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Contact: USAID Press Office
(202) 712-4320

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USAID INVESTIGATION LEADS TO GUILTY PLEAS

WASHINGTON, D.C. - The U.S. Agency for International Development (USAID) announced today that pursuant to a three month investigation conducted by the Office of Inspector General, Dr. Manuel E. Abraham Yeara and Dr. Hector Ortiz Perez pled guilty on July 13, 2001 and July 17, 2001 respectively, to Criminal Informations filed in the Federal District Court of Puerto Rico. Ortiz, a Gynecologist, and Abraham, a General Practitioner, each entered a one-count guilty plea to violating Title 21 U.S.C. §§ 331, Unlawful importation of previously exported prescription drugs.

USAID provides aid and assistance to developing nations worldwide. As part of the foreign aid provided by the United States, USAID provides medical goods--including prescription drugs, such as Depo-Provera, an injected contraceptive, for consumption abroad.

When Ortiz attempted to have a box containing 500 vials of Depo-Provera brought into Puerto Rico from the Dominican Republic on April 11, 2001, the US Customs Service seized the shipment, which precipitated this investigation.

The scheme, as disclosed by the investigation, called for the doctors to take advantage of a program sponsored by USAID through which USAID would provide the drug to clinics in the Dominican Republic. The clinics would then distribute the USAID-subsidized drugs at a low cost. In carrying out their scheme, Abraham, who routinely traveled to the Dominican Republic, would acquire the drug during his visits. Abraham purchased the Depo-Provera for approximately \$4 per vial at a clinic in Santo Domingo, Dominican Republic and while retaining some vials for his own patients, he would sell the rest to Ortiz for approximately \$20 per vial. Ortiz was found to have charged his patients \$40 per vial/treatment.

Sentencing is scheduled for November 16, 2001. Both physicians, per their plea agreements, have agreed to pay a fine of \$3,000 each and a \$100 assessment fee.

USAID Inspector General Everett L. Mosley wishes to express his deep appreciation for the support provided by the San Juan, Puerto Rico United States Attorney's Office, US Customs Service, and the Food and Drug Administration.

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