

FILED
8/17/2021

LA

JUDGE ALONSO
MAGISTRATE JUDGE CUMMING**1:21-CR-00511**THOMAS G. BRUTON
CLERK, U.S. DISTRICT COURTUNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

)

) No.

v.

)

) Violations: Title 18, United States

GURUCHARAN DUA

) Code, Sections 1341, 1343, and 1957

COUNTS ONE THROUGH SIX

The SPECIAL MAY 2021 GRAND JURY charges:

1. At times material to this Indictment:

a. Defendant GURUCHARAN DUA was the President and owner of Company A, a prescription drug wholesale distribution company located in Plainfield, Illinois.

b. Company A's customers included pharmacies and other wholesale prescription drug distributors throughout the United States.

c. The United States Food and Drug Administration (FDA) was the federal agency responsible for protecting the health and safety of the public, including by enforcing the Federal Food, Drug, and Cosmetic Act (FDCA). Among other things, the FDCA regulated the wholesale distribution of prescription drugs in the United States and ensured that prescription drugs that were intended for use in humans were safe and effective for each of their intended uses. More specifically, the FDCA and related regulations were designed to ensure, among other things, that prescription drugs dispensed to patients were authentic (*i.e.*, not counterfeit); properly labeled with true, complete, and accurate information; handled, maintained,

and stored according to FDA requirements; remained in the possession of duly licensed entities; and had a verifiable chain of custody, commonly known as a pedigree or transaction history report.

d. The FDCA was amended by the Prescription Drug Marketing Act in 1987 and the Drug Supply Chain Security Act (DSCSA) in 2013 to address an unlawful practice known as prescription drug diversion. Diverted prescription drugs were those that had been removed from the regulated distribution channels and then reintroduced into the wholesale marketplace through various means, including the falsification of accompanying transaction history reports. Once a prescription drug was diverted outside the regulated distribution channel, it became difficult, if not impossible, for regulators and end-users to know whether the prescription drug was altered, stored in improper conditions, had its potency adversely affected, or was otherwise harmful.

e. The DSCSA required, with some exceptions not relevant here, that wholesale prescription drug distributors, prior to, or at the time of, a transfer of ownership of a product, provide the subsequent owner with a true and accurate transaction history report.

2. Beginning in or around October 2011, and continuing until in or around February 2017, in the Northern District of Illinois, Eastern Division, and elsewhere,

GURUCHARAN DUA,

defendant herein, and others, devised and participated in a scheme to defraud and to obtain money by materially false and fraudulent pretenses, representations, and promises, as further described below.

3. It was part of the scheme that GURUCHARAN DUA, through Company A, knowingly obtained wholesale amounts of diverted prescription drugs at discounted prices from unlicensed suppliers which sold diverted prescription drugs, including Company B, Company C, Company D, Company E, and Company F.

4. It was further part of the scheme that the diverted prescription drugs purchased by GURUCHARAN DUA, through Company A, from Companies B, C, D, E, and F often were accompanied by false transaction history reports which, as DUA knew, falsely represented that the prescription drugs had moved uninterrupted through a regulated prescription drug distribution chain.

5. It was further part of the scheme that once the diverted prescription drugs purchased by GURUCHARAN DUA arrived at Company A, he directed Company A employees to clean the bottles containing the diverted drugs to fraudulently make the drugs appear to be from a regulated prescription drug distribution chain.

6. It was further part of the scheme that GURUCHARAN DUA, through Company A, knowingly sold diverted prescription drugs to pharmacies and other wholesalers. DUA falsely represented to those pharmacies and wholesalers that Company A had acquired the prescription drugs from a licensed source in a regulated

distribution chain when, as DUA knew, the prescription drugs had been diverted from that chain.

7. It was further part of the scheme that GURUCHARAN DUA falsely claimed to his customers that Company A maintained transaction history reports for all sales and would provide them upon request. In or around 2015, DUA, through Company A, began informing customers that they could access the transaction history reports for all purchased prescription drugs through Company A's online web portal. As DUA knew, the transaction history reports available online for the diverted prescription drugs purchased from Companies B, C, D, E, and F were false.

8. It was further part of the scheme that, at times, GURUCHURAN DUA directed a Company A employee to prepare a false transaction history report to fraudulently make the drugs purchased by a customer appear to have been acquired from a licensed source in a regulated distribution chain.

9. It was further part of the scheme that GURUCHARAN DUA, through Company A, knowingly purchased approximately \$57,236,061 worth of diverted prescription drugs that DUA resold to pharmacies and wholesalers by misrepresenting that the prescription drugs had remained in a regulated distribution chain, knowing that the drugs had been diverted from that chain.

10. It was further part of the scheme that GURUCHARAN DUA misrepresented, concealed, and hid and caused to be misrepresented, concealed, and hidden, certain material facts, including the acts and purposes of the acts done in furtherance of the scheme.

11. On or about each date identified below, at Plainfield, in the Northern District of Illinois, Eastern Division, and elsewhere,

GURUCHARAN DUA,

defendant herein, for the purpose of executing the above-described scheme, did cause to be sent and delivered by commercial interstate carrier the following shipments of diverted prescription drugs:

Count	Date	Invoice Number	Shipped By	Shipped From	Shipped To
1	8/17/2016	20567	United Delivery Service	Company A Plainfield, IL	Pharmacy A Chicago, IL
2	8/19/2016	20602	FedEx	Company A Plainfield, IL	Pharmacy B Springfield, MA
3	8/24/2016	20688	FedEx	Company A Plainfield, IL	Pharmacy B Springfield, MA
4	9/6/2016	20902	United Delivery Service	Company A Plainfield, IL	Pharmacy C Joliet, IL
5	9/22/2016	21234	United Delivery Service	Company A Plainfield, IL	Pharmacy D Chicago, IL
6	12/19/2016	22625	United Delivery Service	Company A Plainfield, IL	Pharmacy E Chicago, IL

In violation of Title 18, United States Code, Section 1341.

COUNTS SEVEN THROUGH TEN

The SPECIAL MAY 2021 GRAND JURY further charges:

1. Paragraphs 1 through 10 of Count One are incorporated here.
2. On or about each date identified below, at Plainfield, in the Northern District of Illinois, Eastern Division, and elsewhere,

GURUCHARAN DUA,

defendant herein, for the purpose of executing the above-described scheme, knowingly transmitted and caused to be transmitted by means of wire communication in interstate commerce certain writings, signs, and signals, as follows:

Count	Date	Wire Communication
7	10/7/2016	Text message sent by DUA to Pharmacy F regarding \$20,000 payment for diverted prescription drugs
8	12/9/2016	Telephone facsimile transmission from DUA to Pharmacy G of 69 false transaction history reports
9	2/9/2017	Text message sent by DUA to Pharmacy F regarding \$10,000 payment owed for diverted prescription drugs
10	2/10/2017	Pharmacy H accessed Company A's website portal and downloaded 39 false transaction history reports

In violation of Title 18, United States Code, Section 1343.

COUNTS ELEVEN THROUGH THIRTEEN

The SPECIAL MAY 2021 GRAND JURY further charges:

On or about each date identified below, at Plainfield, in the Northern District of Illinois, Eastern Division, and elsewhere,

GURUCHARAN DUA,

defendant herein, knowingly engaged in a monetary transaction affecting interstate commerce in criminally derived property of a value greater than \$10,000, which property was derived from specified unlawful activity, namely, mail fraud and wire fraud, as follows:

Count	Date	Monetary Transaction	Amount
11	1/24/18	ACH Transfer – from DUA's account (*2539) at Bank B to Company A's account (*2232) at Bank B	\$2,000,000
12	2/22/18	ACH Transfer – from Company A's account (*2232) at Bank B to DUA's account (*9420) at Bank A	\$255,000
13	2/27/18	Check # 2068 – from DUA's account (*9420) at Bank A to Individual A	\$250,000

In violation of Title 18, United States Code, Section 1957(a).

FORFEITURE ALLEGATION

The SPECIAL MAY 2021 GRAND JURY further alleges:

1. Upon conviction of an offense in violation of Title 18, United States Code, Section 1341 or 1343, as set forth in this Indictment, defendant shall forfeit to the United States of America any property, real or personal, that constitutes and is derived from proceeds traceable to the offense, as provided in Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c). The property subject to forfeiture includes, but is not limited to:

a. The following amounts of funds seized on June 6, 2018:

i. Approximately \$3,289.09 in United States currency in a Bank A account in the name of GARUCHARAN DUA and Individual A; and

ii. Approximately \$4,016,145.74 in United States currency in a Bank C account in the name of Individual A.

b. A personal money judgment in the amount of approximately \$57,236,061.

2. Upon conviction of an offense in violation of Title 18, United States Code, Section 1957, as set forth in this Indictment, defendant shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 982(a)(1) and Title 28, United States Code, Section 2461(c), any property, real or personal, involved in such offense, and any property traceable to such property, including but not limited to a personal money judgment in the amount of approximately \$2,505,000.

3. If any of the property subject to forfeiture pursuant to Title 18, United

States Code, Section 981(a)(1)(C) or 982(a)(1), as a result of any act or omission of the defendant; cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third person; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be subdivided without difficulty, it is the intent of the United States to seek forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 982(b).

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY