



U.S. Department of Justice

United States Attorney
District of Maine

100 Middle Street
6th Floor, East Tower
Portland, ME 04101

(207) 780-3257
TTY (207) 780-3060
Fax (207) 780-3304

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Contact: Toby Dilworth
Assistant United States Attorney
Tel: (207) 771-3237

MAINE BIOTECH COMPANY FINED FOR SMUGGLING AND FRAUD

Portland, Maine: United States Attorney Paula D. Silsby announced that **Maine Biological Laboratories, Inc.**, based in Winslow, Maine, was sentenced last night to five years probation and fined \$500,000. The Court ordered the company to pay the fine over five years.

The company, through its chief executive officer, appeared before United States District Judge John Woodcock on July 20, 2005. At that time, it pled guilty to receiving an avian influenza virus smuggled from Saudi Arabia, mail fraud, violation of the Virus-Serum-Toxin Act, making false statements to the government, and two violations of the Export Administration Act.

U.S. Attorney Silsby praised the joint investigation conducted by the U.S. Department of Commerce, the U.S. Department of Agriculture, and U.S. Immigration and Customs Enforcement.

Besides the company, the investigation resulted in the conviction of eight individuals. The following people involved in the illegal conduct were sentenced on July 21, 2005:

John Donahoe, 60, a resident of Georgia, was MBL's president. He pled guilty to conspiring to commit mail fraud, conceal the smuggled virus, make false statements, and violate the Virus-Serum-Toxin Act. He was sentenced to 364 days imprisonment, fined \$30,000, and ordered to serve two years of supervised release upon completion of his term of imprisonment.

Thomas Swieczkowski, 49, a resident of Vassalboro, was MBL's vice president for production. He pled guilty to conspiring to conceal the smuggled virus and commit mail fraud, accessory after the fact of smuggling, and three counts of mail fraud. He was sentenced to 12 months and one day imprisonment, three years of supervised release, and fined \$5,000.

Marjorie Evans, 42, a Belgrade Lakes resident, was MBL's vice president for quality assurance and regulatory affairs. She pled guilty to conspiracy to conceal the smuggled virus and commit mail fraud, accessory after the fact of smuggling, three counts of mail fraud, two counts of making false statements, and a violation of the Virus-Serum-Toxin Act. She was sentenced to 12 months and one day imprisonment, three years of supervised release, and fined \$10,000.

Dennis Guerrette, 41, of Brunswick, was MBL's chief financial officer. He pled guilty to conspiracy to conceal the smuggled virus and commit mail fraud, and two counts of mail fraud. He

was sentenced to 12 months and one day imprisonment, two years of supervised release, and fined \$10,000.

Mark A. Dekich, 52, of Maryland, was a veterinarian working for a Saudi Arabian poultry producer. He was sentenced to nine months imprisonment, three years supervised release, and fined \$5,000 for conspiring to smuggle the avian influenza virus and making false statements to government agencies.

John K. Rosenberger, 62, the former chairman of the Animal and Food Sciences Department at the University of Delaware's College of Agriculture and Natural Resources, was sentenced to two years probation and fined \$10,000 for aiding and abetting the receipt and concealment of the smuggled poultry virus.

Two other former employees of Maine Biological Laboratories were sentenced last year:

Walter Gogan, 64, a resident of Winslow, was the production planning manager at MBL. He was sentenced to two years probation for being an accessory after the fact of smuggling.

Peggy Lancaster, 48, a Mount Vernon resident, was MBL's customer service manager. She pled guilty to aiding and abetting a violation of the Virus-Serum-Toxin Act and was sentenced to one year of probation.

According to records filed with the Court, MBL agreed to produce an avian influenza vaccine for Dekich's Saudi Arabian employer in 1998. In order to manufacture the vaccine, MBL required a sample of the virus. Dekich caused an isolate containing the virus to be smuggled into the United States and delivered to MBL and Rosenberger's laboratory at the University of Delaware. MBL used the virus to make a vaccine. In doing so, MBL made false statements to the USDA regarding the nature and contents of the vaccine. MBL made two shipments, with a total value of \$880,000, to Saudi Arabia.

Court records also show that MBL's employees knowingly mislabeled vaccines. In some instances, MBL's customers requested MBL to mislabel the vaccine bottles in order to avoid testing costs and import restrictions. In other instances, MBL's customers did not know they were receiving vaccines different from the ones they requested.

Regarding the Export Administration Act violations, the court records reflect that MBL shipped inactivated Newcastle Disease vaccines to Syria without the necessary permits, and included language about its business relationship with Israel in its shipping documents, in accordance with the Arab League boycott.

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