

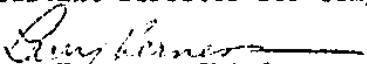
Form D-100
(Rev. 5-22-64)

UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

*Memorandum*TO : Mr. Kenneth A. Durrin
Assistant Director for Compliance

DATE: NOV 2 1972

FROM : 
Larry Kerness, Chief
Regulatory Enforcement DivisionSUBJECT: Proposal for Development of Information to Enable
Denial of R.J. Strassenburgh's Domestic Registration

Reference is made to memorandum dated September 21, 1972, from Jerry N. Jenson, Associate Regional Director, New York, New York, to you requesting that a show cause order be issued to Strassenburgh Prescription Products, Rochester, New York for denial of re-registration as a Schedule II amphetamine manufacturer.

Before issuance of this show cause order we should discuss this situation in detail with Chief Counsel's Office. I think the basic approach we should take is to develop sufficient information to show that to allow Strassenburgh to continue in business would not be in the best interest of the public and deny the re-registration based on that fact as opposed to denying it on specific violation of CSA.

The facts to be considered in developing this information are as follows:

- 1) Operation Blackjack - All information obtained during this operation can be presented at the hearing to establish a background that the firm does not have adequate safeguards for distribution of amphetamines to foreign customers.
- 2) Quotas - The firm's amphetamine procurement quota for 1972 was 315 kilos. The firm interprets a procurement quota to be the amount of a substance they may purchase within a given year. The firm has already produced and sold more than its procurement quota would permit for 1972. As of June 19, 1972, the firm had sold 541 kilos. and Dr. Head stated that he anticipated production and sales of 900 kilograms during 1972. Our interpretation is that the procurement quota