



Department of Justice

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FORMER CORPORATE CEO SENTENCED TO OVER 6 YEARS IN FEDERAL PRISON FOR “PUMP AND DUMP” SECURITIES FRAUD SCHEME

ATLANTA, GA - TIMOTHY C. MOSES, 47, of Atlanta, Georgia, the former President and CEO of International BioChemical Industries, Inc. (“IBCL”), was sentenced today by United States District Judge Charles C. Pannell, on charges of securities fraud and perjury. MOSES was sentenced to 6 years, 6 months in federal prison to be followed by 5 years of supervised release, and ordered to pay \$1.65 million in restitution to IBCL shareholders. MOSES was convicted on October 27, 2005 following a two-week jury trial.

"The successful prosecution of this case is attributable to the close working relationship between the U.S. Attorney's Office and the Atlanta District Office of the Securities and Exchange Commission. Our offices will continue to work together to investigate and prosecute corporate fraud, particularly securities fraud and investor scams which threaten market integrity, said United States Attorney David E. Nahmias. "This case was particularly significant in that the defendant took advantage of the FBI's investigation of the deadly anthrax mailings to defraud his shareholders, making a personal profit at their expense."

According to United States Attorney Nahmias and the information presented in court: MOSES is the former President and CEO of IBCL, a publicly-held biotechnology company based in Norcross, Georgia that, prior to its bankruptcy in 2004, manufactured and sold antimicrobial products, which are substances used to destroy or suppress the growth of harmful microorganisms such as bacteria and fungi. IBCL's common stock was once listed on the NASDAQ but during the time in question was traded on the Over-the-Counter (OTC) Bulletin Board.

Between January 29 and February 6, 2003, MOSES issued a series of press releases falsely implying that the Federal Bureau of Investigation, which had contacted MOSES in connection with its investigation of the Fall 2001 anthrax mailings, was interested in procuring IBCL's products. Although IBCL had sought EPA approval to market a product called “AnthraxShield” as being effective against anthrax, the EPA had rejected IBCL's test data and refused to license the product months before the FBI

contacted the company in January 2003. The FBI's interest in IBCL was purely investigative; specifically, whether IBCL or any of its personnel had access to deadly anthrax spores or whether the company stood to benefit commercially from the anthrax attacks.

The press releases led to a sharp increase in IBCL's stock price and trading volume. In the six days following the first press release, the price of IBCL stock increased by over 500%, and the number of shares traded rose from a daily average of several hundred thousand to a high of more than 40 million. In all, over 118 million shares were traded during this time period. MOSES took advantage of the fraudulently inflated market for IBCL stock to sell his own shares in the company, realizing proceeds of approximately \$70,000, and to advise other stockholding creditors of the company to sell their shares. The SEC suspended trading in IBCL stock on February 6, 2003. When trading in the stock resumed, its price plummeted, causing losses to investors of approximately \$2.2 million.

In his deposition before the SEC in a subsequent civil enforcement action, MOSES lied about his personal IBCL stock sales, claiming he was unaware the sales had occurred. In fact, evidence presented at MOSES' trial showed that he had called his stock broker over 50 times during the three-day period in which he sold stock. The SEC referred the case to the U.S. Attorney's Office for prosecution after MOSES perjured himself in his SEC deposition.

This case was investigated by Special Agents of the FBI, with significant assistance from the Staff of the Securities & Exchange Commission.

Assistant United States Attorneys R. Joseph Burby and Paul N. Monnin prosecuted the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or F. Gentry Shelnett, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is <http://www.usdoj.gov/usao/gan/>.