

PHARMACEUTICAL CRIME: A REVIEW

**Deepanshu Gupta*, Chandrakanta Kushwah, Ankur Joshi, Sapna Malviya and
Anil Kharia**

Modern Institute of Pharmaceutical Sciences, Gram: Alwasa, Behind Rewti Range, Sanwer
Road, Indore (M.P.) 453111, India.

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Corresponding Author*Deepanshu Gupta**

Modern Institute of
Pharmaceutical Sciences,
Gram: Alwasa, Behind
Rewti Range, Sanwer Road,
Indore (M.P.) 453111, India.

ABSTRACT

Relation between drug and crime is one of the major concerns for the world. Reviewing the drugs-crime literature Sadden (2000) outlines three explanatory models i.e., drug use leads to crime, crime leads to drug use and crime & drugs are related to other factor. Pharmaceutical crime continuously ascending the global political agenda, with the efforts to address the problem being taken at international, regional levels. Not only each and every country's official organization, but the Interpol is also concerned for the pharmaceutical crime and is taking major steps to stop the crime. The countries which are member of Interpol are reporting that criminals involved in pharmaceutical crime are operating through informal networks. Nevertheless,

traditional organized crime groups across the globe are also involved in pharmaceutical crime throughout the supply chain. Both the informal and organized crime groups seem to be trafficking in the same types of illicit medicines: erectile dysfunction medication; slimming pills; as well as pain and anxiety relief medication. In these transnational criminal enterprises maximum amount of money is involved: one of the illicit online pharmacy network, which was dismantled by the US authorities in 2011, managed to earn USD 55 million during two years of operations. Interpol has also received increased reporting of illegal trafficking of Tramadol over the past year. The problem of pharmaceutical crime is not confined to trademark infringing medicines but also covers a far broader range of products including: as: Mislabelled or misidentified medicines, grey market product, medicine diverted from the legitimate supply chain. Alcohol, nicotine and cannabis abuse is most common now a days, people around the world are addicted to these drugs and criminal organization are taking advantages of this in making money and in increasing crimes.

KEYWORDS: Interpol, Grey Market Product, Trafficking, Informal Networks, Organized Groups.

INTRODUCTION

Pharmaceutical crime poses a grave danger to public health. Falsified medicines undermine people's faith in the health care system, while also threatening the lives of the most vulnerable members of society: the sick and frail. Driven by financial gain, criminal elements have become involved in all facets of the chain of supply of illicit medicines, from manufacturing to distribution. In order to turn major profits, criminals are usually required to possess a high degree of sophistication and organization. Pharmaceutical crime, however, is generally not understood to be as organized as more established criminal activities, such as drug trafficking or people smuggling. In this regard, INTERPOL's Medical Product Counterfeiting and pharmaceutical Crime (MPCPC) Sub-directorate has undertaken an analysis of available data from 2008 to present to determine the extent to which organized criminal groups (OCGs) are currently active in the realm of pharmaceutical crime. The OECD is a unique forum where the governments of 30 democracies work together to address the economic, social and environmental challenges of globalisation.

IMPACT OF CRIME

The OECD is a unique forum where the governments of 30 democracies work together to address the economic, social and environmental challenges of globalisation. The OECD is also forefront of efforts to understand and to help governments respond to new development and concerns, such as corporate governance, the information economy and the challenges of an ageing population. The organisation provides a settings where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies issues, as well as the conventions, guidelines and standards agreed by its members. The OECD member's countries are: Australia, Austria, Belgium, Canada, The Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, The Netherlands, New Zealand, Norway, Poland, Portugal, The Slovak Republic, Spain, Sweden, Switzerland, Turkey, The United Kingdom and The United States. The commission of the European community takes part in the work of the OECD. OECD publishing disseminates widely the result of the organisation statistics gathering & research on economic social and

environmental. The impact on crime causes, Human loss, Economic loss, Innovation & growth, criminal activities, Environment, Employment, Foreign direct investment and Trade.

METHODOLOGY

The three main sources of information were used: questionnaire responses; INTERPOL's database system (ICIS); and open source media articles. The questionnaire was designed to gain an understanding of the extent of pharmaceutical crime across all INTERPOL member countries since 2008. Information pertaining to the nature of OCGs – such as modus operandi, structure and scale of activities – was sought along with insights on the enforcement and legislative issues faced by organizations fighting pharmaceutical crime. The questionnaire was distributed to all of INTERPOL's 190 member countries. In addition, networks such as the Permanent Forum on International Pharmaceutical Crime (PFIPC), the Heads of Medicines Agencies Working Group of Enforcement Officers (HMA WGEO) and the Pharmaceutical Security Institute (PSI) have also been instrumental in providing highly useful information through the questionnaires. The questionnaire responses received were analysed to determine both global and regional results. The findings from the questionnaire responses provide the basis of the analysis below, together with data in ICIS and media articles accessed through open-source monitoring.

Pharmaceutical crime covers the following criminal offences, irrespective of which national legislation the crime falls under.

The manufacturing and distribution of counterfeit or falsified (spurious/fake/falsely labelled) pharmaceuticals or medical devices, through licit and illicit supply chains, involving.

- a) Theft
- b) Fraud
- c) Diversion
- d) Smuggling
- e) Illegal trade
- f) Money laundering
- g) Corruption.

MAIN FINDINGS – PHARMACEUTICAL CRIME AND ORGANIZED CRIMINAL GROUPS.

The primary aim of this report is to determine the extent to which OCGs are involved in pharmaceutical crime. Approximately 10 per cent⁷ of the questionnaire replies pointed to the involvement of traditionally structured hierarchical groups. Nevertheless, the majority of replies indicated that pharmaceutical crime is primarily the domain of criminals operating through informal networks. Only two well-established OCGs, one each from Asia and North America, are known to be involved in pharmaceutical crime. Furthermore, motorcycle gangs, for example the ‘Hell’s Angels’, are known to be involved in the trafficking of medicines in both North America and Scandinavia. All three groups are primarily involved in other criminal arenas, in particular narcotics and weapons trafficking, while their pharmaceutical crime activities appear to be limited.

Apart from the aforementioned examples, it is apparent that well-established hierarchical OCGs are not heavily involved in pharmaceutical crime. The two following ‘types’ of OCGs seem to dominate this crime area.

- 1) Highly organized, yet generally informal, international affiliate networks selling medicines via illicit online pharmacies.
- 2) Small groups, not yet well established, of between 3-10 members, involved in various aspects of pharmaceutical crime.

A possible indicator of a general increase in pharmaceutical crime is the larger volume of media articles identified year after year since 2008 through open source monitoring conducted by the MPCPC Sub-directorate. This increase, however, may be accountable to increased media interest in such cases, or an increased crackdown by authorities which encouraged the publication of more articles. Only during 2013, MPCPC has registered several prominent cases from across the world with potential ties to OCGs involved in pharmaceutical crime, for example.

ASIA

In March 2013, Philippine authorities arrested five traffickers attempting to traffic slimming pills, pain relief medication and antibiotics which had been shipped to the Philippines from Singapore. Customs authorities confiscated a 40-foot container loaded with 20 pallets of fake medicines. Connections to a trading company indicates that the case is tied to an OCG.

Between 2011 and 2013, an OCG called Azuma-Gumi was running a counterfeit medicine operation selling Viagra, Cialis and Levitra in Osaka, Japan. In connection to this case, Japanese authorities reported that six people were arrested in 2013.

EUROPE

In June 2013, during INTERPOL's Operation Pangea VI, Russian authorities reported that they had dismantled a counterfeiting operation which had been ongoing for several years in Rostov. Fake medicines such as Herceptin, Meronem, Cefobit, Mantera and Sulperason were manufactured and distributed by an OCG. In total, Russian authorities arrested seven suspects and carried out 23 raids in connection to this case.

AFRICA

In May 2013, one person was arrested for smuggling counterfeit medicines from China to Lagos, Nigeria. The illicit medicines included Coartem, Ibuprofen and Maloxine. The arrested suspect in Nigeria was unable to name any suspects in China involved in the smuggling activity. However, the scale of the smuggling operation indicates that there was involvement of an OCG.

RESULTS

Opinions among member countries⁹ are divided almost evenly as to whether or not there has been a rise in the level of pharmaceutical crime activities during the past five years. However, the situation is clearer for some regions, such as Latin America. All responders from South and Central America indicated an increase in the number of active groups, cases, seizures and arrests since 2008. In both regions, clear signs of counterfeit production were stipulated, with finished illicit medicines or raw materials for illicit production exported to other countries in the region. For example, In Europe and North America, several investigations in Canada, Sweden and the US have linked the Hell's Angels with the manufacture and distribution of counterfeit medicines, such as ED medication and steroids. In Europe, OCGs have been involved in robbing trucks transporting various prescription medicines since 2010. There have been reports from some European Union member countries that the stolen products have been found in the legal supply chain¹². In Asia there is a continuous demand for slimming pills, with an estimated 5 million slimming pills being consumed in Thailand alone each year. Asia represents a large market with increased Internet connectivity and several strong developing economies, which are all lucrative factors for illicit online pharmacies and

counterfeiters to take advantage of¹⁶. In recent years, a few noteworthy cases involving pharmaceutical crime and OCGs have occurred in the region.

In 2009, an OCG with possible Triad connections was distributing counterfeit ED medication through local nightclubs and brothels in Malaysia. The primary suspect was identified as a Triad head, working for a Chinese syndicate in Kuala Lumpur. In Cambodia, a network with ties to the Japanese Yakuza was targeted for distributing fake medicines such as Viagra to patients in both Cambodia (via unlicensed pharmacies) and Japan (via websites).

In 2011-12, an OCG delivered counterfeit and diverted human growth hormone (HGH) products to various local subcontractors in China. Chinese authorities carried out raids and arrested several suspects.

In 2013, another pharmaceutical company identified a director of operations based in China who buys illicit medicines from Chinese manufacturers. The illicit medicine is then shipped via cargo container to Jordan, where it is distributed around the Middle East.

CONCLUSION

Pharmaceutical crime is a multifaceted criminal area. We see varying forms of criminal organizations involved in pharmaceutical crime, ranging from small clusters of three to 10 members, to larger well established hierarchical groups, to sophisticated international networks with elusive structures. With the move to the Internet to sell counterfeit and illicit medicines, law enforcement agencies are increasingly dealing with the latter form of criminal enterprises. Such networks are difficult to target due to the ease with which they can move and establish new websites, the high level of anonymity offered in the virtual world, and the difficulty in piecing together the different criminals involved in wide-ranging affiliate networks.

Pharmaceutical crime continues to ascend the global political agenda, with efforts to address the problem being taken at international, regional and national levels. The problem of pharmaceutical crime is not confined to trade mark infringing medicines but also covers a far broader range of products, including: as mislabelled or misidentified medicines. Grey market product. Medicines diverted from the legitimate supply chain. The pharmaceutical crime in multiple ways most directly, it is a crime to use, possess, manufacture, or distribute drugs

classified as having a potential for abuse. Drug are also related to crime as trafficking and drug production are often controlled by drug cartels, organised crime.

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