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IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA

v.

RAMIRO NAVARRO QUESADA
SYLVIA NAVARRO CRUZ
MIGUEL CRUZ

Criminal No. 15-213

(18 U.S.C. §§ 371, 1341,
1956(a)(2)(A) and 2)

INDICTMENT

The grand jury charges:

INTRODUCTION

At all times material to this Indictment:

1. The Controlled Substance Drug Device and Cosmetic Act (CSDD&CA) prohibited the importation into the United States of controlled substances, including Schedule II and Schedule IV narcotics and nonnarcotics. 21 U.S.C. §§ 952(a) and (b).

2. Adderall was an amphetamine-based psycho-stimulant drug and a Schedule II nonnarcotic.

3. Carisoprodol ("Soma"), Alprazolam (also named Xanax, Tranax and Alprozan), Zolpidem (Ambien), Phentermine, Diazepam (Valium, Zepose), and Lorazepam were Schedule IV nonnarcotic drugs.

4. Tramadol Hydrochloride was a narcotic pain relief drug which was non-controlled (until August 18, 2014, when it was included in Schedule IV).

5. Under the Federal Food, Drug, and Cosmetic Act (FDCA), 21 U.S.C. § 301 et seq., the term "drug" included any article intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals, or an article (other than food) intended to affect the structure or function of the body of man or other animals. 21 U.S.C. § 321(g)(1).

6. The introduction or delivery for introduction into interstate commerce of any misbranded drug was prohibited. 21 U.S.C. § 331(a). "Misbranding" encompassed dispensing without a valid prescription a drug intended for use by man which, because of its toxicity or potential for harmful effect, was not safe for use except under supervision of a licensed practitioner or where its FDA-approved application limited it to prescription use. 21 U.S.C. § 353(b)(1). A drug was also misbranded where its labeling was false or misleading in any particular, 21 U.S.C. § 352(a); where its labeling did not bear adequate directions for use, 21 U.S.C. § 352(f)(1); or where the drug was manufactured, prepared, propagated, compounded or processed in an establishment not registered with the Secretary of Health and Human Services, 21 U.S.C. § 352(o). The introduction or delivery for introduction into interstate commerce of a misbranded drug with intent to defraud or mislead was a felony. 21 U.S.C. § 333(a)(2).

7. Sildenafil Citrate ("Viagra") was a non-controlled substance erectile dysfunction prescription drug.

8. Due to their toxicity or potential for harmful effect, none of the above-mentioned drugs could be dispensed for use without a prescription from a licensed medical practitioner. Moreover, 21 U.S.C. § 829(e) prohibited the Internet distribution of controlled substances which were prescription drugs under the FDCA without a valid prescription. And 21 U.S.C. §§ 829(a) and (b) prohibited the dispensation without a prescription (unless directly dispensed by a licensed practitioner to the ultimate user) of Schedule II and IV controlled substances which were FDCA prescription drugs.

9. RAMIRO NAVARRO QUESADA resided in Costa Rica, and engaged in the sale of misbranded drugs, including the above-mentioned controlled substance and erectile dysfunction drugs, by importing them from India into the United States for distribution to consumers, without prescriptions, via transactions conducted through domestic "re-shippers", in violation of the CSDD&CA and FDCA.

10. Z.M.N., a/k/a "Jenny" resided in Costa Rica, and maintained the websites www.alliancenetwerk.nl (until it went offline in August of 2014) and www.alliancegroup.la (which then succeeded the former site) through which she facilitated Internet misbranded drug sales for RAMIRO NAVARRO QUESADA and others.

11. SYLVIA NAVARRO CRUZ and MIGUEL CRUZ resided in Queen Creek, Arizona and worked as re-shippers for RAMIRO NAVARRO QUESADA, receiving quantities of misbranded prescription drugs from India at various post office boxes in Queen Creek, San Tan Valley and Chandler Heights, Arizona and, after repacking the drugs, mailing them to domestic consumers who had placed Internet orders through Z.M.N.

THE SCHEME AND ARTIFICE

12. From in and around July of 2012, and continuing thereafter to in and around January of 2015, in the Western District of Pennsylvania and elsewhere, the defendants, RAMIRO NAVARRO QUESADA, SYLVIA NAVARRO CRUZ and MIGUEL CRUZ and others, known and unknown, did knowingly and intentionally devise and intend to devise a scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations and promises, which scheme and artifice was in sum and substance as follows:

13. It was a part of the scheme and artifice that the RAMIRO NAVARRO QUESADA network for domestic distribution of imported misbranded prescription drugs was structured to avoid detection by law enforcement authorities by the:

a. use of a number of post office boxes in the same geographic area by the same re-shippers, to avoid suspicion by Post Office authorities;

b. false descriptions of drug package contents, such as "gift"; and

c. false descriptions on billing statements, such as describing credit card drug charges as purchases of "electrical parts and equipment."

14. It was further a part of the scheme and artifice that the RAMIRO NAVARRO QUESADA network for distribution of imported misbranded drugs was designed to create an appearance of legitimacy to domestic consumers by false representations that:

a. the drugs offered for sale were "FDA approved";

b. the counterfeit drugs sold were genuine Adderall and Viagra;

c. the drugs sold originated within the U.S. (due to establishment of a reshipment network within the U.S.);

d. the distribution of these drugs without requiring customers to supply prescriptions was legitimate;

e. under the heading of "Frequently Asked Questions" regarding manner of shipment, the www.alliancenetWORK.nl and www.alliancegroup.la websites stated:

"We work with a few licensed pharmacies within the USA"; and

f. shipping to consumers these drugs which contained no directions for use and other labeling deficiencies was legitimate.

15. It was further a part of the scheme and artifice that RAMIRO NAVARRO QUESADA obtained payment for misbranded drug sales via credit card charges which were processed through companies known as Ocean 7 and Ocean 8. Charges for drugs reshipped from Queen Creek, Arizona, were documented in e-mail exchanges between "Jenny" and RAMIRO NAVARRO QUESADA. (A sample of 117 such emails revealed credit card charges of \$126,233 for 499 such drug sales processed during the period from 8/4/12 to 5/28/14.)

16. It was further a part of the scheme and artifice that SYLVIA NAVARRO CRUZ and MIGUEL CRUZ shipped packages via U.S. mail to consumers throughout the United States in completion of misbranded drug sales by RAMIRO NAVARRO QUESADA.

17. It was further a part of the scheme and artifice that, in order to facilitate distribution of misbranded drugs to U.S. consumers, RAMIRO NAVARRO QUESADA maintained the following inventory in possession of re-shippers SYLVIA NAVARRA CRUZ and MIGUEL CRUZ as of 1/7/15:

Adderall	137 pills
Zolpidem	2,510 pills
Soma	900 pills
Xanax	413 pills
Viagra (counterfeit)	950 pills
Phentermine	1,070 pills

Alprazolam	1,160 pills
Diazepam	660 pills
Lorazepam	<u>1,550 pills</u>
	9,350 total pills

18. It was further a part of the scheme and artifice that, in payment for the RAMIRO NAVARRO QUESADA misbranded drug sales, funds were transferred from inside the U.S. to Belize and China.

THE MAILINGS

19. On or about the following dates, in the Western District of Pennsylvania and elsewhere, for the purpose of executing the aforesaid scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations and promises, and attempting to do so, the defendants, RAMIRO NAVARRO QUESADA, SYLVIA NAVARRO CRUZ MIGUEL CRUZ and others, known and unknown, did knowingly cause to be delivered by mail the following parcels, each addressed from the following senders to Jason Smith in Pittsburgh, PA (at Counts 1 and 2) and to D.B. in Ambridge, PA (at Count 3), which contained the drugs labeled as follows:

<u>COUNT</u>	<u>DATE</u>	<u>SENDER</u>	<u>DRUG/DESCRIPTION</u>
1	6/13/14	Alliance Services.EU P.O. Box #1697 Queen Creek. AZ 85142	unmarked prescription pill bottle containing 30 round white unmarked counterfeit Adderall pills
2	6/23/14	Alliance Services.EU P.O. Box #1697 Queen Creek. AZ 85142	unmarked prescription pill bottle containing 30 round white unmarked counterfeit Adderall pills; and 9 blister packs (each containing 10 pills) labeled "Pain-O-Soma Carisoprodol Tablets"
3	8/11/14	Alliance Services EU P.O. Box #1715 Queen Creek, AZ 85142	6 blister packs (each containing 10 pills) labeled "Zolt, Zolpidem Tartrate 10mg"

All in violation of Title 18, United States Code,
Section 1341.

COUNT FOUR

The grand jury further charges:

20. Paragraphs 1 through 18 (pertaining to Counts 1 through 3) are incorporated as if fully set forth herein.

THE CONSPIRACY

21. Commencing in and around July of 2012 and continuing to in and around January of 2015, in the Western District of Pennsylvania and elsewhere, the defendants, RAMIRO NAVARRO QUESADA, SYLVIA NAVARRO CRUZ and MIGUEL CRUZ, did willfully and knowingly conspire, combine, confederate and agree with other conspirators known and unknown to the grand jury to commit offenses against the United States, that is:

a. the introduction into interstate commerce, with intent to defraud and mislead, of the drugs Adderall, Carisoprodol, Alprazolam, Zolpidem, Phentermine, Diazepam, Lorazepam, Tramadol Hydrochloride, and Sildenafil Citrate, which were misbranded in that their labeling was false and misleading, the labeling lacked adequate directions for use and that they were dispensed without a valid prescription from a licensed medical practitioner, in violation of Title 21, United States Code, Sections 331(a) and 333(a)(2); and

b. the fraudulent and knowing importation into the United States of merchandise contrary to law, knowing the same to have been imported contrary to law, that is, the introduction

and delivery for introduction into interstate commerce of the misbranded drugs Adderall, Carisoprodol, Alprazolam, Zolpidem, Phentermine, Diazepam, Lorazepam, Tramadol Hydrochloride, and Sildenafil Citrate, contrary to Title 21, United States Code, Sections 331(a) and 333(a), in violation of Title 18, United States Code, Section 545.

22. In order to effect the objects and purposes of said conspiracy, the conspirators did commit, among others, the following overt acts in the Western District of Pennsylvania and elsewhere:

OVERT ACTS

23. The said conspirators did do and cause to be done the overt acts set forth in paragraph 19 of this indictment, on the dates, at the places and in the manner set forth therein, all of which are incorporated herein by reference as separate overt acts.

All in violation of Title 18, United States Code, Section 371.

COUNT FIVE

The grand jury further charges:

24. Paragraphs 1 through 19 (pertaining to Counts 1 through 3) are incorporated as if fully set forth herein.

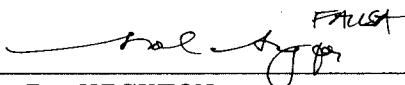
25. From on or about June 10, 2014, and continuing thereafter to on or about June 19, 2014, in the Western District of Pennsylvania and elsewhere, the defendant, RAMIRO NAVARRO QUESADA, and others, known and unknown, did transmit and transfer monetary instruments and funds from a place in the United States to and through a place outside the United States, with the intent to promote the carrying on of specified unlawful activity, that is, defendant caused \$627.02 in credit card payments for drug orders (set forth in Counts 1 and 2 of this Indictment) to be transferred from the United States to China, all for the purpose of promoting the scheme and artifice to defraud, in violation of Title 18, United States Code, Section 1341.

In violation of Title 18, United States Code, Sections 1956(a)(2)(A) and 2.

A True Bill,



FOREPERSON



DAVID J. HICKTON
United States Attorney
PA ID No. 34524