

# ***NEWS RELEASE***

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## ***OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA San Diego, California***

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***For Immediate Release***

**NEWS RELEASE SUMMARY** - January 8, 2008

United States Attorney Karen P. Hewitt announced that Instituto Agrobioquimico, S.A. de C.V., a Mexico-based corporation manufactured anabolic steroids under the brand name “Loeffler,” pled guilty today in federal court in San Diego to charges of Conspiracy to Distribute Anabolic Steroids and Aiding and Abetting in International Monetary Instrument Transactions involving Tijuana-based anabolic steroid distributors illegally distributing in the United States. The plea was entered before United States District Court Judge M. James Lorenz.

In its plea, Instituto Agrobioquimico admitted manufacturing and distributing anabolic steroids under the brand name “Loeffler.” Instituto Agrobioquimico admitted supplying Loeffler steroids to distributors along the U.S./Mexican border and using the Loeffler internet website to provide information about its steroids to potential customers, including customers in the United States. Instituto Agrobioquimico admitted that it had reason to know that some of its Tijuana distributors were causing their steroids to be imported into

the United States and illegally distributed to customers, including body builders. Significantly, Instituto Agrobioquimico admitted knowledge of the U.S. Congress' passage of the Anabolic Steroid Act of 1990, which became effective in February 1991. The Act designated anabolic steroids as a Schedule III Controlled Substance under the federal Controlled Substance Act. Moreover, with the passage of the Act, any corporation or individual acting on behalf of a corporation intending to distribute anabolic steroids in the United States must be authorized to do so by the U.S. Drug Enforcement Administration. In its plea, Instituto Agrobioquimico admitted that neither it nor Loeffler (or any entity acting on their behalf) sought or received a permit to import and/or distribute anabolic steroids.

With respect to the International Monetary Instrument Transaction charge, Instituto Agrobioquimico admitted having reason to know that website distributors of Loeffler anabolic steroids knew payments they received were proceeds from illegal steroid sales in the United States and that they aided and abetted in international monetary transactions related to these illegal steroid sales by providing customer referrals to the distributors and providing the distributors with a growing sources of anabolic steroids to sell and distribute to their U.S.-based customers.

Loeffler was one of eight large Mexico-based veterinary pharmaceutical companies to be indicted in September 2005 for crimes associated with their production of numerous anabolic steroid products formulated specifically for human consumption and destined for the U.S. illicit steroid market. The other veterinary pharmaceutical manufacturing companies named in the Indictments were: Denkall, Quality-vet, Animal Power, Laboratorios Brovel, Laboratorios Tornel, Syd Group and Pet's Pharma.

The investigation into these companies was initiated in March 2004, by the DEA San Diego Field Division, with the assistance of the DEA Mexico, Central America Division, the Government of Mexico and other DEA nationwide offices. The goal of the investigation was to shut down these illicit Mexican companies and thereby deny the downstream supplies of anabolic steroids to the U.S. market. During the course of the investigation, the tracking of U.S.-based anabolic steroid seizures revealed that the products manufactured by the defendants companies comprised more than 80% of the U.S. illicit steroid market.

The Instituto Agrobioquimico/Loeffler plea disposition marks the final plea against the corporate defendants charged in the investigation. Denkall, Quality Vet, Animal Power, Brovel, Tornel, Pet's Pharma and Syd Group all previously pled guilty to crimes associated with the illegal distribution of anabolic steroids and money laundering or aiding and abetting in international monetary transactions. The Instituto Agrobioquimico/Loeffler and other plea dispositions were reached after the companies agreed to work with U.S. and Mexican officials to bring about changes in the manufacturing and oversight of the Mexican anabolic steroid industry.

During the sentencing phase of the Instituto Agrobioquimico/Loeffler hearing, Judge Lorenz imposed a \$200,000 forfeiture judgment, which was paid in full. The following forfeitures amounts were obtained from the other charged companies: Denkall, Quality Vet and Animal Power (operated by the same owners) forfeited a total of \$1,400,000; Tornel \$600,000; Brovel \$200,000; Pets Pharma \$125,000 and Syd Group \$58,000.

**DEFENDANT**

**Case Number: 05cr1632-L**

Corporation: Instituto Agrobioquimicos, doing business under Loeffler  
Corporate owner: Jose Angel Garcia Hinojosa, founder and owner  
Country of Incorporation: Mexico

**SUMMARY OF CHARGES**

Count 1 - Title 21, United States Code, Section 846 and 841(a)(1) –  
Conspiracy to Distribute Anabolic Steroids

Count 2 - Title 31, United States Code, Section 5324(c) and Title 18 United States Code, Section 2 –  
Aiding and Abetting in International Monetary Transactions

Title 18, United States Code, Sections 1972(a) and 1963 - Criminal Forfeiture

**INVESTIGATING AGENCY**

Drug Enforcement Administration