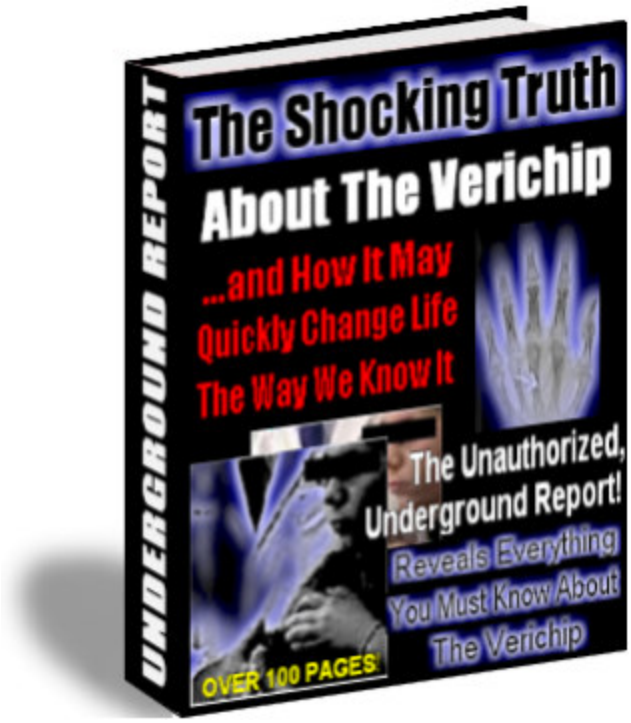
"The Shocking Truth About The Verichip...And How It May Quickly Change Life As You Know It!"

By Pat Necerato



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How To Read This Book

Read the following questions, quotes, facts and tid bits about the Verichip and gain insight on what the world may expect of you in the future.

This book has been compiled to give you a good understanding of what the Verichip is, and how it is going to quickly change our way of life. All people must be prepared to make a decision for the Verichip.

The information in this book has been researched over the past year and has been taken from over 100 different web pages, comments and articles. Most of which is not available on the Internet anymore.

In no way was this compiled to damage the reputation, production or idea of the Verichip.

It’s simple an informative overview of the product and how the media, the company that created it, and the general public is foreseeing its growth and future possibilities.

Would you get the Verichip? This book will help you answer that question.

Who Made The Verichip?

Digital Angel Corporation is the manufacturer of Verichip and has licensed the technology to Verichip Corporation, a wholly owned subsidiary of a company called Applied Digital.

Applied Digital sees itself as a provider of Security Through Innovation(TM) and partly owns a company called Digital Angel Corporation.

Digital Angel Corporation, formerly Medical Advisory Systems (MAS), specializes in providing location and monitoring products and services.

Digital Angel Corporation provides enhanced remote monitoring capabilities of key bodily functions, such as pulse and temperature.

The company's Animal Identification Systems division provides technology that tracks and identifies livestock and more than 10 million pets in Europe and the US.

In 2004, the company sold its Medical division, which provided pharmaceutical kits, medical and other assistance to foreign travelers in North America, and medical advice to those in remote locations.

Applied Digital Solutions owns more than 70% of the company (Digital Angel Corporation.

Who Is Applied Digital Solutions?

Applied Digital Solutions develops innovative security products for consumer, commercial, and government sectors worldwide.

Their products provide security for people, animals, the food supply, government/military arena, and commercial assets.

Included in their diversified product line are RFID applications, end-to-end food safety systems, GPS/Satellite communications, and telecomm and security infrastructure.

Applied Digital is the owner of a majority position in Digital Angel Corporation.

For more information, visit the company's website at http://www.adsx.com .

Who Is Digital Angel Corporation?

Digital Angel Corporation develops and deploys sensor and communications technologies that enable rapid and accurate identification, location tracking, and condition monitoring of high-value assets. In other words, they can track just about anything once their technology is implemented into a device, animal, or human.

Applications for the company's products include identification and monitoring of pets, fish, livestock, and humans through its patented implantable microchips.

They also do location tracking and message monitoring of vehicles and aircraft in remote locations through systems that integrate GPS and satellite communications together. They can then monitor the conditions of the object, animal or human such as temperature and movement.
They use advanced miniature sensors.

For more information about Digital Angel, visit the company's website at www.DigitalAngelCorp.com .

What Is Verichip?

The Verichip(TM) is the world's first implantable radio frequency identification (RFID) microchip for human use.

The Verichip is about the size of a grain of rice and each Verichip contains a unique verification number, which can be used to access a subscriber-supplied database over the Internet providing the implanted person's information, regardless of where they are or what they're doing.

And unlike typical forms of identification, the Verichip™ cannot be lost, stolen, misplaced or counterfeited.

Once implanted just under the skin, via what The Verichip Corporation calls a "quick, painless outpatient procedure (much like getting a shot)", the Verichip can be scanned when necessary with a proprietary Verichip scanner.

The brief outpatient "chipping" procedure lasts just a few minutes and involves only local anesthetic followed by quick, painless insertion of the Verichip.

A small amount of Radio Frequency Energy passes from the scanner energizing the dormant Verichip, which then emits a radio frequency signal transmitting the individual's unique verification (VerichipID) number.

Each person that has The Verichip will have a unique Subscriber Number, which provides instant access to something called the "Global Verichip Subscriber (GVS) Registry".

This is accessed through a secure, password protected **web** server.

This data is maintained by something called the GVS Registry Operations Center. There are 2 locations. One located in Riverside, California and the other in Owings, Maryland.

The microchip stores a code that releases patient-specific information when a scanner is passed over it.

Think bar codes on food and other products that bring up names and prices on a cashier's screen.

The Verichip itself contains no medical records, just codes that can be scanned and revealed in a doctor's office or hospital. With that code, health providers can unlock part of a secure database that holds that person's medical information, including allergies and previous treatments. The electronic database, not the chip, would be updated with each medical visit.

If your company or organization were going to use the Verichip, you would get something that is referred to as a Health Information Microtransponder System.

This consists of an implantable RFID microtransponder (the grain of rice), an inserter, a proprietary hand-held scanner, and a secure database containing the patient approved healthcare information.

The Verichip is also considered a “subdermal radio frequency microchip”.

Once inserted under the skin after the brief outpatient procedure, the Verichip cannot be noticed, it’s virtually inconspicuous to the naked eye. The small amount of radio frequency energy that passes from the scanner energizes the dormant Verichip, which then emits a radio frequency signal transmitting the verification number.

The healthcare provider must be registered with the Verichip system to receive patient info.

Each Verichip contains a unique 16-digit verification number that is captured by briefly passing a proprietary scanner over the insertion site.

The captured 16 digit number links to the database via encrypted Internet access. The previously stored information is then conveyed via the Internet to the registered requesting healthcare provider.

The Verichip will be used in a variety of security, financial, emergency identification and other applications.

The recommended location of the microchip is in the triceps area between the elbow and the shoulder of the right arm.

The Verichip is not an FDA-regulated device with regard to its security, financial, personal identification/safety applications, only for medical use.

What Does The FDA Say About The Verichip?

The FDA (the U.S. Food and Drug Administration) cleared the Verichip for Medical Applications in the United States on October 13t, 2004.

Applied Digital held a conference call on October 13th at 10:30 am eastern time in order to discuss the FDA's decision, the Company's marketing strategy and the future medical applications for Verichip.

The call was also webcasted and was available on the Home Page of Applied Digital's web site at www.adsx.com .

The FDA approving the Verichip is the result of the Applied Digital's application for product using it in the medical and healthcare fields. They originally submitted this application in October 2003.

What Does The General Public Say About The Verichip?

When the news came out on a chip, which can be inserted, into humans, that seems to be an open door for a barrage of comments regarding the end of the world and the "mark of the beast."

Most people, especially the press, would like to have people take a less theological approach to this announcement of the Verichip. But admittedly, it is hard to do.

That's not to say Bible believing people can't express their disapproval of such a chip, but it is hard to back up their disapproval by quoting passages from the Bible.

To those who don't believe in the Bible, you might as well be quoting from the dictionary or a children's book. Even if your disapproval is caused by your religious beliefs, you can also easily come up with other reasons why an implantable chip may not be a good idea for the world.

Critics warn that it could open new ways to imperil the confidentiality of medical records.

With the Food and Drug Administration giving Applied Digital Solutions the ability to market the Verichip for medical purposes, there's no telling what this could turn into for identity theft and invasion of privacy.

The microchips have been implanted in 1 million pets. But the chip's possible dual use for tracking people's movements -- as well as speeding delivery of their medical information to emergency rooms -- has raised alarm.

"If privacy protections aren't built in at the outset, there could be harmful consequences for patients," said Emily Stewart, a policy analyst at the Health Privacy Project.

To protect patient privacy, the devices should reveal only vital medical information, like blood type and allergic reactions, needed for health care workers to do their jobs, Stewart said.

An information technology guru at Detroit Medical Center, however, sees the benefits of the devices and will lobby for his center's inclusion in a Verichip pilot program.

"One of the big problems in health care has been the medical records situation. So much of it is still on paper," said David Ellis, the center's chief futurist and co-founder of the Michigan Electronic Medical Records Initiative.

As "medically mobile" patients visit specialists for care, their records are fragmented on computer systems that don't talk to each other.

"It's part of the future of medicine to have these kinds of technologies that make life simpler for the patient," Ellis said. Pushing for the strongest encryption algorithms to ensure that hackers can't nab medical data as information is transferred from chip to reader to secure database, will help address privacy concerns, he said.

Just recently, the U.S. Department of health and Human Services announced $139 million in grants to help make real President Bush's push for electronic health records for most Americans within a decade.

William A. Pierce, an HHS spokesman, could not say whether Verichip and its accompanying secure database of medical records fit within that initiative.

"Exactly what those technologies are is still to be sorted out," Pierce said. "It all has to respect and comport with the privacy rules."

What Will The Verichip Cost?

Applied Digital gave away scanners to a few hundred animal shelters and veterinary clinics when it first entered the pet market 15 years ago.

Now, 50,000 such scanners have been sold.

To kick-start the chip's use in people, Applied Digital will provide $650 scanners free at 200 of the nation's trauma centers.

In pets, implanting the chip runs about $50.

For humans, it would cost $150 to $200, said Angela Fulcher, an Applied Digital spokeswoman.

Fulcher could not say whether the cost of data storage and encrypted transmission of medical information would be passed on to providers.

How Will Hospital Workers Know Who To Scan?

Because the Verichip is invisible, it's also unclear how health care workers would know which unconscious patients to scan.

Company officials say if the chip's use becomes routine, scanning people's arms for hidden chips would become second nature at hospitals.

Ultimately, the company hopes patients who suffer from ailments such as diabetes and Alzheimer's disease or who undergo complex treatments, like chemotherapy, would have chips implanted.

How Many People Will Get The Verichip?

If the procedure proves as popular for use in humans as in pets, that could mean up to 1 million chips implanted in people. Just 1,000 people worldwide have had the devices implanted, very few of them in the United States.

The Verichip's company's chief executive officer, Scott R. Silverman, is one of a half-dozen executives who have had chips implanted.

Silverman said chips implanted for medical uses could also be used for security purposes, like tracking employees' movements through nuclear power plants.

Such security uses are rare in the United States.

Who Is Using The Verichip Now?

The chip has been used for club-hoppers in Barcelona, Spain. They now use the microchip to enter a VIP area and, through links to a different database, speed payment much like a smartcard.

The implantable microchip stories seem to be coming fast and furious these days.

First, there was the news that you can go bar hopping in Spain and have your tab settled via a microchip implanted in your upper arm.

Now, since the Verichip has been approved by the FDA, the Verichip the floodgates are open for a variety of uses

Does The Insertion Of The Verichip Require Stitches?

With the pinch of a syringe, the microchip is inserted under the skin in a procedure that takes less than 20 minutes and leaves no stitches

What Are Some Preachers And Pastors Saying About The Verichip?

Some fundamentalist preachers have said the economic use of such chips could be a sign of the apocalypse because the Bible says the anti-Christ will have control of all commercial transactions. People without The Mark of the Beast will not be able to buy or sell at that time, the Bible says.

Is Applied Digital Solutions Trying To Hide Something?

After a news reel called “WorldNetDaily” first publicized the "Digital Angel" in several online articles, Applied Digital Solutions, took cover.

Under criticism by many such as privacy advocates, as well as Christians concerned over the biblically prophesized "mark of the beast," the Nasdaq-traded company removed all references to human implantation from its website. This happened in October of 2000.

At the time, its CEO claimed publicly that there were "no plans" to make the technology implantable, but rather for the user to "wear" the device outside his body, say, on a wristwatch.

Does September 11th Have Anything To Do With The Verichip’s Implantibility?

After Sept. 11, and the resulting urgent national drive to increase America's homeland security, many Americans became susceptible to valuing safety over freedom.

It seems that the creators of the Verichip found a golden opportunity to re-introduce the subdermal (implantable) microchip it had previously deemed too hot for the American public to handle.

At the time of this writing, they did add it back on but only as referencing “security” for people.

It seems in a post-9/11 landscape, where various high-tech security systems are vying for supremacy and a lasting relationship with the government, ADS wants its piece of the pie.

Their high-tech security system has sparked a renewed debate over how best to profit from emergent identification technologies while maintaining a fair balance between civil liberties and the increased need for homeland security.

Will People Be “Chipped” Against Their Will?

Critics of the chip express concerns over the specter of persons being injected with the chips against their will, perhaps surreptitiously in conjunction with a routine vaccination.

In addition, they are concerned about the possibility of such chips eventually being mandated by the government as a form of ID.

Can The Verichip Save Lives?

Yes, possibly. If someone were to need an emergency implant, it could help. Its initial use is to get ID for medical implants, such as heart-regulating devices and artificial joints. The chip can hold info on required settings, the device's original components, and other essential parameters. It is also a ready source of data about the implantee's identity and medical condition.

Is There A Hidden Agenda With The Verichip?

Yes, it seems as though Applied Digital Solutions is also pushing use of the chip for emergency and security applications, to "enhance present forms of ID," to enable search-and-rescue operations, and assist in various law enforcement activities. Not sure if it’s so “hidden”, they are outwardly moving towards markets that would enable such products to be available in the near future.

Is The Verichip Tamper Proof?

Yes. The company contends that its technology is superior to biometric technologies, pointing out that implantation makes it

a "tamper-proof" means of identification, "substantially diminishing theft, loss, duplication or counterfeit." Also, it would be quite hard to get rid of the Verichip without a surgical procedure.

Are The Concerns Over The Privacy And Tracking Capabilities Of The Chip Legitimate?

The Los Angeles Times contends that "these chips are not true tracking devices" and that "the next generation of body chips, which transmit signals from a distance, is still several years away."

Futurist Paul Saffo says, "This is rightly going to prompt a debate … but the good news is we still have years to figure it out."

Do we? I'm not sure if I agree with Paul…

What Is The True Potential Of The Verichip?

To truly understand the future potential of this technology, it is necessary to look back to one of the most underreported events of 2000.

The event was the private unveiling of Applied Digitals prototypical
Verichip. Remember, this happened in 2000.

Then, the technology centered on an implantable chip that, once injected into a human being, allows it to be tracked in real time via GPS (Global Positioning System), the information then relayed wirelessly to the Internet, where the person's location, movements and vital signs can be remotely monitored and stored in a database.

The company first announced that it had acquired the rights to this device in December of 1999. Company documents described Digital Angel as "an implantable transceiver … inserted just under the skin … that sends and receives data and can be continuously tracked by GPS. “

When implanted in a body the device is powered electromagnetically by muscle movement and can be triggered by the 'wearer' or the monitoring facility."

Implantation of Digital Angel was said to be "future" and "subject to FDA approval," with its preliminary use being outside the body, in the form of a wristwatch.

Well, as you can see, it’s now “the future”.
Did Applied Digital Always Plan On “Implanting” The Chip?

Yes, initially, the strategy implied a "Phase I – Phase 2" approach: using the technology outside the body first, followed by a Phase 2 for implantation, dictated by the need to wait for FDA approval as well as the need to gain popular acceptance.

Well, they got approval!

Prior to the unveiling of the prototype, Applied Digital Solutions CEO Richard Sullivan issued a statement intended to underline the "historic first" of this "breakthrough in communications technology."

He announced that Secretary of Commerce Norman Mineta would attend the private event.

"We're extremely pleased that Secretary Mineta will attend our Digital Angel demonstration," said Sullivan. "Secretary Mineta has been a champion of 'digital inclusion' – making access to digital technologies more widely accessible to all segments of society."

The CEO added: "He has been an advocate of creating viable partnerships between the public and private sectors as part of a national digital inclusion campaign. We believe our Digital Angel technology has enormous potential along these lines."

"In fact," added Sullivan, "Digital Angel represents an exciting 'new frontier' in the digital revolution."

The announcement followed Mineta's appearance as keynote speaker at the Inland Empire Technology Summit for ADS subsidiary Timely Technology Corporation.

The focus of that event was said to be "sharing insight concerning current and future impact of technology on government, on education and on our daily lives."

When Was The Protype “Verichip” First Unveiled?

The first unveiling of Digital Angel was held the evening of Oct. 30, 2000, at Cipriani's of 42nd St. in New York City.

The invitation-only event was closed to the public, and was made up mainly of members of the government, the military, private investors and Wall Street analysts. Media presence was scant.

Some of those in attendance were surprised to find that not only was Secretary of Commerce Norman Mineta in attendance, but he was featured as the keynote speaker of the evening.

Was President Clinton In On The Verichip?

On the night of October 30th, when Secretary Mineta was scheduled to speak at the unveiling of the Verichip (on a futuristic set, shining in purplish light not to mention), CEO Richard Sullivan took the podium welcoming attendees to "the future."

He stressed that the evening was special because "we have a number of very important government officials with us this evening … including … Norman Mineta."

Sullivan emphasized Mineta's role in "helping to develop technology and e-commerce" and added: "As if all that weren't enough … Secretary Mineta personally advises the president of the United States [then President Clinton] on all matters concerning commerce, economics and Digital Inclusion. …"

Mineta was further portrayed as a "champion of forging effective partnerships between the public and private sectors." Sullivan made clear that "this idea of forging 'partnerships' is one of the main reasons the secretary is here this evening … and why we're so excited about having him here with us."

Is The Government In On The Verichip?

On the same night of October 30th, when Secretary Mineta was about to speak at the unveiling of the Verichip CEO Richard Sullivan took the podium welcoming attendees to "the future." After introducing Mineta, the two shook hands as Sullivan announced: "I just want to say how delighted we are at Applied Digital Solutions to launch an exciting new partnership with you and the federal government in the important area of digital inclusion."

Mineta, watched by several bodyguards, gave a keynote speech highlighting the value of working together to build teams of people, partnering with "firms like yours" so that the "elderly and less fortunate" might benefit from the "great technological revolution."

He underscored the historic chance to spread the benefits of the information technology to everyone in society, and emphasized the importance of digital technology to America's economy, emphasizing the importance of information technology in the economic success of the U.S.

Mineta added: "I applaud you, Dick Sullivan, for your success and the direction you are taking with Applied Digital Solutions. … As a nation, we cannot afford to miss out on this technology."

Is It True That The Verichip Market Is A $100 Billion Dollar Marketplace?

Yes, there is **a projected $100 billion marketplace for Digital Angel.** Critics have claimed this figure is impossible unless universal implantation mandated by government was being considered.

Conservative estimates for use in the U.S. were said to be $70 billion, characterized as 26 potential vertical markets.

A Verichip company spokesman, who asked not to be named, revealed that the $70 billion projection was provided by McKinsey & Co. management consultants.

Is The Verichip Supported By Big Financial Partners?

Randy Geissler, CEO of Digital Angel.net Inc., a wholly owned subsidiary, said that strong alliances were key to Digital Angel's success, and that the company's close partnerships with Raytheon-Hughes, the U.S. Department of Energy and pharmaceutical giants like "Schering-Plough" meant that the company was well-positioned for success.

Geissler was the former head of the animal-tagging company Destron Fearing.

ADS (Applied Digital Solutions) acquired the company in order to leverage its management experience and relevant technologies, like its trademarked "BioBond," a cover used to coat the glass-encased chip, causing fibrocytes and collagen fibers to grow around the chip, preventing migration of the chip through body tissue.

Does Digital Angel, The Company Affiliated With The Verichip, Have Permission To Track Humans?

Yes, under the guise of Destron Fearing, Digital Angel has won FCC licensing approval of the frequencies needed for widespread tracking of humans.

The most anticipated part of the event on October 30th 2000, was the actual demonstration of the technology, described as a "show" by Chief Scientist Dr. Peter Zhou.

Dr. Zhou is a former research scientist at the Max Planck Institute in Stuttgart, Germany, and a holder of advanced degrees in solid state physics and materials science from the Beijing University of Science and Technology and the University of Pennsylvania, Zhou also has numerous patents in the field of electronic detection systems.

Zhou announced that an ADS engineer equipped with the chip would be tracked through the streets of Manhattan.

Attendees watched as the engineer's location and movements were tracked in real-time via GPS, relayed wirelessly to the Internet, and displayed on a large screen before the audience. The computer screen represented the engineer's location as a red arrow on a large color street map of New York City.

Can People Operating The Verichip Sense My Body Temperature?

Yes, during the demonstration, as the audience watch Dr. Zhou track the red arrow (the man with the Verichip) through the streets of New York, the tracking followed him as he moved forward, backward, to the left or right, miles away, as he moved through the city.

A separate Internet screen displayed the employee's pulse and body temperature for the past two weeks.

Not all of the medical monitoring capabilities of the technology were displayed, such as monitoring heart patients, or using blood-oxygen analysis to determine if the subject being monitored is awake or asleep.

The person monitoring the subject can even tell exactly where on the continuum between waking and sleeping he is.

How Does The Verichip Know Such Personal Details About Me?

The building blocks of Digital Angel technology are a convergence of micro-electronics, information technology and life sciences.

The centerpiece is an implantable microchip. It includes an antenna that receives signals from GPS satellites and collects biological information from embedded bio-sensors.

At the request of the ground station, it will send these two groups of information to the monitoring center, through different levels of ground stations and Internet systems. It has a built-in GPS receiver and a wireless transceiver.

Did The Verichip Save A Tractor Trailer Driver From Falling Asleep At The Wheel?

No, but to communicate potential uses of Digital Angel, a video of edited news reports was shown, depicting human tragedies that might have been avoided had the technology been used. These included the death of a tractor-trailer driver who fell asleep at the wheel, as well as the search for missing children.

Can The Verichip Detect Illness Before The Implanted Person Even Starts Feeling Sick?

Yes. The potential applications for Digital Angel advocated by ADS are truly stunning. Also notable is the number of items that would make the government a customer.

Applications included medical monitoring: enabling a doctor to remotely access a "wearer's" vital signs and analyze them, as well as detect potential problems before he was even aware of symptoms.

Of course, "the doctor would know where to locate the patient." Security applications included locating kidnap victims, lost children, autistic persons and the elderly.

Will The Verichip Be Used In To Fight Wars?

Yes. Warfare applications will enable commanders to always know where their soldiers are located and whether they are alive or wounded.

In this capacity, Digital Angel was said to be "an invaluable aid, both tactically and strategically to the government.

Can Unauthorized People Check The Contents Of Your Verichip?

Supposedly not. In the realm of personal id, the Applied Digital stressed that requiring an “ID” for logon would prevent unauthorized access to computers.

Could The Verichip Become The Universal Standard For Computer Access Security?

Yes, the suggestion has been made. Digital Angel could conceivably become a universal standard for computer access security superior to all other systems, because other systems reside in the machine, not the person.

(What about the fingerprint scanner?)

How Will Law Enforcement Use The Verichip?

Yes, law enforcement uses recommended for the Verichip include its use to track parolees, people under house arrest, and individuals in witness protection programs.

How Will Verichip Be Used For Gun Control?

The use of the chip was advocated as a method of gun control, preventing unauthorized use of firearms. It was predicted that overall, Digital Angel will become an interface between the human and electronic networks. The chip will prevent the gun from being fired by anyone other than its owner by locking the gun digitally when someone with the wrong ID grabs it.

Has Verichip Ever Used The Term “Cashless Society” Or Is This Just A Christian Myth?

Not a myth. The Bible does speak of a cashless society to develop during the end times, but to my knowledge, Verichip hasn’t mentioned anything pertaining to it directly with those actual words. In most news reports, ADS seems backs away temporarily from talking even about “subcutaneous microchips” and especially terms like "cashless society."

How Long Will The Verichip Last Under the Skin?

The microchip is said to remain for the life of the individual with the unique ID number intact.

This was mentioned on their web site and the wording was exactly the same as that used under the Destron Fearing animal-tracking page, with the substitution of "individual" for "animal."

Although these references to human implantation were once removed from the website, they are now back in various forms on individual home pages and other areas of the Internet.

Did Verichip Corporation Ever Deny They Were Planning To Implant The Device?

Yes, but before it got approved. During a speech, Sullivan sought to remove concerns over implantation, by denying that the company ever had such plans: "Let me be very clear on one important point," he said. "This potential marketplace is for an attachable device … something worn on the outside … close to the skin.

We're not even planning on or even considering any other applications at this time. Only external uses! All our energy, all our focus … all our effort is in this direction, period. Any

other approach or suggestion is purely hypothetical speculation at this time."

Are Christians Becoming A Nuisance To The Verichip Company?

Not really, just concerned (more on this later). However, in comments following the demonstration of the Verichip, Chief Technology Officer Dr. Keith Bolton, drink in hand, expressed exasperation over implantation protests coming from a "noisy 20 percent," whom he identified as Christians who believe the Digital Angel chip is the "mark of the beast."

He was sure "the other 80 percent wouldn't mind." "Besides," he added, "FDA approval could take years, and we can start making money off of this thing now!"

When Did The Verichip Company Come Clean About The Device?

As recently as June, 2001, the company continued to deny implantation plans, when it offered a response statement to be posted on Declan McCullagh's Politech website.

The statement asserted, "We are not now developing, nor do we have any plans to develop anything other than an external, wearable device."

Were Investors Waiting For The Government To Get Involved Before Investing?

Yes. Even at the conclusion of the October 2000 role out event, private investors like Nathan Rosenblatt indicated that they were waiting to see more details of the partnership with the government unveiled before investing.

Dr. Yongguang Chen and Dr. Duanyi Wang called Digital Angel a "great invention" and said for "final success" they hoped that the U.S. government would "further loosen" military restrictions on the use of GPS satellites.

These gentlemen are scientists who were a part of a research team that worked on developing the technology.

When Was the Verichip Supposed To Be Launched?

The prototype was originally scheduled to debut in December of last year, but in July the company signed an agreement with Princeton University and the New Jersey Institute of Technology for additional scientists to work on the project, under Dr. Zhou's leadership.

They worked on issues like "antenna size" and "body tissue absorption."

As a result, the agreement "helped implement an accelerated schedule for delivery of a working prototype of Digital Angel," resulting in it debuting nine days before the presidential election.

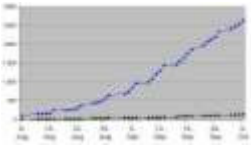
How Is The Government Positioning Themselves With Their Involvement Of The Verichip?

When questioned about the nature of the partnership with the government, company spokesman Matthew Cossolotto suggested it would include the subsidizing of Digital Angel for "minorities, the disadvantaged and the elderly."

He added that a formal public announcement of the full extent of the partnership would not be made until one to two weeks after the election.

The event was cancelled at the last minute, perhaps due to the difficulty in securing mass media coverage as a form of free advertising, the day before a presidential election.

Is The Verichip Company Trying To Move Fast In Expanding Their Market?



Yes. The company is looking to bring this product to "market as quickly as possible.

In the wake of Sept. 11 the company is strongly pushing its product – and openly discussing implantation – adding that now people are more open to it.

A week after the tragedy, Digital Angel offered its GPS tracking devices (currently in wristwatch form) to New York City's fire department, as well as to the U.S. Department of Transportation, saying that they could "aid in continued search-and-rescue efforts."

CEO Sullivan remarked, "With the recent tragedy, it is our duty to expedite the development process and offer Digital Angel in its current beta form to the rescue efforts of all agencies connected with national and personal safety and security," adding that "Digital Angel has many applications that can be used during this national tragedy."

Will The USA Implant All Foreigners To Avoid Terrorist Attacks? Could The Verichip Replace Green Cards?

Maybe. Palm Beach Post writer Deborah Circelli reported that CEO Sullivan complained that the 9-11 tragedy proved "today's security measures don't work very well," and he has a better idea.

Namely, implant all foreigners passing through customs or immigrations with the chips. The implanted chip would replace green cards, "allowing officials to monitor their activities better and keep terrorists out." In the wake of Sept. 11, he said the government is more prepared, for the overall benefit of our citizens, to advocate some of these changes.

Does The Verichip Company Have Plans To Replace ATM Cards?

CEO Sullivan said he can see the chips being used in children, the elderly, prisoners, and by employers at facilities such as airports and nuclear plants and that society in general could use them instead of ATM or credit cards. So, yes, they are planning ahead.

How Has The Verichip Company Grown In The Past Few Years?

In 1999 it boasted a five-year revenue growth of 64,012 percent and was ranked the fifth-fastest-growing technology company by Deloitte and Touche's "Fast 500."

Earlier in 2000, the company won the prestigious "Technology Pioneer's" award from the World Economic Forum in Davos, Switzerland.

The award is given for contributions "to worldwide economic development and social progress through technological advancements."

The World Economic Forum gives such awards as part of its commitment to foster entrepreneurship in the “global public interest.“

The company lost $11.4 million in the first quarter of 2001, and $33.9 million for all of 2000, leading it to gain a 2001 "Turkey of the Year Award" from the South Florida Business Journal, for "gushing red ink faster than you can say 'pass the gravy please.'"

Called a "troubled company" that had "suffered sizable losses over the past few years," SFBJ noted that the company had been "cautioned over a possible delisting from Nasdaq," that it was earlier in the month "out of compliance with its line of credit," and that a "recent SEC filing said the company couldn't predict whether or when it would be profitable."

The Turkey column concluded with the plea for someone to "stick a fork in this turkey. It's done!"

Even though the company has a lot riding on this recent public relations push, questions over involuntary uses of the chip remain amid contradictory company communications and recent news reports.

Will There Be Involuntary Implants Given?

A Silicon Strategies article reported that the company was "backing away from involuntary ID applications, such as the tracking of prisoners or parolees," while a Wired magazine article said that Digital Angel technology was "designed with people who stray in mind, such as parolees."

Is It True That Parolees In California Will Have To Get “Chipped?

Yes, Reuters had, in fact, already reported in December that the company had won a 3-year trial contract with California to provide its technology to track parolees in Los Angeles.

The Silicon Strategies report quoted CTO Bolton as saying, "we are advocating that this technology be totally voluntary," while a Washington Post article said Bolton indicated use of the chip should be voluntary unless the law allows otherwise.

In regard to the California project to track parolees, Amro Albanna of Digital Angel said, "we hope this program will serve as a model for other counties in the state."

Who Will Control The Technology?

This is a key issue at stake: who will control the technology, and could ever be used against the will of people. Christians will explain to you the Bible has been very accurate in over 300 prophecies, and that the prophecy of the Anti-Christ using the Verichip as the mark of the beast is becoming more real. If the Christian is correct in that the Anti—Christ will rule a one-world government in the future, it’s quite possible the Verichip will be included in his control.

Dr. Ellen McGhee, director of the Long Island Center for Ethics, at Long Island University, also writes: "A paramount worry is who will control the technology … the prospects for sinister invasions of liberty and privacy are alarming."

Lucas Mast, an Internet privacy and telecommunications analyst at the Cato Institute in Washington, D.C., expresses the same worry:

"My biggest concern from this technology is the unknown variables. If the government becomes a customer, will they have access to all databases maintained by ADS?

For example, if they implant the technology in felons, will they also be able to track people and items which have the technology for other purposes like e-commerce?"

He adds that "the slippery slope argument may come into play here – using it for felons, using it for lost persons, and all of a sudden it moves from being a voluntary program to one mandated by our government for the alleged good of society. Now that is scary."

The use of the technology in felons also raises the problem of removal, since such chips are said to be "virtually impossible to remove," once implanted.

In her ethical assessment of implantable chips, McGhee and Dr. Gerald Maguire of the Royal Institute of Technology in Kista, Sweden, wisely called for public debate and a multi-disciplinary evaluation from thinkers in fields of computer science, biophysics, medicine, law, religion, philosophy, public policy and international economy.

Such a debate and evaluation is "urgently needed," they said.

And although such implantable chip technology undoubtedly has many beneficial and even potentially life-saving uses, Mast warns that "if the technology of Digital Angel falls into the wrong hands, be that of terrorists or our own government, we may all be concerned and it may be too late to turn back."

He adds: "It will be interesting to see public reaction to this technology – comparisons to Orwell's 1984 and even the Nazis seem obvious."

The potential misuses of the implantable technology underscore the role that independent public policy think tanks can play in serving the interests of society.

Along with the type of public debate and evaluation called for by McGhee, Maguire and others, policy think tanks could recommend legislative initiatives designed to ensure that the benefits of the technology can be reaped without involuntary implantation of the technology ever becoming a government mandate.

Did Anything Other Than The Bible Predict the Verichip?

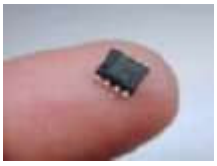
Five years ago, a Chicago Tribune writer held that implantable chips were "long a popular delusion among paranoids" – but he nevertheless predicted they were "likely to be marketed as a consumer item early in the next century."

Is The Verichip A Possible Invasion Of Privacy?

Privacy advocates seem to think so. They argue that tagged bracelets or cards carrying medical information are just as effective as an implanted chip. They warn that the chips might ultimately find a use to compulsorily tag and track prisoners or visitors to a foreign country.

"They've crossed a line by placing it under people's skin," says Marc Rotenberg of the Electronic Privacy Information Center, a civil liberties group in Washington DC.

Is It True That the Verichip Has been Around For 50 Years?



RFID tags have been around for over 50 years, not the actual Verichip. RFID tags of the past were larger and battery-powered and actively transmitted data carried on their chips.

Over the last decade, smaller, cheaper 'passive' chips have been developed that only release information when scanned - and these chips are now poised to invade many aspects of our lives.

"The technology is very much coming to the forefront," says Dan Mullen, president of Association for Automatic Identification and Mobility, a trade group based in Warrendale, Pennsylvania.

Most people are already using RFID tags unawares: in security badges that allow access to buildings, or in keys that communicate with a car to allow only the driver in. Many companies are also starting to use the chips to track goods shipped from manufacturers to their destination, helping them keep precise track of where items are and avoid them being mislaid in warehouses.

RFID tags are already routinely implanted in pets, so they can be identified if lost. But Applied Digital Solutions say that Verichip is the first chip designed for use in people.

Who Is Currently Using The Verichip?

Some that have already been tagged are the Attorney General of Mexico and some of his staff. They had chips implanted to limit access to a secure room.

Earlier this year Mexico's attorney general, Rafael Macedo de la Concha, and scores of his colleagues received Verichip implants that controlled their access to premises and documents. Since then, however, around 1,000 Mexicans have had implants that provide access to medical records.

Is Other Countries Getting Involved?

Yes, for one, some Australians are fumed over the Verichip.

Australian privacy advocates, who were already wary about similar chips being used by retailers to help manage their supply chain, are furious that humans could be chipped and wonder how long it will be before the first Australians are implanted.

Roger Clarke, a privacy advocate who has been speaking out against RFID-type technology for more than a decade, said he was "appalled and stunned" at the naivete of both the people developing the technology and the way it is being reported in the general press.

"When I spoke about this in 1994 people said I was going to extremes and talking nonsense. Now, less than ten years later they have a commercial product. I cannot understand how naive people are," said Clarke.

Clarke has argued that although the US solution is a simple identifier chip and can only be used with the consent of the patient, it won't be long before the technology goes mainstream.

"We are always going to tag the institutionalized first -- because they are prisoners and we have power over them. But we are also going to tag grandma in the senile dementia ward," said Clarke.

"This is a unique identifier. You will be walking down the street saying hey, this is my number, because your chip is promiscuous and it will talk to any bloody thing that wants to talk to it. It is unbelievable," Clarke added.

However, a spokesperson from the Australian Institute of Criminology (AIC), a Commonwealth statutory authority, said Australia has never electronically tagged any of its criminals and has no plans to do so in the future.

"Tagging of criminals is not even on the agenda," the spokesperson said Dale Clapperton, a board member for Electronic Frontiers Australia, a non-profit organization that represents the on-line rights and freedoms of Internet users, said he is just as worried about RFID chips being used in every day objects such as driving licenses and passports.

Are They Planning To Implant the Chip In Something Else, Like A Drivers License?

No, only subcutaneous implants. If we went down the path of putting RFID tags into driving licenses, which has been suggested in some parts of the US, you could have a situation where anyone with the right equipment could read information from your license from a few meters away.

Can The Verichip Be Used In Detecting Counterfeit Products And Money, And Is This Notion Making People More Comfortable Getting An Implanted Chip?

Possibly. Product identification has come to the forefront of the tech war, and there are those focusing on how to improve the supply chain and stop the counterfeiting of Products.

Paxar Corporation is a company that provides bar code and identification technologies for the retail supply chain.

Michelex Corporation is a plastics company that has initiated a pilot program to provide an anti-counterfeit solution.

Applied Digital however is the only one that has crossed a technological bridge from the realm of identifying and inventory of Products, to identifying humans.

90% of the top 100 U.S. retailers and their supply chain partners use Monarch brand products to identify, track and price all varieties of consumer goods.

Recently, Paxar announced another industry first, immediate availability of short feed length 915 MHz Class 1 RFID smart labelsu.

Paxar's RFID labels are now available in feed lengths as short as one inch.

The Monarch 9855(TM) RFID printer/encoder's state-of-the-art design and unique antenna system allow it to encode these small labels reliably, without interference from the next label.

The new smaller label is available through Paxar's Q-Service(TM) for RFID service bureau, as well as for encoding with the Monarch 9855 RFID printer/encoder.

Their new small RFID label is a big improvement from early RFID implements, which involved the use of large labels, normally four inches by six inches.

While those work well for suppliers that want to combine their normal bar code carton label with the RFID label, many vendors told us that they don't want to change their bar code labeling process.

By offering this one-inch feed length label, users can now encode and print the required EPC information as a separate process, so they don't have to modify their bar coding system. In addition, there are many companies faced with a requirement to place RFID labels on small packages.

This new label is perfect for that purpose." Michelex Corporation has announced that it has signed an agreement to initiate a pilot program to provide an anti-counterfeit solution for its entire client list over the next 12 months.

The plan calls on offering a global anti-counterfeiting turn key solution.

The focus is with the computer software, music and film industries. The Company believes this service will set the Company apart from other plastic manufacturing companies, by helping to protect clients' intellectual property and revenues.

It's believed that the biggest advantage of the technology is the ability for easy enforcement.

The technology can be used to produce, and protect, computer software. The computer software industry loses approximately $12-$16 billion annually, which comprises 40% of all software revenues.

In certain countries, illegal software makes up 90% of all copies. In addition this same technology can be used to produce, and protect, DVDs and CDs for the music and film industries who also have staggering losses due to counterfeiting and other illicit production of their products.

Will The Verichip Save Lives Globally?

Scientists say that the "Verichip"will give doctors quick access to medical records, boosting their ability to help people suffering from conditions such as heart disease and diabetes.

Doctors will read the chips using a hand-held scanner to gain access to a patient's medical history on a centralized database, such as that being commissioned for the National Health Service.

In emergencies, the chips could provide quick access to live-saving information on unconscious patients.

Why Is Britain Going To Deny The Use Of The Verichip?

Apparently this isn't true. One British firm has ordered 9,000 of them in anticipation of demand from hospitals.

Sanjay Panchani, a director of Surge IT Solutions in north London, said: "Now that the FDA has given the go-ahead for the chips to be used, it's only a matter of time before they're approved and used over here. We're confident that the Health sector will develop it."

He plans to sell the chips for £150 each. A spokesman for the Department of Health said that doctors could "probably" implant the chips in patients without the need for approval by the authorized body, the Medicines and Healthcare products Regulatory Agency, as it did not regard the Verichip as a medical device.

Don Mackechnie, the chairman of the British Medical Association's Accident and Emergency committee, and a

consultant at the Rochdale Infirmary, said: "Such a device could prove very useful in a situation where we have an unconscious patient with an unknown medical history.

It could reveal serious allergies to medicines, for example." He said, however, that he had some concerns about the devices. "We would need to see how much it cost to buy the equipment needed to reed the devices,"

"I've believed all along that the medical application was best, followed by security and financial applications," Mr. Silverman said.

In order to get the ball rolling in the US, his company is providing free scanners, which cost £380, to 200 casualty units there.

Mr. Panchani, of Surge IT, said the devices would also find use as tags in the Army and in prisons, and that potential applications were virtually limitless. "It could be used just like a passport, so people will have to carry nothing, no credit cards and no wallets. We feel there are countless possibilities with this product."

Is The Verichip Being Used To Prevent Kidnapping?

Yes, earlier this month, Applied Digital signed a deal to supply Verichips to distributors in Brazil, where kidnapping has become endemic.

Government officials hope that the chips could be used to track down victims via satellite.

Is Applied Digital Giving Away Verichip Scanners Free?

Not to everyone, only to roughly 200 trauma centers around the nation to help speed its entry into the health care market.

Is The President Of Verichip “Chipped”?

Yes, a company spokesman of Applied Digital would not say how much implanting chips would cost for humans, even though chips have been implanted in some, including Scott R. Silverman, the company's chief executive officer.

Is The Verichip Designed For Cash And Credit Transactions? Will We Be Unable To Buy Or Sell Without The Verichip In The Near Future?

Yes, it's possible. The Verichip is designed using subdermal RFID technology for cash and credit transactions.

The idea is that a consumer is simply a number, this makes it easier for us to spend our money from place to place without too much hindrance by real human functions, and even less of an effort for those taking our cash.

Some day we may be able to walk into a store and be completely alone and not have to see a living person in sight, imagine walking out holding the items you want and being billed instantly just as you leave the store.

No confrontations, no customer service.

Is It True That A "VERIPAY™" Program Exists To Eventually Replace Credit Cards And Cash?

Yes, VeriPay is intended to be a secure, subdermal RFID (radio frequency identification) payment technology for cash and credit transactions.

The VeriPay announcement came just a few days after a USA Today article (November 17, 2003) about emerging

technologies highlighted one of the major limitations of using RFID technology for payment and credit transactions.

After discussing various potential formats for RFID payment systems, including cards, earrings or pens, the USA Today article stated: “Still, experts note that one big hurdle remains for RFID systems: security.

Lose your RFID-enabled card or earring, and someone else could easily use it to run up charges – especially if no signature is required.”

In that same article, an executive with a major credit card company said this about his company’s RFID payment technology: “Ultimately, it could be embedded in anything – someday, maybe even under the skin.”

At ID World 2003 in Paris, Mr. Silverman, Verichip Leader, made the point that the subdermal RFID VeriPay technology specifically addresses the security issue.

VeriPay’s unique, under-the-skin format offers a much more secure, tamper-proof, and loss-proof solution.

VeriPay brings to consumers the benefits of fast and reliable RFID technology along with the security of a subdermal format.

In announcing VeriPay to ID World delegates, Mr. Silverman expressed his belief that VeriPay has enormous marketplace potential and invited banking and credit companies to partner with Verichip Corporation in developing specific commercial applications, beginning with appropriate pilot programs and other market tests, for the VeriPay subdermal RFID solution.

Is Verichip Giving You An Incentive To Get “Chipped”?

Yes, ADS is offering $50 Off to the first 100,000 registrants at the time of the their first "chipping" procedure.

Who Else Is Using The Verichip?

- In Mexico, government officials have had chips implanted in their arms for access to restricted areas, and chips have been embedded in some hospital patients.
- People in Spain have used implanted chips for entering a nightclub and buying drinks.
- In Japan, some parents are putting RFID tags on their children's bags or clothing to track their movements.
- In the United States, many large retailers are planning to use RFID tags on boxes and warehouse pallets and have started some trials of tags on individual items.

How Will Retailers Use The Verichip For Secret Advanced Sales Tactics?

They could use the technology to attach it to clothing. Retailers envision using data from item-level tags for targeted marketing campaigns. For example, a clothing tag could identify a frequent shopper as he or she walked through the store. Shop clerks could then approach the customer with special offers.

Privacy advocates worry that a company could collect RFID data from objects like clothing and associate it with personal information to track movements, or sell that data to other companies.
Tags are small enough to be undetected if embedded into products.

Right now, the tags are too expensive for widespread use at the item level. Still, a number of states have proposed legislation governing the use of RFID technology out of privacy concerns.

A bill that passed the Utah House of Representatives required retailers to notify customers if they are using RFID tags on store products.

In California, a bill that passed in the state Senate required RFID tags to be deactivated before the consumer leaves the store. Neither bill passed the full state legislature.

In Washington state, issues over RFID use and privacy are bound to come up for discussion soon, said Rep. Jeff Morris, D-Anacortes, chairman of the House Technology, Telecommunications and Energy Committee.

The fast pace of technological change makes it difficult to mandate rules for specific technologies, he said. Instead, lawmakers should focus on basic principles such as ensuring that individuals control access to their personal data.

Morris said he would be in favor of a requirement that RFID tags be deactivated at checkout.

The Federal Trade Commission held a public workshop on privacy and RFID in June and is now working on developing guidelines.

Retailers and companies developing RFID technologies worry that heavy-handed regulation could stifle important innovation.

This month, the Progressive Policy Institute, a New Democrat think tank, called privacy alarms being raised over RFID "at best premature and at worst hypothetical and impractical."

But some technology leaders say the industry should address privacy issues now before proceeding with RFID use.

"There are a lot of human concerns," said Michael Dierks, director of strategic investments at Intel Capital, noting Intel's experience several years ago.

After a privacy uproar, Intel backed away from a technology it developed that would have put a unique ID number into each of its Pentium III chips.

"It doesn't matter if the technology is right or wrong, they still have to be addressed," Dierks said.

Is Digital Angel Bailing Out Because Applied Digital Failed To Publicize Verichip Risks?

Yes, it seems to be the case. Digital Angel appears to be bailing out of Applied Digital. Digital Angel owns the underlying technology, which it licenses to Applied Digital, and manufactures Verichip along with its animal tracking devices but it looks like their bailing on the human implant project.

According to a filing with the U.S. Securities and Exchange Commission, "on October 14, 2004, Digital Angel Corporation sold 1,069,650 shares of Applied Digital common stock held by Digital Angel Corporation.

The shares of Applied Digital common stock were previously registered with the Securities and Exchange Commission and were sold at prevailing market prices through a registered broker dealer for net cash proceeds of $4.0 million.

Digital Angel Corporation acquired the stock from Applied Digital in March 2004.

Though Applied Digital, the company that markets the human-implantable Verichip device, has trumpeted recent Food and Drug Administration approval of the technology, it failed to include in its announcement warnings by the agency about the downsides of having a transponder lodged under the skin.

Are There Life Threatening Health Risks Associated With Having The Verichip Implanted In Your Skin?

Not life threatening but negative health risks are possible. The potential risks to health associated with the device reported are adverse tissue reaction, migration of implanted transponder,

failure of implanted transponder, electromagnetic interference, electrical hazards, magnetic resonance imaging (MRI) incompatibility and needle stick said a letter which was obtained by Consumers Against Supermarket Privacy Invasion and Numbering, or CASPIAN.

WorldNetDaily quoted Katherine Albrecht, founder and director of CASPIAN, chastised Applied Digital and manufacturer Digital Angel for failing to mention the negative aspects of its technology: "By omitting this information from their press material, the companies marketing the Verichip have painted an inaccurately rosy picture of their product that could mislead consumers into believing the devices are completely safe."

Can I Get An MRI If I Have The Verichip?

Apparently not. Katherine Albrecht, founder and director of Consumers Against Supermarket Privacy Invasion and Numbering, or CASPIAN was quoted as singling out the MRI-incompatibility issue as one of particular concern. "Patients contemplating a Verichip implant need to know that the FDA has raised incompatibity as a potential risk," she said. "If it's a choice between a potentially life-saving diagnostic procedure or a Verichip implant, I believe most patients would choose the MRI."

She said a document from the U.S. Food and Drug Administration warns that when under MRI, "Electrical currents may be induced in conductive metal implants" that can cause "potentially severe patient burns."

In addition to outlining the health risks of the Verichip, WorldNetDaily says the FDA letter also cites the risk of "compromised information security" among its concerns.

"The implant, about the size of a grain of rice, uses radio waves to transmit medical and financial account information

to reader devices. There is a risk that these transmission could be intercepted and duplicated by others or that ' as privacy advocates have warned ' the devices could be used to track an individual's movements and location."

Once I'm "Chipped" Can I Be Identified Without My Knowledge?

Yes, once you're chipped, you can be identified by doorway portal readers without your knowledge.

Is The Verichip or "VeriPay" Being Used To Encourage Bar Tabs?

Yes, the syringe-injected microchip implant provides users with VIP treatment at the Baja Beach Club in Barcelona a virtual bar tab.

A "reader" recognizes the individual, credit balance and opens doors automatically into exclusive areas of the club, according to Conrad K. Chase, the club's director.

VeriPay implanted patrons can buy drinks and food with a "wave of their hand."

"The objective of this technology is to bring an ID system to a global level that will destroy the need to carry ID documents and credit cards," Chase said.

Only 900 individuals have so far asked to be implanted, howeer, Chase was also quoted as claiming that the Verichip company had told him that the Italian government was preparing to implant government workers.

What Is The Difference Between Verichip And VeriPay?

Verichip is the actual rice sized device that gets impanted inyour body for purposes such as holding medical records and identification.

VeriPay is a credit card type system that allows the Verichip to handle money transactions as a credit card or ATM card.

Why Do Religious fundamentals Believe That The Verichip May Be "The Mark of the Beast"?

Some Religious fundamentalists believe that the Verichip could be used as a vehicle to carry the mark of the beast as referenced in the "Book of Revelation," which says only those with the "mark" in their hands or forehead may buy or sell.

Is It Possible That The Chip May Not Even Require A Scanner…That Scans Can Be Secretly Made With Radio Waves From An Unlimited Distance?

Yes, but maybe not unlimited distances at first. Although the RFID tag in the Verichip is passive at this stage of the technology – which makes it impossible for current RFID readers to scan the chip from more than a few feet away – progress could soon make a chip active.

This would enable the chip to broadcast radio waves, allowing for human tracking on a permanent basis without requiring the presence of a scanner. The chips have already been used in recent years for non-medical purposes.

Once implanted, a VericChip could threaten an individual's right to privacy if he or she is not able to remove the chip or prevent further scanning of the chip.

How Could The Verichip Be Used At The Scene Of A Car Accident?

There are thousands of people involved in accidents that knock them out or put them in a coma.

Using this technology, the emergency technicians would be able to immediately find out what the person's medical situation is and even what drugs he or she is currently using or allergic to.

It could also be handy for elderly patients who are living alone.

What Is The Status Of The Stock For Verichip?

Disclosed in mid-October, shares of the company soared 42% to roughly $3.02. Certainly, the FDA approval not only gives the idea some credibility but also gives Applied Digital Solutions the go-ahead to start developing its business model around it.

The idea is that the company could profit not only by selling the chips, but also the scanners and other devices needed to read them.

The question, though, is whether or not people will actually agree to this. Call me crazy, but the whole thing sounds kind of freaky to me. It seems like something out of the movie, The Minority Report, where people are programmed and tracked by the government.

That's certainly an overreaction, but it underscores the hurdle the company faces in getting people to actually agree to inject this chip into their bodies. Until that happens, this will remain an interesting but small niche company.

Exactly How Will The Government Use The Verichip With The Citizens Of America?

It’s possible that the US government could use the Verichip to watch everyone. The government has given the green signal to Digital Angel Corporation for their prototype ‘Verichip’ - the first futuristic microchip implant.

The makers of the chip claim that although the Federal Drug Administration (FDA) has approved the chip only for medical use, it could replace passports, ID cards and even credit cards.

As to its future applications, one can only speculate by drawing inferences from its currently planned usage.

What Does The ACLU Have To Say About the Verichip And Politics?

The American Civil Liberties Union (ACLU) which objects to the use of such chips, says that the chip would allow authorities to sweep up the identities of everyone at a political meeting or protest march.

One might remember that the ACLU had last week urged Virgina’s lawmakers not to put ‘track-able’ chips into drivers’ licenses as it would amount to breach of privacy.

Joining them in the protest is Britain's civil rights group Liberty.

What Does The “CSI” TV Show Have To Do With The Verichip?

Promotion! The producers of CSI-Miami, the crime drama on CBS, mentioned the technology in one of its episodes, giving it the stamp of social acceptance.

In the episode, a clubgoer in South Beach has her credit-card number imbedded on a Verichip, which is then injected beneath the skin. Her reasoning: She has no place else to put to her card.

The Verichip can carry vital information, in this case a credit-card number, on a chip the size of a rice grain.

"It's a means of exposure. The more you're out there and people see the technology, even in a fictional story, it certainly validates its existence," Applied Vice President Angela Fulcher said.

Even better, the TV exposure was a freebie. CSI-Miami contacted Applied Digital. "It wasn't created or scripted by the Verichip Corp.," Fulcher said. "They created a story line and ran with it."

Is It Possible That The Verichip Could Be A Financial Failure?

Well, investors piled into Applied Digital's stock, sending it up 68 percent, to $3.57, on Oct. 13, the day of the announcement.
The shares, which are listed on the Nasdaq, later climbed as high as $4.62. On Friday, the shares closed at $4, up 19 cents, or 5 percent.

Moving quickly to exploit the optimism, Applied Digital announced on Oct. 22 that it had raised $11.9 million in a private sale of 2.5 million shares at $3.61 a share, and warrants to buy nearly 2.2 million shares.

The purchaser was Satellite Strategic Finance Associates, an investment company that bought $2 million of shares of Applied Digital in April.

It is far from clear, however, whether the F.D.A. approval actually moved Applied Digital far enough toward its long-term vision to make it a less risky stock.

Scott R. Silverman, Applied Digital's chairman and chief executive, said that investors in the company, which is based in Delray Beach, Fla., see Verichip as "the proverbial home run" and said that he was not about to discourage that view.

While he insisted that a revamping that the company had undergone has created a business that can survive without Verichip, he said that "Veri- Chip's what's going to deliver value to shareholders in the long run."

The F.D.A.'s approval is for Veri- Chip's use in a system that would give health care workers quick access to the medical records of anyone who had been implanted with the device.

Digital Angel also cashed in on the jump in Applied Digital stock after the F.D.A.'s announcement, selling close to 1.07 million shares of Applied Digital for $4 million.

That stock was obtained in March in a stock swap with Applied Digital.
The complicated financial structure is tied to Applied Digital's past. Applied Digital grew out of a wireless communications venture called Applied Cellular Technology.

Richard J. Sullivan, a veteran entrepreneur, became chief executive in 1993, took the company public in 1994 and engineered more than 50 acquisitions by 2002.

Applied's stock soared to more than $151 a share early in 2000, then collapsed with the bursting telecommunications and Internet bubbles.

Mr. Silverman, a lawyer and consultant, was named president in 2002 to help streamline Mr. Sullivan's money-losing hodgepodge.

He succeeded Mr. Sullivan as chief executive last year.

In addition to its stake in Digital Angel, which is based in South St. Paul, Minn., Applied Digital controls 52 percent of InfoTech USA, a computer services and networking firm based in Fairfield, N.J., that was formerly known as SysComm International.

All three have been losing money, according to filings with the Securities and Exchange Commission. Mr. Silverman recently summed up Applied Digital's status as "much closer than ever before to net income."

There is nothing modest about Applied Digital's vision for Verichip.

The company's executives have told investors that Verichip is addressing markets worth hundreds of billions of dollars. Verichip, they have said, could become the theft- and loss-proof successor to the credit card, a device to monitor the whereabouts of children and mentally impaired adults and a tool to prevent anyone other than a police officer from using a gun issued to the officer.

But Applied has not demonstrated that it is technically feasible for Veri- Chip-driven data systems to operate at the reliability levels needed in most of the financial, security and medical uses bandied about by the company's enthusiasts.

To be sure, Digital Angel and competitors like AllFlex USA and Avid Identification Systems have been using similar implanted radio tags to permit pet shelters, laboratories and veterinarians to identify millions of animals. But the infrastructure investment that would be needed to have a major impact on Verichip's intended human markets is far larger and more complex.

It is also difficult to see how Veri- Chip would compete economically with other available technologies. None of the alternatives do everything Verichip can, but biometrics, like face and iris scans or fingerprints, and radio tags embedded in smart cards or wristbands have a head start toward commercialization.

Generally, they are also less expensive to deploy than Verichip.

Are The Verichip Health Risks Scaring Off Potential Distributors?

The approval letter from the F.D.A. contains ominous warnings about potential risks, like migration of the implanted chip and interference with magnetic resonance imaging device, which are widely used in hospitals.

There is no evidence that such possibilities are problems with Verichip, but critics hope such warnings will help scare off the big medical products companies that Applied Digital desperately needs to sign on as distributors.

Does Verichip See Itself As The Credit Card Successor?

Yes. The company's executives have told investors that Verichip is addressing markets worth hundreds of billions of dollars. Verichip, they have said, could become “the theft and loss-proof successor to the credit card”.

Is It True That The Verichip Is Getting Ready To Explode Production In This Country?

Yes, the company just signed a binding letter of Intent to acquire eXI Wireless, a leading provider of wireless and RFID technologies for hospitals and nursing homes.

Once completed, this acquisition will add approximately 200 dealers and distributors to Verichip Corporation, Applied Digital's wholly-owned subsidiary.

These dealers and distributors already market eXI's proprietary security products like HALO(TM), ROAM ALERT(TM), ASSETRAC(TM), and HOUNDWARE(TM) to hospitals, nursing homes and commercial customers, respectively.

Applied Digital expects the transaction to accelerate adoption of the Verichip for medical applications.

The companies expect that the transaction will close during the first quarter of 2005. With over 20 years experience, eXI has developed some of the industry's first patient wandering, infant protection and asset tracking / location systems

uniquely combining Auto-ID and real-time location technologies.

Can Verichip Save Infants?

Recently, eXI's HALO product (now owned by Verichip) was used to successfully save an infant from wrongly being taken from a maternity ward. The system shut down elevators and the infant was returned safely.

Applied Digital has agreed to pay CAD$1.60 for each outstanding share of eXI (approximately 10.1 million shares outstanding). That payment to the eXI shareholders will be made in shares of a Canadian subsidiary of Applied Digital that will, in turn, be exchangeable for shares of Applied Digital.

The exchange ratio will be calculated at closing. In 2003, eXI's revenues were approximately CAD$8.6 million Canadian and Earnings were CAD$170,000.

For the first six months of 2004, eXI's revenues were approximately CAD$4.0 million and earnings were CAD$97,000. "Since the FDA granted clearance to market Verichip(TM) for medical applications, we have been focused on rapidly building distribution," said Scott R. Silverman, Chairman and CEO of Applied Digital.

"Our short term focus is for Verichip to partner with global medical supply, medical device and/or larger technology companies. EXI is the first step of this evolving distribution model. Through the years, we have developed a close relationship with EXI. The company, through its HALO(TM) and Roam Alert(TM) technology, has already demonstrated the ability to market wireless identification, RFID, control, and location technologies, through its strong relationships in the healthcare industry.

By integrating eXI products and services, distribution and personnel with Verichip Corporation, we will now be able to provide external and subcutaneous RFID technology for security in a healthcare environment." Malik Talib, Chief Executive Officer of eXI commented:

"We are very excited about the prospect of joining the Applied Digital family. Together we will have a leadership position in the fastest growing markets of RFID: health care, animal tracking and asset tracking. We expect that this will be very beneficial to our employees, customers and shareholders."

Who Is eXI Wireless And What Do They Have To Do With The Verichip?

About eXI Wireless Inc. eXI Wireless Inc. is a pioneer in wireless identification, control, and location technologies that provide peace of mind to groups wanting to protect, track, and locate their individuals and assets.

With over 20 years experience, eXI is behind some of the industry's first patient wandering, infant protection, and tool tracking systems uniquely combining radio frequency identification (RFID) and real-time location system (RTLS) technologies in its state-of-the-art, unobtrusive solutions.

Through eXI's continued wireless innovation, end customers gain the protection, cost savings, operating efficiencies, and overall peace of mind they require when it comes to their people and assets. And vendors looking to improve their product offerings through the use of eXI's RFID technology gain the expertise and end result they require quickly and cost effectively.

Who Is Henry Schein And How Will He Help To Quickly Bring Verichip Onto The World Scene?

Henry Schein Inc. (HSIC) is a huge, influencial company that agreed to distribute the Verichip through its health care network.

Henry Schein's network offers 90,000 national and private-brand products to customer in 125 countries.

Headquartered in Melville, New York, Henry Schein employs more than 9,000 people in 16 countries. The Company's sales reached a record $3.4 billion for the 12 months ended December 27, 2003.

With 16% of the estimated $7.1 billion office-based physician and veterinary supply markets, Henry Schein's Medical Group serves 45-50% of the 230,000 U.S. medical practices, as well as surgical centers and other alternate-care settings.

Through its extensive national direct marketing and telesales operation and its field sales presence in the eastern, southern, and central U.S., the Group offers more than 30,000 SKUs, including generic and branded pharmaceuticals, vaccines, medical and surgical supplies, diagnostic kits, and major equipment.

The Group is a major supplier to organizations that bundle member purchasing power such as the American Society of

Plastic Surgeons, the American Academy of Dermatology, and U.S. Oncology, Inc. For more information, visit the company's website at http://www.henryschein.com

How Is The Largest Distributor of Healthcare Products in North America Going To Include Verichip(TM) In Their Product Offerings?

Yes, Henry Schein, Inc., is the largest distributor of healthcare products to office-based practitioners in the combined North American and European markets and is on board with Verichip.

Henry Schein operates through a centralized and automated distribution network, which provides customers in more than 125 countries with a comprehensive selection of over 90,000 national and Henry Schein private-brand products.

"We believe the agreement with Henry Schein will allow us to rapidly enter one of our target markets, through the medical practitioner," said Scott R. Silverman, Applied Digital's Chairman and CEO." Since receiving FDA clearance to market Verichip for medical applications, we have been focused on establishing distribution channels. As the largest distributor in one of our targeted markets, this agreement represents an important development in accelerating the adoption of Verichip."

How Long Will It Take The Henry Schein Deal To Help VeriChi Financially?

Immediately. The Verichip stock rose 10.8% after its subsidiary struck a distribution agreement with Henry Schein.

Shares of Applied Digital traded up 42 cents to $4.31.

Miscellaneous Facts, Quotes, And Articles About The Verichip

- Applied Digital (ADSX) stock skyrocketed 68% recently.

- Some People feel the medical use will eventually evolve into an Orwellian system to monitor
-
- Critics see the Verichip having the potential to control human thought and deed.

- “To watch the market's reaction, the chip being developed with Digital Angel (DOC), is the greatest thing since sliced bread. To others it could be the scariest thing since sliced heads.”

- Canada plans to buy the tracking chips to use in animals as a means of combating mad-cow disease and other concerns.

- Verichip recipients can be ID'd, Monitored Anywhere In The World Following Sullivan's speech, this reporter asked Dr. Zhou if he had been quoted correctly by WorldNetDaily in a previous interview, when he reportedly said: "Before there may have been resistance, but not anymore. People are getting used to implants. New century, new trend." And, "We will be a hybrid of

electronic intelligence and our own soul." He indicated that he had, in fact, been quoted correctly.

- “The red arrow moved forward, backward, to the left or right, as the engineer, miles away, moved through the city. A separate Internet screen displayed the employee's pulse and body temperature for the past two weeks.”

- “Not all of the medical monitoring capabilities of the technology were displayed, such as monitoring heart patients, or using blood-oxygen analysis to determine if the subject being monitored is awake or asleep.”

- “To communicate potential uses of Digital Angel, a video of edited news reports was shown, depicting human tragedies that might have been avoided had the technology been used. These included the death of a tractor-trailer driver who fell asleep at the wheel, as well as the search for missing children.”

- Applications included medical monitoring: enabling a doctor to remotely access a "wearer's" vital signs and analyze them, as well as detect potential problems before he was even aware of symptoms.

- ADS over implantation plans that the company backed away temporarily from talking about subcutaneous microchips, and using terms like "cashless society."

- “The implanted chip would replace green cards, “allowing officials to monitor their activities better and keep terrorists out.”

- Circelli continued: “In five years, Sullivan said he can see the chips being used in children, the elderly, prisoners, and by employers at facilities such as airports and nuclear plants. Society in general could use them instead of ATM or credit cards."

- “Who will control the technology, and whether it could ever be used against the will of people…”

- “Prospects for sinister invasions of liberty and privacy are alarming."

- “If the government becomes a customer, will they have access to all databases maintained by ADS? “

- “Five years ago, a Chicago Tribune writer held that implantable chips were "long a popular delusion among paranoids" – but he nevertheless predicted they were "likely to be marketed as a consumer item early in the next century."

- “In the wrong hands it would be the "stalkers' dream"

- “The Largest Distributor of Healthcare Products in North America to include Verichip(TM) in Product Offerings”

- “You will be walking down the street saying hey, this is my number, because your chip is promiscuous and it will talk to any bloody thing that wants to talk to it. It is unbelievable!”

- “People could become walking bar codes”

- “It could be used just like a passport, so people will have to carry nothing, no credit cards and no wallets.”

- “Silently and invisibly, the dormant chip stores a code that releases patient-specific information when a scanner passes over the chip”

- “A scantily clad clubgoer in South Beach has her credit-card number imbedded on a Verichip, which is then injected beneath the skin.”

- “$50 Off to the First 100,000 registrants at the time of the their first "chipping" procedure!”

- “In Mexico, government officials have had chips implanted in their arms for access to restricted areas, and chips have been embedded in some hospital patients. People in Spain have used implanted chips for entering a nightclub and buying drinks.”

- "The potential risks to health associated with the device are: adverse tissue reaction, migration of implanted transponder, . failure of implanted transponder, . electromagnetic interference, electrical hazards, magnetic resonance imaging (MRI) incompatibility and needle stick”

- “There is a risk that these transmission could be intercepted and duplicated by others or that ' as privacy advocates have warned ' the devices could be used to track an individual's movements and location.”

- “Religious fundamentals believe that the Verichip may be "The Mark of the Beast" referenced in the "Book of Revelations”

- “The Italian government is preparing to implant government workers”

- Pet theory "Radio frequency identification" chips have been attached to products in the supermarket to monitor shopping patterns. Implanted chips could control entry to secure buildings.”

- “And in response to fears about child abductions, several schools in Japan have experimented with tracking chips being put into pupils' clothing. Even if we don't want to put microchips into ourselves, we're not squeamish about animals. Following the same basic

principle, chips have been injected into millions of pets and farm animals. “

- “But there have been concerns about how such technology could be abused and become a form of undisclosed surveillance, with movements and activities electronically monitored.”

- “Last week, the American Civil Liberties Union (ACLU) urged lawmakers in Virginia not to put such trackable chips into drivers' licences - arguing that it would breach people's privacy.”

- “Such devices would allow the authorities "to sweep up the identities of everyone at a political meeting or protest march," says the ACLU. In considering the potential threat to civil liberties, the UK's data watchdog, the Information Commissioner, says it is important to look at the underlying principles, rather than only the technology.”

- Threats to privacy And a spokesperson says that much of the capacity to track people already exists - the question is how this information is used. This "chipped" cat was registered in the US, but found in Oxfordshire.”

Related Stories To Search For On The Internet:

'Digital Angel' not pursuing implants”
“Digital Angel unveiled”
“Human ID implant to be unveiled soon”
“Big Brother gets under your skin”
“Concern over microchip implants”

Related columns:
Meet the 'Digital Angel' – from Hell

Revelation about 'Digital Angels'

Misc. Articles

Use Of Implantable Info Chip Approved
Dietra Henderson (Associated Press Science Writer)

WASHINGTON (AP) — The U.S. Food and Drug Administration on Wednesday approved an implantable computer chip that can pass a patient's medical details to doctors, speeding care.Verichips, radio frequency microchips the size of a grain of rice, have already been used to identify wayward pets and livestock.

And nearly 200 people working in Mexico's attorney general's office have been implanted with chips to access secure areas containing sensitive documents.

Florida-based Applied Digital Solutions in July asked the FDA for approval to use the implantable chip for medical uses in the United States.

The agency had 60 days to reply to the "de novo" application.It's the first time the FDA has approved the use of the device, though in Mexico, more than 1,000 scannable chips have been implanted in patients.

The chip's serial number pulls up the patients' blood type and other medical information.

With the pinch of a syringe, the microchip is inserted under the skin in a procedure that takes less than 20 minutes and leaves no stitches.Silently and invisibly, the dormant chip stores a code — similar to the identifying bar code on products sold in retail stores — that releases patient-specific information when a scanner passes over the chip.

At the doctor’s office those codes stamped onto chips, once scanned, would reveal such information as a patient’s allergies and prior treatments.

The FDA in October 2002 said that the agency would regulate health care applications possible through Verichip.

Meanwhile, the chip has been used for a number of security-related tasks as well as for pure whimsy: Club hoppers in Barcelona, Spain, now use the microchip much like a smartcard to speed drink orders and payment.

DRIVING BLIND: ID chip shouldn't get under our skin
By Nick Davidson, a Junior English literature major and writes "Driving Blind" Daily News.

Nick Davidson
November 11, 2004

The year is 2011. Tiny mechanical mice roam the floors of our homes, eating fallen crumbs and killing microscopic germs embedded in the carpet's bunched fibers.

They eat fast and disappear, hardly noticed. Various other robotic creatures make the house come alive with metallic fervor. But it's a disconnected sort of life that pervades the house.

Only our flesh seems really alive, pulsing with every heartbeat. But something there doesn't belong. We sense an unconformity that makes us somehow like those robots. A certain unnatural, almost robotic quality, resides in us, though we've long since rejected our natural bodies.

What hides beneath our skin is death. Death of what?

Freedom.

And anonymity. Why? Because implanted beneath our skin is the Verichip, a permanent identification chip, complete with all vital information, stamped on our lives like the tattoo of a Holocaust survivor.

Only less visible.

We can't escape those eyes that orbit the earth, circling like vultures eying their prey. Or can we?

If all of this has the overtones of an Orwellian novel or sounds like a futuristic society conjured up by the imagination of Bradbury, you shouldn't worry.

Well, maybe just a little.

In any case, the Verichip is very real. This recently developed device is about the size of a rice grain and is inserted into the skin of the arm or hand via syringe -- probably during unconsciousness on the post-surgery cot.

Just kidding.

Ideally, this chip would only be used for health records. In the event of accidents, or just a routine visit to the doctor, a simple radio scan will reveal a unique 16-digit identification number. With this number, the Gestapo -- excuse me, doctors -- can access all records.

The idea is to eliminate John Doe and help things run more smoothly. The widespread use of this technology could potentially save lives and prevent errors in medical treatment. It's all about convenience. Of course! Why should we have been suspicious? America is about convenience, not tyranny! Ok, I feel better.

In all seriousness, the concept of this technology is not a terribly bad idea. Intentions are pure, no doubt. They always start that way. The only question is whether the masses can

overcome the science fiction factor and get over the fear of sub-dermal identification.

It is not likely that our society will take on the hues of dystopian sci-fi novels such as George Orwell's "1984" or Ray Bradbury's "Fahrenheit 451" as a result.

But will we casually hand over our anonymity? Or possibly our freedom?

Already, most pets today are inserted with a similar ID chip that contains their health records and helps owners find them when lost. In Mexico, over 1,000 people have received the Verichip implant. Even Mexico's attorney general and several subordinates are equipped with a similar chip that grants them access to vital documents.
Of course, skeptics continue to fight the new technology. Certain religious fundamentalists argue against the ID tag, calling it the "mark of the beast" in reference to the Book of Revelation. But we'll not get carried away.

Yet, while the beginning scenario is exaggerated, it is not impossible. The Verichip is apparently not capable of satellite tracking. We're supposed to believe this because, well, they say so. We'll assume it's true.

But let's not forget that one can boil a frog slowly by degrees.

Still, I'm no conspiracy theorist.

Really?

Lester M. Crawford Speech D.V.M., Ph.D.
Acting Speech Commissioner of the FDA

Speech before Cleveland Clinic Foundation's
2004 Medical Innovation Summit

(long and boring but gives you a good idea about how the the FDA feels about….stuff….??)

October 20, 2004

Good afternoon, and thank you, Paul (DiCorleto, Chairman of the Lerner Research Institute), for the introduction.

I am pleased and honored to be here and participate in this stimulating summit on medical innovation, and the promise it holds for America's patients and consumers.

There is a tendency to regard the Food and Drug Administration solely as a guardian of the United States public **health** standards and gatekeeper for regulated products. And there is no question that this is a big part of our mission. But in addition to managing risks, our agency is also increasingly involved in advancing innovation -- stimulating and encouraging new thinking, new means and new strategies for protecting and promoting the **health** of our public.

I want to note that this point that we get a lot of support in this effort in the Department of **health** and Human Services. One recent example is a departmental task force on medical innovation that Secretary Thompson formed in May of this year. I have the honor to chair it, and I work closely with the other members, Drs. Elias Zerhouni from NIH, Mark McClellan from the Centers of Medicare and Medicaid Services, Julie Gerberding from CDC, and Andrew von Eschenbach from NCI.

We are charged with considering and promoting new **health** care ideas and solutions that would speed up the development of new medical technologies. The Secretary wants a report by the end of the year on what the Department can do to advance and make available medical innovation, including the stripping of red tape and improving interdepartmental cooperation.

Our task force has made good progress already. We've opened a public docket for comments and ideas, held meetings, and we have a group evaluating the submitted contributions. Some of them are being developed into working papers.

We plan to place the most important new concepts on the docket for review, and they will be open for discussion at a public meeting on November 8. I want to invite all of you to attend, and I hope that many of you will find time to participate.

Getting back to innovation efforts at the FDA, they are not exactly a brand new development: for example, FDA has been helping sponsors for more than a decade to design clinical trials for breakthrough therapies for cancer, AIDS and other life-threatening diseases. During the same time, the agency has accelerated its product reviews and invented new procedures to make critical therapies early and widely available.

But in recent years, our emphasis on innovation has become much more intensive and comprehensive. Our resources and our creativity are increasingly focused on exploration of new technologies and scientific findings that can be applied to contribute to our mission. We're reforming and modernizing our regulations on a scale unmatched in decades. We're creating novel cooperative relationships to pursue projects that are greater than our resources. And we're not afraid of out-of-box ideas that serve our objectives.

To borrow from Detroit, regulatory progress has become FDA's most important product. For example, our agency is deeply involved is the use of new information technology to help prevent medication errors, collect adverse events data, and improve our operational efficiency.

The best known of these innovations is our requirement, which was announced in February, that all prescription **drugs** and OTC products used in nursing homes and hospitals should be bar-

coded with the National Drug Code Number to avoid mistakes in their dispensing and administration. The same principle is used in the implantable chips and scanners of the Verichip system our agency approved last week. But we're also experimenting with other IT applications.

One of them is the Marconi demonstration project, which will enable us to receive data directly from health care providers using electronic medical records and standardized adverse event reports. It this project is successful, it could be the start of a new way to detect safety problems at the provider level.

Another pilot program is called MedSun. It's Internet-based, and involves collaboration between selected health care facilities and FDA to provide our agency with real-time information from clinicians about medical device-associated problems. The system also provides some of this information to other health care facilities where it can be used to improve patient safety.

In addition, we've introduced electronic reporting of adverse events by manufacturers of pharmaceuticals, and we are working with the National Library of Medicine on a system that will use Internet to provide physicians and pharmacists with up-to-date drug labeling information.

This are only a few examples of new information technology projects we're either considering or putting to work. A departmental task force, which I chair, is developing more ideas for medical uses of electronics, and we'll report on that to Secretary Thompson by the end of this year.

We're also trying to advance medical innovation by helping sponsors of urgently needed -- so-called "fast-track" -- drugs to design better clinical trials. We've just started the second year of two three-year pilot programs investigating whether this goal can be achieved by early or continuous consultations between our reviewers and the product sponsors.

One program enables sponsors to get early feedback by submitting sections of their marketing application before the entire document is completed. The other pilot provides more frequent communication starting very early in the drug development.

In addition, we're conducting an analysis of the basic reasons why so many drugs fail to pass their first review cycle, which invariably delays their approval and increases their cost. An early outcome of this project is a new guidance and training for our reviewers on Good Review Management Principles, which include early notification to sponsors.

But these pilot project and technological innovations have been mere harbingers of two more far-reaching, recently launched programs that are my main topic today. I am referring to FDA's wholesale reform of the pharmaceutical Good Manufacturing Practices, and an unprecedented proposal called the "Critical Path" project -- two initiatives that are transforming the traditional culture and approaches of our agency.

I need to emphasize that these ground-breaking initiatives do not change our mission, which remains the same: the FDA continues to pursue the same goal of ensuring that health care products are safe, effective and of the highest quality, and that the 80 percent of our national food supply we regulate is safe and wholesome. What has changed, and significantly so, is the manner in which we pursue these constant goals.

In the last two years, our agency has embarked on a new strategy for safeguarding the health of American consumers, which is based on the recognition that any substantial improvement of the public health depends, to a substantial degree, on successful innovation by the health care industry.

This perception is creating a new regulatory environment which is most distinctly represented by the two major initiatives I've mentioned. By

undertaking the GMP overhaul and launching the "Critical Path" project, our agency has assumed -- for the first time in its century-old history -- a measure of responsibility for innovation in the pharmaceutical industry.

Both of these programs have been developed by our agency in response to developments that took place -- or more appropriately, did not take place -- since the mid-1990s, when all of us in the health-care community had high hopes for major pharmacological breakthroughs.

Most of you will remember that there were good reasons for this optimism: we saw the human genome being sequenced; there was an emergence of the highly promising genomic and proteomic technologies; and research was making marked progress in medical imaging, nanotechnology, tissue engeering and drug discovery.

Moreover, these dramatic breakthroughs were fuelled by matching increases in resources. The budget of the National Institutes of Health more than doubled in the decade following 1993. Pharmaceutical R&D investment, which is even more directly focused on new therapies, during the same ten years shot up 250 percent.

And yet, the development curve for new medical products that took shape in the last 10 years pointed downwards instead of up. In 1995, FDA received 44 applications for new biological licenses and in each of the following two years, it received 44 applications for New Molecular Entities. In 1999, 2000 and 2001, medical device manufacturers submitted to FDA respectively 64, 67 and 71 applications for original new products.

By the end of the last fiscal year, which ended just 20 days ago, we'd received applications for just 51 new medical devices, three fewer than the previous year. The application receipts for drugs and biological products, were slightly higher than in the fiscal year 2003, but they still lagged far behind the totals of 10 years ago. All told, in the

last 12 months we received 28 submissions for New Molecular Entities and 20 new biological license applications.

As if the slow-down in drug development alone was not bad enough, we've seen a staggering rise in its costs. In the early 1990s, drugs were brought to the market for approximately $800 million each. Last year, the corresponding expense was estimated as high as $1.7 billion.

The mushrooming costs helped fuel a sharp increase in our national health care bill, which went up from 7 percent of government spendings in 1970 to 23 percent in 2003. Per capita health expenses in the U.S. rose about 10 percent each in 2001 and 2002, and last year increased an additional 7 and a half percent. According to a recent estimate, the U.S. will spend this year almost $1.8 trillion for health care, or about $6,000 per person.

Worst of all, at the end of the decade that was expected to bring a slew of major new therapies, patients are still waiting for more effective treatments for Alzheimer's disease, cancer, AIDS, autism, cystic fibrosis, diabetes, morbid obesity, heart diseases, and many more ailments that afflict millions.

When patients lack needed therapies, FDA is duty-bound to investigate the reasons, and that's what we did. Our analysis identified several factors that contributed to the dismal trends of the last ten years. One obvious, and yet frequently overlooked, reason for the meager pharmaceutical innovation is the enormous complexity of novel drug development. Relatively simple therapies have been long on the market; the challenges that remain present scientific difficulties of unprecedented order of magnitude.

Another factor we noted is the frequency of mergers and other business arrangements. As a result of these actions, some drug development plans have been abandonned, and candidate drugs were withdrawn from testing.

These causes of the innovating drought were outside the FDA purview. But our study also showed that there were additional obstacles to new drug output that we could do something about. Some of the stumbling blocks were in our regulatory domain, which has been in need of modernization and updating.

Therefore, two years ago, we set the FDA on a fundamentally new course by developing the two unprecedented initiatives I've mentioned: a complete overhaul of the pharmaceutical GMPs, and the Critical Path initiative focused on the drug development process.

The objective of the comprehensive, broadly-based GMP reform is to facilitate the adoption of greater efficiencies in drug manufacture; the goal of the Critical Path program is to eliminate or reduce the hazards that cause products to fail FDA's standards for approval.

The GMP overhaul, which is catching up with almost 25 years-worth of scientific and technological developments affecting drug manufacture, is now nearimg completion. The measures we've adopted incorporate risk-based principles, science-based policies and standards, and integrated quality systems, and are meant to encourage drug firms to modernize their manufacturing processes. We hope that these innovations will lower the production costs and increase the availability of more affordable medications, and thereby strengthen the public health.

Risk-based approach is a particularly prominent basic principle of the GMP reform. One example is FDA's redesigned product validation policies described in a recently issued compliance policy guide entitled "Process Validation Requirements for Drug Products and Active Pharmaceutical Ingredients Subject to Premarket Approval."

The document acknowledges the centrality of advanced engineering principles and control technologies for ensuring batch quality, and

avoids specifying the need to manufacture a certain number of commercial-size validation and conformance batches.

Similar approach is also embodied in two FDA draft guidances. One of them deals with process analytical technologies that provide a framework for the adoption of state-of-the-art technological advances in drug development, production and quality. The other new guidance, now under development, is focused on the application of the GMPs to Phase I trials. The purpose of this measure is to ease the progress of new drugs through the early stages of development.

Another aspect of our regulatory work that's being reorganized on the basis of risk-management principles is the agency's inspection system. For example, we're in the process of creating a pharmaceutical inspectorate, a first-of-its-kind, state-of-the-art program that will be staffed by a cadre of experts specifically trained to inspect highly complex and high-risk drug facilities. We are currently developing curricula for the training of these specialists. In addition, we are testing a new approach for achieving rapid and objective resolution of scientific and technical questions or issues that may arise during or as a result of FDA inspections.

Yet another example of the agency-wide application of risk-based principles is several draft documents published earlier this year that provide guidance on the management of safety hazards that can arise throughout a product's entire lifecycle, including premarketing risk assessment; development and use of risk minimization plans; and good pharmacovigilance practices and pharmacoepidemiologic assessment.

As part of the GMP reforms, we are vigorously advancing the use of new information technology, which I've already mentioned. For example, we've recently finalized a guidance that encourages manufacturers to adopt the latest technological advances in record-keeping, and using electronic signatures. Fast and reliable exchange of adverse

event and other medical information is high on our agenda.

For example, we've adopted an annotated electrocardiogram wave-form data standard for the exchange of ECG data collected in clinical trials. And earlier this year we took another significant step forward by choosing the so-called Study Data Tabulation Model, a system designed to greatly speed up secure exchange of data from clinical trials in human drugs.

These electronic standards, which were developed by a consortium of pharmaceutical companies, will help automate the largely paper-based clinical trials research. We're planning to extend their use to include information on the study protocol, planned assessments and interventions, and statistical analysis plans. The system will also foster easier communication and collaboration among researchers, enhance data integration, and help reduce data management barriers to sharing the trial data.

Yet another key objective of this regulatory reform is to standardize the format for the voluminous and not always well organized electronic submissions of investigational new drug applications, which have to be reviewed before drugs can be tested in clinical trials. By doing away with the need to laboriously rearrange the contents of the product submissions, we expect to achieve greater research efficiencies, easier data management, and lower costs.

Another new FDA strategy is to encourage new drug ventures by facilitating the development of, and access to, critically needed medications. A significant new addition to this program is our partnership with the National Cancer Institute on a task force that's advancing the development and review of new technologies for prevention, diagnosis, and treatment of cancer.

One of our contributions to this vital cause is the streamlining of requirements for the studies of investigational new drugs. For example, a new

FDA guidance published in January of this year provides exemptions from a need of FDA's approval when using approved oncology drugs to conduct investigational studies. Our task force is also exploring the use of proteomics and imaging for biomarkers, and we're working to clarify clinical endpoints for myeloma and lung, colon, prostate and breast cancers, and to improve the use of bioinformatics in cancer drug development.

Yet another area where we're working closely with industry is developing and ensuring the supply of products to counter terrorism.

These projects include the identification of existing products that may be useful as medical countermeasures, and support for the availability of essential preventions and therapies for smallpox, botulinum toxin, anthrax, plague, nerve agents, inonizing radiation and other potential threats. For example, we have issued a final rule for revised spore-former requirements that provides greater flexibility for manufacturers in producing biologic countermeasures.

These and many other initiatives should yield significant public health benefits, and facilitate pharmaceutical progress. Important as they are, however, most of our innovations do not address what you and I know constitutes the most formidable obstacle to a vigorous and productive new drug development. I am referring to the unpredictability of its outcome.

I think we would all agree that pharmaceutical development is still an art -- a matter of intuition, luck, and trial and error instead of what it should be, a mechanical process driven by science-based facts or probabilities. Lack of these insights at the start of the development process exposes novel drugs to unforeseen obstacles.

These unexpected hazards, according to some estimates, cut down to just 8 percent the chances that a candidate drug in Phase I trials will ever receive an FDA approval. Of those drugs that reach almost the end of what we call the critical

path, and enter the late stages of Phase III studies, fully one half fails to show the necessary evidence of safety and effectiveness.

We've investigated this phenomenon and reached conclusions that motivate FDA's most far-reaching initiative I mentioned earlier. It is set forth in a report published in March in a white paper entitled "Innovation or Stagnation: Challenge and Opportunity on the Critical Path to New Medical Products." The document is posted on FDA's website, and I highly recommend it to your attention.

The objective of this program is both enormously ambitious and critical if we are to overcome the current drought in drug innovation. In essence, we're trying to change the fact that decades after drug testing became commonplace, pharmaceutical development is still an art -- a matter of intuition, luck, and trial and error instead of what it should be, a mechanical process driven by science-based facts or probabilities.

Lack of these insights at the start of the development process exposes novel drugs to unforeseen obstacles. And these unexpected hazards, according to some estimates, cut down to just 8 percent the chances that a candidate drug in Phase I trials will ever receive an FDA approval.

Historically, this proportion used to be 14 percent. Of those drugs that manage to reach the final stretch of what we call the critical path, and enter the late stages of Phase III studies, fully one half fails to show the necessary evidence of safety and effectiveness.

I should add that the report is not the first FDA attempt to ease the drug firm's uncertainties when it starts a candidate product along the critical path. For example, we now hold well over 2,000 meetings a year focused on questions involving product development plans. We're also putting a lot of effort into updating old guidances and writing new ones on how to develop critically

needed medical treatments. In the case of medical devices, these documents are almost doubling the likelihood of the product approval, and the approvals are 33 percent faster.

But while these actions have been helpful, they do not address the greatest shortcoming of the processes along the Critical Path, which is a lack of scientific insights that are essential for translating an experimental substance into a safe and effective health care product.

This is a crucial problem, and the objective of our Critical Path initiative is to find a solution.

In FDA's view, the state of applied sciences that are used for medical product development lags behind the striking advances in the basic sciences that can make medical breakthroughs possible. As a result, the drug development process is obscured by uncertainties that frequently culminate in unexpected obstacles and project failures -- failures that could be avoided if the obstacles could be foreseen at the start of the development process.

The implied message of our Critical Path document is that investment in basic research, while certainly necessary, is not enough to regenerate the lagging drug innovation. The need is for greater investment in research that will yield scientific methods and standards to illuminate the product's way to the FDA approval and the marketplace.

Specifically, what's lacking are new predictive tools -- including assays, standards, computer modeling techniques, biomarkers, and validated surrogate endpoints for use in clinical trials -- that would enable sponsors to separate promising candidates from probable failures early in the development process. By abandoning or redesigning the product before it enters the costly clinical studies, sponsors could avoid great financial losses and increase the return on biomedical investment.

Our Critical Path report calls for sophisticated development tools especially in three critical areas: product safety, which now is explored through animal toxicology and in time-consuming, expensive, and sometime risky clinical trials; the product's medical effectiveness, which can be extremely difficult to prove; and the product's potential for reliable large-scale manufacture.

For example, by applying genomic and proteomic techniques, we can develop safety assessment programs for new biomaterials. With better scientific methods, we can design better animal models, new biomarkers, and surrogate end-points for clinical safety and effectiveness.

We can improve standardization and automation of clinical research. We can develop novel and improved clinical trial designs and analytical methods for evaluation of safety and effectiveness that can reduce costs. We can also apply modern engineering and cutting-edge scientific knowledge to medical product manufacturing.

The public health benefits of such developments would be prodigious: information provided by these tools would help physicians to identify patients who are likely to benefit from a medication, as well as those who are at risk for side effects.

Economic gains would be also great: for example, the use of predictive biomarkers could reduce the necessary size of clinical trials and facilitate the product approval process, thereby saving the sponsor millions. We estimate that a mere 10-percent improvement in predicting products' failures in clinical trials could reduce the development cost per drug by $100 million.

Creating such predictive tool kit, of course, would be a project of much greater magnitude than the FDA could carry out alone -- and fortunately, that is not necessary. Considerable amount of work to strengthen basic and translational research is already being done by the National Institutes of Health and in the private sector. There are many

academicians and companies that collect critical path data and establish their correlation.

No one, however, is assembling this information and formulating from it generalized principles that would guide faster and more accurate product development and evaluation. This is a major shortcoming -- but it is a deficiency that our agency is well equipped to remedy.

FDA is uniquely qualified to provide this essential analysis and guidance because our reviewers have the most comprehensive information about the developmental hurdles that trip up new products. We also have the necessary expertise for prioritizing research and pursuing it in cooperation with our stakeholders while safeguarding confidential commercial information.

We are therefore in the best position to organize a nation-wide program in which experts from government, academia, and private sector can cooperate in designing a better pathway for developing new treatments. We're already hard at work on this project.

Since our critical path report came out, FDA has been eliciting stakeholders' views on developmental issues. We are now preparing to post on the Internet a list of National Critical Path Opportunities that will identify areas of product development that could benefit most from innovative approaches and emerging technologies. After the list is made public, we will then invite our partners to tackle the necessary research.

Incidentally, we are still looking for suggestions on how to best improve the predictability of product development. If you have any ideas to offer, please send them to us.

Incidentally, one Critical Path research project is already being carried out by our agency. The goal is to facilitate early, small-scale proof-of-concept studies before a drug reaches the IND stage. FDA is also considering using drug and disease models as part of the pre-IND meetings. This approach,

we believe, can help sponsors reduce the number of clinical trials and make safer and earlier decisions whether to stop development.

I could go on describing still more ways we're actively aiding pharmaceutical progress.

For example, we are forming a Council on Pharmaceutical Quality that will be charged with with policy development and implementation of certain quality management systems.

We are preparing a new paradigm for the chemistry, manufacturing and controls review of new drugs: instead of giving sponsors a long list of deficiencies, we'll produce a prioritized list indicating which deficiencies most critically affect the product's safety and effectiveness. The agency will also list less urgent items -- such as maximizing product shelf life and improving the manufacturing process -- that sometimes could be addressed after the drug is on the market.

Another coming project is a draft guidance on the role of quality systems in the pharmaceutical GMPs; final guidance on aseptic processing in the manufacture of sterile drugs; a draft guidance on GMPs for combination products; and a proposal to amend the safety reporting requirements for these products in line with the formats and standards adopted by the International Conference on Harmonization and the World Health Organization.

What the projects I've described make clear -- I hope -- is our new regulatory philosophy. In order to better protect and strengthen the health of our public, FDA is committed to speed up and make more efficient the process of product review; do all it can to help reduce development barriers along the Critical Path; maintain transparent and high-quality procedures; and communicate early and productively with product sponsors.

We are confident that these new policies will advance the goal that FDA and consumers share with the medical profession and health care

industry, which is the development of novel, critically important therapies for our and the world's patients.

/end

Special Report: "Are Christians Going Crazy? What The Bible *Really* Says About The Verichip?"

Rather than give you my personal opinion on the Verichip on this subject, let's look at what the Bible specifically says about it so you can decide for yourself what to believe, and whether or not you think Christians are going crazy or not…

The Verichip from a Biblical Perspective

In the book of Revelation, The Bible says the following scriptures that reference what could be, the Verichip:

Revelation, Chapter 13, verse 16 And he causeth all, both small and great, rich and poor, free and bond, to **receive a mark in their right hand, or in their foreheads**:

Revelation, Chapter 13, verse 17 **And that no man might buy or sell, save he that had the[8] mark**, or the name of the beast, or the number of his name.

Revelation, Chapter 14, verse 9 And the third angel followed them, saying with a loud voice, If any man worship the beast and his image, **and receive *his* mark in his forehead, or in his hand**,

Revelation, Chapter 14, verse 11 And the smoke of their torment ascendeth up forever and ever: and they have no rest day nor night, who worship the beast and his image, **and whosoever receiveth the mark of his name.**

Revelation, Chapter 15, verse 2 And I saw as it were a sea of glass mingled with fire: and them that had gotten the victory over the beast, and over his image, **and over his mark**, *and* over the number of his name, stand on the sea of glass, having the harps of God.

Revelation Chapter 16, verse 2 And the first went, and poured out his vial upon the earth; and there fell a noisome and grievous sore upon the men **which had the mark of the beast**, and *upon* them which worshiped his image.

Before I explain the actual meaning of some of these verses, you must understand the context in which they're written.

First, the book of Revelation is the last book in the Bible. Not only is it last in terms of the order in which it appears in the New Testament, but the book was the last written book of the Bible, around 90 AD. The book was written by the Apostle John.

The Apostle John was one of the 12 original disciples that followed Jesus. He also wrote the Gospel Of John, and I John, II John, and III John (all are books that currently exist within the New Testament.)

The book of Revelation was revealed to John by God, in a vision.

The book of Revelation is the "revealing" of Jesus Christ. Most of the book of Revelation describes the period of time when Jesus is revealed at his Second coming.

(If you're not familiar with the Bible, you're probably a little weirded out by now, but that's okay, it will all come together in a minute.)

According to the book of Revelation (and other books in the Bible that correspond with the book of Revelation), before Jesus Christ actually makes His second appearance, "the man of sin" will make his appearance on earth first.

The Bible says the "man of sin" is the actual Anti-christ and will try to deceive the world into believing that he is God through performing many false signs and miracles.

The Bible gives a thorough explanation about both Jesus Christ's second appearance and the Anti-christ.

It's in the book of 2nd Thessalonians, chapter 2, verse 3, where the Apostle Paul tells us that Jesus won't return until the man of sin, the Anti-Christ, is revealed and makes his appearance on the earth.

The Bible also says that the Anti-christ, when he appears, will reek havoc on the earth, but not at his immediate appearance.

He'll first appear to be an angel of light. He'll be human, but he'll be a person who is liked, even loved by some, and treated as a god.

He'll be someone who seems to be making things better. Things such as world peace, better economy, etc.

The basic Christian belief is that the Anti-christ will alter the world in a positive way when he comes, and will earn the love and respect of the majority. But only for a short time.

He'll then start to manipulate the world into believing he is actually God, and along with that, he'll will start to

make many changes. One of which, is how he'll create a new type of money exchange program, one that many Christians belief will be a cashless society:

Revelation, Chapter 13, verse 16 And he causeth all, both small and great, rich and poor, free and bond, to **receive a mark in their right hand, or in their foreheads**:

Revelation, Chapter 13, verse 17 **And that no man might buy or sell, save he that had the[8] mark**, or the name of the beast, or the number of his name.

Enter all the hype and scare about the Verichip.

Some think the Verichip is the mark of the beast referenced in these chapters and verses. AND it may be, but a proper knowledge of the rest of God's Word reveals some inherent truths about God that once understood, will alleviate any fears of getting condemned because you have the mark, or "got the Verichip" by accident.

Some people, Christians and non-Christians alike, have the notion that our government (or the new world government brought in by the Anit-christ) is going to require all of us to get "chipped.

When this happens, these people aware of the VeriChip's relation to the Anti-Christ, will refuse the chip to avoid being fooled, thinking it's the mark of the beast.

These will never accept the chip, and will rebel and refuse to participate. And this may be the correct thing if you disagree with the potential security risk or other side effects of the implant.

However, if you're worried about getting "duped" in following the Anti-christ, the Bible makes it clear that a "chip" will not be the primary cause of that.

God, according to His Word (the Bible), is not going to return and condemn Christians or non-Christians because of a Verichip implant.

The key is going to be "why" the person receives the implant and if it represents you following or obeying someone other than God.

In these verses of Revelation, it says a couple of key things about the mark:

Revelation, Chapter 13, verse 16 And he causeth all, both small and great, rich and poor, free and bond, to **receive a mark in their right hand, or in their foreheads**:

Revelation, Chapter 13, verse 17 **And that no man might buy or sell, save he that had the[8] mark**, or the name of the beast, or the number of his name.

1. It implys that the Anti-christ is going to "cause all" people to get the mark, in other words, he's going to force people. This means he'll do something to make us want it, and apparently if we resist, we will be in trouble.
2. In Revelation, Chapter 13, verse 15, it plainly says that if you don't worship the beast, i.e., side with him, you will be killed.
3. In verse 17 it says that the mark will represent or be equivalent to the "name" of the beast or "the number of his name".

These points I make to show you that taking the Verichip isn't going to be the actual problem. The problem is going to be associating yourself with the Anti-christ and following/siding with him.

The allegiance to the Anti-christ and the rebellion against God is what will get you in trouble.

Now, people may get to the point where they've avoided God and ignored Him for such a long time, that they could care less about a mark, and they'll foolishly do whatever a world leader tells them to do, especially if it benefits them in some way. These people are at high risk.

The best bet is to remove any risk that you will be deceived by the Anti-chirst when he comes.

In Revelation Chapter 13, verse 8 it says "And all that dwell upon the earth shall worship him (the Anti-christ), whose names are not written in the book of life of the Lamb slain from the foundation of the world."

This scripture plainly says that if your name is in the book of life of the Lamb, you'll have a certain promise that you will not be deceived into worshiping the beast.

The word "deceive" means to trick. So, those who are deceived will not think they're being deceived, they'll think everything is fine and they're doing the right thing.

The Anti-christ will also demand no gray areas. If the Verichip is in fact going to be the vehicle he uses to gain your allegiance, he'll require it to represent, in one form or another, loyalty to him…and you'll think it's the right thing to do, unless your loyalty has been first established to God.

Loyalty to the Anti-christ, or any loyalty but loyalty to God, automatically puts you on Gods opposing side.

This will be the reason for Gods ultimate wrath as it's described in the book of Revelation, and by the other Old Testament and New testament prophets and writers.

The way to avoid Gods wrath and to be sure some tiny little implanted chip will not ruin your reputation with God, is to follow God's simple plan of salvation and get your name written in the Lambs book of life.

(Remember, the Bible says that anyone who's name is written in the Lambs book of life will not worship the beast.)

Christians use the term "getting saved" to describe getting your name in the Lambs book of life. "Getting saved" is an overplayed term and misunderstood by mostly all non-Christians.

The easiest way to explain it, is to look at the Bible for the correct explanation.

The Bible has one central theme: God has tremendous love for the people of earth and wants to have a personal relationship with every person he made.

It also has a sub-theme: This love or relationship must be personally accepted or rejected by each individual; there are no gray areas.

A church, a religion, nor being a good person can help you. Only your personal decision to become spiritually united with God, in a relationship with Him that exists through faith, can save you.

Salvation or "getting saved" are terms that mean to "escape" or " be salvaged".

What are we getting saved from?

The Bible continues in the book of Revelation, chapter 20, verse 15:

"And whosoever was not found written in the book of life was cast into the lake of fire.."

In essence, we're getting saved from being separated from God eternally.

God loves you but doesn't want to force you to spend time with Him after life, especially if you never indicated you wanted to know Him during your life.

If God "forced" it, the relationship would be null. Just as if you forced a spouse to marry you, the marriage wouldn't be authentic or "real". It would be useless and empty.

The Bible says there's only one alternative to spending eternity with God, and that's spending eternity in hell, i.e., separated by God.

By dying without ever committing yourself to God's plan of salvation while on earth, you are putting yourself into hell by default.

By choosing against God, you automatically condemn and choose the outcome of hell. If God were to overlook our lack of choosing Him on earth, and He just let everyone into heaven regardless of what they believed, He would then be forcing people against their will, which would not be in the character of God.

The problem is that some people want God to be who they think he should be. God can't be someone we want, He can only be who He says He is. We find out who God is by doing these two things:

1. Look at Jesus Christ
2. Read the Bible, God's Word

The Bible says much about every issue in life, but especially the topic of salvation, God's character, and Jesus Christ. Too much to go into here, but I will explain the basic plan here and now.

To understand God's plan of salvation in the Bible, we must look into the subject of sin .

This is the tough pill to swallow. The Bible says that we're guilty of sin, regardless of how good we may think we are.

God is perfect. Holy, not one tiny blemish or tint of evil.

We, on the other hand, are sinners. Think about it. Each one of us has broken at least one of the 10 commandments.

Have you ever lied? Stole? You get the idea.

One of these sins is enough to disqualify us and separate us from the pure, Holy God forever.

Sin separates God and us. Despite His awesome love for us, sin divides us from God, and prevents us from becoming spiritually one with Him.

Even though he totally loves us beyond compare, His perfect nature and total righteousness prevents Him from overlooking even one sin.

Since everyone on earth, at one point or another has sinned, this means everyone is spiritually dead, i.e., separated from God and needs a Savoir, i.e., a way to get right with God.

Well, almost everyone.

There is one person who never sinned and never became separated with God. He even was tempted, but he never sinned. He was even brutally beat up, and never even cursed his torturers.

Of course, I'm talking about Jesus Christ. Jesus is God in the flesh. God gave us a perfect representation of Himself by giving us Jesus. Whether you want to believe it or not, Jesus never sinned, He is God, and yes, he went to the cross for you and me.

His sinless life and death on the cross, in some unique way, pleased God and paid the entire price for our sin.

Now, we can spiritually "kiss and make up" with God by simply believing in the sacrifice of Jesus and His resurrection from the dead.

That's God's plan of salvation: Jesus on the cross.

The great thing about Jesus and his cross, and what makes Him even more qualified to be our Savior, is his Resurrection.

Jesus gives us the opportunity to become right with God because of his sinless life, his death on the cross, and his resurrection from the dead.

All you have to do is open your mouth and tell Him you believe this. He's with you right now waiting to hear it. Say it to Him in your own words, He doesn't need to hear anything fancy.

He will want you to express your intention of turning from the sin in your life, but promises to help you and even actually do most of the work for you.

He also want you to express that you need Him to be saved, and that you can't do it own your own.

So many who have been locked or trapped in what seemed like a hopeless desire for meaning and purpose in life, are now rejoicing because they've discovered the one and living True God. It all starts with an expression of simple faith.

Simply ask Him to come into your life. After you do this, he'll lead you into the next step.

I know, this may seem difficult to believe, but it's really very simple. Just believe. I'm not even going to try to tell you anything else. The truth of the matter is I can't. You have to take it from here.

Just by taking a tiny peek into the current events, and the what the Bible has said about them years before they happened has to make you think about whether or not God is who he says He is, and if Jesus is who He said He was.

There are hundreds of prophecies that have came to pass, not only the Verichip.

This not only helps prove that God is who He says He is, but also forces us to look at what the Bible says about God and his view of sin and eternity.

Ask God yourself if all this about Jesus, the Verichip, the Anti-christ, and everything else, is true. I promise you, he'll answer you. But you have to open your ears and eyes.

If you really want to have a face-to-face encounter with God, grab a Bible and read the Gospel of John to start.

You can even get it right online; even listen to it by going here:
http://www.thewordfortoday.org/kjv/
(This web site is not affiliated with this book in any way.)

Well, I hope you enjoyed this little ebook on the Verichip, but more importantly, I pray that you at least take it a step further and believe that what God says about it, is really true. See for yourself and read God's Word, the Bible.

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