

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

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FOR IMMEDIATE RELEASE

CONTACT: JOSH

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EATON

(415) 436-

6958

[WWW.USDOJ.GOV/USAO/CAN](http://WWW.USDOJ.GOV/USAO/CAN)

[Josh.Eaton@usdoj.gov](mailto:Josh.Eaton@usdoj.gov)

**UPS AGREES TO FORFEIT \$40 MILLION IN PAYMENTS FROM ILLICIT ONLINE  
PHARMACIES FOR SHIPPING SERVICES**

**United States Agrees to Forego Prosecution in Exchange for Forfeiture and  
Implementation of Strong Compliance Program**

SAN FRANCISCO - United Parcel Service, Inc. ("UPS") and the United States Attorney's Office for the Northern District of California ("USAO-NDCA") entered into a Non-Prosecution Agreement ("NPA") today in which UPS agreed to forfeit \$40 million in payments it has received from illicit online pharmacies and to implement a compliance program designed to ensure that illegal online pharmacies will not be able to use UPS's services to distribute drugs, U.S. Attorney Melinda Haag, Drug Enforcement Administration (DEA) Administrator Michele M. Leonhart, and Food and Drug Administration (FDA) Director of the Office of Criminal Investigations John Roth announced.

UPS has cooperated fully with the investigation and has already taken steps to ensure that illegal Internet pharmacies can no longer use its services to ship drugs. These voluntary improvements will be strengthened by the compliance program UPS will implement as a condition of this NPA.

U.S. Attorney Melinda Haag commented: "We are pleased with the steps UPS has taken to stop the use of its shipping services by illegal on-line pharmacies. Good corporate citizens like UPS play an important role in halting the flow of illegal drugs that degrade our nation's communities. We are hopeful that the leadership displayed by UPS through this compliance program will set the standard for the parcel delivery industry and will materially assist the federal government in its battle against illegal Internet pharmacies."

From 2003 through 2010, UPS was on notice, through some of its employees, that Internet pharmacies were using its services to distribute controlled substances and prescription drugs without valid prescriptions in violation of the law. Internet pharmacies operate illegally when they distribute controlled substances and prescription drugs that are not supported by valid prescriptions. A prescription based solely on a customer's completion of an on-line questionnaire is not valid. Despite being on notice that this activity was occurring, UPS did not implement procedures to close the shipping accounts of Internet pharmacies.

“DEA is aggressively targeting the diversion of controlled substances, as well as those who facilitate their unlawful distribution,” said DEA Administrator Michele M. Leonhart. “This investigation is significant and DEA applauds UPS for working to strengthen and enhance its practices in order to prevent future drug diversion.”

John Roth, Director of the FDA Office of Criminal Investigations added: “The results of this investigation will prompt a significant transformation of illicit internet pharmacy shipping and distribution practices, limiting the chances of potentially unapproved, counterfeit or otherwise unsafe prescription medications from reaching U.S. consumers. The FDA is hopeful that the positive actions taken by UPS in this case will send a message to other shipping firms to put public health and safety above profits.”

Kirstin M. Ault is the Assistant U.S. Attorney who is prosecuting the case with the assistance of Legal Technician Rawaty Yim. The prosecution is the result of an investigation by the Financial Investigative Team of the DEA, with the assistance of the FDA Office of Criminal Investigations. This investigation is part of USAO-NDCA’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.

**Further Information:**

A copy of this press release and the Non-Prosecution Agreement may be found on the U.S. Attorney’s Office’s website at [www.usdoj.gov/usao/can](http://www.usdoj.gov/usao/can).

All press inquiries to the U.S. Attorney’s Office should be directed to Joshua Eaton at (415) 436-7200 or by e-mail at [josh.eaton@usdoj.gov](mailto:josh.eaton@usdoj.gov).