

We should also note that Pennwalt regularly compares its actual factory shipments of both amphetamine (Biphedamine) and phentermine (Ionamin) containing products with IMS Audits of drugstore purchases. In addition, our actual factory shipments and the drugstore purchases can be correlated with the quantity of either Biphedamine or Ionamin prescribed and dispensed, as shown by the IMS National Prescription Audit for the same period. Pennwalt regularly undertakes such analyses and remains satisfied that its products are prescribed within legitimate medical channels.

In short, our products are moving through the distribution chain in a proper fashion.

Pennwalt is not aware of any significant illegal use of its anti-obesity products. During the period January 1, 1972, to the present time, we have received from the DEA and other enforcement agencies but nine reports of alleged diversion from all sources (five for Biphedamine and four for Ionamin). When claims of either attempted or actual illegal use or diversion have been brought to our attention, Pennwalt has cooperated fully with the enforcement authorities in the investigation, apprehension and prosecution of those responsible.

Our experience also confirms an observation of Mr. Peter Bensinger, Administrator of the DEA, at the annual meeting of the top executives belonging to the Pharmaceutical Manufacturers Association, held in May of 1976. He noted that there is no reason to believe that industry is responsible for illegal trafficking in amphetamine. Pennwalt knows of no evidence to the contrary.