



Department of Justice

United States Attorney Brian J. Stretch
Northern District of California

FOR IMMEDIATE RELEASE

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JOINT LAW ENFORCEMENT OPERATION LEADS TO CONVICTION OF EAST BAY COUNTERFEIT DRUG MANUFACTURER

David Beckford Sentenced to 123-Month Prison Term for Operating Counterfeit Xanax Pill Operation

SAN FRANCISCO – David Beckford was sentenced to more than 10 years in prison for his role in a conspiracy to manufacture counterfeit Xanax pills, for engaging in international money laundering, and for his use and possession of a firearm in furtherance of drug trafficking and in violation of the felon-in-possession statute, announced United States Attorney Brian J. Stretch; Drug Enforcement Administration Special Agent in Charge John J. Martin; Internal Revenue Service, Criminal Investigation, Special Agent in Charge Michael T. Batdorf; and U.S. Food and Drug Administration Office of Criminal Investigations Special Agent in Charge Lisa L. Malinowski. The sentence was issued by the Honorable Jeffrey S. White, U.S. District Judge, following a guilty plea entered in November of 2016.

According to the guilty plea, Beckford, 28, of Oakland, Calif., admitted that from January 17, 2014, through December 12, 2015, he engaged in a scheme to import controlled substances from China and other foreign sources, obtain manufacturing equipment, including a press to make pills, and press fake Xanax pills at locations in the Northern District of California. Beckford acknowledged the pills he manufactured were designed to appear as close as possible to brand-name Xanax pills. Beckford further admitted to wiring money to China and

other foreign countries to pay for the materials that he used to operate his illegal Xanax manufacturing business. In total, Beckford was found to be responsible for 161,474 counterfeit Xanax pills. Beckford further admitted to possessing firearms and ammunition.

This investigation is one example of law enforcement efforts to combat prescription pill abuse and counterfeit pill manufacturing. On May 12, 2016, a federal grand jury returned a thirty-three count superseding indictment charging Beckford and four co-defendants with various crimes related to the scheme. For his role, Beckford was charged with conspiracy to manufacture, distribute, and possess with intent to distribute a controlled substance, in violation of 21 U.S.C. § 846; three counts of substantive manufacture, distribution, and possession with intent to distribute a controlled substance, in violation of 21 U.S.C. § 841(a); being a felon in possession of a firearm and ammunition, in violation of 18 U.S.C. § 922(g)(1); possession of a firearm in furtherance of a drug trafficking crime, in violation of 18 U.S.C. § 924(c); sale of counterfeit drugs, in violation of 21 U.S.C. § 331(i)(3); conspiracy to engage in international money laundering, in violation of 18 U.S.C. § 1956(h); twenty-three counts of substantive international money laundering, in violation of 18 U.S.C. § 1956(a)(2)(A); and trafficking in a counterfeit drug, in violation of 18 U.S.C. § 2320(a)(4). Pursuant to his plea agreement, Beckford pleaded guilty to all but the substantive counts of money laundering and manufacture, distribution, and possession with intent to distribute a controlled substance.

“Prescription drug abuse threatens the very fabric of our society,” said U.S. Attorney Stretch. “David Beckford intentionally and illegally manufactured and distributed counterfeit prescription drugs. His plan to put more than 150,000 counterfeit pills into circulation presented a serious risk to public safety. This office is proud of the work done by our federal law enforcement partners to put an end to his scheme.”

“Mr. Beckford’s sentence reflects the seriousness of this crime,” said Michael T. Batdorf, Special Agent in Charge, IRS-Criminal Investigation. “The defendant was the mastermind of this elaborate scheme. He found international suppliers through the internet and solicited others, including his girlfriend, to handle the wire transfer payments of funds to the overseas suppliers. IRS CI is committed to following the money to the other side of the world and back so we can financially disrupt and dismantle narcotics trafficking organizations.”

“The FDA’s regulation of the production and distribution of prescription drugs is designed to ensure that they are safe and effective. Criminals who manufacture and sell drugs outside of FDA’s oversight put the health of U.S consumers at risk,” said Lisa L. Malinowski, Special Agent in Charge, FDA Office of Criminal Investigations, Los Angeles Field Office. “Our office will continue to pursue and bring to justice those who endanger the public’s health by distributing counterfeit, unapproved, and adulterated prescription medications.”

“Prescription drug misuse is a national epidemic affecting all segments of society. Sadly, individuals like David Beckford who produced counterfeit pills for personal gain, feed this problem,” stated Drug Enforcement Administration Special Agent in Charge John J. Martin. “As DEA continues an unprecedented dialogue with foreign counterparts to address the availability of pharmaceuticals and manufacturing equipment, we will simultaneously investigate traffickers operating in our own backyard.”

In addition to the 123-month prison term, Judge White also sentenced the defendant to a three-year period of supervised release and forfeiture of currency, firearms, ammunition, and custom jewelry. The defendant currently is in custody and will begin serving the sentence immediately. Also sentenced as part of the conspiracy were co-defendants Stephan Florida and Isaiah Clayton, whose sentences were for 14 months' imprisonment and 36 months' probation, respectively, for their roles in the scheme. In addition, co-defendant Beau Sankene has pleaded guilty to crimes related to her roles in the conspiracy and has not yet been sentenced.

Assistant U.S. Attorneys Sheila Armbrust and Marc Wolf prosecuted the case with the assistance of Ana Guerra and Yanira Osorio. The prosecution is the result of an investigation by the Drug Enforcement Administration, Internal Revenue Service, Criminal Investigation, and U.S. Food and Drug Administration Office of Criminal Investigations.

Further Information:

Case #: 16-00013-1

A copy of this press release will be placed on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

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