

**United States Attorney Melinda Haag
Northern District of California**

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CONTACT: JOSH EATON

(415) 436-6958

Josh.Eaton@usdoj.gov

**NINE SENTENCED FOR ILLEGALLY DISTRIBUTING CONTROLLED SUBSTANCES OVER THE
INTERNET**

SAN FRANCISCO - Nine defendants were sentenced over the last two days for their roles in illegally distributing controlled substances to customers who bought the drugs from illicit Internet pharmacies, United States Attorney Melinda Haag and Drug Enforcement Administration Acting Special Agent in Charge Bruce C. Balzano announced. The defendants were also collectively ordered to forfeit more than \$94 million in illegal proceeds.

“Illegal Internet pharmacies bring significant harm to communities across the nation by making controlled substances available to teenagers, addicts, and others who are endangered when these drugs are obtained without proper medical supervision. Anyone who engages in this criminal activity can expect to be prosecuted and held accountable for their conduct,” stated U.S. Attorney Haag.

“Prescription drug abuse has risen to alarming levels, often times leaving a trail of devastation behind and negatively impacting our communities. The individuals sentenced this week were involved in online pharmacy schemes that were illegally distributing controlled substances. DEA will aggressively pursue all who choose profits over the health and safety of the public,” stated DEA Acting Special Agent in Charge Balzano.

Michael Arnold, 42, of Boca Raton, Florida, was sentenced to 5 years in prison for his role as the organizer and leader of the Pitcairn Internet pharmacy. From 2003 through 2007, Pitcairn sold more than 14 million doses of Schedule III and IV controlled substances, earning over \$69 million in its four years of operation using websites such as ezdietpills.net, pillssavings.com, and doctorrefill.net. Arnold laundered Pitcairn’s illegal proceeds through accounts in at least eight different countries, including Switzerland, Liechtenstein, the Netherlands, Canada, Panama, the Bahamas, St. Kitts & Nevis, and Curacao. Arnold was ordered to forfeit \$69,692,488.39.

Christopher Napoli, 46, of Newtown Square, Pennsylvania, was sentenced to 4 years in prison for his role as the founder and leader of the Pharmacy USA/ SafescriptsOnline (“Safescripts”) Internet pharmacy. From November 2004 through December 2006, Safescripts sold more than 13 million doses of Schedule III and IV controlled substances, earning more than \$24 million in its two years of operation. Napoli paid affiliates located in foreign countries, including Argentina, India, the Dominican Republic, Panama, Latvia, Lithuania, Romania and Poland to market drugs to potential customers using websites and call centers that placed outbound calls pushing the sale of the drugs listed on the Safescripts website. Napoli was ordered to forfeit \$24,609,611.48.

Daniel “DJ” Johnson, 40, of Pekin, Illinois, was sentenced to 3 years in prison for his role as the software developer and manager for Safescripts. From his father’s business, Internet Commerce Corporation, Johnson assisted Napoli with the day-to-day operation of Safescripts, managing the maintenance and development of the software and hardware used to process drug orders, as well as the relationships between Safescripts at the brick-and-mortar pharmacies that filled the drug orders and shipped the pills to customers. Johnson was ordered to forfeit \$835,540.

Jeffrey Herholz, 45, of Fayetteville, North Carolina, was sentenced to 2 years in prison for his role as the owner and operator of Kwic Fill, a brick-and-mortar pharmacy located in Fayetteville, North Carolina, that filled drug orders exclusively for Internet pharmacies, including Pitcairn and Safescripts. From February through April 2006, Kwic Fill shipped more than 7 million doses of Schedule III and IV controlled substances to customers located in all 50 states. Kwic Fill earned more than \$3 million in criminal proceeds in its three months of operation. Herholz was ordered to forfeit \$3,386,829.

Joseph Carozza, 67, of West Orange, New Jersey, was sentenced to 2 ½ years in prison for his role as one of the doctors who reviewed drug orders for Safescripts. Customers who wished to purchase controlled substances from Safescripts selected their drug of choice from a list of available options, answered a 23-question on-line questionnaire, and provided a credit card number and shipping address. After reviewing the questionnaire, Carozza clicked a button to “approve” or “deny” the drug order without meeting with or speaking to the customer who placed the drug order. The evidence at trial showed that Carozza approved more than 184,000 drug orders for Safescripts during an eleven-month period, once approving more than 12,000 orders in a single day. Carozza was ordered to forfeit \$400,067.

Arnold and Herholz were convicted of conspiracy to distribute and possess with intent to distribute Schedule III and IV controlled substances, in violation of 21 U.S.C. § 846, and conspiracy to launder money internationally, in violation of 18 U.S.C. § 1956, on March 1, 2012, after a four-week jury trial.

Napoli, Johnson and Carozza were convicted of conspiracy to distribute and possess with intent to distribute Schedule III and IV controlled substances, in violation of 21 U.S.C. § 846, on

November 15, 2012, after a six-week jury trial. Napoli and Johnson were also convicted of conspiracy to launder money, in violation of 18 U.S.C. § 1956.

Evidence at trial established that more than 90% of the drugs sold by Pitcairn and Safescrpts were Schedule III and IV controlled substances. The drugs were primarily diet pills, such as phentermine and didrex, and anti-anxiety drugs known as benzodiazepenes, such as Xanax, Valium and clonazepam. All of these drugs carry a potential for addiction and may be dangerous if not taken under proper medical supervision.

Also sentenced were:

Salvatore Lamorte, 54 of Freehold, New Jersey, was sentenced to 1 year and 1 day in prison. Lamorte pled guilty to conspiracy to distribute and to possess with intent to distribute Schedule III and IV controlled substances, in violation of 21 U.S.C. § 846, and conspiracy to launder money internationally, in violation of 18 U.S.C. § 1956, based on his role as a recruiter and consultant who located brick-and-mortar pharmacies willing to fill drug orders for illegal Internet pharmacies. Lamorte was ordered to forfeit \$2,011,927.

Jeffrey Entel, 43, of Lake Placid, Florida, was sentenced to 13 months in prison. Entel pled guilty to conspiracy to distribute and possess with intent to distribute Schedule III and IV controlled substances, in violation of 21 U.S.C. § 846. Entel owned and operated Groupo Call Center in the Dominican Republic, a call center that placed out-bound calls soliciting drug orders for Safescrpts. Entel was ordered to forfeit \$3,856,453.

Dino Antonioni, 45, of Miramar, Florida, was sentenced to 9 months of imprisonment followed by 9 months of home confinement. Antonioni pled guilty to conspiracy to distribute and to possess with intent to distribute Schedule III and IV controlled substances, in violation of 21 U.S.C. § 846, based on his role as the pharmacist for a brick-and-mortar pharmacy that filled drug orders for illegal Internet pharmacies. Antonioni was ordered to forfeit \$300,000.

Darrell Creque, 63, of Clayton, North Carolina, was sentenced to 4 years of probation. Creque pled guilty to conspiracy to distribute and to possess with intent to distribute Schedule III and IV controlled substances, in violation of 21 U.S.C. § 846, based on his role as the pharmacist for Kwic Fill. Creque was ordered to forfeit \$23,865.

These convictions were the result of a lengthy investigation by the Drug Enforcement Administration, San Francisco Field Division's Financial Investigative Team. The prosecution is part of the Northern District of California United States Attorney's Office's Health Care Fraud program and was initiated as an investigation with the Organized Crime and Drug Enforcement Task Force. Substantial assistance was provided by the North Carolina Board of Pharmacy. Assistant United States Attorneys Kirstin Ault, Thomas Stevens, and Tracie Brown, with assistance from Denise Oki, Maryam Beros, Rawaty Yim, and Rayneisha Booth, prosecuted this case on behalf of the United States.

Further Information:

Case #: CR 10-0642.

A copy of this press release may be found 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.

All press inquiries to the U.S. Attorney's Office should be directed to Josh Eaton at (415) 436-6958 or by e-mail at Josh.Eaton@usdoj.gov.