

Department of Justice
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Northern District of Illinois

FOR IMMEDIATE RELEASE

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Former Downtown Nightclub Bouncer Arrested on Charges of Operating Illegal Steroid Lab out of His Oak Lawn Home

CHICAGO — An Oak Lawn man was arrested today on federal charges that he imported anabolic steroids from China and distributed them to large-scale suppliers in the Chicago area.

JOSEPH T. PALERMO, 33, imported anabolic steroids, human growth hormone and pharmaceuticals from outside the United States for approximately five years, according to a federal criminal complaint and affidavit. The shipments from China arrived in the form of raw liquid or powder, which Palermo manufactured into usable steroids and distributed to large-scale dealers in the Chicago area, according to the charges.

Earlier this month, federal agents executing a search warrant at Palermo's Oak Lawn residence discovered a makeshift steroid laboratory in the walk-in closet of a locked bedroom, the affidavit states. Inside the closet were approximately 600 empty glass vials, approximately 250 vials filled or partially-filled with suspected liquid steroids, more than 6,000 tablets labeled as anabolic steroids, glass beakers, a hot plate and a digital scale, according to the affidavit. Agents also discovered more than \$9,000 in cash and several firearms, including a 9mm Glock handgun that was concealed under a pad in a sofa, the affidavit states.

Palermo, who is employed by the Argonne National Laboratory, was taken into custody this morning. He was charged with possession of a controlled substance with the intent to distribute. He appeared this afternoon before U.S. Magistrate Judge Maria Valdez and was released on a personal recognizance bond.

The arrest and charge against Palermo were announced by Zachary T. Fardon, United States Attorney for the Northern District of Illinois; James Gibbons, Acting Special Agent-in-Charge of the Chicago Office of the U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI); Antonio Gómez, Inspector-in-Charge of the U.S. Postal Inspection Service in Chicago; and the U.S. Department of Energy's Office of Inspector General.

The arrest is part of an ongoing investigation that has resulted in the issuance of numerous federal and state search warrants, as well as the initiation of other federal criminal cases, according to the affidavit.

According to the charges, Palermo purchased the steroids online and often wired the money through Western Union. The shipments were sometimes sent to P.O. Boxes that Palermo opened in his name or the names of people whose identities he had found on driver's licenses mistakenly left behind at a downtown Chicago nightclub where Palermo formerly worked as a bouncer, according to the charges. Palermo estimated that he grossed approximately \$2,000 per month through the scheme, the affidavit states.

In June, U.S. Customs and Border Protection officers in San Francisco intercepted a Chinese parcel addressed to a residence Palermo controlled in Northlake, the affidavit states. Although the parcel was declared as "Titanium Dioxide," it contained 359.2 grams of an oily anabolic steroid, the affidavit states. In July, CBP officers intercepted a second Chinese shipment, this time containing a powdery anabolic steroid concealed in a tinfoil baggie, according to the charges. It was addressed to a Palermo-controlled P.O. Box in Elmhurst, the affidavit states.

The charge against Palermo carries a maximum sentence of 10 years in prison and a \$500,000 fine. If convicted, the Court must impose a reasonable sentence under federal statutes and the advisory United States Sentencing Guidelines.

The public is reminded that a complaint is not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

The government is being represented by Assistant U.S. Attorney Kartik K. Raman.