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**FOR IMMEDIATE RELEASE:**

**COUPLE CHARGED FOR COMMITTING A  
\$1.5 MILLION FRAUD AGAINST ROCHE DIAGNOSTICS  
Indictment Unsealed this Morning**

**PRESS RELEASE**

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced the unsealing of an indictment against SHIRLEY MENDOZA, 38, and JOSE MENDOZA, 30, of Vallejo, California, who were indicted by a grand jury in Indianapolis for nine-counts of mail fraud, money laundering, and conspiracy following an investigation by the Federal Bureau of Investigation into the MENDOZAS' alleged \$1.5 million scheme to fraudulently obtain and sell diabetic test strips.

Both MENDOZAS were arrested yesterday morning without incident at their home in Vallejo at about 7 a.m. PDT. by FBI agents from the Indiana, Sacramento and San Francisco field offices and one agent from the FDA Office of Criminal Investigative Division. Agents

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seized about \$2 million worth of the MENDOZAS' assets including, houses, businesses and cars. The MENDOZAS were before a Magistrate Judge in Sacramento yesterday afternoon and will have their initial appearance in Indianapolis on Tuesday, May 4 at 1:00 p.m. before Magistrate Judge Kennard P. Foster.

The indictment alleges that between March 2002 and October 2003, SHIRLEY and JOSE MENDOZA devised a scheme to defraud Roche Diagnostics Corporation of Indianapolis by stealing diabetic test strips, which Roche manufactures, markets, and distributes, and then selling them and using the proceeds for their personal gain. SHIRLEY MENDOZA made false statements to cause Roche to send large quantities of test strips to a Roche facility in Berkeley, California, where SHIRLEY MENDOZA was an independent contractor employed as an administrative assistant. Roche sent test strips to SHIRLEY MENDOZA based on the false and misleading purposes that she gave to Roche for needing the test strips, such as for use as samples at the request of a physician.

According to the indictment, after a shipment of test strips arrived, SHIRLEY MENDOZA, who was not authorized to ship or sell the test strips, sold the shipment to the Neighborhood Diabetes Shoppe (NDS) in Wakefield, Massachusetts. At SHIRLEY MENDOZA's direction, NDS then sent a check to JOSE MENDOZA at the MENDOZA's residence in American Canyon, California. Upon receiving a check from NDS in payment for a shipment of test strips, JOSE and SHIRLEY MENDOZA deposited the check into JOSE MENDOZA's bank account.

JOSE and SHIRLEY MENDOZA allegedly used the monies received from the

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fraudulent sales to purchase over \$1,000,000 in real property and approximately \$450,000 in vehicles and equipment, including a 2004 Mercedes SL500R for approximately \$107,000 and a 2003 Hummer H2 for approximately \$70,000.

Brooks said, "Roche is a valuable corporate citizen, and we will not tolerate the victimization of those in our community."

"Embezzlement is not only a crime of monetary theft, but it can be a crime of product theft, and the U.S. Attorney's Office works closely with law enforcement and corporate security officers to ensure that those who steal products are prosecuted under federal law," Brooks concluded.

Special Agent Wendy Osborne of the FBI said, "Even though we have a continuing focus on the War on Terrorism, these investigations are still considered a priority for the Bureau, and we are committed to aggressively pursuing these matters."

"We simply will not tolerate the illicit diversion of legitimate medical products from the regulated distribution chain because it puts consumers at risk, " said Dr. Lester M. Crawford, Acting FDA Commissioner.

According to Assistant United States Attorney James P. Hanlon, who is prosecuting the case for the government, SHIRLEY and JOSE MENDOZA, if convicted, face up to 20 years imprisonment for each of the five mail fraud counts, 10 years imprisonment for each of the four money laundering and conspiracy counts, and monetary fines of over \$1,000,000.

**The indictment is an allegation only, and the defendants are presumed innocent unless and until proven guilty at trial or by guilty plea.**

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