



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration
Atlanta District Office

60 8th Street, N.E.
Atlanta, Georgia 30309

October 15, 2001

VIA FEDERAL EXPRESS

Joseph Healy,
Chief Executive Officer
Outsourcing Services Group
25 Commerce Drive
Allendale, New Jersey 07401

WARNING LETTER
(02-ATL-5)

Dear Mr. Healy:

An inspection of your drug manufacturing facility, Piedmont Laboratories located at 2030 Old Candler Road in Gainesville, Georgia, was conducted between August 30 and September 11, 2001, by Investigators Penny H. McCarver and Jawaid Hamid. The inspection revealed several significant deviations from the Current Good Manufacturing Practice for Finished Pharmaceuticals (CGMPs), as set forth in Title 21 of the Code of Federal Regulations (21 CFR), Part 211. These deviations cause your drug product, [REDACTED] to be adulterated within the meaning of Section 501(a)(2)(B) of the Federal Food, Drug, and Cosmetic Act (the Act).

You have failed to assure that all components used in your drug products meet all appropriate specifications for purity, strength and quality. You have failed to subject each lot of components, which is susceptible to microbiological contamination, to appropriate microbiological testing before use. You continued to use water in the manufacture of your drug product after identification of objectionable microbiological contamination was noted.

You failed to initiate an appropriate investigation into an ongoing problem with your deionized water system. The water system was noted to have multiple microbiological failures for total bacteria count and gram negative bacteria since March 2001. Failing results continued to be noted after more stringent cleaning and sanitization policies were introduced. The water system continued to be used for your drug and cosmetic products. You failed to properly identify the source of the problem and address the potential impact on finished products. You continued to manufacture and distribute product even though the water test results exceeded your bacteriological and purity specifications, and tested positive

for pathogenic bacteria. The first documentation that an investigation was being conducted was an Investigation/Corrective Action Request and Deionized Water System-Corrective Action Report Summary initiated on September 4, 2001, after our inspection was initiated.

You have failed to appropriately validate the manufacturing processes currently utilized for all of your drug products. You could not provide documented evidence which established a high degree of assurance that all of your manufacturing processes were effective and could consistently produce a product meeting its predetermined specifications and quality attributes. You failed to validate the purified water system to ensure that it meets your established specifications for purity and quality. The water system was approximately twenty years old when installed in 1997. A validation effort was not initiated until 1999.

The validation conducted was seriously deficient. Although an out of specification result was noted for coliform growth during validation of the household products line, the testing was merely repeated and the retest results were reported. No validation was performed of the personal care line as required by your validation protocol. No installation or operational qualification was performed on the system. The validation consisted of a performance qualification of the household products line. No revalidation efforts have been initiated in response to changes made to the system such as new cleaning/sanitization procedures and addition of filters throughout the system. No data was available to substantiate that the changes are adequate to ensure the microbiological quality of your water system. None of the above changes, nor the addition of an [REDACTED] unit, were reviewed and approved by the QA Manager or Technical Director, as required by your procedures.

You have failed to assure that for each batch of drug product, there is appropriate laboratory determination of satisfactory conformance to specifications for the drug product and all components used. Your firm utilizes the services of a contract testing laboratory for microbiological testing of raw materials and finished product. You continued to use the lab even though your own audit in January 2001 found the lab to be unacceptable. The audit recommended that an alternative micro laboratory be used to conduct analysis for customers that require strict measurements toward microbiology. We would hope that Piedmont would have those same requirements. The lab condition was found to be "unsatisfactory". In addition, the lab being used was not registered as a drug test lab with FDA and had indicated to FDA that they were not going to be conducting analysis for drug firms.

Your firm lacked formalized procedures that addressed the cleaning and sanitization of the water system when the microbiological specifications were exceeded. Your procedure for Microbiological Water Analysis fails to identify which points in the water system are to be sampled and there is no requirement for routine monitoring of water quality after points in the purification process which have been identified as being sources of contamination. No procedures were available which described the investigation of out of specification microbiological results. Your firm had also lacked procedures for maintenance and monitoring of the water system components, revised cleaning and sanitization procedures, and audits of outside microbiological testing facilities. These procedures were drafted during the current inspection.

Your firm failed to follow written procedures on file for the water system. Although routine sanitization was to be performed every [REDACTED] weeks, our review of your water system records revealed that the sanitization was actually being performed once every one to two months. Water samples were not being tested within [REDACTED] hours of sampling and no release is being issued to the Compounding Supervisor as required by your procedures.

This letter is not intended to be an all-inclusive list of deficiencies at your facility. It is your responsibility to ensure adherence to each requirement of the Act and regulations. The above deviations were included on the Inspectional Observations (FDA 483) which was issued to and discussed with Thomas Misgen, General Manager, at the conclusion of the inspection. A copy of the FDA 483 is enclosed for your review. The specific violations noted in this letter and in the FDA 483 could be symptomatic of underlying problems in your firm's quality assurance systems. You are responsible for investigating and determining the causes of the violations identified by the FDA. If the causes are determined to be systems problems, you must promptly initiate permanent corrective actions.

Federal agencies are advised of the issuance of all Warning Letters about drugs so that they may take this information into account when considering the award of contracts. Additionally, pending New Drug Applications, Abbreviated New Drug Applications, or export approval requests may not be approved until the above violations are corrected. You should take prompt action to correct these deviations. Failure to promptly correct these deviations may result in regulatory actions being initiated by the FDA without further notice. These actions include, but are not limited to seizure and/or injunction.

I am in receipt of a formal response to the FDA 483 that is dated September 20, 2001, from Mr. Misgen. We are encouraged by the corrective actions promised in the letter. This response has been forwarded to Investigator McCarver for her review. We would hope that your response to this Warning Letter would include any steps undertaken to address the impact of these problems on your cosmetic products also. The use of adulterated components in these products is also of significant concern to the District.

Please notify this office in writing within fifteen (15) days of receipt of this letter, of the specific steps you have taken to correct the noted violations, including an explanation of each step being taken to identify and make corrections to any underlying systems problems necessary to assure that similar violations will not recur. If corrective action cannot be completed within 15 working days, state the reason for the delay and the time within which the corrections will be completed. You may reference the above September 20 response if you feel it adequately addresses the observations noted. Your response should be sent to Philip S. Campbell, Compliance Officer, at the address noted in the letterhead.

Sincerely yours,


Ballard H. Graham, Director *for*
Atlanta District

Enclosure

cc: Thomas Misgen, General Manager
Piedmont Laboratories, Inc.
2030 Old Candler Road
Gainesville, Georgia 30507