UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA v. ANTHONY IADEROSA	No. 25 CR 18-2 Hon. Jeffrey I. Cummings District Court Judge

AGREEMENT TO DEFER PROSECUTION

The UNITED STATES OF AMERICA, by its attorney, MORRIS PASQUAL, Acting United States Attorney for the Northern District of Illinois, and the defendant, ANTHONY IADEROSA, and his attorney, GREGORY MARSHALL, hereby agree to the following:

Defendant has been charged by information with Title 21, United States Code, Sections 331(k) and 333(a)(2). Defendant understands that he has a right to have his guilt or innocence of the charges determined by a jury of his peers under the terms of the Speedy Trial Act, Title 18, United States Code, Section 3161, *et seq*. By signing this agreement, defendant agrees that, pursuant to Title 18, United States Code, Section 3161(h)(2), the period during which this prosecution is delayed pursuant to this Agreement is to be excluded in computing the time within which the trial in this case must commence under the Speedy Trial Act. Defendant knowingly waives his right to assert that his trial did not occur within the time limits prescribed by the Speedy Trial Act.

The United States Attorney will move the district court, pursuant to Title 18, United States Code, Section 3161(h)(2), to defer the prosecution of defendant on the information for 12 months for the purpose of allowing defendant to demonstrate his good conduct during this period. For the purpose of demonstrating his good conduct, defendant agrees to abide by the conditions and requirements of this Agreement set out below.

Conditions of Pretrial Diversion

1. Defendant shall not violate any law (federal/state/local). Defendant shall immediately contact his pretrial diversion supervisor if arrested and/or questioned by any law enforcement officer.

2. Defendant agrees that he will assist Advanced Inventory Management, Inc. in abiding by the terms of the deferred prosecution agreement entered into by the company by, among other things, developing and maintaining a compliance program.

3. Defendant shall attend work regularly at a lawful occupation. If defendant loses his job, defendant shall notify his pretrial diversion supervisor at once. Defendant shall consult his pretrial diversion supervisor prior to job changes.

4. Defendant shall report to your pretrial diversion supervisor as directed and keep him/her informed of your whereabouts.

5. You shall continue to reside in your current judicial district. If you intend to move out of that district, you shall inform your pretrial diversion supervisor so the Pretrial Services Office and the government can determine whether it is possible and appropriate to transfer responsibility for your supervision.

6. You shall not travel outside the Northern District of Illinois without first obtaining the approval of your pretrial services officer.

7. Defendant shall complete 100 documented hours of community service. The specific type of community service performed must be approved by both Pretrial Services and the government.

8. Defendant shall not possess any firearm or apply for any Firearm Owner's Identification card.

9. You shall refrain from unlawfully using or possessing narcotic drugs or other controlled substances defined in Title 21, United States Code, Section 802, unless prescribed by a licensed medical practitioner.

Admissions by Anthony Iaderosa

By signing this Agreement, defendant admits the following facts and agrees that these admissions may be used against him in any proceeding for any purpose, including as admissions, in the event that the government subsequently determines that he has breached this Agreement and the United States resumes or institutes prosecution of the charge against defendant in the information, or any other charge:

Beginning in or around December 2017 and continuing through in or around May 2019, at Mokena, in the Northern District of Illinois, and elsewhere, Anthony Iaderosa, with the intent to defraud and mislead, caused the doing of acts with regard to medical devices, while such article was held for sale after shipment in interstate commerce, that resulted in such article becoming misbranded within the meaning of 21 U.S.C. § 352(a), by disseminating labeling that was misleading in that the sticker designating that the product was restricted to an international locale for sale had been removed, in violation of Title 21, United States Code, Sections 331(k) and 333(a)(2).

In particular, defendant was the sole owner and chief executive officer of Advanced Inventory Management, Inc. ("AIM), which also did business as eSutures and eSutures.com. AIM was located in Mokena, Illinois and was in the business of selling medical products to customers located throughout the United States. AIM also purchased medical products that it then resold. To aid in increasing AIM's profits, defendant implemented different means to obtain medical products at lower prices, which AIM then resold at a profit.

Defendant learned during the relevant timeframe that AIM could obtain, at lower prices, medical products from abroad that were also available for resale in the United States. Those medical products were not approved by the manufacturer for distribution into the United States for resale, even though the products were available for resale domestically. As a result, foreign distributors were required by the manufacturers to label the packaging on these medical products reflecting that the products were not to be sold outside of certain foreign markets. On certain occasions, defendant permitted AIM employees to purchase medical products from abroad and to conceal the fact that AIM intended to resell those medical products in the United States.

For instance, defendant permitted AIM employees to provide shipping carriers of those medical products with falsified and/or misleading statements of intended use for those products, knowing those statements would thereafter be submitted to customs agents and the Food and Drug Administration purporting that the medical products were being used for research purposes. In fact, AIM did not intend to use all of the medical products it imported from abroad for research purposes. Rather, AIM resold these products to purchasers, including hospitals and medical offices, across the United States.

Additionally, to conceal the fact that these medical products, per the manufacturers, were only available for resale in a specific international jurisdiction—and not in the United States—defendant, on certain occasions, permitted AIM employees to remove stickers from the packaging of the medical products obtained from abroad indicating that the product was only available for resale in an international locale.

Namely, on September 13, 2018, an AIM employee informed defendant that a medical product obtained from Turkey had a sticker on the packaging indicating that the product was "Imported Only for Sales in Turkey." Defendant asked if AIM employees could remove the sticker with a heat gun and told AIM employees to see if they could remove the labels effectively before purchasing more of those products. AIM employees followed defendant's directive and removed labels from the packaging to conceal the fact that these medical products, per the manufacturers, were not to be resold in the United States.

Furthermore, in May 2019, an undercover law enforcement officer purchased medical products from AIM and had those products shipped from AIM's Illinois-based facility to California. The packaging on those medical products contained residue reflecting that stickers from the packaging had been removed consistent with the prior directive of defendant. The manufacturer of these medical products confirmed that none of the products had been made available for resale in the United States and had been exported for resale internationally.

In sum, during the relevant time period, on certain occasions, defendant instructed or permitted AIM employees to alter the packaging of medical products that they obtained internationally in order to conceal that fact and also conceal that information from the FDA when importing these medical products from overseas. AIM then resold in the United States the medical products that the manufacturers made available only for resale in international locales.

Further Agreements Between the Parties

If, at any point during the period of this Agreement, defendant violates any condition of this Agreement, the United States Attorney may unilaterally revoke or modify any conditions of this Pretrial Diversion Agreement and/or change the period of supervision, which shall in no case exceed twenty-four months. The United States Attorney may release defendant from supervision at any time. The United States Attorney may at any time within the period of defendant's supervision initiate prosecution for this offense should defendant violate the conditions of this Agreement. In this case the government will furnish defendant with notice specifying the conditions of the Agreement which defendant has violated. Determination of whether defendant has violated this Agreement shall be within the sole discretion of the United States Attorney.

If defendant successfully completes this diversion program and fulfills all the terms and conditions of the Agreement, the government will move the Court to dismiss the information against defendant.

Defendant understands that this Agreement is a public document and may be disclosed to any party.

Defendant understands that pursuant to Title 18, United States Code, Section 3161(h)(2), this Agreement is subject to approval by the Court. Should the Court refuse to approve, and thereby reject, this Agreement, neither party shall be bound to any term of this Agreement, and no admissions in this Agreement may be used against defendant.

Waiver of Claims Arising From Delay

I, ANTHONY IADEROSA, assert and certify that I am aware of the fact that the Sixth Amendment to the Constitution of the United States provides that in all criminal prosecutions the accused shall enjoy the right to a speedy and public trial. I also am aware that Rule 48(b) of the Federal Rules of Criminal Procedure provides that the Court may dismiss an indictment, information, or complaint for unnecessary delay in presenting a charge to the Grand Jury, filing an information or in bringing a defendant to trial. I hereby request the United States Attorney for the Northern District of Illinois to defer any prosecution of me for violation of Title 21, United States Code, Sections 331(k) and 333(a)(2) for the period of 12 months, and to induce the United States Attorney to defer such prosecution I agree and consent that any delay from the date of this Agreement to the date of initiation of prosecution, as provided for in the terms expressed herein, shall be deemed to be a necessary delay at my request, and I waive any defense to such prosecution on the ground that such delay operated to deny my rights under Rule 48(b) of the Federal Rules of Criminal Procedure and the Sixth Amendment to the Constitution of the United States to a speedy trial or to bar the prosecution by reason of the running of the statute of limitations for a period of months equal to the period of this agreement.

Defendant acknowledges that he has read this Agreement and has carefully reviewed each provision with his attorney. Defendant and his attorney acknowledge that no threats, promises, or representations have been made, nor agreements reached, other than those set forth in this Agreement. Defendant further acknowledges that he understands and voluntarily accepts each and every term and condition of this Agreement.

______________________________ Date: __________

ANTHONY IADEROSA
Defendant

_____________________________ Date: __________

GREGORY MARSHALL
ERIN SULLIVAN
Attorney for Anthony Iaderosa

_____________________________ Date: __________

JARED HASTEN
Assistant U.S. Attorney