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**THIRD AVENUE PHARMACY & SURGICALS INC. AND OWNER TO
PAY \$250,000 TO SETTLE FEDERAL CIVIL CHARGES FOR
FILLING ILLEGAL INTERNET PRESCRIPTIONS**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, and JOHN P. GILBRIDE, Special Agent-in-Charge of the New York Office of the United States Attorney, announced today that a Manhattan pharmacy -- THIRD AVENUE PHARMACY & SURGICALS, INC. ("THIRD AVENUE PHARMACY") -- and its owner, IRA KARP, have agreed to pay \$250,000 to resolve civil charges that: the pharmacy filled prescriptions obtained through the Internet outside the course of a legitimate physician-patient relationship; some of these prescriptions were filled by employees who were not registered pharmacists; the pharmacy failed to maintain accurate records on these prescriptions. The settlement agreement was filed simultaneously with the Complaint on September 5, 2008. United States District Court Judge P. KEVIN CASTEL approved the settlement today in Manhattan federal court. According to the charges alleged in the Complaint filed by the United States in this case:

From November 2005 until June 2006, THIRD AVENUE PHARMACY, under the direction of IRA KARP, filled at least 6,298 invalid prescriptions received from approximately 70 different websites selling controlled substances to members of the public without valid prescriptions. The business or businesses operating these websites employed a small number of physicians who were paid to authorize prescriptions on demand for various appetite suppressants and sleeping pills - all of which were Schedule III or Schedule IV controlled

substances -- without any medical examination of the customers seeking the prescriptions. The prescriptions that THIRD AVENUE PHARMACY received from these websites each contained the name and address of the physician authorizing the prescription and the name and address of the customer requesting the prescription. The physicians' addresses bore no relation to the customers' addresses, which were scattered across the United States - clearly indicating that the customers were not patients of and had not been examined by the authorizing physicians. Accordingly, IRA KARP and THIRD AVENUE PHARMACY knowingly dispensed controlled substances in the absence of a valid prescription, in violation of the Controlled Substances Act.

Some or all of these invalid prescriptions were filled, at the direction of IRA KARP, by THIRD AVENUE PHARMACY employees who were not licensed pharmacists, and THIRD AVENUE PHARMACY failed to maintain accurate records of the prescriptions. Both of these practices constitute separate violations of the Controlled Substances Act also charged in the Complaint.

The settlement of the Complaint requires IRA KARP and THIRD AVENUE PHARMACY to pay \$250,000 in civil penalties and prohibits THIRD AVENUE PHARMACY from filling any prescriptions in the future outside of its walk-in business. THIRD AVENUE PHARMACY and IRA KARP did not admit any

Mr. GARCIA praised the efforts of the Drug Enforcement Agency for its investigative work in this matter.

Assistant United States Attorney SERRIN TURNER is in charge of the case.

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