

is that amount needed for legitimate consumption during the year. Therefore, the firm is in effect saying that they do not care what is needed for legitimate consumption but will sell whatever the demand requires.

- 3) Security - Minor security violations were detected during the current audit. The firm has been advised in writing during previous audits that their security was inadequate but their security remains inadequate.
- 4) Statements before Rogers Committee - Shortly after Operation Blackjack Dr. Head appeared before Senator Rogers regarding the situation. He made certain statements which were false. He stated that the firm voluntarily closed their Mexican operation once the show cause order on their export registration was issued. Reports by Mexican authorities indicated that the firm was in full operation when they entered the plant after the issuance of the show cause order and that the authorities closed the plant as opposed to any voluntary action by the firm. Dr. Head also stated to the Rogers Committee that the Strasenburg in Mexico City had no intention of producing bifetamina in Mexico again. However, investigation in Mexico shows that shortly after the plant closing the firm approached the Mexican Government requesting to re-open the plant.
- 5) Possibility of Re-exportation of bulk amphetamine from Argentina or other countries. All foreign exports are being obtained from the firm since 1970 and follow-ups in these countries may show re-exportation.
- 6) Setting up Mexican Operation to Subvert CSA - This fact will be hard to prove but we do have some possibilities. A history of the firm should show that for a number of years the firm in Rochester shipped bulk to Mexico to be encapsulated there. It will also show that as of the effective date of CSA they suddenly ceased this practice since the firm in Mexico was at that time able to completely manufacture the product. It is also