



U.S. Department of Justice

Southern District of Indiana

United States Attorney

10 West Market Street

(317)226-6333

*Suite 2100
Indianapolis, IN 46204-3048*

TDD (317)226-5438

FAX NUMBERS:

Criminal (317)226-6125

Administration (317)226-5176

Civil (317)226-5027

FLU (317)226-6133

OCDETF (317)226-5953

August 29, 2003

CONTACT PERSON:

SUSAN W. BROOKS
United States Attorney
(317) 226-6333

FOR IMMEDIATE RELEASE:

**UNITED RESEARCH LABORATORIES, INC. SETTLES
CIVIL ALLEGATIONS REGARDING VIOLATIONS OF
CONTROLLED SUBSTANCES ACT**

NEWS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, today announced the settlement of potential civil litigation against the Indianapolis facility of United Research Laboratories, Inc. (URL). The civil settlement resulted in a \$125,000 payment by URL received August 26, 2003 by the United States of America to resolve alleged violations of the Controlled Substances Act.

The settlement resulted from URL's alleged failure to provide effective controls to protect controlled substances and to keep complete and accurate records of the regulated drugs

-more-

it received and distributed. The settlement also resolves allegations that URL failed to report to the Drug Enforcement Administration (DEA) the unusual or excessive loss or disappearance of a listed chemical, regulated by the government because it is used in the manufacture of methamphetamine. This settlement is the result of an investigation conducted by diversion investigators of the Indianapolis DEA Office.

Brooks added, “Our office is dedicated to ensuring that the companies and individuals who distribute controlled drugs comply with the law. If they do not, they will be held accountable by this Office.”

URL, a Philadelphia-based corporation, operates as a distributor of its own generic pharmaceutical items, including controlled substances, legend drugs, and over-the-counter medications. Its products range from prescription pain killer hydrocodone to vitamins and antibiotics. In 1999, URL obtained a DEA registration number to operate from a facility in Indianapolis located in the 5100 block of West 74th Street. In Indianapolis, URL maintained three full-time employees. Since the DEA’s investigation, however, URL has voluntarily surrendered its registration for the Indianapolis location.

The Controlled Substances Act and attendant regulations developed pursuant to the Act are intended to reduce the diversion of prescription medications from their intended recipients into the hands of those who use the drugs for abusive and/or illicit purposes. This

phenomenon is more commonly known as “drug diversion.” To deter drug diversion, the law requires DEA registrants like URL to prepare and maintain records that account for the receipt, storage, and distribution of controlled substances. These record-keeping requirements allow both the registrant and the government to monitor use of controlled substances and aid in detecting and impeding efforts to divert and misuse these controlled substances. In October 1997, more recent provisions of the Controlled Substances Act became effective which were designed to prevent the illegal distribution of certain listed chemicals used in the manufacture of methamphetamine.

According to Assistant United States Attorney Marsha C. Massey who negotiated the agreement for the government, the DEA’s regulatory audit of URL revealed numerous delinquencies in its record-keeping and accounting for controlled substances.

URL cooperated with the DEA’s investigation. Brooks stated that the pursuit of civil and criminal penalties under the Controlled Substances Act is vitally important to the community because it helps reduce the availability of illegally diverted controlled drugs. She added, it also helps reduce the manufacture of methamphetamine because the amount of meth available is directly related to the availability of the chemicals necessary to manufacture the drug.

###