

## **UPS pays \$40M to end online pharmacies probe**

PAUL ELIAS - Associated Press - Associated Press

Shipping company UPS agreed Friday to pay \$40 million to end a federal criminal probe connected to deliveries it made for illicit online pharmacies.

The U.S. Department of Justice announced that the Atlanta-based company would also "take steps" to block illicit online drug dealers from using their delivery service.

The DOJ said the fine amount is the money UPS collected from suspect online pharmacies. UPS won't be charged with any crimes.

"We believe we have an obligation and responsibility to help curb the sale and shipment of drugs sold through illegal Internet pharmacies," UPS spokesman Bill Tanner said. "UPS will pay a \$40 million penalty and has agreed to enhance its compliance policies with respect to Internet pharmacy shippers."

Its biggest rival, FedEx Corp., still remains a target in the federal investigation, according to its March 21 quarterly report filed with the Security and Exchange Commission.

"We believe that our employees have acted in good faith at all times," FedEx stated in its regulatory filing. "We do not believe that we have engaged in any illegal activities and will vigorously defend ourselves in any action that may result from the investigation."

FedEx said it received subpoenas from a federal grand jury in San Francisco in 2008 and 2009. The San Francisco U.S. Attorney's office has played a central role in a nationwide crackdown on online pharmacies. Ten people with ties to online pharmacies have been convicted over the last two years.

"It is unclear what federal laws UPS may have violated," FedEx said in statement Friday. "We remain confident that we are in compliance with federal law."

The DOJ said some UPS employees knew the company was making deliveries between 2003 and 2010 for pharmacies that filled orders for dangerous drugs without proper prescriptions from doctors.

"Despite being on notice that this activity was occurring, UPS did not implement procedures to close the shipping accounts of Internet," the DOJ said in a prepared statement.

FedEx said federal investigators have declined to supply it with a list of suspect pharmacies. The company said it "can immediately shut off shipping services to those pharmacies" if given such a list.

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A DOJ spokesman declined to comment about the FedEx investigation.

In a prepared statement announcing the UPS settlement, Food and Drug Administration criminal chief John Roth said the "FDA is hopeful that the positive actions taken by UPS in this case will send a message to other shipping firms to put public health and safety above profits."

Earlier this week, a federal judge in San Francisco sentenced Chris Napoli to four years in prison and ordered to forfeit \$24 million his illicit pharmacy Safescripts Online earned between 2004 and 2006. Two other men were sentenced to prison along with Napoli. Receipts from UPS and FedEx were used as evidence in the trio's trial last year.

In 2011, Google Inc. agreed to pay \$500 million to settle allegations by the Justice Department that it profited from ads for illegal online pharmacies.

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