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FILED
March 20, 2015
NEW JERSEY STATE BOARD
OF MEDICAL EXAMINERS

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STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
STATE BOARD OF MEDICAL EXAMINERS

IN THE MATTER OF THE SUSPENSION
OR REVOCATION OF THE LICENSE OF

PAUL DILORENZO, M.D.
LICENSE NO. 25MA04297600

TO PRACTICE MEDICINE AND SURGERY
IN THE STATE OF NEW JERSEY

Administrative Action

FINAL CONSENT ORDER

This matter was opened to the New Jersey State Board of Medical Examiners by John J. Hoffman, Acting Attorney General of New Jersey on May 8, 2014 by the filing of a Verified Complaint and Order to Show Cause with the New Jersey State Board of Medical Examiners (the "Board") seeking the temporary suspension of the license of Paul DiLorenzo, M.D. ("Respondent") to practice medicine and surgery in New Jersey and other relief. The Verified Complaint alleged four counts of indiscriminate prescribing and that the Respondent's continued practice of medicine represented an imminent danger to the public health, safety and welfare pursuant to N.J.S.A. 45:1-22.

CERTIFIED TRUE COPY

A hearing on the Acting Attorney General's application was scheduled for May 28, 2014. Respondent sought an adjournment of the return date of the Order to Show Cause until the Board's meeting on July 9, 2014, and then again for the August 13, 2014 meeting. After further adjournment the matter was scheduled for the Board's meeting on September 10, 2014.

On May 23, 2014, and then again on July 23, 2014, Respondent entered into an Interim Consent Order whereby he voluntarily agreed to cease and desist from the practice of medicine and surgery, effective June 13, 2014.

On September 5, 2014, Respondent entered into an Interim Consent Order whereby he voluntarily agreed to a temporary suspension of his medical license in the State of New Jersey, pending disposition of a plenary hearing before the Office of Administrative Law and further order of the Board.

A First Amended Complaint was filed by the Acting Attorney General on October 17, 2014, adding Count V which alleged that Respondent engaged in a crime of moral turpitude based upon his guilty plea on September 5, 2014 on tax and structuring charges. Respondent was sentenced on those charges on March 6, 2015, before the Honorable Freda Wolfson, U.S.D.J.

Prior to sentencing Judge Wolfson considered whether a two (2) point enhancement to the sentencing guidelines applied to the above mentioned charges. The two (2) point enhancement dealt with whether the proceeds were derived from an illegal activity, specifically the prescribing of Controlled Dangerous Substances ("CDS"). Upon hearing testimony from M.R., an employee and the wife of Respondent's former office manager, Judge Wolfson found that the two (2) point enhancement applied and that Respondent prescribed highly addictive

narcotics without due care or with limited or no examinations. Further, Judge Wolfson found that Respondent gave his office manager full access to his prescription pad with whom he also shared the fees of the medical visits. Judge Wolfson sentenced Respondent to forty-six (46) months incarceration and three (3) years supervised release. In addition, Respondent was ordered to pay restitution to the IRS in the amount of \$304,293.00 and ordered to forfeit nearly \$1,000,000.00 in illegally derived proceeds.

The Board, upon considering Judge Wolfson's ruling and upon its review of the Verified Complaint and all of the exhibits attached thereto and the First Amended Complaint, hereby finds that Respondent's acts, individually and in concert, constitute indiscriminate prescribing of CDS. Those acts include, but are not limited to:

1. Prescribing excessive quantities of Oxycodone, the majority of which were for 30 mg, 240 count, on a regular basis to many individuals without maintaining adequate medical records for such individuals;
2. Prescribing CDS without adequately reviewing the patients' progress towards treatment, making reasonable efforts to prescribe alternative medications, or decreasing the dosage of the CDS;
3. Prescribing CDS to patients without conducting adequate examinations;
4. Prescribing CDS in quantities and dosages that were beyond the standard of care and/or without medical justification;
5. Failing to properly monitor patients for abuse or addiction;

6. Granting his office manager complete access to Respondent's prescription pad and not adequately supervising him by giving him access to a preprinted stamp, with Respondent thereafter signing the script;
7. Hiring an individual to serve as office manager without a background check;
8. Maintaining preprinted stamps for all medications;
9. Charging \$500.00 in cash for an initial visit and \$300.00 for any subsequent visit;
10. Operating an all cash business which was only open infrequently;
11. Splitting fees with his office manager and secretary 80 - 20 percent;
12. Prescribing excessive amounts Oxycodone 30 mg and OxyContin 80 mg to the office manager and his wife without a legitimate medical need;
13. Prescribing excessive quantities of Oxycodone on a regular basis to the two sons of his office manager without a legitimate medical need.

The Board hereby finds that by engaging in the conduct mentioned above, Respondent's acts constitute violations of N.J.S.A. 45:1-21 (b) (engaging in the use or employment of dishonesty, fraud, deception, misrepresentation, false promise or false pretense); N.J.S.A. 45:1-21 (c) and (d) (gross negligence, malpractice or incompetence, and/or repeated acts of negligence, malpractice or incompetence); N.J.S.A. 45:1-21(e) (professional misconduct); N.J.S.A. 45:1-21(m) (indiscriminate prescribing); N.J.S.A. 45:1-21(n) (aiding and abetting an unlicensed person to perform an act for which a license is required); N.J.S.A. 45:1-21(f) (convicted of a crime of moral turpitude); N.J.A.C. 13:35-7.1A, N.J.A.C. 13:35-7.6, N.J.A.C. 13:35-6.5, thus violating N.J.S.A. 45:1-21(h) (failure to comply with any provision of an act or regulation administered by the Board); and N.J.S.A. 45:9-6 (failure to demonstrate good moral character).

The parties being desirous of resolving this matter without the necessity of a plenary hearing, and it appearing that Respondent has read the terms of the within Order and understands their meaning and effect and consents to be bound by same, and the Board finds that the within disposition is adequately protective of the public health, safety and welfare, and for good cause shown.

IT IS, therefore, on this 20 day of March 2015,

ORDERED that:

1. Respondent's license to practice medicine and surgery in New Jersey is hereby revoked.

2. Respondent shall be ineligible to apply for or obtain a license to practice medicine and surgery in the State of New Jersey for a period of five (5) years after release from incarceration pursuant to his guilty plea in federal court referenced above. Respondent shall be given credit for one hundred and eighty-one days (181) from Respondent's temporary suspension on September 5, 2014 until the date of his criminal sentence on March 6, 2015. Notwithstanding the term of ineligibility set forth herein, in no instance shall Respondent be granted a license during any period that he is under the conditions of a criminal sentence such as probation, supervised release, and/or fine or payment plan. Additionally, time spent in active practice in another jurisdiction during the period of revocation shall toll the time when Respondent shall be permitted to reapply for his license in New Jersey.

3. At such time as Respondent may seek to reapply for his license, Respondent shall appear before a Committee of the Board to demonstrate his fitness to resume practice, demonstrating at a minimum successful completion of Board approved courses in medical ethics

and medical record keeping as well as the payment of all penalties and costs in paragraph 5. Successful completion means that all sessions were attended, all assignments were properly and appropriately completed and a passing grade was achieved which was unconditional and without reservation.

4. Should reapplication be granted, the Board reserves the right to condition or limit Respondent's license, as in its sole discretion it deems appropriate to the circumstances of this matter, and in order to protect the public health, safety and welfare.

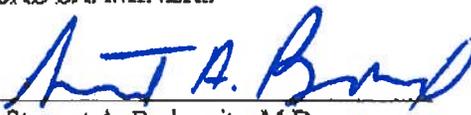
5. Respondent shall pay a total of \$150,000 in penalties related to the indiscriminate prescribing and \$50,000 in attorney's fees and investigative costs in eighteen (18) monthly installments. The first payment of \$50,000 consisting of costs and fees shall be due on or before April 1, 2015. The seventeen (17) subsequent payments consisting of \$8,823.53 shall be due on the first of each of the following seventeen (17) months. All payments shall be made by bank check, wire transfer, money order or other certified funds payable to the State of New Jersey, and forwarded to William Roeder, Executive Director, New Jersey Board of Medical Examiners, P.O. Box 183, Trenton, NJ 08625-0183. If a form of payment is presented other than the payment noted above, it will be rejected and returned to Respondent.

6. With the consent of the Director of the Division of Consumer Affairs (the "Director"), and pursuant to his authority under N.J.S.A. 24:21-9 et. seq., Respondent's New Jersey CDS registration, No. D04586500, is hereby permanently revoked. This CDS prescribing restriction is independent of any action taken by the State Board of Medical Examiners, Drug Enforcement Administration or any other licensing authority.

7. Respondent shall comply with the Directives Regarding Licensees who have been disciplined, which is attached hereto and made a part hereof.

8. The parties hereby stipulate that entry of this Order is without prejudice to further action, by this Board, the Acting Attorney General, the Drug Control Unit, the Director of the Division of Consumer Affairs or other law enforcement entities resulting from Respondent's conduct prior to the entry of this Order.

NEW JERSEY STATE BOARD OF
MEDICAL EXAMINERS

By: 
Stewart A. Berkowitz, M.D.
President

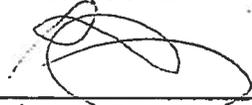
I have read and understood the within
Consent Order and hereby agree to comply
with the terms.


Paul DiLorenzo, M.D.

Dated: 3/20/15

Consented to as to form.

Robert J. DeGroot, Esq.
Attorney for Respondent

By: 
Robert J. DeGroot, Esq.

Dated: 3/20/15

**NOTICE OF REPORTING PRACTICES OF BOARD
REGARDING DISCIPLINARY ACTIONS**

Pursuant to N.J.S.A. 52:14B-3(3), all orders of the New Jersey State Board of Medical Examiners are available for public inspection. Should any inquiry be made concerning the status of a licensee, the inquirer will be informed of the existence of the order and a copy will be provided if requested. All evidentiary hearings, proceedings on motions or other applications which are conducted as public hearings and the record, including the transcript and documents marked in evidence, are available for public inspection, upon request.

Pursuant to 45 CFR Subtitle A 60.8, the Board is obligated to report to the National Practitioners Data Bank any action relating to a physician which is based on reasons relating to professional competence or professional conduct:

- (1) Which revokes or suspends (or otherwise restricts) a license,
- (2) Which censures, reprimands or places on probation,
- (3) Under which a license is surrendered.

Pursuant to 45 CFR Section 61.7, the Board is obligated to report to the Healthcare Integrity and Protection (HIP) Data Bank, any formal or official actions, such as revocation or suspension of a license (and the length of any such suspension), reprimand, censure or probation or any other loss of license or the right to apply for, or renew, a license of the provider, supplier, or practitioner, whether by operation of law, voluntary surrender, non-renewability, or otherwise, or any other negative action or finding by such Federal or State agency that is publicly available information.

Pursuant to N.J.S.A. 45:9-19.13, if the Board refuses to issue, suspends, revokes or otherwise places conditions on a license or permit, it is obligated to notify each licensed health care facility and health maintenance organization with which a licensee is affiliated and every other board licensee in this state with whom he or she is directly associated in private medical practice.

In accordance with an agreement with the Federation of State Medical Boards of the United States, a list of all disciplinary orders are provided to that organization on a monthly basis.

Within the month following entry of an order, a summary of the order will appear on the public agenda for the next monthly Board meeting and is forwarded to those members of the public requesting a copy. In addition, the same summary will appear in the minutes of that Board meeting, which are also made available to those requesting a copy.

Within the month following entry of an order, a summary of the order will appear in a Monthly Disciplinary Action Listing which is made available to those members of the public requesting a copy.

On a periodic basis the Board disseminates to its licensees a newsletter which includes a brief description of all of the orders entered by the Board.

From time to time, the Press Office of the Division of Consumer Affairs may issue releases including the summaries of the content of public orders.

Nothing herein is intended in any way to limit the Board, the Division or the Attorney General from disclosing any public document.