BEFORE THE IOWA BOARD OF PHARMACY

Re:
Wholesale Drug License of
GULF COAST PHARMACEUTICALS, INC.,
License No. 6882,
Respondent. )

Case No. 2010-36

STATEMENT OF CHARGES

COMES NOW, the Complainant, Lloyd K. Jessen, and states:

1. He is the Executive Director for the Iowa Board of Pharmacy and files this Statement of Charges solely in his official capacity.

2. The Board has jurisdiction in this matter pursuant to Iowa Code Chapters 155A and 272C (2009).

3. On November 13, 2009, the Board renewed wholesale drug license number 6882 for Gulf Coast Pharmaceuticals, Inc. (hereinafter, "Respondent"), allowing Respondent to engage in the operation of a wholesale drug facility subject to the laws of the State of Iowa and the rules of the Board.


At all times material to this Statement of Charges, Respondent was operating a wholesale drug facility at 995 North Halstead Road, Ocean Springs, MS 39564.

A. CHARGES

COUNT I – VIOLATING LAWS OF ANOTHER STATE

Respondent is charged pursuant to Iowa Code § 155A.15(2)(c) (2009), and 657 Iowa Administrative Code §§ 36.1(4)(j) and 36.1(4)(ad), with violating the laws of Oklahoma, which laws relate to the practice of pharmacy.

COUNT II – FAILURE TO REPORT DISCIPLINE

Respondent is charged pursuant to Iowa Code § 155A.15(2)(c) (2009) and 657 Iowa Administrative Code § 36.1(4)(k), with failing to notify the Board within 30 days of receipt of a disciplinary sanction in another state.
B. CIRCUMSTANCES

An investigation commenced on April 14, 2010 which revealed the following:

1. At all times material to this Statement of Charges, Respondent operated a wholesale drug facility located at 995 North Halstead Road, Ocean Springs, MS 39564.
2. In a stipulated order, the Oklahoma Board of Pharmacy revoked Respondent’s non-resident wholesaler license on January 15, 2010.
3. The discipline occurred because, among other things, Respondent shipped drugs into Oklahoma prior to receiving an Oklahoma wholesaler license, and because Respondent had failed to maintain adequate controls and systems to protect against, detect and document theft, diversion and counterfeiting.
4. Respondent admitted guilt and received a $22,500 fine.
5. Respondent did not notify this Board of the discipline.

Wherefore, the Complainant prays that a hearing be held in this matter and that the Board take such action as it may deem to be appropriate under the law.

On this 8 day of March 2011, the Iowa Board of Pharmacy found probable cause to file this Statement of Charges and to order a hearing in this case.

cc: Scott M. Galenbeck
    Assistant Attorney General
    Hoover State Office Building
    Des Moines, Iowa

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Pursuant to Iowa Code §§ 17A.10 and 272C.3(4) (2011), the Iowa Board of Pharmacy (hereinafter, the “Board”) and Gulf Coast Pharmaceuticals, Inc. (hereinafter, “Respondent”), have agreed to settle a contested case currently on file with the Board. The Statement of Charges filed against Respondent on March 8, 2011 and the licensee disciplinary proceeding shall be resolved without a hearing, as the Board and Respondent stipulate to the following:

1. Respondent’s license to operate a wholesale pharmacy in Iowa is evidenced by Wholesale Pharmacy License Number 6882, recorded in the permanent records of the Board.

2. Wholesale pharmacy License Number 6882, which expired December 31, 2010, has not been renewed.

3. The Board has jurisdiction over the parties and the subject matter herein.

4. A Statement of Charges was filed against Respondent on March 8, 2011.

5. Respondent does not contest the allegations contained in the Statement of Charges and acknowledges that the allegations, if proven in a contested case proceeding, would constitute grounds for the discipline described herein.

6. Respondent is no longer doing business in Iowa; Respondent agrees that it will not do business in Iowa unless appropriately licensed.
7. Upon the Board’s approval of this Stipulation and Consent Order, Respondent shall be assessed a civil penalty in the amount of $2,500. The civil penalty payment shall be made payable to the Treasurer of Iowa and mailed to the executive director of the Board within 10 days after Respondent's receipt of notice of the Board’s approval of this Stipulation and Consent Order. All civil penalty payments shall be deposited into the State of Iowa general fund. Upon the Board’s receipt of the civil penalty, this disciplinary proceeding shall be concluded without further order of the Board.

8. Should Respondent violate or fail to comply with any of the terms or conditions of this Stipulation and Consent Order, the Board may initiate further action to impose licensee discipline as authorized by Iowa Code chapters 272C and 155A (2011), and 657 Iowa Administrative Code § 36.1.

9. This Stipulation and Consent Order is the resolution of a contested case. By entering into this Stipulation and Consent Order, Respondent waives all rights to a contested case hearing on the allegations contained in the Statement of Charges, and waives any objections to this Stipulation and Consent Order.

10. This proposed settlement is subject to approval by a majority of the full Board. If the Board fails to approve this settlement, it shall be of no force or effect to either party. If the Board approves this Stipulation and Consent Order, it shall be the full and final resolution of this matter.

11. The State’s counsel may present this Stipulation and Consent Order to the Board.

12. The Board’s approval of this Stipulation and Consent Order shall
constitute a FINAL ORDER of the Board in a disciplinary action.

This Stipulation and Consent Order is voluntarily submitted by Gulf Coast Pharmaceuticals, Inc., to the Iowa Board of Pharmacy for its consideration on this [day of] [MAY] 2011.

GULF COAST PHARMACEUTICALS, INC., Respondent

Subscribed and sworn to before me by ____________________________, who has stated to me that he/she is the pharmacist in charge of Gulf Coast Pharmaceuticals, Inc., and is authorized to sign this Stipulation and Consent Order on behalf of Gulf Coast Pharmaceuticals, Inc., on this __th day of __________ 2011.

NOTARY PUBLIC IN AND FOR THE STATE OF _______________

This Stipulation and Consent Order is accepted by the Iowa Board of Pharmacy on this __th day of __________ 2011.

SUSAN FREY, Chairperson
Iowa Board of Pharmacy
400 SW Eighth Street, Suite E
Des Moines, Iowa 50309-4688

cc: Scott M. Galenbeck
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