

NEWS RELEASE



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San Diego, California

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For Immediate Release

FLORIDA MAN PLEADS GUILTY TO SELLING UNAPPROVED CANCER DRUGS

NEWS RELEASE SUMMARY - February 5, 2013

United States Attorney Laura E. Duffy announced today that Martin Paul Bean, III, pled guilty before United States Magistrate Judge David Bartick to conspiring to import unapproved foreign oncology drugs and sell them to doctors throughout the United States.

As part of his guilty plea, Bean admitted that between 2005 and 2011, he operated a business from his residence in Boca Raton, Florida, that sold over \$7 million of prescription oncology drugs (for the treatment of cancer) to doctors throughout the United States. Bean ordered the drugs from various foreign sources, including companies in Pakistan, India and Turkey, and directed the drugs to be shipped in bulk directly to Oberlin Medical Supply in San Diego.

In pleading guilty, Bean acknowledged that he did business as GlobalRxStore, and marketed the drugs via an Internet website and through "blast faxes" sent to doctors' offices. GlobalRxStore operated a

call center in Winnipeg, Canada, where orders from doctors in the United States were accepted by telephone, facsimile and electronic mail. Bean admitted that the GlobalRxStore website falsely stated that it was lawful to import the drugs from abroad and that such drugs could be sold and used in the United States. Bean further admitted that he falsely advised doctors that GlobalRxStore's association with Oberlin Medical Supply somehow made his conduct legitimate. The drugs sold by Bean and GlobalRxStore were prescription drugs, including drugs marketed in the United States under the names Gemzar®, Taxotere®, Eloxatin®, Zometa® and Kytril®. As Bean acknowledged he was aware, such drugs were intended for sale in markets outside the United States, and could not be lawfully imported, marketed or used in the United States.

Bean admitted that over the course of the conspiracy, he received \$865,000 in proceeds from the sale of the unapproved foreign oncology drugs. As part of the plea agreement, Bean forfeited a 2004 Jaguar XJ he purchased with proceeds received from the illegal sale of drugs through GlobalRxStore.

Bean further admitted that on June 20, 2011, he caused a package containing Zoldria to be delivered to a doctor in Lawndale, California. Zoldria is manufactured in India and sold in that country, and although its manufacturer represents that it contains the same active ingredient as Zometa®, it is not approved for use in the United States.

Bean's guilty plea is subject to final acceptance by United States District Court Judge William Q. Hayes. Bean is scheduled to be sentenced on May 6, 2013 at 9:00 a.m. before Judge Hayes.

This case is related to United States v. Maher Idriss, Criminal Case No. 12cr1775-WQH. On March 8, 2012, Maher Idriss pled guilty to conspiring to import merchandise contrary to law. At the time of his plea, Idriss admitted that between May 1, 2006, and May 5, 2011, he operated Oberlin Medical Supply and conspired with the owners and operators of GlobalRxStore to import and distribute unapproved oncology drugs not intended for sale in the United States. Idriss admitted that he and the owners of Global were all aware that it was unlawful to import these drugs. For example, after unapproved drugs to be shipped to

Oberlin were seized by federal authorities in transit, Idriss discussed the seizures and the unlawful nature of the importation with Bean and other owner of Global. Idriss is scheduled to be sentenced before Judge Hayes on May 20, 2013 at 9:00 a.m.

The Food, Drug & Cosmetic Act ("FDCA"), is intended to assure, among other things, that all drugs manufactured and distributed within the United States are safely manufactured, made from appropriate ingredients, and properly labeled. Pursuant to the terms of the FDCA, the U.S. Food and Drug Administration ("FDA") regulate the manufacture, processing, labeling, and distribution of all drugs shipped and received in interstate commerce, including the wholesale distribution of prescription drugs. Under the FDCA, anyone manufacturing, preparing, compounding, or processing prescription drugs for sale and use in the United States must annually register with the FDA as a drug establishment, and provide a list to the FDA of the drugs which they manufacture for commercial distribution, and a copy of all labeling. This registration requirement applies equally to drug establishments located outside of the United States that import their drugs into the United States. Under the FDCA, a drug is deemed misbranded if it was manufactured at any domestic or foreign establishment and that drug was not annually listed with the FDA by the establishment as one of the drugs which was manufactured for commercial distribution in the United States at that location.

Under the FDCA, no person may offer for sale in the United States any drug not approved by the FDA. The approval process addresses the chemical composition of the drug, the drug's safety and effectiveness, and elements of the drug's distribution, such as the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of the drug, as well as the labeling to be used for the drug. The approval process is specific to each manufacturer and each product and its labeling. Drugs manufactured outside the United States which are not intended for use in the United States do not go through this approval process and are considered unapproved drugs.

Any prescription drug whose labeling fails to bear the words “Rx only” is deemed to be misbranded. Moreover, all wording required by the FDCA to appear on drug labels and labeling sold in the continental U.S. must be in the English language. It is unlawful for anyone other than the manufacturer of a drug manufactured in the United States and exported to import that same drug back into the United States.

Criminal Case No. 12cr3734-WQH

DEFENDANT

Martin Paul Bean, III

SUMMARY OF CHARGE

Conspiracy, in violation of Title 18, United States Code, Section 371

Maximum Penalties: 5 years in custody, \$250,000 fine, restitution and forfeiture.

Criminal Case No. 12cr1775-WQH

DEFENDANT

Maher Idriss

SUMMARY OF CHARGE

Importation Contrary of Law, in violation of Title 18, United States Code, Section 545

Maximum Penalty: 20 years in custody and/or \$250,000 fine

INVESTIGATING AGENCIES

Food and Drug Administration, Office of Criminal Investigations
Immigration and Customs Enforcement’s Homeland Security Investigations
Federal Bureau of Investigation
Postal Inspection Service