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**MANHATTAN U.S. ATTORNEY CHARGES 22 MEMBERS OF
BI-COASTAL QUAALUDE TRAFFICKING RING**

*Since 2008, Ring Allegedly Manufactured And Distributed
More Than 100,000 Quaalude Pills Worth Over \$3.5 Million
In Manhattan and Long Island*

*Authorities Seize More Than \$1 Million In Bank Accounts And
File Civil Actions Against Laboratory In Brooklyn And
\$1.4 Million Apartment On 5th Avenue In Manhattan*

PREET BHARARA, the United States Attorney for the Southern District of New York, KATHLEEN M. RICE, the District Attorney for the County of Nassau, JOHN P. GILBRIDE, the Special-Agent-in-Charge of the New York Division of the United States Drug Enforcement Administration, and LAWRENCE MULVEY, the Commissioner of the Nassau County Police Department, today announced the unsealing of a Complaint charging 22 members of a criminal organization that extended from California to New York with conspiracy to distribute methaqualone, in the form of pills

commonly known as "Quaaludes." In the culmination of a three-year investigation dubbed "Operation Lude Behavior," last night and this morning, more than 100 federal and local law enforcement officers arrested 22 defendants in Brooklyn, Queens, Nassau, and Suffolk, New York; Paramus, New Jersey; and Oakland, California. Twenty of the arrested defendants are expected to be presented this afternoon in Manhattan federal court; KEVIN YAN and THOMAS FAIRLEY are expected to be presented in federal court in the Northern District of California later today.

According to the Complaint unsealed today in Manhattan federal court:

Between August 2008 and April 2010, DENNIS PATRICK FAIRLEY, a chemist by trade, led a narcotics trafficking ring that distributed more than 100,000 Quaaludes worth more than \$3.5 million in Manhattan and Long Island, New York. During the course of the conspiracy, DENNIS PATRICK FAIRLEY manufactured the Quaaludes at a laboratory in California called CalCoast Labs, among other places, with the assistance of THOMAS FAIRLEY, ANA SANCHEZ, and KEVIN YAN. DENNIS PATRICK FAIRLEY then transported the pills to New York, where they were sold directly to FRANK BISMAR, JASON ABBATE, and NEIL WEINSTOCK.

BISMAR and ABBATE sold the Quaaludes they bought from DENNIS PATRICK FAIRLEY to BARRY GOLDRING and THERESA GOLDRING. The GOLDRINGS sold the pills to KENNETH KUTIN, BRUCE SIEGMAN, and MARK VANDERBORG. VANDERBORG then sold the Quaaludes to HOWARD ARONSON, GARY BRUSTEIN, LEONARD ROSENFELD, and MICHAEL SILVERMAN, who in turn sold the pills to EDWARD RUBIN, MELANIE TAXIN, MITCHELL TEPPER, RALPH MARAZZO, NINA MARAZZO, and RONALD VESSIA. Each of these defendants then resold the Quaaludes to others.

Earlier today, law enforcement officers executed court-authorized search warrants on eight locations from which certain of the defendants distributed Quaaludes. In addition, officers conducted a court-authorized search of a Brooklyn laboratory where DENNIS PATRICK FAIRLEY met with BISMAR and ABBATE, among others, to distribute Quaaludes. Finally, the DEA's chemical diversion team simultaneously conducted an administrative search of CalCoast Labs in Emeryville, California, where DENNIS PATRICK FAIRLEY and his co-conspirators allegedly manufactured the Quaaludes.

During these searches, officers located:

- thousands of pills from the lab facility in Brooklyn;
- approximately two kilos of finished powder, hundreds of thousands of dollars in cash, a large bag containing many unfilled pill capsules, a pill press machine, and a firearms from DENNIS PATRICK FAIRLEY's Manhattan residence;
- two kilos of unfinished powder, one kilo of finished powder, and a pill press from the laboratory facility in California; and
- another firearm at the GOLDRING's residence.

Law enforcement officers also executed seizure warrants for the following five luxury automobiles which were used to transport Quaaludes for distribution: a 2002 Lexus ES 300, a 2007 BMW 335I convertible, a 1998 Mercedes Benz SL500, a 2007 Mercedes Benz ML350 sport utility vehicle, and a 2010 Mercedes Benz C300. Several bank accounts containing more than \$1 million in proceeds from the sale of Quaaludes were also seized. Finally, the United States Attorney for the Southern District of New York will file civil complaints against certain of the homes and the laboratories that were used to manufacture and facilitate the distribution of Quaaludes, including the laboratory in Brooklyn and an apartment on Fifth Avenue in Manhattan worth approximately \$1.4 million.

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U.S. Attorney BHARARA praised the investigative work of the Nassau County District Attorney's Office, the DEA, and the Nassau County Police Department. He added that the investigation is continuing.

"Dennis Patrick Fairley's alleged drug racket stretched literally from California to the New York Island. Instead of applying his training as a chemist to advance science, he allegedly used it to concoct dangerous poisons and advance his personal wealth. Today's coast-to-coast takedown ends Fairley's toxic experiment and nips in the bud any apparent re-emergence of Quaaludes in our communities. By seizing both their drugs and their assets, and working closely with our partners at the Nassau County District Attorney's Office, the DEA, and the Nassau County Police Department, we have ensured that Fairley and his crew will

not enjoy the ill-gotten gains from their trafficking crimes," said U.S. Attorney PREET BHARARA.

"This case should serve as a model of what law enforcement agencies can do together and as a warning to those who manufacture and sell illegal drugs. If you think you are untouchable and that no one is watching, you are wrong," said Nassau County District Attorney KATHLEEN M. RICE.

"These arrests serve as a warning to anyone trafficking drugs. The DEA and our fellow law enforcement agencies remain vigilant in finding and bringing to justice anyone that perpetrates this type of activity. Criminals should remember that no matter how driven they are to circumvent the law, we are equally as committed to finding and locking them up, wherever they traffic in illegal drugs," said Associate Special-Agent-in-Charge WILBERT L. PLUMMER of the New York Field Division of the DEA.

"As police commissioner, I am very pleased to note the success of this investigation is greatly due to the efforts of many facets within the Nassau County Police Department beginning with the level of execution, the patrol force. What initially began as a simple petit larceny arrest, uncovered a multi-dimensional drug operation that spanned across the country. It was the intuition and investigative prowess of all the police officers and investigators involved in this investigation that brought this illegal drug enterprise to a close," said Nassau County Police Commissioner LAWRENCE W. MULVEY.

The attached charts set forth the charges, and their corresponding maximum penalties, contained in the Complaint unsealed earlier today, as well as the defendants' ages and places of residence.

Assistant United States Attorneys JENNIFER E. BURNS, BRIAN A. JACOBS, and JASON P. HERNANDEZ, and Special Assistant United States Attorney RICK WHELAN of the Nassau County District Attorney's Office, are in charge of the prosecution.

The charges contained in the Complaint are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

10-117

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U.S. v. Dennis Patrick Fairley

Defendant	Age	City and State
DENNIS PATRICK FAIRLEY	65	New York, New York
THOMAS FAIRLEY	50	Modesta, California
ANA SANCHEZ	37	Baldwin, New York
KEVIN YAN	54	San Ramon, California
FRANK BISMAN	56	Fresh Meadows, New York
JASON ABBATE	50	Huntington, New York
BARRY GOLDRING	57	Bellmore, New York
THERESA GOLDRING	50	Bellmore, New York
KENNETH KUTIN	55	Little Neck, New York
MARK VANDERBORG	53	Woodbury, New York
BRUCE SIEGMAN	53	Bellmore, New York
HOWARD ARONSON	57	Jericho, New York
GARY BRUSTEIN	53	Brookville, New York
LEONARD ROSENFELD	59	Plainview, New York
MICHAEL SILVERMAN	62	Bayside, New York
EDWARD RUBIN	58	Oceanside, New York
MELANIE TAXIN	53	Roslyn, New York
MITCHELL TEPPER	50	Whitestone, New York
RALPH MARAZZO	65	Woodbury, New York
NINA MARAZZO	50	Woodbury, New York
RONALD VESSIA	65	Oakland Gardens, New York
NEIL WEINSTOCK	51	Paramus, New Jersey

Ct.	Charge	Defendants	Maximum Penalty
1	Conspiring to distribute methaqualone	DENNIS PATRICK FAIRLEY THOMAS FAIRLEY ANA SANCHEZ KEVIN YAN FRANK BISMAN JASON ABBATE BARRY GOLDRING THERESA GOLDRING KENNETH KUTIN MARK VANDERBORG BRUCE SIEGMAN HOWARD ARONSON GARY BRUSTEIN LEONARD ROSENFELD MICHAEL SILVERMAN EDWARD RUBIN MELANIE TAXIN MITCHELL TEPPER RALPH MARAZZO NINA MARAZZO RONALD VESSIA	Maximum sentence of 20 years in prison, and fine of the greater of \$1,000,000, or twice the gross gain or loss resulting from the crime
2	Conspiring to distribute methaqualone	DENNIS PATRICK FAIRLEY NEIL WEINSTOCK	Maximum sentence of 20 years in prison, and fine of the greater of \$1,000,000, or twice the gross gain or loss resulting from the crime