



**U.S. Department of Justice
U.S. Attorney's Office
Western District of Texas**

Johnny Sutton, U.S. Attorney

FOR IMMEDIATE RELEASE

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LOCAL PHARMACIST AND HIS TECHNICIAN INDICTED AND ARRESTED

United States Attorney Johnny Sutton announced today that El Paso Pharmacist, Peter Victor Ayika, was indicted and arrested for various violations of the Controlled Substances Act. Ayika has been indicted and arrested for Conspiracy to Distribute and Possession with Intent to Distribute a Controlled Substance, namely: Hydrocodone, Possession with Intent to Distribute a Controlled Substance, namely: Hydrocodone, Possession of a Listed Chemical, namely: Pseudoephedrine, with the Intent to Manufacture a Controlled Substance, namely: Methamphetamine, Possession of a Listed Chemical, namely: Pseudoephedrine, knowing, and having reasonable cause to believe that the listed chemical will be used to manufacture a Controlled Substance, namely: Methamphetamine, Aiding and Abetting the Possession with the Intent to Manufacture five grams or more of Methamphetamine, Attempted Possession with the Intent to Manufacture five grams or more of Methamphetamine.

According to the affidavit filed in support of a search warrant, which was unsealed today, the government alleges that Peter Victor Ayika, and his company Najerausa International, dba Continental Pharmacy, submitted false claims to insurance companies to receive reimbursement for medications without valid prescriptions. Generally, as part of his scheme, after obtaining customer insurance information, Ayika would continue to electronically bill the customer's healthcare insurance carrier on a regular basis for various prescriptions, many of which were high priced, that were neither prescribed by a physician nor received by the beneficiary. Ayika received reimbursement for most of the illegitimate and fraudulent claims that were submitted, and was therefore amassing a substantial profit from the insurance companies and the government through the federal Medicaid program.

Ayika has been charged with violations of the Controlled Substances Act. One aspect of the charged criminal activity, involves the possession with the intent to distribute and distribution of a controlled substance, namely: hydrocodone. A pharmacy customer would initially visit Continental with a valid prescription for any of the various forms and brand names of hydrocodone. Ayika would fill the initial prescription and then offer the extra re-fills, without a valid prescription, as long as the customers were willing to pay for the medication with cash. After the expiration of the initial prescription, Ayika would continue to distribute hydrocodone in violation of federal law. In furtherance of the drug distribution scheme, Ayika would often request these specific customers to visit the pharmacy after 5:00 pm.

In addition to the illegal distribution of hydrocodone, the government further alleges that Ayika provided substantial quantities of pseudoephedrine to an undercover agent, when Ayika was told it would be used to manufacture methamphetamine, which is a violation of federal drug control laws.

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In addition to Ayika, Francisco Noe Lozano, who worked for Ayika at Continental Pharmacy as a pharmacy technician, has been indicted and arrested for Conspiracy to Distribute and Possession with Intent to Distribute a Controlled Substance, namely: Hydrocodone, Possession with Intent to Distribute a Controlled Substance, namely: Hydrocodone.

This ongoing investigation is being handled by the Federal Bureau of Investigation, Office of Personnel Management – Office of Inspector General (OPM-OIG), the Department of Health and Human Services – Office of the Inspector General (HHS-OIG), the Drug Enforcement Administration (DEA), the U.S. Food and Drug Administration – Office of Criminal Investigations (FDA), the Texas State Board of Pharmacy (TSBP), and the Texas Attorney General Medicaid Fraud Control Unit. It is being prosecuted for the government by Assistant United States Attorney Stephen Garcia.

An indictment is a formal accusation of criminal conduct, not evidence of guilt. A defendant is presumed innocent unless and until convicted through due process of law.

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