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INTERNET PHARMACY SOLD COUNTERFEIT VIAGRA, MISBRANDED DRUGS

Belgian citizen pleads guilty to federal charges in Kansas

KANSAS CITY, KAN. – **Manuel Calvelo**, 37, a citizen of Belgium, has pleaded guilty to charges filed in U.S. District Court in Kansas alleging he operated an Internet pharmacy that sold \$1.4 million worth of misbranded and counterfeit drugs as well as controlled substances, U.S. Attorney Barry Grissom said today.

Calvelo, who was arrested in Costa Rica and extradited to Kansas, pleaded guilty to one count of conspiracy to defraud the United States and one count of conspiracy to commit drug trafficking. In his plea, he admitted that from 2005 to 2008 he and another man operated Web sites offering for sale without a prescription misbranded and counterfeit drugs to customers in the United States in violation of the Federal Food, Drug and Cosmetic Act.

Calvelo's Web sites offered for sale more than 40 prescription drugs including brand names Viagra, Depakote, Glucophage, Zoloft, Lipitor, Cialis, Xanax, Ativan and Klonopin. Controlled substances for sale from the Web site included Alprazolam (sold under the brand name Xanax), Lorazepam (Ativan) and Clonazepam (Klonopin). Under federal law, the crime of misbranding includes dispensing a prescription drug without a valid prescription from a licensed practitioner.

Calvelo's Web sites included cheapestviagraworldwide.com, allcheapdrugs.com, allcheappills.com, cheapdrugspharmacy.com, allmedspharmacy.net, allnaturalpharmacy.com, horizonpharmacy.net, and trustgeneric.com.

Calvelo's Web sites accepted orders from buyers in the United States and elsewhere. He operated a customer service call center in the Philippines and issued payments to employees through wire transfers via Western Union in the Philippines, Costa Rica and the United States. He also received payments from customers via credit card processors in the Netherlands.

From early in 2007 to early in 2008, Calvelo paid a company in Overland Park, Kan., for hosting his Web sites. In 2008, he transferred the hosting of some of the Web sites to a company in Columbus, Ohio.

In 2007, an undercover agent from the Food and Drug Administration's Office of Criminal Investigations made purchases from Calvelo's Web sites. The agent later contacted Calvelo through the Costa Rica Off-Shore Business Center posing as a pharmaceutical wholesaler in the United States seeking to establish an on-line pharmacy. In conversations with the agent via video conference calls on Skype, Calvelo admitted his role in the Internet pharmacy scheme and provided details of the operation.

"Americans must have confidence that drugs introduced into and distributed throughout the United States are genuine, FDA-compliant products," said Patrick J. Holland, Special Agent in Charge of the FDA-Office of Criminal Investigations. "The FDA will aggressively pursue all foreign and domestic perpetrators of illegal drug distribution schemes."

Sentencing is set for May 3. He faces a maximum penalty of five years in federal prison and a fine up to \$250,000 on the fraud charge and a maximum penalty of three years and a fine up to \$250,000 on the conspiracy charge. In his plea agreement, Calvelo agreed to pay a money judgment of \$1.4 million.

Co-defendant **Jeffrey Westmoreland**, 35, a citizen of Canada, is a fugitive.

Grissom commended the Food and Drug Administration's Office of Criminal Investigation, John Claud of the Justice Department's Office of Consumer Litigation and Assistant U.S. Attorney Scott Rask for their work on the case.

In all cases, defendants are presumed innocent until and unless proven guilty. The indictments filed merely contain allegations of criminal conduct.