

Press Release

NEW JERSEY MAN PLEADS GUILTY IN \$7 MILLION HUMAN GROWTH HORMONE AND TAX FRAUD SCHEME

May 28, 2008

FOR IMMEDIATE RELEASE

R. Alexander Acosta, United States Attorney for the Southern District of Florida, Michael E. Yasofsky, Special Agent in Charge, Internal Revenue Service, Criminal Investigation, and David W. Bourne, Special Agent in Charge, U.S. Food and Drug Administration, Office of Criminal Investigation, Miami Field Office, announce that defendant **Michael Manno** pled guilty today to federal charges relating to his participation in a scheme to illegally distribute human growth hormone and other pharmaceuticals.

Manno pleaded guilty to an Information charging him with one count of conspiracy to commit mail fraud and to engage in the wholesale distribution of prescription pharmaceuticals without a valid state license and one count of tax evasion. Manno faces a maximum total sentence of 10 years in prison and a fine of \$500,000. Sentencing is scheduled for July 30, 2008.

Manno was a licensed chiropractor who resided in Lodi, New Jersey. Manno's co-defendant, **Patrick Bronder**, was a personal trainer who lived in Boca Raton, Florida. Bronder pled guilty on May 21, 2008 before U.S. District Judge Donald M. Middlebrooks for his participation in a scheme to illegally distribute human growth hormone and to commit income tax evasion for calendar year 2001.

From April 2001 through June 2002, Manno and Bronder purchased prescription drugs, including human growth hormone and drugs for the treatment of cancer, high cholesterol and other medical conditions. Manno purchased these drugs from individuals who acquired the drugs, directly and indirectly, from patients who had obtained the drugs through clinics in New York City. For the most part, the state and federal governments had provided the prescription drugs to the patients through Medicaid, a program to assist the indigent.

When purchasing the prescription drugs, Manno was aware that the drugs had been previously prescribed to patients at clinics in New York City. Manno was also aware that the individuals from whom he purchased these prescription drugs had sometimes tampered with the packaging to make it appear that the drugs had not already been prescribed to other patients. Finally, Manno did not make any effort to ensure that the prescription drugs had been maintained under conditions to guarantee their safety and effectiveness.

From April 2001 to June 2002, Manno and Bronder sold the drugs to a pharmaceutical wholesaler located in Boca Raton, Florida for more than \$6.8 million while Bronder received additional compensation of \$325,000.

Bronder directed that more than \$3.3 million of the money received from the pharmaceutical wholesaler be wired into bank accounts in the Bahamas established by Bronder and his ex-brother-in-law. Bronder and others repatriated most of that money into the United States through more than 3,000 withdrawals from automatic teller machines in South Florida.

Eventually, the prescription drugs that Manno and Bronder sold to the pharmaceutical wholesaler were acquired by pharmacies. The pharmacies dispensed the drugs to patients who were unaware that the drugs had been previously prescribed to other patients and sold on the streets of New York City.

Mr. Acosta commended the investigative efforts of the Internal Revenue Service Criminal Investigation and the Food and Drug Administration Office of Criminal Investigations. The case is being prosecuted by Trial Attorneys Kenneth C. Vert and Steven D. Grimberg, Department of Justice, Tax Division.

A copy of this press release may be found on the website of the United States Attorney's Office for the

Southern District of Florida at http://www.usdoj.gov/usao/fls. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at http://www.flsd.uscourts.gov or on http://pacer.flsd.uscourts.gov.

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