



Department of Justice

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OWNER OF HI-TECH PHARMACEUTICALS AND CO-CONSPIRATORS SENTENCED IN PRESCRIPTION DRUG IMPORTATION RING

Wheat Sentenced to Over Four Years in Federal Prison

Atlanta, GA -- A federal judge has sentenced JARED ROBERT WHEAT, 37, of Alpharetta, Georgia, to over four years in federal prison and assessed a \$3 million forfeiture for being the mastermind of a criminal scheme to manufacture and import adulterated and unauthorized pharmaceutical products, to include illegal knock-offs of Viagra, Ambien, Lipitor, Celebrex, Xanax, Vioxx, and Zoloft. WHEAT is the sole owner of HI-TECH PHARMACEUTICALS, a Norcross-based manufacturer and seller of herbal products that allegedly enhance sex drive, encourage weight loss, etc.

Judge Jack T. Camp sentenced WHEAT to 4 years, 2 months in federal prison, and also sentenced his conspirators: DAVID BRADY, 42, of Pinehurst, North Carolina (32 months in custody, and ordered to forfeit \$1.7 million); STEPHEN SMITH, 40, of Duluth (27 months); SERGIO OLIVEIRA, 48, of Hoschton, Georgia, (27 months); and TOMASZ HOLDA, 45, of Duluth, Georgia (24 months). In addition, co-defendants STEVEN BLINDER, 44, of Aberdeen, South Dakota; DAVID JOHNSON, 39, of Pinehurst, North Carolina; BRAD WATKINS, 40, of Marietta, Georgia, and his brother DAVID WATKINS, 42, of Daphne, Alabama, all received non-custodial felony sentences. WHEAT's corporation, HI-TECH PHARMACEUTICALS, was placed on five years' probation by Judge Camp for its involvement in the criminal scheme.

United States Attorney David E. Nahmias said of the sentencings, "These defendants sought to profit from unsuspecting customers who had no idea they were buying pills manufactured in highly unsanitary conditions in a Belezian house, all without FDA approval or licensing from the rightful patent holders. We are extremely fortunate that no one was sickened or killed by these drugs, which are lawfully available only via prescription and from legitimate manufacturers."

Rodney G. Benson, Special Agent in Charge of the DEA Atlanta Field Division said of the sentencings, “Drug traffickers who use the internet to divert pharmaceutical products take advantage of the anonymity of the internet and deceive the American people in the safety and efficacy of pharmaceutical products. These individuals put the health and safety of the consumer at risk. Their actions were deplorable and their sentences are appropriate. This case would not have been possible without the unified efforts of our local, state and federal law enforcement colleagues.”

According to United States Attorney Nahmias and the information presented in court: the defendants in this case, in furtherance of their conspiracy, established a manufacturing facility in a small office park in rural Belize. Inside what was essentially a four-room home, the defendants produced unauthorized generic versions of such popular prescription pharmaceuticals as Xanax, Valium, Ambien, Vioxx, Zoloft, Viagra, and Cialis. The manufacturing processes complied with none of the sanitary, hygienic, or quality-control regulations issued by the FDA, nor had the defendants obtained approval from the FDA or licenses from the patent-holders to make such drugs. Nonetheless, the defendants made the drugs and marketed them, primarily via the internet, to customers in the United States and elsewhere. The drugs were made available without prescription and also without disclosure of the unsanitary manufacturing conditions. The defendants realized millions of dollars of sales before the scheme was disrupted by Belizean authorities and ended by U.S. authorities.

This case was investigated by the Food and Drug Administration-Office of Criminal Investigations, and the Drug Enforcement Administration (DEA), with overseas assistance from Belizean law enforcement authorities. Investigative assistance was also provided by the United States Customs and Border Protection, Foreign Mail Facility, Miami, Florida.

Assistant United States Attorneys Randy Chartash, Douglas Gilfillan, and Robert McBurney prosecuted the case, with assistance from Michael Brown of the Asset Forfeiture Unit.

For further information please contact David E. Nahmias, 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.