See Cal. Bus. & Prof. Code § 725(c) (requiring a medical basis for prescribing controlled substances); 21 CFR 1306.04(a) (''A prescription for a controlled substance to be effective must be issued for a legitimate medical purpose''). Applicant only treated the patients with controlled substances, failed to document treatment plans, failed take into account the patient's past history of drug abuse, and continuously prescribed high doses of opiates without documenting any explanation for doing so in their medical records. Stipulated Surrender, at 17–23.

Moreover, as the Expert explained, Applicant ignored signs of misuse with respect to E.G., and signs of misuse and diversion with respect to R.E. Expert's Report, at 11 (''signs of misuse on the part of [E.G.] did not seem to affect [Applicant's] prescribing practices''); *id.* at 29–30 (noting that R.E. requested specific controlled substances, reported stolen opioids, and ''reported persistent or increased pain at almost every visit'' notwithstanding that ''the opioid . . . doses had been significantly increased'' and that Applicant ''fail[ed] to respond to clues that [R.E.] was misusing or diverting medication''). Most significantly, with respect to both E.G. and R.E., the Expert concluded that Applicant's treatment ''fell far outside the usual professional practice of medicine.'' *Id.* at 32.

I therefore find that Applicant violated the CSA's prescription requirement when he prescribed controlled substance to E.G. and R.E. 21 CFR 1306.04(a). I also find that Applicant unlawfully distributed controlled substances to E.G. and R.E. *See* 21 U.S.C. 841(a)(1); *see also Moore,* 423 U.S. at 142–43 (noting that evidence established that physician ''exceeded the bounds of 'professional practice,''' when ''he gave inadequate physical examinations or none at all,'' ''ignored the results of the tests he did make,'' and ''took no precautions against . . . misuse and diversion'').

Finally, with respect to patient J.G., the evidence shows that Applicant ''assumed the methadone maintenance of a known opiate addict despite his lack of qualification and without the guidance of qualified addiction specialists.'' *Id.* at 28. Applicant did so notwithstanding that he did not hold the registration required by the CSA to dispense narcotic drugs for the purposes of providing maintenance or detoxification treatment. *See* 21 U.S.C. 823(g)(1) (''practitioners who dispense narcotic drugs to individuals for maintenance treatment or detoxification treatment shall obtain annually a *separate* registration for that purpose.'') (emphasis added); *George C. Aycock, M.D.,* 74 FR 17529, 17543 n.32 (2009) (''Under federal law, a practitioner must meet extensive requirements and be separately registered to lawfully dispense narcotic drugs for maintenance or detoxification treatment.'').

Applicant further violated federal law when he prescribed methadone, a schedule II narcotic, for the purpose of treating J.G.'s opioid dependency. Expert Report, at 22. Under a DEA regulation, a practitioner (who is properly registered), ''may administer or dispense (but not prescribe) a narcotic drug . . . to a narcotic depend[e]nt person for the purpose of maintenance or detoxification treatment.'' 21 CFR 1306.07(a). Applicant thus also violated this provision when he prescribed methadone to treat J.G.'s opioid dependency.[7]

Accordingly, I hold that the evidence with respect to factors two and four supports the conclusion that Applicant's registration ''would be inconsistent with the public interest.'' 21 U.S.C. 823(f). Because Applicant waived his right to a hearing or to submit a written statement in lieu of hearing, there is no evidence to the contrary. *See, e.g., Medicine Shoppe-Jonesborough,* 73 FR 364, 387 (2008) (internal quotation marks omitted). Accordingly, I will deny Applicant's application.

Order

Pursuant to the authority vested in me by 21 U.S.C. 823(f), as well as 28 CFR 0.100(b) and 0.104, I hereby order that the application of Thomas Neuschatz, M.D., for a DEA Certificate of Registration as a practitioner be, and it hereby is, denied. This order is effective immediately.

Dated: December 6, 2013.

Thomas M. Harrigan,

Deputy Administrator.

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[7] To similar effect, California law provides that a physician cannot ''administer dangerous drugs or controlled substances to a person he or she knows or reasonably believes is using or will use the drugs or substances for a nonmedical purpose.'' Cal. Bus. & Prof. Code § 2241(b). Thus, ''an order for an addict or habitual user of controlled substances, which is issued not in the course of professional treatment or as part of an authorized narcotic treatment program, for the purpose of providing the user with controlled substances,'' is illegal. Cal. Health & Safety Code § 11153(a)(2); *People* v. *Gandotra,* 14 Cal. Rptr. 2d 896, 901 (Cal. Ct. App. 1992) (''[S]ection 11153 . . . prohibits practitioners from writing controlled substance prescriptions that . . . are outside the course of their usual professional practice.'').

DEPARTMENT OF LABOR

Employment and Training Administration

Notice of Approval of South Carolina's Application for Avoidance of 2013 Credit Reduction Under the Federal Unemployment Tax Act

AGENCY: Employment and Training Administration, Labor.

ACTION: Notice.

SUMMARY: Sections 3302(c)(2) and 3302(d)(3) of the Federal Unemployment Tax Act (FUTA) provide that employers in a state that has an outstanding balance of advances under Title XII of the Social Security Act at the beginning of January 1 of two or more consecutive years are subject to a reduction in credits otherwise available against the FUTA tax for the calendar year in which the most recent such January 1 occurs, if a balance of advances remains at the beginning of November 10 of that year. Because the account of South Carolina in the Unemployment Trust Fund had a balance of advances at the beginning of January 1 of 2009, 2010, 2011, 2012, and 2013, and still had a balance of advances at the beginning of November 10, 2013, South Carolina employers were potentially liable for a reduction in their FUTA offset credit for 2013.

Section 3302(g) of FUTA provides that a state may avoid credit reduction for a year by meeting certain criteria. South Carolina applied for avoidance of the 2013 credit reduction under this section. It has been determined that South Carolina met all of the criteria of section 3302(g) and thus qualifies for credit reduction avoidance. Therefore, South Carolina employers will have no reduction in FUTA offset credit for calendar year 2013.

Signed in Washington, DC, this 5th day of December, 2013.

Eric M. Seleznow,

Acting Assistant Secretary for Employment and Training.

[FR Doc. 2013–29851 Filed 12–16–13; 8:45 am]

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DEPARTMENT OF LABOR

Employment and Training Administration

Notice of Denial of Georgia's Application for a ''Cap'' of the 2013 Credit Reduction Under the Federal Unemployment Tax Act

AGENCY: Employment and Training Administration, Labor.