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Canadian Man Sentenced to 33 Months in Prison for Selling Counterfeit Cancer Drugs Using the Internet

WASHINGTON—Hazim Gaber, 22, of Edmonton, Canada, was sentenced today in Phoenix by U.S. District Court Judge James A. Teilborg to 33 months in prison for selling counterfeit cancer drugs using the Internet, announced Assistant Attorney General Lanny A. Breuer of the Criminal Division, U.S. Attorney Dennis Burke for the District of Arizona, and FBI Special Agent in Charge of the Phoenix Field Office Nathan T. Gray. Judge Teilborg also ordered Gaber to pay a \$75,000 fine, as well as \$53,724 in restitution, and to serve three years of supervised release following his prison term.

Gaber was indicted by a federal grand jury in Phoenix on June 30, 2009, on five counts of wire fraud for selling counterfeit cancer drugs through the website DCAdvice.com. Gaber was arrested on July 25, 2009, in Frankfurt, Germany, and was extradited to the United States on Dec. 18, 2009. At his plea hearing in May 2010, Gaber admitted selling what he falsely claimed was the experimental cancer drug sodium dichloroacetate, also known as DCA, to at least 65 victims in the United States, Canada, the United Kingdom, Belgium, and the Netherlands between October and November 2007. Gaber also admitted to selling more than 800 pirated copies of business software between February 2007 and December 2008. As part of the plea agreement, Gaber agreed to forfeit or cancel any website, domain name, or Internet services account related to this fraud scheme.

“Hazim Gaber went from selling false hope to cancer patients to now spending 33 months in a U.S. prison,” said Assistant Attorney General Lanny A. Breuer of the Criminal Division. “Criminals often seek to exploit the most vulnerable of victims—but offering fake, unapproved medication to cancer patients reaches a new low. Today’s sentence shows that cyber criminals who prey on the seriously ill cannot elude justice simply by committing crimes outside of our borders.”

“Gaber used the Internet to victimize people already suffering from the effects of cancer,” said Dennis K. Burke, U.S. Attorney for the District of Arizona. “Now he will go to prison for this bogus business and heartless fraud.”

“The FBI and the U.S. Attorney’s Office are committed to pursuing individuals who prey on those who are living with the affects of cancer,” said Nathan Gray, Special Agent in Charge of the FBI Phoenix Division. “Today’s sentencing illustrates international law enforcement partners working together to send a message not to use the Internet to perpetuate fraud, especially against those afflicted with a serious medical condition.”

According to the plea agreement, Gaber charged \$23.68 for 10 grams of the purported DCA, \$45.52 for 20 grams or \$110.27 for 100 grams, plus shipping. In actuality, Gaber admitted he sent victims a white powdery substance that was later determined through laboratory tests to contain starch, dextrin, dextrose or lactose, and contained no DCA. According to court documents, along with the counterfeit DCA, the packages also contained a fraudulent certificate of analysis from a fictitious laboratory and instructions on how to dilute and ingest the bogus DCA. DCA is an experimental cancer drug that has not yet been approved by the U.S. Food and Drug Administration for use in the United States. According to the plea agreement Gaber knew that the website DCAAdvice.com contained false claims that it was the only legal supplier of DCA and falsely claimed it was associated with the University of Alberta.

According to information contained in the plea agreement, DCA is an odorless, colorless, inexpensive, relatively non-toxic experimental cancer drug that is highly sought by cancer patients. A doctor at the University of Alberta in Canada published a report in early 2007 summarizing the results of a study, which showed that DCA caused regression in several cancers, including lung cancer, breast cancer and cancerous brain tumors. According to information contained in the plea agreement, DCA cannot be prescribed by a medical doctor in the United States or Canada, since it is currently not approved for use in patients with cancer, nor is DCA available in pharmacies.

Today's sentencing is part of a larger department-wide effort led by the Department of Justice Task Force on Intellectual Property (IP Task Force). Attorney General Eric Holder created the IP Task Force to combat the growing number of domestic and international intellectual property crimes, protect the health and safety of American consumers, and safeguard the nation's economic security against those who seek to profit illegally from American creativity, innovation and hard work. The IP Task Force seeks to strengthen intellectual property rights protection through heightened criminal and civil enforcement, greater coordination among federal, state, and local law enforcement partners, and increased focus on international enforcement efforts, including reinforcing relationships with key foreign partners and U.S. industry leaders.

The case was prosecuted by Trial Attorney Thomas S. Dougherty of the Criminal Division's Computer Crime and Intellectual Property Section and Assistant U.S. Attorney Peter Sexton of the U.S. Attorney's Office for the District of Arizona. Significant assistance has been provided by the Edmonton Police Service, the Alberta Justice Office of Special Prosecutions-Edmonton, the Competition Bureau of Canada, the U.S. Postal Inspection Service, the Federal Trade Commission and the Alberta Partnership Against Cross Border Fraud. The Criminal Division's Office of International Affairs provided assistance in this case. The case was investigated by the Phoenix FBI Cyber Squad.