board's inspection program and with the board's
11 monitoring and investigation of respondent's compliance with the terms and conditions of Entity
12 probation, including but not limited to: timely responses to requests for information by board
13 staff; timely compliance with directives from board staff regarding requirements of any term or
14 condition of probation; and timely completion of documentation pertaining to a term or condition
15 of probation. Failure to timely cooperate shall be considered a violation of probation.

16 **5. Continuing Education**

17 Respondent shall provide evidence of efforts to maintain skill and knowledge as a
18 pharmacist as directed by the board or its designee.

19 **6. Reporting of Employment and Notice to Employers**

20 During the period of probation, respondent shall notify all present and prospective
21 employers of the decision in case number 6926 and the terms, conditions and restrictions imposed
22 on respondent by the decision, as follows:

23 Within thirty (30) days of the effective date of this decision, and within ten (10) days of
24 undertaking any new employment, respondent shall report to the board in writing the name,
25 physical address, and mailing address of each of Entity employer(s), and the name(s) and
26 telephone number(s) of all of Entity direct supervisor(s), as well as any pharmacist(s)-in- charge,
27 designated representative(s)-in-charge, responsible manager, or other compliance supervisor(s)
28 and the work schedule, if known. Respondent shall also include the reason(s) for leaving the

1 prior employment. Respondent shall sign and return to the board a written consent authorizing
2 the board or its designee to communicate with all of respondent's employer(s) and supervisor(s),
3 and authorizing those employer(s) or supervisor(s) to communicate with the board or its designee,
4 concerning respondent's work status, performance, and monitoring. Failure to comply with the
5 requirements or deadlines of this condition shall be considered a violation of probation.

6 Within thirty (30) days of the effective date of this decision, and within fifteen (15) days of
7 respondent undertaking any new employment, respondent shall cause (a) Entity direct supervisor,
8 (b) Entity pharmacist-in-charge, designated representative-in-charge, responsible manager, or
9 other compliance supervisor, and (c) the owner or owner representative of Entity employer, to
10 report to the board in writing acknowledging that the listed individual(s) has/have read the
11 decision in case number 6926, and terms and conditions imposed thereby. If one person serves in
12 more than one role described in (a), (b), or (c), the acknowledgment shall so state. It shall be the
13 respondent's responsibility to ensure that these acknowledgment(s) are timely submitted to the
14 board. In the event of a change in the person(s) serving the role(s) described in (a), (b), or (c)
15 during the term of probation, respondent shall cause the person(s) taking over the role(s) to report
16 to the board in writing within fifteen (15) days of the change acknowledging that he or she has
17 read the decision in case number 6926, and the terms and conditions imposed thereby.

18 If Respondent works for or is employed by or through an employment service, Respondent
19 must notify the person(s) described in (a), (b), and (c) above at every entity licensed by the board
20 of the decision in case number 6926, and the terms and conditions imposed thereby in advance of
21 respondent commencing work at such licensed entity. A record of this notification must be
22 provided to the board upon request.

23 Furthermore, within thirty (30) days of the effective date of this decision, and within fifteen
24 (15) days of respondent undertaking any new employment by or through an employment service,
25 respondent shall cause the person(s) described in (a), (b), and (c) above at the employment service
26 to report to the board in writing acknowledging that he or she has read the decision in case
27 number, and the terms and conditions imposed thereby. It shall be respondent's responsibility to
28 ensure that these acknowledgment(s) are timely submitted to the board.

1 Failure to timely notify present or prospective employer(s) or failure to cause the identified
2 person(s) with that/those employer(s) to submit timely written acknowledgments to the board
3 shall be considered a violation of probation.

4 "Employment" within the meaning of this provision includes any full-time, part-time,
5 temporary, relief, or employment/management service position as a pharmacist, or any position
6 for which a pharmacist is a requirement or criterion for employment, whether the respondent is an
7 employee, independent contractor or volunteer.

8 **7. Notification of Change(s) in Name, Address(es), or Phone Number(s)**

9 Respondent shall further notify the board in writing within ten (10) days of any change in
10 name, residence address, mailing address, e-mail address or phone number.

11 Failure to timely notify the board of any change in employer, name, address, or phone
12 number shall be considered a violation of probation.

13 **8. Restrictions on Supervision and Oversight of Licensed Facilities**

14 During the period of probation, respondent shall not supervise any intern pharmacist, be the
15 pharmacist-in-charge, designated representative-in-charge, responsible manager or other
16 compliance supervisor of any entity licensed by the board, nor serve as a consultant. Assumption
17 of any such unauthorized supervision responsibilities shall be considered a violation of probation.

18 **9. Reimbursement of Board Costs**

19 As a condition precedent to successful completion of probation, respondent shall pay to the
20 board its costs of investigation and prosecution in the amount of \$ 35,000. Respondent shall
21 make said payments as follows:

22 There shall be no deviation from this schedule absent prior written approval by the board or
23 its designee. Failure to pay costs by the deadline(s) as directed shall be considered a violation of
24 probation.

25 Respondent shall be permitted to pay these costs in a payment plan approved by the board
26 or its designee, so long as full payment is completed no later than one (1) year prior to the end
27 date of probation.

1 **10. Probation Monitoring Costs**

2 Respondent shall pay any costs associated with probation monitoring as determined by the
3 board each and every year of probation. Such costs shall be payable to the board on a schedule as
4 directed by the board or its designee. Failure to pay such costs by the deadline(s) as directed shall
5 be considered a violation of probation.

6 **11. Status of License**

7 Respondent shall, at all times while on probation, maintain an active, current Permit with
8 the board, including any period during which suspension or probation is tolled. Failure to
9 maintain an active, current Permit shall be considered a violation of probation.

10 If respondent's Permit expires or is cancelled by operation of law or otherwise at any time
11 during the period of probation, including any extensions thereof due to tolling or otherwise, upon
12 renewal or reapplication respondent's license shall be subject to all terms and conditions of this
13 probation not previously satisfied.

14 **12. License Surrender While on Probation/Suspension**

15 Following the effective date of this decision, should respondent cease practice due to
16 retirement or health, or be otherwise unable to satisfy the terms and conditions of probation,
17 respondent may relinquish Entity license, including any indicia of licensure issued by the board,
18 along with a request to surrender the license. The board or its designee shall have the discretion
19 whether to accept the surrender or take any other action it deems appropriate and reasonable.
20 Upon formal acceptance of the surrender of the license, respondent will no longer be subject to
21 the terms and conditions of probation. This surrender constitutes a record of discipline and shall
22 become a part of the respondent's license history with the board.

23 Upon acceptance of the surrender, respondent shall relinquish Entity pocket and/or wall
24 license, including any indicia of licensure not previously provided to the board within ten (10)
25 days of notification by the board that the surrender is accepted if not already provided.
26 Respondent may not reapply for any license from the board for three (3) years from the effective
27 date of the surrender. Respondent shall meet all requirements applicable to the license sought as
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1 of the date the application for that license is submitted to the board, including any outstanding
2 costs.

3 **13. Practice Requirement – Extension of Probation**

4 Except during periods of suspension, respondent shall, at all times while on probation, be
5 employed as a pharmacist in California for a minimum of 80 hours per calendar month. Any
6 month during which this minimum is not met shall extend the period of probation by one month.
7 During any such period of insufficient employment, respondent must nonetheless comply with all
8 terms and conditions of probation, unless respondent receives a waiver in writing from the board
9 or its designee.

10 If respondent does not practice as a pharmacist in California for the minimum number of
11 hours in any calendar month, for any reason (including vacation), respondent shall notify the
12 board in writing within ten (10) days of the conclusion of that calendar month. This notification
13 shall include at least: the date(s), location(s), and hours of last practice; the reason(s) for the
14 interruption or reduction in practice; and the anticipated date(s) on which respondent will resume
15 practice at the required level. Respondent shall further notify the board in writing within ten (10)
16 days following the next calendar month during which respondent practices as a pharmacist in
17 California for the minimum of hours. Any failure to timely provide such notification(s) shall be
18 considered a violation of probation.

19 It is a violation of probation for respondent's probation to be extended pursuant to the
20 provisions of this condition for a total period, counting consecutive and non-consecutive months,
21 exceeding thirty-six (36) months. The board or its designee may post a notice of the extended
22 probation period on its website.

23 **14. Violation of Probation**

24 If respondent has not complied with any term or condition of probation, the board shall
25 have continuing jurisdiction over respondent, and the board shall provide notice to respondent
26 that probation shall automatically be extended, until all terms and conditions have been satisfied
27 or the board has taken other action as deemed appropriate to treat the failure to comply as a
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violation of probation, to terminate probation, and to impose the penalty that was stayed. The board or its designee may post a notice of the extended probation period on its website.

If respondent violates probation in any respect, the board, after giving respondent notice and an opportunity to be heard, may revoke probation and carry out the disciplinary order that was stayed. If a petition to revoke probation or an accusation is filed against respondent during probation, or the preparation of an accusation or petition to revoke probation is requested from the Office of the Attorney General, the board shall have continuing jurisdiction and the period of probation shall be automatically extended until the petition to revoke probation or accusation is heard and decided, and the charges and allegations in First Amended Accusation No. 6232 shall be deemed true and correct.

15. Completion of Probation

Upon written notice by the board or its designee indicating successful completion of probation, respondent's license will be fully restored.

16. Remedial Education

Within sixty (60) days of the effective date of this decision, respondent shall submit to the board or its designee, for prior approval, an appropriate program of remedial education related to pharmacy law and operations. The program of remedial education shall consist of at least thirty (30) hours, which shall be completed within three (3) years at respondent's own expense. All remedial education shall be in addition to, and shall not be credited toward, continuing education (CE) courses used for license renewal purposes for pharmacists. The board may require additional remedial education at its discretion.

Failure to timely submit for approval or complete the approved remedial education shall be considered a violation of probation. The period of probation will be automatically extended until such remedial education is successfully completed and written proof, in a form acceptable to the board, is provided to the board or its designee.

Following the completion of each course, the board or its designee may require the respondent, at respondent's own expense, to take an approved examination to test the respondent's knowledge of the course. If the respondent does not achieve a passing score on the

examination that course shall not count towards satisfaction of this term. Respondent shall take another course approved by the board in the same subject area.

17. Ethics Course

Within sixty (60) calendar days of the effective date of this decision, respondent shall enroll in a course in ethics, at respondent's expense, approved in advance by the board or its designee that complies with Title 16 California Code of Regulations section 1773.5. Respondent shall provide proof of enrollment upon request. Within five (5) days of completion, respondent shall submit a copy of the certificate of completion to the board or its designee. Failure to timely enroll in an approved ethics course, to initiate the course during the first year of probation, to successfully complete it before the end of the second year of probation, or to timely submit proof of completion to the board or its designee, shall be considered a violation of probation.

18. No Ownership or Management of Licensed Premises

Respondent shall not own, have any legal or beneficial interest in, nor serve as a manager, administrator, member, officer, director, trustee, associate, or partner of any business, firm, partnership, or corporation currently or hereinafter licensed by the board. Respondent shall sell or transfer any legal or beneficial interest in any entity licensed by the board within ninety (90) days following the effective date of this decision and shall immediately thereafter provide written proof thereof to the board. Failure to timely divest any legal or beneficial interest(s) or provide documentation thereof shall be considered a violation of probation.

ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, Herbert L. Weinberg. I understand the stipulation and the effect it will have on my Permit. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Board of Pharmacy.

DATED: _____

KAREN GARY KHACHATRYAN
Respondent

1 examination that course shall not count towards satisfaction of this term. Respondent shall take
2 another course approved by the board in the same subject area.

3 **17. Ethics Course**

4 Within sixty (60) calendar days of the effective date of this decision, respondent shall enroll
5 in a course in ethics, at respondent's expense, approved in advance by the board or its designee
6 that complies with Title 16 California Code of Regulations section 1773.5. Respondent shall
7 provide proof of enrollment upon request. Within five (5) days of completion, respondent shall
8 submit a copy of the certificate of completion to the board or its designee. Failure to timely enroll
9 in an approved ethics course, to initiate the course during the first year of probation, to
10 successfully complete it before the end of the second year of probation, or to timely submit proof
11 of completion to the board or its designee, shall be considered a violation of probation.

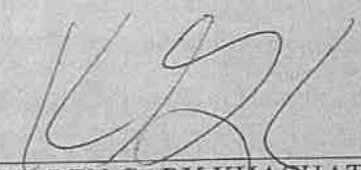
12 **18. No Ownership or Management of Licensed Premises**

13 Respondent shall not own, have any legal or beneficial interest in, nor serve as a manager,
14 administrator, member, officer, director, trustee, associate, or partner of any business, firm,
15 partnership, or corporation currently or hereinafter licensed by the board. Respondent shall sell
16 or transfer any legal or beneficial interest in any entity licensed by the board within ninety (90)
17 days following the effective date of this decision and shall immediately thereafter provide written
18 proof thereof to the board. Failure to timely divest any legal or beneficial interest(s) or provide
19 documentation thereof shall be considered a violation of probation.

20 **ACCEPTANCE**

21 I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully
22 discussed it with my attorney, Herbert L. Weinberg. I understand the stipulation and the effect it
23 will have on my Permit. I enter into this Stipulated Settlement and Disciplinary Order voluntarily,
24 knowingly, and intelligently, and agree to be bound by the Decision and Order of the Board of
25 Pharmacy.

26
27 DATED: 6-22-21

28 
KAREN GARY KHACHATRYAN
Respondent

1 I have read and fully discussed with Respondent Karen Gary Khachatryan the terms and
2 conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order.

3 I approve its form and content.

4 DATED: 6/23/2021


HERBERT L. WEINBERG
Attorney for Respondent

6
7 **ENDORSEMENT**

8 The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
9 submitted for consideration by the Board of Pharmacy.

10 DATED: _____

Respectfully submitted,

11
12 ROB BONTA
Attorney General of California
13 THOMAS L. RINALDI
Supervising Deputy Attorney General

14
15 DIANA PETIKYAN
Deputy Attorney General
16 *Attorneys for Complainant*

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18
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1 I have read and fully discussed with Respondent Karen Gary Khachatryan the terms and
2 conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order.
3 I approve its form and content.

4 DATED: _____
5 HERBERT L. WEINBERG
6 *Attorney for Respondent*

7 **ENDORSEMENT**

8 The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
9 submitted for consideration by the Board of Pharmacy.

10 DATED: June 23, 2021
11 _____

Respectfully submitted,

12 ROB BONTA
13 Attorney General of California
14 THOMAS L. RINALDI
15 Supervising Deputy Attorney General

16 

17 DIANA PETIKYAN
18 Deputy Attorney General
19 *Attorneys for Complainant*

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Exhibit A

Accusation No. 6926

XAVIER BECERRA
Attorney General of California
THOMAS L. RINALDI
Supervising Deputy Attorney General
DIANA PETIKYAN
Deputy Attorney General
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E-mail: Diana.Petikyan@doj.ca.gov
Attorneys for Complainant

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1201 1/1 N. Vermont Ave
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ACCUSATION

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and

**KAREN GARY KHACHATRYAN
4318 W. Victory Blvd
Burbank, CA 91505**

Pharmacist License No. RPH 57500

Respondents.

PARTIES

1. Anne Sodergren (Complainant) brings this Accusation solely in her official capacity as the Executive Officer of the Board of Pharmacy, Department of Consumer Affairs.

2. On or about June 4, 2009, the Board of Pharmacy issued Permit Number PHY 49956 to UMC Pharmacy, Inc. dba UMC Pharmacy, Karen Gary Khachatryan (Respondent UMC Pharmacy). Karen Gary Khachatryan is and has been the President, Secretary, Treasurer/Chief Financial Officer, Director, and 100% shareholder since June 4, 2009. The Permit Number PHY 49956 was in full force and effect at all times relevant to the charges brought herein and will expire on June 1, 2021, unless renewed.

3. On or about October 10, 2011, the Board of Pharmacy issued Permit Number PHY 50777 to UMC Pharmacy, Inc. dba UMC Pharmacy #2, Karen Gary Khachatryan (Respondent UMC Pharmacy #2). Karen Gary Khachatryan is and has been the President, Secretary, Treasurer/Chief Financial Officer, Director, and 100% shareholder since October 10, 2011. The Permit was in full force and effect at all times relevant to the charges brought herein and will expire on October 1, 2020, unless renewed.

4. On or about August 29, 2005, the Board of Pharmacy issued Pharmacist License Number RPH 57500 to Karen Gary Khachatryan (Respondent Khachatryan). The Pharmacist License was in full force and effect at all times relevant to the charges brought herein and will expire on January 31, 2021, unless renewed.

JURISDICTION

5. This Accusation is brought before the Board of Pharmacy (Board), Department of Consumer Affairs, under the authority of the following laws. All section references are to the Business and Professions Code (Code) unless otherwise indicated.

6. Business and Professions Code section 4011 states, "The board shall administer and enforce this chapter and the Uniform Controlled Substances Act (Division 10 (commencing with Section 11000) of the Health and Safety Code)."

7. Business and Professions Code section 4300 states:

(a) Every license issued may be suspended or revoked.

(b) The board shall discipline the holder of any license issued by the board, whose default has been entered or whose case has been heard by the board and found guilty, by any of the following methods:

(1) Suspending judgment.

(2) Placing him or her upon probation.

(3) Suspending his or her right to practice for a period not exceeding one year.

(4) Revoking his or her license.

(5) Taking any other action in relation to disciplining him or her as the board in its discretion may deem proper.

(c) The board may refuse a license to any applicant guilty of unprofessional conduct. The board may, in its sole discretion, issue a probationary license to any applicant for a license who is guilty of unprofessional conduct and who has met all other requirements for licensure. The board may issue the license subject to any terms or conditions not contrary to public policy, including, but not limited to, the following:

(1) Medical or psychiatric evaluation.

(2) Continuing medical or psychiatric treatment.

(3) Restriction of type or circumstances of practice.

(4) Continuing participation in a board-approved rehabilitation program.

(5) Abstention from the use of alcohol or drugs.

(6) Random fluid testing for alcohol or drugs.

(7) Compliance with laws and regulations governing the practice of pharmacy.

(d) The board may initiate disciplinary proceedings to revoke or suspend any probationary certificate of licensure for any violation of the terms and conditions of probation. Upon satisfactory completion of probation, the board shall convert the probationary certificate to a regular certificate, free of conditions.

(e) The proceedings under this article shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of the Government Code, and the board shall have all the powers granted therein. The action shall be final, except that the propriety of the action is subject to review by the superior court pursuant to Section 1094.5 of the Code of Civil Procedure.

8. Business and Professions Code section 4300.1 states, “The expiration, cancellation, forfeiture, or suspension of a board-issued license by operation of law or by order or decision of the board or a court of law, the placement of a license on a retired status, or the voluntary surrender of a license by a licensee shall not deprive the board of jurisdiction to commence or proceed with any investigation of, or action or disciplinary proceeding against, the licensee or to render a decision suspending or revoking the license.”

9. Business and Professions Code section 4032 states, “‘License’ means and includes any license, permit, registration, certificate, or exemption issued by the board and includes the process of applying for and renewing the same.”

STATUTORY PROVISIONS

10. Section 680 of the Code states, in pertinent part:

(a) Except as otherwise provided in this section, a health care practitioner shall disclose, while working, his or her name and practitioner's license status, as granted by this state, on a name tag in at least 18-point type. A health care

practitioner in a practice or an office, whose license is prominently displayed, may opt to not wear a name tag. If a health care practitioner or a licensed clinical social worker is working in a psychiatric setting or in a setting that is not licensed by the state, the employing entity or agency shall have the discretion to make an exception from the name tag requirement for individual safety or therapeutic concerns. In the interest of public safety and consumer awareness, it shall be unlawful for any person to use the title “nurse” in reference to himself or herself and in any capacity, except for an individual who is a registered nurse or a licensed vocational nurse, or as otherwise provided in Section 2800. Nothing in this section shall prohibit a certified nurse assistant from using his or her title.

...

11. Section 4058 of the Code states, “Every person holding a license issued under this chapter to operate a premises shall display the original license and current renewal license upon the licensed premises in a place where it may be clearly read by the public.”

12. Section 4059 of the Code states, in pertinent part:

(a) A person may not furnish any dangerous drug, except upon the prescription of a physician, dentist, podiatrist, optometrist, veterinarian, or naturopathic doctor pursuant to Section 3640.7. A person may not furnish any dangerous device, except upon the prescription of a physician, dentist, podiatrist, optometrist, veterinarian, or naturopathic doctor pursuant to Section 3640.7.

...

13. Section 4076 of the Code states, in pertinent part:

(a) A pharmacist shall not dispense any prescription except in a container that meets the requirements of state and federal law and is correctly labeled with all of the following:

...

(11)(A) Commencing January 1, 2006, the physical description of the dispensed medication, including its color, shape, and any identification code that appears on the tablets or capsules, except as follows:

(i) Prescriptions dispensed by a veterinarian.

(ii) An exemption from the requirements of this paragraph shall be

granted to a new drug for the first 120 days that the drug is on the market and for the 90 days during which the national reference file has no description on file.

(iii) Dispensed medications for which no physical description exists in any commercially available database.

...

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

(a) All records of manufacture and of sale, acquisition, receipt, shipment, 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 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, veterinary food-animal drug retailer, outsourcing facility, physician, dentist, podiatrist, veterinarian, laboratory, licensed correctional clinic, as defined in Section 4187, clinic, hospital, institution, or establishment holding a currently valid and unrevoked certificate, license, permit, registration, or exemption under Division 2 (commencing with Section 1200) of the Health and 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 dangerous devices.

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

...

15. Section 4104 of the Code states, in pertinent part:

...

(b) Every pharmacy shall have written policies and procedures for addressing chemical, mental, or physical impairment, as well as theft, diversion, or self-use of dangerous drugs, among licensed individuals employed by or with the pharmacy.

...

16. Section 4105 of the Code states:

(a) All records or other documentation of the acquisition and disposition of dangerous drugs and dangerous devices by any entity licensed by the board shall be retained on the licensed premises in a readily retrievable form.

(b) The licensee may remove the original records or documentation from the licensed premises on a temporary basis for license-related purposes. However, a duplicate set of those records or other documentation shall be retained on the licensed premises.

(c) The records required by this section shall be retained on the licensed premises for a period of three years from the date of making.

(d) Any records that are maintained electronically shall be maintained so that

the pharmacist-in-charge, the pharmacist on duty if the pharmacist-in-charge is not on duty, or, in the case of a veterinary food-animal drug retailer or wholesaler, the designated representative on duty, shall, at all times during which the licensed premises are open for business, be able to produce a hard copy and electronic copy of all records of acquisition or disposition or other drug or dispensing-related records maintained electronically.

(e)(1) Notwithstanding subdivisions (a), (b), and (c), the board, may upon written request, grant to a licensee a waiver of the requirements that the records described in subdivisions (a), (b), and (c) be kept on the licensed premises. (2) A waiver granted pursuant to this subdivision shall not affect the board's authority under this section or any other provision of this chapter.

17. Section 4113 of the Code states, in pertinent part, (c) The pharmacist-in-charge shall be responsible for a pharmacy's compliance with all state and federal laws and regulations pertaining to the practice of pharmacy...

18. Section 4115 of the Code states, in pertinent part:

(a) A pharmacy technician may perform packaging, manipulative, repetitive, or other nondiscretionary tasks only while assisting, and while under the direct supervision and control of, a pharmacist. The pharmacist shall be responsible for the duties performed under his or her supervision by a technician.

(b) This section does not authorize the performance of any tasks specified in subdivision (a) by a pharmacy technician without a pharmacist on duty.

...

19. Section 4116 of the Code states, in pertinent part:

(a) No person other than a pharmacist, an intern pharmacist, an authorized officer of the law, or a person authorized to prescribe shall be permitted in that area, place, or premises described in the license issued by the board wherein controlled substances or dangerous drugs or dangerous devices are stored, possessed, prepared, manufactured, derived, compounded, dispensed, or repackaged. However, a pharmacist shall be responsible for any individual who enters the pharmacy for the purposes of receiving consultation from the pharmacist or performing clerical, inventory control, housekeeping, delivery, maintenance, or similar functions relating to the pharmacy if the pharmacist remains present in the pharmacy during all times as the authorized individual is present.

...

20. Section 4122 of the Code states, in pertinent part:

(a) In every pharmacy there shall be prominently posted in a place conspicuous to, and readable by, prescription drug consumers a notice provided by the board concerning the availability of prescription price information, the possibility of generic drug product selection, the type of services provided by pharmacies, and a statement describing patients' rights relative to the requirements imposed on pharmacists pursuant to Section 733. The format and wording of the notice shall be adopted by the board by regulation. A written receipt that contains

the required information on the notice may be provided to consumers as an alternative to posting the notice in the pharmacy.

...

21. Section 4125 of the Code states, in pertinent part:

(a) Every pharmacy shall establish a quality assurance program that shall, at a minimum, document medication errors attributable, in whole or in part, to the pharmacy or its personnel. The purpose of the quality assurance program shall be to assess errors that occur in the pharmacy in dispensing or furnishing prescription medications so that the pharmacy may take appropriate action to prevent a recurrence.

(b) Records generated for and maintained as a component of a pharmacy's ongoing quality assurance program shall be considered peer review documents and not subject to discovery in any arbitration, civil, or other proceeding, except as provided hereafter. That privilege shall not prevent review of a pharmacy's quality assurance program and records maintained as part of that system by the board as necessary to protect the public health and safety or if fraud is alleged by a government agency with jurisdiction over the pharmacy. Nothing in this section shall be construed to prohibit a patient from accessing his or her own prescription records. Nothing in this section shall affect the discoverability of any records not solely generated for and maintained as a component of a pharmacy's ongoing quality assurance program.

...

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

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

...

(c) Gross negligence.

(d) The clearly excessive furnishing of controlled substances in violation of subdivision (a) of Section 11153 of the Health and Safety Code.

...

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

(g) Knowingly making or signing any certificate or other document that falsely represents the existence or nonexistence of a state of facts.

....

(j) The violation of any of the statutes of this state, of any other state, or of the United States regulating controlled substances and dangerous drugs.

...

(o) Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of or conspiring to violate any provision or term of this chapter

or of the applicable federal and state laws and regulations governing pharmacy, including regulations established by the board or by any other state or federal regulatory agency.

(p) Actions or conduct that would have warranted denial of a license.

(q) Engaging in any conduct that subverts or attempts to subvert an investigation of the board.

...

23. Section 4307 of the Code states:

(a) Any person who has been denied a license or whose license has been revoked or is under suspension, or who has failed to renew his or her license while it was under suspension, or who has been a manager, administrator, owner, member, officer, director, associate, partner, or any other person with management or control of any partnership, corporation, trust, firm, or association whose application for a license has been denied or revoked, is under suspension or has been placed on probation, and while acting as the manager, administrator, owner, member, officer, director, associate, partner, or any other person with management or control had knowledge of or knowingly participated in any conduct for which the license was denied, revoked, suspended, or placed on probation, shall be prohibited from serving as a manager, administrator, owner, member, officer, director, associate, partner, or in any other position with management or control of a licensee as follows:

(1) Where a probationary license is issued or where an existing license is placed on probation, this prohibition shall remain in effect for a period not to exceed five years.

(2) Where the license is denied or revoked, the prohibition shall continue until the license is issued or reinstated.

(b) "Manager, administrator, owner, member, officer, director, associate, partner, or any other person with management or control of a license" as used in this section and Section 4308, may refer to a pharmacist or to any other person who serves in such capacity in or for a licensee.

(c) The provisions of subdivision (a) may be alleged in any pleading filed pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of the Government Code. However, no order may be issued in that case except as to a person who is named in the caption, as to whom the pleading alleges the applicability of this section, and where the person has been given notice of the proceeding as required by Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of the Government Code. The authority to proceed as provided by this subdivision shall be in addition to the board's authority to proceed under Section 4339 or any other provision of law.

24. Section 4332 of the Code states, "Any person who fails, neglects, or refuses to maintain the records required by Section 4081 or who, when called upon by an authorized officer or a member of the board, fails, neglects, or refuses to produce or provide the records within a reasonable time, or who willfully produces or furnishes records that are

1 false, is guilty of a misdemeanor.”

2 25. Section 4333 of the Code states:

3 (a) All prescriptions filled by a pharmacy and all other records required by
4 Section 4081 shall be maintained on the premises and available for inspection by
5 authorized officers of the law for a period of at least three years. In cases where the
6 pharmacy discontinues business, these records shall be maintained in a board-
7 licensed facility for at least three years.

8 (b) Any person who willfully fails to comply with subdivision (a) is guilty of
9 a misdemeanor, and upon conviction thereof, shall be punished by a fine not
10 exceeding two hundred dollars (\$200). Any person convicted of a second or
11 subsequent offense shall be punished by a fine of not less than two hundred dollars
12 (\$200) and not more than four hundred dollars (\$400).

13 (c)(1) Notwithstanding subdivisions (a) and (b), the board may, upon written
14 request, grant a waiver of the requirement that the records described in
15 subdivisions (a) and (b) be maintained on the licensed premises or, in the event the
16 pharmacy discontinues business, that the records be maintained in a board licensed
17 facility. A person who maintains records in compliance with that waiver is not
18 subject to the penalties set forth in subdivision (b).

19 (2) A waiver granted pursuant to this subdivision shall not affect the board's
20 authority under this section or any other provision of this chapter.

21 **STATE REGULATORY PROVISIONS**

22 26. California Code of Regulations, title 16, section 1707, states:

23 (a) Pursuant to subdivision (e) of Section 4105 of the Business and
24 Professions Code and subdivision (c) of Section 4333 of the Business and
25 Professions Code, a waiver shall be granted to any entity licensed by the board for
26 off-site storage of the records described in subdivisions (a), (b) and (c) of Section
27 4105 of the Business and Professions Code unless the applicant has, within the
28 preceding five years, failed to produce records pursuant to Section 4081 of the
Business and Professions Code or has falsified records covered by Section 4081 of
the Business and Professions Code.

(b) An entity that is granted a waiver pursuant to subdivision (a) shall:
(1) maintain the storage area so that the records are secure, including
from unauthorized access; and
(2) be able to produce the records within two business days upon the
request of the board or an authorized officer of the law.

(c) In the event that a licensee fails to comply with the conditions set forth in
subdivision (b), the board may cancel the waiver without a hearing. Upon
notification by the board of cancellation of the waiver, the licensee shall maintain
all records at the licensed premises.

(d) A licensee whose waiver has been cancelled pursuant to the provisions
set forth in subsection (c) may reapply to the board when compliance with the
conditions set forth in subsection (b) can be confirmed by the board.

1 (e) Notwithstanding any waiver granted pursuant to subdivision (a), all
prescription records for non controlled substances shall be maintained on the
2 licensed premises for a period of one year from the date of dispensing.

3 (f) Notwithstanding any waiver granted pursuant to subdivision (a), all
prescription records for controlled substances shall be maintained on the licensed
4 premises for a period of two years from the date of dispensing.

5 (g) Notwithstanding the requirements of this section, any entity licensed by
the board may store the records described in subdivisions (a), (b) and (c) of
6 Section 4105 of the Business and Professions Code in a storage area at the same
address or adjoining the licensed premises without obtaining a waiver from the
7 board if the following conditions are met:

8 (1) The records are readily accessible to the pharmacist-in-charge (or
other pharmacist on duty, or designated representative) and upon
9 request to the board or any authorized officer of the law.

(2) The storage area is maintained so that the records are secure and so
that the confidentiality of any patient-related information is maintained.

10 27. California Code of Regulations, title 16, section 1707.5, states, in pertinent part:

11 (a) Labels on drug containers dispensed to patients in California shall
conform to the following format:

12 ...

13
14 (d) The pharmacy shall have policies and procedures in place to help patients
with limited or no English proficiency understand the information on the label as
15 specified in subdivision (a) in the patient's language. The pharmacy's policies and
procedures shall be specified in writing and shall include, at minimum, the
16 selected means to identify the patient's language and to provide interpretive
services and translation services in the patient's language. The pharmacy shall, at
17 minimum, provide interpretive services in the patient's language, if interpretive
services in such language are available, during all hours that the pharmacy is open,
18 either in person by pharmacy staff or by use of a third-party interpretive service
available by telephone at or adjacent to the pharmacy counter.

19 ...

20 28. California Code of Regulations, title 16, section 1707.6, states, in pertinent part:

21 (a) In every pharmacy there shall be prominently posted, in a place
conspicuous to and readable by a prescription drug consumer, a notice containing
22 the text in subdivision (b). Each pharmacy shall use the standardized poster-sized
notice provided or made available by the board, unless the pharmacy has received
23 prior approval of another format or display methodology from the board. The
board may delegate authority to a committee or to the Executive Officer to give
24 the approval. As an alternative to a printed notice, the pharmacy may also or
instead display the notice on a video screen located in a place conspicuous to and
25 readable by prescription drug consumers, so long as: (1) The video screen is at
least 24 inches, measured diagonally; (2) The pharmacy utilizes the video image
26 notice provided by the board; (3) The text of the notice remains on the screen for a
minimum of 60 seconds; and (4) No more than five minutes elapses between
27 displays of any notice on the screen, as measured between the time that a one-
screen notice or the final screen of a multi-screen notice ceases to display and the
28 time that the first or only page of that notice re-displays. The pharmacy may seek

approval of another format or display methodology from the board. The board may delegate authority to a committee or to the Executive Officer to give the approval.

...

(c) Every pharmacy, in a place conspicuous to and readable by a prescription drug consumer, at or adjacent to each counter in the pharmacy where dangerous drugs are dispensed or furnished, shall post or provide a notice containing the following text:

Point to your language. Interpreter services will be provided to you upon request at no cost.

This text shall be repeated in at least the following languages: Arabic, Armenian, Cambodian, Cantonese, Farsi, Hmong, Korean, Mandarin, Russian, Spanish, Tagalog, and Vietnamese.

Each pharmacy shall use the standardized notice provided or made available by the board, unless the pharmacy has received prior approval of another format or display methodology from the board. The board may delegate authority to a committee or to the Executive Officer to give the approval.

The pharmacy may post this notice in paper form or on a video screen if the posted notice or video screen is positioned so that a consumer can easily point to and touch the statement identifying the language in which he or she requests assistance. Otherwise, the notice shall be made available on a flyer or handout clearly visible from and kept within easy reach of each counter in the pharmacy where dangerous drugs are dispensed or furnished, available at all hours that the pharmacy is open. The flyer or handout shall be at least 8 1/2 inches by 11 inches.

29. California Code of Regulations, title 16, section 1711, states, in pertinent part:

(a) Each pharmacy shall establish or participate in an established quality assurance program which documents and assesses medication errors to determine cause and an appropriate response as part of a mission to improve the quality of pharmacy service and prevent errors.

(b) For purposes of this section, "medication error" means any variation from a prescription or drug order not authorized by the prescriber, as described in Section 1716. Medication error, as defined in the section, does not include any variation that is corrected prior to furnishing the drug to the patient or patient's agent or any variation allowed by law.

(c) (1) Each quality assurance program shall be managed in accordance with written policies and procedures maintained in the pharmacy in an immediately retrievable form.

(2) When a pharmacist determines that a medication error has occurred, a pharmacist shall as soon as possible:

(A) Communicate to the patient or the patient's agent the fact that a medication error has occurred and the steps required to avoid injury or mitigate the error.

(B) Communicate to the prescriber the fact that a medication error has occurred.

(3) The communication requirement in paragraph (2) of this subdivision shall only apply to medication errors if the drug was administered to or by the patient, or if the medication error resulted in a clinically significant delay in therapy.

(4) If a pharmacist is notified of a prescription error by the patient, the patient's agent, or a prescriber, the pharmacist is not required to communicate with that individual as required in paragraph (2) of this subdivision.

(d) Each pharmacy shall use the findings of its quality assurance program to develop pharmacy systems and workflow processes designed to prevent medication errors. An investigation of each medication error shall commence as soon as is reasonably possible, but no later than 2 business days from the date the medication error is discovered. All medication errors discovered shall be subject to a quality assurance review.

(e) The primary purpose of the quality assurance review shall be to advance error prevention by analyzing, individually and collectively, investigative and other pertinent data collected in response to a medication error to assess the cause and any contributing factors such as system or process failures. A record of the quality assurance review shall be immediately retrievable in the pharmacy. The record shall contain at least the following:

1. the date, location, and participants in the quality assurance review;
2. the pertinent data and other information relating to the medication error(s) reviewed and documentation of any patient contact required by subdivision (c);
3. the findings and determinations generated by the quality assurance review; and,
4. recommend changes to pharmacy policy, procedure, systems, or processes, if any.

The pharmacy shall inform pharmacy personnel of changes to pharmacy policy, procedure, systems, or processes made as a result of recommendations generated in the quality assurance program.

(f) The record of the quality assurance review, as provided in subdivision (e) shall be immediately retrievable in the pharmacy for at least one year from the date the record was created.

(g) The pharmacy's compliance with this section will be considered by the board as a mitigating factor in the investigation and evaluation of a medication error.

(h) Nothing in this section shall be construed to prevent a pharmacy from contracting or otherwise arranging for the provision of personnel or other resources, by a third party or administrative offices, with such skill or expertise as the pharmacy believes to be necessary to satisfy the requirements of this section.

1 30. California Code of Regulations, title 16, section 1714, states, in pertinent part:

2

3 (d) Each pharmacist while on duty shall be responsible for the security of the
4 prescription department, including provisions for effective control against theft or
5 diversion of dangerous drugs and devices, and records for such drugs and devices.
6 Possession of a key to the pharmacy where dangerous drugs and controlled
7 substances are stored shall be restricted to a pharmacist.

8 ...

9 31. California Code of Regulations, title 16, section 1714.1, states, in pertinent part:

10 ...

11 (f) The pharmacy shall have written policies and procedures regarding the
12 operations of the pharmacy during the temporary absence of the pharmacist for
13 breaks and meal periods. The policies and procedures shall include the authorized
14 duties of ancillary staff, the pharmacist's responsibilities for checking all work
15 performed by ancillary staff and the pharmacist's responsibility for maintaining the
16 security of the pharmacy. The policies and procedures shall be open to inspection
17 by the board or its designee at all times during business hours.

18 ...

19 32. California Code of Regulations, title 16, section 1715, states, in pertinent part:

20 (a) The pharmacist-in-charge of each pharmacy as defined under section
21 4029 or section 4037 of the Business and Professions Code shall complete a self-
22 assessment of the pharmacy's compliance with federal and state pharmacy law.
23 The assessment shall be performed before July 1 of every odd-numbered year. The
24 primary purpose of the self-assessment is to promote compliance through self-
25 examination and education.

26 ...

27 (d) Each self-assessment shall be kept on file in the pharmacy for three years
28 after it is performed.

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

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

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

1 34. California Code of Regulations, title 16, section 1761, states:

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

5 (b) Even after conferring with the prescriber, a pharmacist shall not
6 compound or dispense a controlled substance prescription where the pharmacist
knows or has objective reason to know that said prescription was not issued for a
legitimate medical purpose.

7 35. California Code of Regulations, title 16, section 1793.7, states, in pertinent part:

8 ...
(c) A pharmacy technician must wear identification clearly identifying him
9 or her as a pharmacy technician.

10 (d) Any pharmacy employing or using a pharmacy technician shall develop a
11 job description and written policies and procedures adequate to ensure compliance
12 with the provisions of Article 11 of this Chapter, and shall maintain, for at least
three years from the time of making, records adequate to establish compliance with
these sections and written policies and procedures.

13 ...

13 **FEDERAL REGULATORY PROVISIONS**

14 36. Code of Federal Regulations, title 21, section 1304.11, states, in pertinent part:

15 (a) General requirements. Each inventory shall contain a complete and
16 accurate record of all controlled substances on hand on the date the inventory is
17 taken, and shall be maintained in written, typewritten, or printed form at the
18 registered location. An inventory taken by use of an oral recording device must be
19 promptly transcribed. Controlled substances shall be deemed to be "on hand" if
20 they are in the possession of or under the control of the registrant, including
21 substances returned by a customer, ordered by a customer but not yet invoiced,
22 stored in a warehouse on behalf of the registrant, and substances in the possession
23 of employees of the registrant and intended for distribution as complimentary
24 samples. A separate inventory shall be made for each registered location and each
25 independent activity registered, except as provided in paragraph (e)(4) of this
section. In the event controlled substances in the possession or under the control of
the registrant are stored at a location for which he/she is not registered, the
substances shall be included in the inventory of the registered location to which
they are subject to control or to which the person possessing the substance is
responsible. The inventory may be taken either as of opening of business or as of
the close of business on the inventory date and it shall be indicated on the
inventory.

26 (b) Initial inventory date. Every person required to keep records shall take an
27 inventory of all stocks of controlled substances on hand on the date he/she first
28 engages in the manufacture, distribution, or dispensing of controlled substances, in
accordance with paragraph (e) of this section as applicable. In the event a person

commences business with no controlled substances on hand, he/she shall record this fact as the initial inventory.

...

COST RECOVERY

37. Section 125.3 of the Code states, in pertinent part, that the Board may request the administrative law judge to direct a licensee found to have committed a violation or violations of the licensing act to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

FACTUAL ALLEGATIONS

38. On January 31, 2018, the Board of Pharmacy received a complaint from nurse Sandra Canally of The Compliance Team (a nationally recognized accreditation organization).

39. The complaint stated that on January 16, 2018, accreditation advisor Joyce Bodman arrived at UMC Pharmacy at 1201 ½ N. Vermont Ave., Los Angeles, CA 90027 (UMC Pharmacy) for an unannounced renewal visit. Respondent UMC Pharmacy was cited for having no pharmacist present while the pharmacy was open. On February 21, 2018, advisor Charles Lager arrived at UMC Pharmacy for a second unannounced remedial visit. They were again cited for not having a pharmacist present while the pharmacy was open.

40. On September 18, 2018, inspector Valerie Sakamura (Sakamura) arrived at UMC Pharmacy. The only visible employee was technician A.Q.R. There were prescription drugs on the shelves behind A.Q.R. A.Q.R. also shared that she had refilled approximately 30 prescriptions that day. Upon inquiry, A.Q.R. shared that the pharmacist was not in and likely would not be in until the following day. At Sakamura's request, A.Q.R. locked up the pharmacy and Sakamura retained the key for the door.

41. After attempts to contact Respondent Khachatryan were not successful, Sakamura traveled to UMC Pharmacy #2, located at 4318 W. Victory Blvd., Burbank, CA 91505.

42. Upon arrival, Sakamura observed that Respondent UMC Pharmacy #2 had one pharmacist on the premises – J.N., and two technicians V.N. and F.H.A. Sakamura gave the key from UMC Pharmacy to J.N. Eventually, pharmacy technician/ intern E.G. arrived to UMC

Pharmacy #2. E.G. took the key from pharmacist J.N. and instructed everyone present that the pharmacy would be closed until further notice. After her visit, Sakamura issued an order of correction, signed by pharmacist J.N., which noted the following:

- Inadequate prescription label found;
- Interpretive services policy unavailable during inspection;
- Technician job duties unavailable during inspection;
- Self-assessment unavailable during inspection;
- Policy on theft and impairment unavailable during inspection;
- Biennial DEA inventory unavailable during inspection;
- Pharmacy Quality Assurance program unavailable during inspection.

While Sakamura requested that Respondents correct the inadequate prescription label and send her a sample – Respondents never did so.

43. On September 21, 2018, Sakamura received multiple documents from Respondents, including a hand-written self-assessment form dated January 12, 2018. However, this self-assessment was actually completed after September 2018 and was predated.

44. On September 27, 2018, Inspector Sakamura arrived to UMC Pharmacy for another inspection. A pharmacist, R.F., was present along with intern E.G. E.G. stated that she kept the key to the pharmacy given that R.F. was not a full time pharmacist. After her inspection, Sakamura issued a written notice, signed by R.F., for the following:

- Missing “point to your language” sign during inspection;
- Key to pharmacy held by employee other than pharmacist;
- Technician job duties unavailable during inspection;
- Self-assessment unavailable during inspection;
- Quality Assurance policy and procedure unavailable during inspection;
- Theft and impairment policy unavailable during inspection;
- Policy and procedure for meal and break periods in pharmacist absence unavailable during inspection;
- Inventory unavailable during inspection;
- Original premise license not in public view during inspection;
- No notice to consumer posted during inspection;
- Improper records of dangerous drugs and devices on site -- location only maintained invoices and prescriptions dating back to November 2017 and no evidence of an off-site waiver.

Afterwards – Sakamura requested, among other things, that: (i) the Respondents move back the prescription records to the licensed location as required; (ii) the Respondents provide Sakamura with their DEA inventory; and (iii) the Respondents provide Sakamura with the

pharmacy staffing for the pharmacy for the past month. Respondents never complied with these three requests.

45. On September 27, 2018, Sakamura also took two books of prescriptions (187 prescriptions in total) from Respondent UMC Pharmacy for verification. Upon her review of the 187 prescriptions, Sakamura uncovered a series of peculiarities including, but not limited to, the following:

- Over 33% of the prescriptions were for Farxiga 5mg, Onglyza 5mg, or Xigduo XR 5/100;
- 100% of the prescriptions for the three aforementioned medications were verbal orders; and
- The individual who took the telephone orders for the three aforementioned medications wrote the time in as 11:11 a.m. the majority of the time.

After contacting the prescribers, Sakamura confirmed that Respondent UMC Pharmacy had 56 unauthorized prescriptions for: Farxiga 5mg, Onglyza 5mg, and Xigduo XR 5/100 in addition to 8 unauthorized prescriptions for: Quinapril, Test Strips, Aspirin, Loratadine, Lancet, Ibuprofen, Cyanocobalamin, and Januvia.

46. In her review of the CURES report for Respondent UMC Pharmacy, Sakamura found instances where Respondent UMC Pharmacy repeatedly filled controlled substance prescriptions early for the same patients. Sakamura found that at least three patients received up to several months' worth of extra Alprazolam (a controlled substance) due to these types of early refills.

47. On October 5, 2018, Sakamura received multiple documents from Respondents, including a typed self-assessment for UMC Pharmacy #2 dated January 12, 2018. However, this assessment was actually completed after September 2018 and was predated. Additionally, Sakamura received a self-assessment for Respondent UMC Pharmacy signed on May 29, 2018. However, the form was almost an exact copy of the form for Respondent UMC Pharmacy #2. Additionally, the self-assessment for Respondent UMC Pharmacy was actually signed after September 2018.

48. On or about October 8, 2018, Sakamura sent letters to drug wholesalers McKesson and HD Smith requesting purchases of Farxiga, Onglyza, and Xigduo XR between October 8, 2015 and October 8, 2018. The data from both wholesalers showed that UMC Pharmacy did not

1 have Farxiga, Onglyza, and Xigduo XR drugs in their stock to dispense prior to Sakamura's
2 inspection.

3 49. On October 11, 2018, Inspectors Sakamura and Julia Krumer arrived at UMC
4 Pharmacy for another inspection. They observed technician A.Q.R. use her key to open the
5 pharmacy doors while pharmacist J.N. was present. Sakamura later gave technician A.Q.R.'s key
6 to pharmacist J.N. and instructed both A.Q.R. and J.N. that the key must be in the possession of
7 the pharmacist. Sakamura then instructed technician A.Q.R. to print out particular patient profiles
8 from the computer software. A.Q.R. printed some patient profiles; however, at one point A.Q.R.
9 closed the software program and restarted it. This prompted an error message about the account
10 being disabled. A.Q.R. was unsuccessful in logging back in and retrieving all of the requested
11 profiles even after technical assistance from Digital Rx. That same day, Sakamura and Krumer
12 also took a stock of the Farxiga, Onglyza, and Xigduo XR drugs on hand in the pharmacy. They
13 also gathered – among other information – daily logs, prescription labels, trash items [including
14 cutouts of patient signatures], spiral notebooks, sample assistance cards, and discount cards for
15 Farxiga, Onglyza, and Xigduo XR drugs.

16 a. After this inspection, Sakamura issued a written notice (signed by pharmacist J.N.)
17 for the following issues (some of which are repeated issues from the prior inspections):

- 18 • Missing “point to your language” sign during inspection;
- 19 • Key to pharmacy held by employee other than pharmacist (TCH A.Q.R.);
- 20 • No identification on TCH A.Q.R. identifying her as a pharmacy technician;
- 21 • Inventory unavailable during inspection;
- 22 • No notice to consumer and no notice regarding availability of prescription price
23 information posted during inspection;
- 24 • Improper records of dangerous drugs and devices on site – location had an offsite
25 waiver, but not the required records; only maintained one month of invoices and
26 some prescriptions from 2012 and 2018;
- 27 • Almost no records on site for the past year on premises;
- 28 • No authorization for prescription drug take back services while maintaining drugs
from a patient from other pharmacies.

26 b. In her inspection report, Sakamura also requested the following records — which
27 Respondent never provided:

- 28 i. Printout of daily log from January 1, 2018 to October 11, 2018;

- ii. Drug Utilization Reviews (DUR) from October 1, 2015 to present (October 11, 2018) of all strengths of Farxiga, Onglyza, or Xigduo drugs;
- iii. Patient profiles for E.G. and A.A. from October 1, 2015 to October 11, 2018;
- iv. Staffing information (hours or payroll for those who worked at the pharmacy in September 2018);
- v. DEA inventory.

50. On October 16, 2018, Inspectors Sakamura and Krumer arrived at UMC Pharmacy #2. While the pharmacy had an offsite waiver, the inspectors were not able to find one year of non-controlled and two years of controlled substance prescription records. Sakamura requested reports of dispensing information for three particular drugs – however, neither one of the staff technicians (A.Q.R. and V.N.) were able to sign into the appropriate computer program or access Digital Rx in order to retrieve the required records.

a. Inspector Sakamura never received the following requested documentation from Respondent UMC Pharmacy #2:

- i. All prescriptions for the past year or printouts of daily logs for the past year and prescription documents for the past six months.
- ii. DUR for Onglyza, Farxiga, and Xigduo from October 1, 2015 to present (October 16, 2018);
- iii. A statement about why the computer was down during the inspection and why the computer at UMC Pharmacy was down on October 11, 2018
- iv. A statement about why Sakamura's previous records request was denied.

FIRST CAUSE FOR DISCIPLINE

(No Technician Badge)

51. Respondents UMC Pharmacy and Khachatryan are subject to disciplinary action under Code section 4301, subdivision (o) in conjunction with section 680, subdivision (a) and California Code of Regulations (CCR), title 16, section 1793.7, subdivision (c) in that on October 11, 2018, TCH A.Q.R. did not have an ID or badge as required. Complainant hereby incorporates the allegations set forth above in paragraph 49, as though set forth fully herein.

SECOND CAUSE FOR DISCIPLINE

(License Not Posted)

52. Respondents UMC Pharmacy and Khachatryan are subject to disciplinary action under Code section 4301, subdivision (o) in conjunction with section 4058 in that during an

1 inspection on September 27, 2018, Respondents' license was not posted in a place where it could
2 be clearly read by the public. Complainant hereby incorporates the allegations set forth above in
3 paragraph 44, as though set forth fully herein.

4 **THIRD CAUSE FOR DISCIPLINE**

5 **(Unauthorized Prescriptions)**

6 53. Respondents UMC Pharmacy and Khachatryan are subject to disciplinary action
7 under Code section 4301, subdivision (o) in conjunction with section 4059, subdivision (a), in
8 that approximately 64 prescription documents were unauthorized by the prescriber. Complainant
9 hereby incorporates the allegations set forth above in paragraph 45, as though set forth fully
10 herein.

11 **FOURTH CAUSE FOR DISCIPLINE**

12 **(Improper Prescription Labeling)**

13 54. Respondents UMC Pharmacy #2 and Khachatryan are subject to disciplinary action
14 under Code section 4301, subdivision (o) in conjunction with section 4076, subdivision (a), in
15 that during an inspection on September 18, 2018, Respondents did not have a proper prescription
16 label. Specifically, a review of the pharmacy label showed an incomplete description, only listed
17 the color, and only sometimes listed the shape. Complainant hereby incorporates the allegations
18 set forth above in paragraph 42, as though set forth fully herein.

19 **FIFTH CAUSE FOR DISCIPLINE**

20 **(Lack of Theft and Impairment Policy and Procedure)**

21 55. Respondents UMC Pharmacy, UMC Pharmacy #2, and Khachatryan are subject to
22 disciplinary action under Code section 4301, subdivision (o) in conjunction with section 4104,
23 subdivision (b), in that during inspections on September 18 and 27, 2018, Respondents did not
24 have a policy and procedure for theft and impairment. Complainant hereby incorporates the
25 allegations set forth above in paragraphs 42 and 44, as though set forth fully herein.

1 **SIXTH CAUSE FOR DISCIPLINE**

2 **(Records Not Kept on Site)**

3 56. Respondents UMC Pharmacy and Khachatryan are subject to disciplinary action
4 under Code section 4301, subdivision (o) in conjunction with section 4105 and CCR section 1707
5 in that on September 27, 2018 and October 11, 2018, Respondents: (i) did not have one-year
6 worth of acquisition and disposition records on site, (ii) did not have two years of controlled
7 substance acquisition and disposition records on site, and (iii) did not provide any such records to
8 the Board within two business days upon request. Complainant hereby incorporates the
9 allegations set forth above in paragraphs 44 and 49, as though set forth fully herein.

10 **SEVENTH CAUSE FOR DISCIPLINE**

11 **(Electronic Records Unavailable)**

12 57. Respondents UMC Pharmacy, UMC Pharmacy # 2, and Khachatryan are subject to
13 disciplinary action under Code section 4301, subdivision (o) in conjunction with sections 4105,
14 subdivision (d), and 4081, subdivisions (a) and (b) in that on October 11, 2018, Respondents
15 UMC Pharmacy # 1 and Khachatryan were not able to provide required records to Board
16 inspectors as required. Similarly, during an inspection of UMC Pharmacy #2 on October 16,
17 2018—UMC Pharmacy # 2 was also not able to provide required pharmacy records to Board
18 inspectors as required. Complainant hereby incorporates the allegations set forth above in
19 paragraphs 49 and 50, as though set forth fully herein.

20 **EIGHTH CAUSE FOR DISCIPLINE**

21 **(Technician Unsupervised in Pharmacy)**

22 58. Respondents UMC Pharmacy and Khachatryan are subject to disciplinary action
23 under Code section 4301, subdivision (o) in conjunction with sections 4115, subdivisions (a) and
24 (b), 4116, subdivision (a), and CCR section 1714, subdivision (d), in that on September 18, 2018,
25 a pharmacy technician was alone in UMC Pharmacy where records and drugs were maintained.
26 Complainant hereby incorporates the allegations set forth above in paragraphs 40 to 42, as though
27 set forth fully herein.

1 **NINTH CAUSE FOR DISCIPLINE**

2 **(No Notice to Consumer Poster)**

3 59. Respondents UMC Pharmacy and Khachatryan are subject to disciplinary action
4 under Code section 4301, subdivision (o) in conjunction with section 4122, subdivision (a), and
5 CCR section 1707.6, subdivision (a), in that on September 27 and October 11, 2018, Respondents
6 failed to have a Notice to Consumer poster posted in the pharmacy as required. Complainant
7 hereby incorporates the allegations set forth above in paragraphs 44 and 49, as though set forth
8 fully herein.

9 **TENTH CAUSE FOR DISCIPLINE**

10 **(No Quality Assurance Program)**

11 60. Respondents UMC Pharmacy, UMC Pharmacy #2, and Khachatryan are subject to
12 disciplinary action under Code section 4301, subdivision (o) in conjunction with section 4125,
13 subdivisions (a) and (b), and CCR section 1711, in that on September 18 and 27, 2018,
14 Respondents did not have a policy in place regarding Quality Assurance. Complainant hereby
15 incorporates the allegations set forth above in paragraphs 42 and 44, as though set forth fully
16 herein.

17 **ELEVENTH CAUSE FOR DISCIPLINE.**

18 **(Fabricating Prescriptions)**

19 61. Respondents UMC Pharmacy and Khachatryan are subject to disciplinary action
20 under Code section 4301, subdivisions (c), (f), (g), (j), (o), and (p) in that approximately 64
21 prescriptions were telephonically transcribed and processed that were not authorized by a
22 prescriber. Complainant hereby incorporates the allegations set forth above in paragraph 45, as
23 though set forth fully herein.

24 **TWELFTH CAUSE FOR DISCIPLINE**

25 **(Falsely Completing Self-Assessment Form)**

26 62. Respondents UMC Pharmacy, UMC Pharmacy #2, and Khachatryan are subject to
27 disciplinary action under Code section 4301, subdivisions (f), (g), (j), (o), (p), and (q) in that:
28

1 the self-assessment form for UMC Pharmacy dated May 29, 2018 was a copy of another form
2 actually filled out on January 12, 2018, and the self-assessment forms UMC Pharmacy #2 dated
3 January 12, 2018 were actually filled out after September 18, 2018 and predated. Complainant
4 hereby incorporates the allegations set forth above in paragraphs 43 and 47, as though set forth
5 fully herein.

6 **THIRTEENTH CAUSE FOR DISCIPLINE**

7 **(Subverting an Investigation)**

8 63. Respondents UMC Pharmacy, UMC Pharmacy #2, and Khachatryan are subject to
9 disciplinary action under Code section 4301, subdivisions (j), (o), and (q) in conjunction with
10 sections 4332 and 4333, in that Respondents did not provide particular records to the Board after
11 being requested to do so. Complainant hereby incorporates the allegations set forth above in
12 paragraphs 42, 44, 49, and 50 as though set forth fully herein.

13 **FOURTEENTH CAUSE FOR DISCIPLINE**

14 **(Lack of Interpretive Services Policy)**

15 64. Respondents UMC Pharmacy, UMC Pharmacy #2, and Khachatryan are subject to
16 disciplinary action under Code section 4301, subdivision (o) in conjunction with CCR section
17 1707.5, subdivisions (a) and (d), in that during an inspection on September 18, 2018,
18 Respondents had no policy and procedure for assisting patients with limited or no English
19 proficiency. Complainant hereby incorporates the allegations set forth above in paragraphs 40 to
20 42, as though set forth fully herein.

21 **FIFTEENTH CAUSE FOR DISCIPLINE**

22 **(No Point to Your Language Sign)**

23 65. Respondents UMC Pharmacy and Khachatryan are subject to disciplinary action
24 under Code section 4301, subdivision (o) in conjunction with CCR section 1707.6, subdivision
25 (c) in that during inspections on September 27 and October 11, 2018, Respondents did not have a
26 sign where patients could point to their language posted in the pharmacy as required.
27 Complainant hereby incorporates the allegations set forth above in paragraphs 44 and 49, as
28 though set forth fully herein.

1 **SIXTEENTH CAUSE FOR DISCIPLINE**

2 **(Unauthorized Access by Technician)**

3 66. Respondents UMC Pharmacy and Khachatryan are subject to disciplinary action
4 under Code section 4301, subdivision (o) in conjunction with CCR section 1714 in that during
5 inspections on September 18, September 27, and October 11, 2018, a technician was in
6 possession of a pharmaceutical access key. Complainant hereby incorporates the allegations set
7 forth above in paragraphs 40 through 42, 44, and 49, as though set forth fully herein.

8 **SEVENTEENTH CAUSE FOR DISCIPLINE**

9 **(Lack of Policy in Absence of a Pharmacist)**

10 67. Respondents UMC Pharmacy and Khachatryan are subject to disciplinary action
11 under Code section 4301, subdivision (o) in conjunction with CCR section 1714.1, subdivision
12 (f), in that during an inspection on September 27, 2018, Respondents did not have a policy or
13 procedure regarding the operations of the pharmacy during the absence of the pharmacist for
14 breaks and meal periods. Complainant hereby incorporates the allegations set forth above in
15 paragraph 44, as though set forth fully herein.

16 **EIGHTEENTH CAUSE FOR DISCIPLINE**

17 **(No Self-Assessment of Pharmacy by Pharmacist-in-Charge)**

18 68. Respondents UMC Pharmacy, UMC Pharmacy #2, and Khachatryan are subject to
19 disciplinary action under Code section 4301, subdivision (o) in conjunction with CCR section
20 1715, subdivisions (a) and (d), in that during inspections on September 18 and 27, 2018,
21 Respondents did not have a self-assessment available. While Respondents later presented one
22 dated May 29, 2018 – there was no self-assessment completed prior to July 1, 2017. Complainant
23 hereby incorporates the allegations set forth above in paragraphs 42 and 44, as though set forth
24 fully herein.

25 **NINETEENTH CAUSE FOR DISCIPLINE**

26 **(Early Fills for Controlled Substances)**

27 69. Respondents UMC Pharmacy and Khachatryan are subject to disciplinary action
28 under Code sections 4301, subdivisions (d), (j), and (o) in conjunction with CCR 1761 in that

1 Respondents over-dispensed Alprazolam for at least three patients. Complainant hereby
2 incorporates the allegations set forth above in paragraph 46, as though set forth fully herein.

3 **TWENTIETH CAUSE FOR DISCIPLINE**

4 **(Technician Job Duties)**

5 70. Respondents UMC Pharmacy, UMC Pharmacy #2, and Khachatryan are subject to
6 disciplinary action under Code section 4301, subdivision (o) in conjunction with CCR section
7 1793.7, subdivision (d) in that during an inspection on September 18, 2018, Respondents did not
8 have a job description and duty statement for technicians available. Complainant hereby
9 incorporates the allegations set forth above in paragraphs 40 to 42, as though set forth fully
10 herein.

11 **TWENTY-FIRST CAUSE FOR DISCIPLINE**

12 **(No Inventory of Controlled Substances)**

13 71. Respondents UMC Pharmacy, UMC Pharmacy #2, and Khachatryan are subject to
14 disciplinary action under Code section 4301, subdivision (o) in conjunction with Code of Federal
15 Regulations, section 1304.11, subdivisions, (a) and (b) in that during inspections on September
16 18, 27 and October 11, 2018, Respondents did not have required inventories available.
17 Complainant hereby incorporates the allegations set forth above in paragraphs 42, 44, and 49, as
18 though set forth fully herein.

19 **TWENTY-SECOND CAUSE FOR DISCIPLINE**

20 **(Failure to Maintain Accurate Disposition/Inventory Records)**

21 72. Respondents UMC Pharmacy and Khachatryan are subject to disciplinary action
22 under Code section 4301, subdivision (o) in conjunction with 4081, subdivision (a) and CCR
23 section 1718, in that an investigation of UMC Pharmacy related to inspections conducted in
24 September and October of 2018 revealed UMC Pharmacy failed to demonstrate accountability for
25 their drug inventory in that the pharmacy's disposition records did not match acquisition records.
26 Complainant hereby incorporates the allegations set forth above in paragraphs 42, 44, and 48
27 through 50, as though set forth fully herein.

1 **TWENTY-THIRD CAUSE FOR DISCIPLINE**

2 **(Unprofessional Conduct)**

3 73. Respondents UMC Pharmacy and Khachatryan are subject to disciplinary action
4 under Code section 4301, subdivision (f), in that an investigation of UMC Pharmacy related to
5 inspections conducted in September and October of 2018 revealed UMC Pharmacy failed to
6 demonstrate accountability for their drug inventory in that the pharmacy's disposition records did
7 not match acquisition records. Specifically, the data and evidence collected during the
8 investigation revealed UMC Pharmacy dispensed/billed for more Farxiga, Onglyza and Xigduo
9 than was purchased. Complainant hereby incorporates the allegations set forth above in
10 paragraphs 42, 44, and 48 through 50, as though set forth fully herein.

11 **OTHER MATTERS**

12 74. Pursuant to Business and Professions Code section 4307, if discipline is imposed on
13 Pharmacy Permit Number PHY 49956 or Pharmacy Permit Number PHY 50777, issued to
14 Respondent Khachatryan, for conduct that occurred while Respondent Khachatryan was the
15 manager, and Respondent Khachatryan had knowledge of or knowingly participated in the
16 conduct for which Respondents UMC Pharmacy or UMC Pharmacy #2 were disciplined, then
17 Respondent Khachatryan shall be prohibited from serving as a manager, administrator, owner,
18 member, officer, director, associate, or partner of a licensee for five years if Pharmacy Permit
19 Number PHY 49956 or Pharmacy Permit Number PHY 50777 is placed on probation or until
20 Pharmacy Permit Number PHY 49956 or Pharmacy Permit Number PHY 50777 is reinstated if it
21 is revoked.

22 **PRAYER**

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

25 1. Revoking or suspending Permit Number PHY 49956, issued to UMC Pharmacy, Inc.
26 dba UMC Pharmacy, Karen Gary Khachatryan;

27 2. Revoking or suspending Permit Number PHY 50777, issued to UMC Pharmacy, Inc.
28 dba UMC Pharmacy #2, Karen Gary Khachatryan;

3. Revoking or suspending Pharmacist License Number RPH 57500, issued to Karen Gary Khachatryan;

4. Prohibiting Respondent Khachatryan from serving as a manager, administrator, owner, member, officer, director, associate, or partner of a licensee for five years if Pharmacy Permit Number PHY 49956 or Pharmacy Permit Number PHY 50777 is placed on probation or until Pharmacy Permit Number PHY 49956 or Pharmacy Permit Number PHY 50777 is reinstated if it is revoked;

5. Ordering UMC Pharmacy, UMC Pharmacy #2 and Karen Gary Khachatryan to pay the Board of Pharmacy the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 125.3; and,

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

DATED: 10/9/2020

Signature on File

ANNE SODERGREN
Executive Officer
Board of Pharmacy
Department of Consumer Affairs
State of California
Complainant

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