

FJN/EDP:AA/CWE/WPC
F. #2024R00211

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
----- X

UNITED STATES OF AMERICA

- against -

ATHOS CHEMICALS PVT. LTD.,

Defendant.

----- X

THE GRAND JURY CHARGES:

INTRODUCTION

At all times relevant to this Indictment, unless otherwise indicated:

I. The Defendant

1. The defendant ATHOS CHEMICALS PVT. LTD. (“ATHOS CHEMICALS”) was a chemical and pharmaceutical company located in the City of Surat, in the State of Gujarat, in India. ATHOS CHEMICALS was established in 2019. It registered as an importer-exporter on or about December 21, 2022 with the Indian Directorate of Foreign Trade.

II. Overseas Chemical Companies Fuel the Fentanyl Crisis

A. The Fentanyl Crisis

2. Fentanyl is the deadliest drug threat currently facing the United States. It is a highly addictive synthetic opioid that is approximately 50 times more potent than heroin and 100 times more potent than morphine. Fentanyl and other synthetic opioids kill nearly 80,000 Americans each year, according to data from the Centers for Disease Control and Prevention.

FILED
IN CLERK’S OFFICE
U.S. DISTRICT COURT E.D.N.Y.
* DECEMBER 20, 2024 *
BROOKLYN OFFICE

I N D I C T M E N T

Cr. No. 24-CR-526
(T. 21, U.S.C., §§ 853(a), 853(p), 959(a),
959(d), 960(d)(7), 963 and 970; T. 18,
U.S.C., §§ 2 and 3551 et seq.)

Judge Rachel P. Kovner
Magistrate Judge Joseph A. Marutollo

3. Fentanyl is increasingly available in various forms, including as a single substance, in mixtures with other illicit drugs (i.e., combined with heroin, cocaine and/or methamphetamine), and in forms that mimic pharmaceutical preparations, such as prescription opiates and benzodiazepines.

B. Fentanyl Precursors

4. Fentanyl is not a naturally occurring substance. It is produced by a series of chemical reactions, through synthetic organic chemistry. There are several methods for producing fentanyl, each known as a “pathway.” Each pathway to fentanyl requires the combination of several component chemicals, which are known as “precursors” or “precursor chemicals.” These precursors, when mixed in the right combinations, are the building blocks of the fentanyl distributed in the United States and elsewhere.

5. Chemists can identify which substances contain fentanyl, and the pathway used to produce the fentanyl contained within a given tested substance. Based upon analyses of fentanyl recovered during numerous seizures, including from clandestine laboratories located in both the United States and Mexico, the United States government has identified the most common pathways used to produce fentanyl, and the necessary precursors needed to produce fentanyl via those pathways.

6. The United States regulates controlled substances and the component chemicals of those controlled substances in different ways. The Drug Enforcement Administration (“DEA”) maintains “schedules” regarding the classification of unlawful controlled substances and illicit drugs like fentanyl and maintains “lists” regarding the classification of component chemicals that are used to produce controlled substances and illicit drugs. These lists include “List I” and “List II,” which include chemicals that can be used as precursors in the production of controlled

substances, including fentanyl. Fentanyl is designated a Schedule II controlled substance, while various precursors that can be used to produce fentanyl are included, variously, on the controlled substance schedules, List I and List II.

7. The DEA has issued a Final Rule classifying 4-piperidone (and its acetals, amides, carbamates, salts, and salts of its acetals, its amides and its carbamates) as List I chemicals due to their use in clandestine laboratories to illicitly manufacture fentanyl. See 21 C.F.R. 1310; 88 Fed. Reg. 21902 (Apr. 12, 2023). As relevant here, the DEA classifies 1-boc-4-piperidone as a “carbamate” of 4-piperidone. Id. (“As a carbamate of 4-piperidone, 1-boc-4-piperidone is subject to this rulemaking.”).

C. Indian Chemical Companies Supply Key Fentanyl Precursors

8. Certain chemical companies in India are global producers and distributors of fentanyl precursor chemicals. These companies supply fentanyl precursor chemicals to the United States and Mexico, among other places, where the chemicals are used to produce fentanyl or other controlled substances.

9. These companies often send their chemical products to the United States and Mexico using international mail and express consignment carriers. To prevent detection and interception of chemical products at the borders, the companies at times mislabel packages, falsify customs forms and make false declarations at border crossings.

10. Mexican drug trafficking organizations, including but not limited to the Sinaloa Cartel, have increasingly availed themselves of the fentanyl, fentanyl precursors and masked fentanyl precursors developed and distributed by fentanyl precursor chemical distributors overseas, including those companies based in India.

III. The Defendant's Fentanyl Precursor Importation Scheme

11. From in or about at least February 2024 to the present, the defendant ATHOS CHEMICALS, together with others, engaged in a scheme to distribute a fentanyl precursor chemical, knowing it would be imported to the United States.

12. To reach customers, the defendant ATHOS CHEMICALS maintained a website and listings on e-commerce platforms. ATHOS CHEMICALS touted its work in “contract manufacturing and exporting quality-assured products like Active Pharmaceutical Ingredients, Pharmaceutical raw materials,” and, among other products, “Drug intermediates.” While ATHOS CHEMICALS’s website offered a list of its products, to avoid detection and advance the scheme, it did not list or openly advertise fentanyl precursor chemicals.

13. The defendant ATHOS CHEMICALS used its presence online to reach customers and sell a known precursor chemical for fentanyl. ATHOS CHEMICALS responded to customer solicitations submitted through an e-commerce platform in India for 1-boc-4-piperidone, a key fentanyl precursor and a List I chemical. ATHOS CHEMICALS then fulfilled orders for that chemical. For example:

(a) On or about February 20, 2024, ATHOS CHEMICALS agreed to sell 100 kilograms of 1-boc-4-piperidone to a known drug trafficker in Mexico (“Mexico Buyer 1”), whose identity is known to the Grand Jury. Mexico Buyer 1 manufactured finished fentanyl in association with a drug trafficking organization.

(b) On or about March 4, 2024, ATHOS CHEMICALS agreed to sell more than 100 grams of 1-boc-4-piperidone to an undercover agent posing as a prospective purchaser of fentanyl precursors (“UC-1”) and shipped the chemical to an address within the Eastern District of New York.

(c) On or about May 6, 2024, ATHOS CHEMICALS agreed to sell approximately two kilograms of 1-boc-4-piperidone to UC-1 and shipped the chemical to an address within the Eastern District of New York.

COUNT ONE
(International Listed Chemical Distribution Conspiracy)

14. The allegations contained in paragraphs one through 13 are realleged and incorporated as if fully set forth in this paragraph.

15. In or about and between February 2024 and December 2024, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant ATHOS CHEMICALS PVT. LTD., together with others, did knowingly and intentionally conspire to manufacture and distribute a List I listed chemical, to wit: 4-piperidone, including its acetals, its amides, its carbamates, its salts, and salts of its acetals, its amides and its carbamates, and any combination thereof, knowing and having reasonable cause to believe that such substances would be unlawfully imported into the United States from a place outside thereof, contrary to Title 21, United States Code, Section 959(a).

(Title 21, United States Code, Sections 963, 960(d)(7) and 959(d); Title 18, United States Code, Sections 3551 et seq.)

COUNT TWO
(International Listed Chemical Distribution)

16. The allegations contained in paragraphs one through 13 are realleged and incorporated as if fully set forth in this paragraph.

17. In or about and between February 2024 and December 2024, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant ATHOS CHEMICALS PVT. LTD., together with others, did knowingly and intentionally distribute a List I listed chemical, to wit: 4-piperidone, including its acetals, its

amides, its carbamates, its salts, and salts of its acetals, its amides and its carbamates, and any combination thereof, intending, knowing, and having reasonable cause to believe that such chemical would be unlawfully imported into the United States from a place outside thereof.

(Title 21, United States Code, Sections 959(a), 960(d)(7) and 959(d); Title 18, United States Code, Sections 2 and 3551 et seq.)

**CRIMINAL FORFEITURE ALLEGATION
AS TO COUNTS ONE AND TWO**

18. The United States hereby gives notice to the defendant that, upon its conviction of either of the offenses charged in Counts One and Two, the government will seek forfeiture in accordance with Title 21, United States Code, Sections 853(a) and 970, which require any person convicted of such offenses to forfeit: (a) any property constituting, or derived from, any proceeds obtained directly or indirectly as the result of such offenses; and (b) any property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, such offenses.

19. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described in this forfeiture allegation.

(Title 21, United States Code, Sections 853(a), 853(p) and 970)

A TRUE BILL


FOREPERSON

Breon Peace

BREON PEACE
UNITED STATES ATTORNEY
EASTERN DISTRICT OF NEW YORK