FILE NAME: WR Grace (WRG)

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a program that takes over screen when the machines are being actively used.

...ard virtual-...ity graphics to be easily inte-...ed into its software browser ...chnology.

Bate/Bloom has also handled some of H & R Block's projects. And the Y. & R. office in Sydney handles the H & R Block account in Australia.

...ed in Arlington, owns ...32 newspapers. The company also operates television stations, radio stations and cable television systems.

1996

Grand Jury Raises Possibility That Grace Violated Criminal Law

By MILT FREUDENHEIM

W. R. Grace & Company said yesterday that a Federal grand jury had raised the possibility that the company violated criminal laws while seeking to persuade the Federal Food and Drug Administration to allow Grace to resume imports in 1991 from its dialysis products factory in Dublin, Ireland.

The announcement added details to previous company disclosures that it was the subject of three Federal investigations.

The company said yesterday that it had received a letter from the United States Attorney's office in New Jersey indicating that National Medical Care Inc., the Grace dialysis division, was a target in an investigation by a grand jury in New Jersey.

Mary Lou Kromer, a spokeswoman for Grace, said the company believed the inquiry concerned whether it had made false statements to the F.D.A. She said the agency had held up the imports because of issues related to compliance with F.D.A. requirements called good manufacturing processes.

The agency approved the imports in 1992, Grace said, and the company currently imports products from the Dublin factory.

Jim O'Hara, a spokesman for the F.D.A., said the agency could not comment on the investigation.

Grace had said previously that the New Jersey grand jury was investigating whether National Medical Care had sold defective products as well as how the company handled complaints from customers.

In a separate inquiry, a grand jury in Virginia is investigating contracts between National Medical Care dialysis subsidiaries and companies set up by doctors that provide physicians and related services to these units.

In a third investigation, a United States Attorney in Massachusetts has issued five subpoenas for National Medical Care records in connection with an investigation by the Office of Inspector General of the Federal Department of Health and Human Services.

F.D.A. approval of dialysis equipment is at issue.

The company had to produce documents concerning: its management, employee and accounting practices, contracts and compensation of doctors, billing of employers whose retirees who may be eligible for Medicare, and the conduct of National Medical Care laboratory testing and home dialysis businesses.

The company said it was cooperating with all three investigations. No charges have been brought against Grace in any of the investigations.

Grace said the "target letter" would not affect its agreement to sell National Medical Care to **Fresenius** A.G. of Germany, a dialysis products manufacturer, which was announced last week. Under a complicated deal, which has been valued by analysts at $3.8 billion to $4.2 billion, Fresenius has agreed to assume all of National Medical's legal obligations.

Ms. Kromer said Fresenius was aware of the issues raised by the investigation. Grace also said that these issues "would not have a material impact on National Medical Care."

Grace made the announcement after the stock market closed. The stock was up 37.5 cents, to $69.50, in trading yesterday.

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