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## **PRESS RELEASE**

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FOR IMMEDIATE RELEASE  
Tuesday, August 9, 2005

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### **MAN SENTENCED FOR TAX VIOLATIONS AND FOR IMPORTING HUMAN GROWTH HORMONE**

PHOENIX - Lawrence L. Speer, 69, of Parks, Ariz., was sentenced here on August 8, 2005 to one year of probation by U.S. District Judge Susan Bolton. Speer was sentenced in relation to charges from a federal indictment filed in March 2004 regarding Federal Income Tax violations and an Information filed in October 2004 related to violations of Food and Drug laws. Speer also paid the IRS approximately \$180,000 in tax, interest and penalties for the tax violations, and paid the government an additional \$275,000 to disgorge himself of the illegal profits he earned in violation of Food and Drug and Customs laws.

Speer pleaded guilty in October 2004 to four counts from the Indictment and four counts from the Information. According to the plea agreement, Speer admitted to assisting in the preparation of income tax returns for his business, Repair-It Industries, Inc., which under reported the gross income for 1997 and 1998, in violation of Title 26, U.S. Code, Section 7206(2), Aiding and Assisting in the Preparation of a Federal Income Tax Return. Speer also admitted he filed false 1040 personal tax returns for 1997 and 1998, in violation of Title 26 U.S. Code, Section 7206(1), Presenting a False Income Tax Return. Speer admitted he violated Title 21, U.S. Code, Sections 331(p), 333(a)(2) and 360, Failure to Register an Establishment in Which Drugs are Manufactured and Title 21, U.S. Code, Sections 331(a), 333(a)(2), 352(f)(1), 352(o) and 360, Introducing Misbranded Drugs into Interstate Commerce. The other violation that Speer admitted he violated was a conspiracy to smuggle, in violation of Title 18, U.S. Code, Section 545 Knowingly Importing any Merchandise Contrary to Law and Selling such Merchandise after Importation.

The plea agreement indicated that in 1999 and 2000, Speer operated a business by the name of Pharmaceutical Corporation of America (PCA) located in New River, Ariz. In the plea Speer admits he prepared, processed, repackaged and changed the containers and wrappers of drug packages containing human growth hormone (hGH). Speer admitted that he and co-conspirators illegally imported misbranded, unapproved drugs containing hGH from Mexico and China into the United States. Speer repackaged and re-labeled the imported drugs and sold them to customers throughout the U.S. The plea also states Speer shipped 100 misbranded vials of Somatropin to an individual in Newport Beach, Calif.

The investigation in this case was conducted by special agents of the Criminal Investigation Division of the Internal Revenue Service, the Food and Drug Administration and Immigration and Customs Enforcement. The prosecution was handled by Peter Sexton, Assistant U.S. Attorney, District of Arizona, Phoenix.

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