



A federal grand jury in San Francisco [indicted](#) FedEx Corporation, FedEx Express, and FedEx Corporate Services, Inc. (collectively, "FedEx") for its role in distributing controlled substances and prescription drugs for illegal internet pharmacies.

The 18-count superseding indictment charges FedEx with conspiring with two internet pharmaceutical rings (internet pharmacies, fulfillment centers, doctors) to distribute controlled substances such as Ambien and Diazepam on invalid prescriptions, or based only on the customers' completion of an online questionnaire, without examination by a physician. The Government alleges that FedEx knew that it was delivering drugs to dealers and addicts, some of whom overdosed and died, and some of whom were underage. If convicted, FedEx could pay a fine of up to twice the gross gains derived from the offenses, alleged to be approximately **\$820**

**million.** The criminal proceedings will help answer when, if ever, the Government can deputize shipping companies to police illegal activity in internet commerce. The Government charges that FedEx knew that illegal internet pharmacies were using its shipping services to distribute controlled substances to customers without valid prescriptions, and that federal and state law enforcement agencies were shutting down many of these pharmacies and indicting their owners, operators, and pharmacists. Yet, FedEx allegedly continued to provide shipping services to these pharmacies, while instituting internal policies to protect its accounts receivable and employee commissions earned from those same internet pharmacy accounts. In [response](#) to the superseding indictment, FedEx has stated that it will vigorously defend against the charges, and that the "responsibility to monitor, regulate or police the activities of doctors and pharmacists lies with licensing, regulatory and law enforcement authorities, not shipping companies." FedEx says that it transports more than **10 million packages daily** and it cannot ensure the legality of their contents. FedEx also criticized the Government for failing to provide FedEx with a list of illegal internet pharmacies with which it should not do business.

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