



Department of Justice

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TWO FORMER “HI-TECH PHARMACEUTICALS” CONSPIRATORS PLEAD GUILTY IN SCHEME TO SELL “GENERIC” PILLS OVER THE INTERNET

Two Defendants Will Cooperate In Government Investigation

Atlanta, GA - DAVID A. BRADY, 40, and DAVID D. JOHNSON, 38, both of Pinehurst, North Carolina, pleaded guilty today in federal district court to their involvement in a scheme and conspiracy relating to the “Hi-Tech Pharmaceuticals, Inc.” case, which is ongoing. BRADY pleaded guilty to conspiracy to defraud individuals seeking prescription drugs and to introduce into interstate commerce unapproved new drugs and adulterated new drugs. JOHNSON pleaded guilty to misprision of a felony for concealing this criminal activity.

“These defendants were involved in making controlled substances in squalid conditions in Belize, and then selling those drugs to unsuspecting consumers in the United States,” said United States Attorney David E. Nahmias. “Today’s guilty pleas of two of the defendants in this case sends two messages. First, criminals who engage in activity which affects the health of our citizens will face federal prosecution. And second, as we said when this case was first indicted, consumers must be wary of purchasing prescription medications on the internet.”

According to United States Attorney Nahmias and the information presented at today’s plea hearing: BRADY conspired with other named defendants in the Hi-Tech indictment to manufacture controlled substances and other prescription medications in unsanitary conditions in Belize and then sell them to consumers in the United States via the internet. BRADY was responsible for marketing various drugs via the internet and processing orders and payments. The funds were allegedly sent to co-defendants’ overseas bank accounts, and the drugs were illegally shipped into the United States. The drugs manufactured, sold, and imported into the United States include anabolic steroids; sedatives such as generic versions of Ambien, Valium, and Xanax; and generic versions of commonly-prescribed drugs such as Viagra, Cialis, Lipitor, and Vioxx. These drugs were not made using FDA-approved “Good Manufacturing Practices,” and were stored in

garbage bins in Hi-Tech's Belize manufacturing facilities before shipment into the United States.

BRADY pleaded guilty to one count of conspiracy. Pursuant to the plea agreement in this case, BRADY agreed to the government's non-binding recommendation of a prison sentence of 5 years and agreed to forfeit approximately over \$1.7 million to the United States. JOHNSON pleaded guilty to the charge of misprision of a felony. JOHNSON could receive a maximum sentence of 3 years in prison and a fine of up to \$250,000. Both defendants have agreed to cooperate with the United States' further investigation and prosecution of this case.

Sentencing is scheduled for May 8, 2007, at 10 a.m., before United States District Judge Jack T. Camp.

This case is being investigated by Special Agents of the Food and Drug Administration and the Drug Enforcement Administration.

Assistant United States Attorneys Aaron M. Danzig, Randy S. Chartash, and J. Russell Phillips are prosecuting the case.

The U.S. Attorney's Office in Atlanta recommends parents and children learn about the dangers of drugs at the following web site: www.justthinktwice.com.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, 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 www.usdoj.gov/usao/gan.