batteries, incense, and rolling papers. Graham reiterated that, in order to maintain business relations with these firms, he needed to supply List I chemical products in both single dose packets and 60 count bottles. He further stated that his customers were already requesting certain name-brand List I chemical products. DEA information reveals that the specifically-requested products mentioned by Graham are often diverted to the illicit manufacture of methamphetamine.

Pursuant to 21 U.S.C. 823(h), the Administrator may deny an application for a DEA Certificate of Registration if he determines that granting the registration would be inconsistent with the public interest. Section 823(h) requires the following factors be considered:

(1) Maintenance by the applicant of effective controls against diversion of listed chemicals into other than legitimate channels;

(2) Compliance by the applicant with applicable Federal, State, and local law;

(3) Any prior conviction record of the applicant under Federal or State laws relating to controlled substances or to chemicals controlled under Federal or State law;

(4) Any past experience of the applicant in the manufacture and distribution of chemicals; and

(5) Such other factors as are relevant to and consistent with the public health and safety.

Like the public interest analysis for practitioners and pharmacies pursuant to subsection (f) of section 823, these factors are to be considered in the disjunctive; the Administrator may rely on any one or combination of factors and may give each factor the weight he deems appropriate in determining whether a registration should be revoked or an application for registration be denied. *See, e.g.,* Energy Outlet, 64 FR 14269 (1999). *See* also Henry J. Schwartz, Jr., M.D., 54 FR 16422 (1989).

The Administrator finds factors one, four, and five relevant to this application.

Regarding factor one, the maintenance of effective controls against the diversion of listed chemicals, the DEA pre-registration inspection documented inadequate security arrangements for the proposed storage of listed chemical products, in that Graham was unable to satisfy DEA investigator's security concerns with his various suggested arrangements. Graham made no apparent provision for an alarm system, and no sufficient provision for a separate, locked storage enclosure for the List I chemical products. In addition, the Administrator is concerned with Graham's business partnership with Snodell, and notes that Graham failed to explicate any arrangement at the business whereby Snodell's access to listed chemical products would be controlled.

Regarding factor four, the applicant's past experience in the distribution of chemicals, the DEA investigation revealed that Graham has no previous experience related to handling or distributing listed chemicals. As set forth previously, however, his business partner Snodell surrendered a DEA registration because a DEA and KBI investigation revealed he was distributing large quantities of List I chemical products having reasonable cause to believe the chemical would be used to manufacture a controlled substance. Graham admitted to DEA investigators that Snodell was his source of information concerning the business of distributing listed chemicals.

Regarding factor five, other factors relevant to and consistent with the public safety, the Administrator finds that in response to DEA investigator requests, Graham provided proposed supplier and customer lists. The DEA investigation shows that of the two suppliers proposed, one is currently under investigation for diversion of listed chemicals, and the other had its application for DEA registration as a distributor of listed chemicals denied by DEA. Of the four proposed customers provided by Graham, one was closed, another would not respond to DEA inquirers, and only one of the remaining two was interested in List I chemical products. The Administrator finds this lack of a legitimate customer base, combined with insufficient security arrangements, lack of experience in handling listed chemicals, and a business partnership with an individual who in the recent past was the subject of a DEA investigation and who was forced to surrender his DEA registration as a result, creates an unacceptable risk of diversion and is contrary to the public interest.

Therefore, for the above-stated reasons, the Administrator concludes that it would be inconsistent with the public interest to grant the application of Graham.

Accordingly, the Administrator of the Drug Enforcement Administration, pursuant to the authority vested in him by 21 U.S.C. 823 and 28 CFR 0.100(b) and 0.104, hereby orders that the application for a DEA Certificate of Registration submitted by Matthew D. Graham be denied. This order is effective April 5, 2002.

Dated: February 22, 2002.

Asa Hutchinson,

Administrator.

[FR Doc. 02–5239 Filed 3–5–02; 8:45 am]

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DEPARTMENT OF JUSTICE

Drug Enforcement Administration

Hadid International, Inc.; Denial of Application

On or about July 27, 2000, the Deputy Assistant Administrator, Office of Diversion Control, Drug Enforcement Administration (DEA), issued an Order to Show Cause (OTSC) by certified mail to Hadid International, Inc. (Hadid), located in Orlando, Florida, notifying it of an opportunity to show cause as to why the DEA should not deny its application, dated November 12, 1999, for a DEA Certification of Registration as a distributor of the List I chemicals pseudoephedrine, norpseudoephedrine, and phenylpropanolamine, pursuant to 21 U.S.C. 823(h) as being inconsistent with the public interest. The order also notified Hadid that, should no request for hearing be filed within 30 days, the right to a hearing would be waived.

The OTSC was returned, marked ''Return to Sender—Unclaimed.'' In addition, on August 2, 2000, DEA investigators from the Orlando, Florida District Office traveled to Hadid's business premises and, when there was no answer to repeated knocking, affixed a copy of the OTSC to the front door. Since that time, no further response has been received from the applicant nor any person purporting to represent the applicant. Therefore, the Administrator of the DEA, finding that (1) thirty days having passed since receipt of the Order to Show Cause, and (2) no request for a hearing having been received, concludes that Hadid is deemed to have waived its right to a hearing. After considering relevant material from the investigative file in this matter, the Administrator now enters his final order without pursuant to 21 CFR 1301.43(d) and (e) and 1301.46.

The Administrator finds as follows. List I chemicals are chemicals that may be used in the manufacture of a controlled substance in violation of the Controlled Substances Act. 21 U.S.C. 802(34); 21 CFR 1310.02(a). Pseudoephedrine, ephedrine, and phenylpropanolamine are List I chemicals that are commonly used to illegally manufacture methamphetamine, a Schedule II controlled substance. Methamphetamine is an extremely

potent central nervous system stimulant, and its abuse is a growing problem in the United States.

The Administrator finds that on or above November 12, 1999, an application was received by the DEA Chemical Operations Registration section on behalf of Hadid for DEA registration as distributor of the three above-mentioned List I chemicals. The DEA pre-registration inspection revealed that Hadid had no prior experience in distributing List I chemical products, and appeared unprepared to accept the responsibilities of a DEA registrant. The inspection noted deficiencies in Hadid's recordkeeping system that threw doubt the firm's ability to comply with DEA's recordkeeping requirements. The DEA investigation also revealed a number of Hadid's proposed customers and suppliers were being investigated for violations related to the distribution of List I chemicals.

Pursuant to 21 U.S.C. 823(h), the Administrator may deny an application for a DEA Certificate of Registration if he determines that granting the registration would be inconsistent with the public interest. Section 823(h) requires the following factors be considered:

(1) Maintenance by the applicant of effective controls against diversion of listed chemicals into other than legitimate channels;

(2) Compliance by the applicant with applicable Federal, State, and local law;

(3) Any prior conviction record of the applicant under Federal or State laws relating to controlled substances or to chemicals controlled under Federal or State law;

(4) Any past experience of the applicant in the manufacture and distribution of chemicals; and

(5) Such other factors as are relevant to and consistent with the public health and safety.

Like the public interest analysis for practitioners and pharmacies pursuant to subsection (f) of section 823, these factors are to be considered in the disjunctive; the Administrator may rely on any one or combination of factors and may give each factor the weight he deems appropriate in determining whether a registration should be revoked or an application for registration be denied. *See, e.g. Energy Outlet,* 64 FR 14,269 (1999). *See also Henry J. Schwartz, Jr., M.D.,* 54 FR 16,422 (1989)

Regarding factor one, the maintenance of effective controls against the diversion of listed chemicals, the DEA pre-registration inspection documented inadequate warehouse security, in that the side walls separating Hadid from the businesses on either side appeared to be drywall, and there was no separate secure enclosure wherein the List I chemical products would be stored. The inspection also revealed inadequate recordkeeping arrangements, in that only generic receipts/invoices with carbon copies were being generated, and there was no computerized data whatsoever.

Also relevant to this factor, on various weekdays, and at various times during Hadid's stated business hours, investigators drove by Hadid's business premises and did not see any sign of its sole officer/employee Khaled Salem's (Salem) presence at the business.

Regarding factor two, the applicant's compliance with appliance law, the Administrator finds that Salem apparently falsified Hadid's application for DEA registration. During the pre-registration inspection, Salem provided two telephone numbers, each different than the one provided in Hadid's application.

Regarding factor three, there is no evidence that Hadid nor Salem has any record of convictions related to controlled substances or to chemicals controlled under Federal or State law.

Regarding factor four, the applicant's past experience in the distribution of chemicals, the DEA investigation revealed that neither Hadid nor Salem has previous experience related to handling or distributing listed chemicals.

Regarding factor five, other factors relevant to and consistent with the public safety, the Administrator finds that Salem's citizenship status is in question, as he stated he had only been in the United States for approximately one and a half years. At the time of the pre-registration inspection, he was unable to provide DEA investigators with any documentation concerning his citizenship status.

When asked about his proposed supply and distribution network during the pre-registration inspection, Salem stated to investigators that he did not know who would be his supplier, nor did he know which of his customers would be interested in List I chemical products. Salem also did not know what quantities of List I chemical products he would be handling.

Hadid provided a customer list subsequent to the inspection. The list was in a computer-generated format, despite Salem having stated to investigators that he did not keep any computer records. The list provided appears identical to that provided to DEA by a List I chemical distributor whose registration was subject to an immediate suspension for diversion of List I chemicals two days following the issuance of the OTSC to Hadid. The proposed customer and supplier list provided by Hadid further contained a number of firms and individuals that are currently under investigation for alleged diversion of List I chemicals.

The DEA investigation also revealed information from a reliable Confidential Source that Salem is currently involved in the diversion of List I chemicals to be manufacture of methamphetamine, and that he plans to use his DEA registration to continue these activities, by serving as a front for the above-referenced distributor whose DEA registration was subject to an immediate suspension. The Confidential Source further revealed that Salem recently had left the United States for Germany ''to avoid arrest by law enforcement authorities,'' in the context of his involvement in List I chemical diversion activities.

Therefore, for the above-stated reasons, the Administrator concludes that it would be inconsistent with the public interest to grant the application of Hadid.

Accordingly, the Administrator of the Drug Enforcement Administration, pursuant to the authority vested in him by 21 U.S.C. 823 and 28 CFR 0.100(b) and 0.104, hereby orders that the application for a DEA Certificate of Registration submitted by Hadid International, Inc. be denied. This order is effective April 5, 2002.

Dated: February 22, 2002.

Asa Hutchinson,

Administrator.

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DEPARTMENT OF JUSTICE

Drug Enforcement Administration

Hologram Wonders, Inc.; Denial of Application

On or about July 27, 2000, the Deputy Assistant Administrator, Office of Diversion Control, Drug Enforcement Administration (DEA), issued an Order to Show Cause (OTSC) by certified mail to Hologram Wonders, Inc., d/b/a New Horizon Dist. (Hologram), located in Kissimmee, Florida, notifying it's owner/president Hani Solomon (Solomon) of an opportunity to show cause as to why the DEA should not deny its application, dated January 17, 1999, for a DEA Certificate of Registration as a distributor of the List I chemicals ephedrine, pseudoephedrine, and phenylpropanolamine, pursuant to 21