INTERNET DIVERSION OF CONTROLLED PHARMACEUTICALS

Presented by
Harry J. Matz
Senior Trial Attorney
Narcotic and Dangerous Drug Section
United States Department of Justice
Past Month Use of Illicit Drugs
U.S. Aged 12+ 2002-2005

In 2005, 6.4 million Americans Age 12+ used a prescription drug for non-medical purposes in past month

- 0.3 million Sedatives
- 1.1 million Stimulants
- 1.8 million Anti-Anxiety Medication
- 4.7 million Narcotic Pain Relievers

SOURCE: 2005 National Survey on Drug Use and Health (NSDUH), published Sept 2005 by Dept of HHS / Substance Abuse and Mental Health Services Administration (SAMHSA)

Slide Adapted from DEA Diversion Control Program
What’s Wrong with Internet Pharmacies?

- No valid prescription
- No doctor-patient relationship
  - No physical exam, history or diagnosis
- No accountability or follow-up
- Easier to circumvent laws

SOURCE: 2005 National Survey on Drug Use and Health (NSDUH) – Dept of HHS / Substance Abuse and Mental Health Services Administration (SAMHSA)
Cyber vs. Brick & Mortar Sales
Average Sales

- **Independent ‘Brick & Mortar’ Pharmacy**
  - 20 Controlled Substance RXs (11%)
  - 161 Noncontrolled RXs (89%)

- **‘Cyber’ Pharmacy**
  - 425 Controlled Substance RXs (95%)
  - 42 Noncontrolled RXs (5%)

*Source: 2003 NCPA-Pfizer Digest New York, New York - June 26, 2003*
Rogue “Pharmacy” Web Site

Q. How do I place an order?
A. When you click an Order link, you will be taken to our secure server where you will set up your account. You will answer an online questionnaire to provide information relevant to your medical condition. Once you complete the questionnaire, you will see a confirmation page to review your answers for accuracy. At this point, you will submit your order for processing.

Q. What forms of payment do you accept?
A. We COD only. Only MONEY ORDERS OR CASHIERS CHECKS. We do not accept Cash or Personal Checks.

Q. How will the package arrive to me? Will people be able to disclose it’s contents?
A. All packages are shipped in plain packaging to protect your privacy.

LEGAL ONLINE PHARMACY

Visit / Examination by Physician (DEA Registrant)

E-mail

Prescription
Schedule III - V

Pharmacy

Patient

Drugs
Product supplied is **generic**.

Rogue Internet Pharmacy

$293.00

60 Tablets 7.5/500 mg

Lortab® 7.5/500

Product supplied is **brand name**.

Legitimate Online Pharmacy

$50.59

50 Tablets 7.5/500 mg

Lortab® 7.5/500

Product supplied is **generic**.

Rogue Internet Pharmacy

$293.00

60 Tablets 7.5/500 mg

Lortab® 7.5/500
Pennsylvania seizure of 123 packages of Diazepam at Airborne Express

- Shipped by ABBAS Enterprises, Chester, PA
- Airborne Express records revealed 4,000 packages shipped over 20 days by ABBAS Enterprises throughout the U.S.
- Abbas Enterprises is small arts and crafts business
SUBPOENA RESULTS
Webhost Identified other Websites Owned by
CRUZ / SHACKLETON

Ryan CRUZ
- Rx-mart.com
- Pharmacyexports.com
- Pharmacyshack.com
- Rxworld.us
- Pharmamart.com
- Valium-pharmacy.com
- Xanax-direct.com
- Pharmacy-list.com
- Pillbasket.com
- Medsit.com
- Shackcorp.com

Andrew SHACKLETON
- Redstormconsulting.com
- Medicationsfast.com
- Meds.biz
- Medsbypost.com
- Onlinepharmaciesources.com
- Pharmacybill.com
- Pharmacyunited.com
- Shackhost.com
- Special-lingerie.com
- Euroshack.com
- Siphem.com
- Viagravitality.com

Other Investigative Steps
- Undercover buys
  - Generates electronic records of sales
- Subpoenas to UPS package service
- Financial services companies
OPERATIONAL OVERVIEW

- Customers Worldwide
  - Use Internet Search Engines
  - Chat Rooms
- Orders & Credit Card Info
- 200+ Illicit Pharmacy Websites
  - No DEA Registration
- BANSAL Organization
  - Philadelphia, PA
- Credit Card Processors
- Source of Supply
  - (India)
- Re- packager
  - Stash House
  - Queens, NY
  - and Philadelphia, PA

OPERATION “CYBER CHASE”
India Seizures

PHARMACY AREA

SEIZED DRUGS
OPERATION “CYBER CHASE”
New York Packaging Site

Operation Trafico.com

- Joint Brazilian Federal Police & U.S. DEA & ICE
- Diverted over 1,000,000 units of controlled substances to U.S. over 8 years
Results of Operation
Trafico.com

- Arrests = 12 (11 in Brazil)
- Assets seized = $4.5 million
  - $2 million + from Alessandro Favaro

Lab at Home of Walter Rau Veira
Pelotas, Brazil
CICAD Role
Role of CICAD and Member States
- Adopt Internet Guide sent from the Expert Group
- Disseminate to appropriate agencies in country
- Review adequacy of national laws & systems
- Seek appropriate training
- Cooperate on investigations

Internet Guide: Topics
- Description of problem
  - What drugs? Who sells? How?
- Which countries are involved?
  - In the grip
  - Unaffected
  - Clueless
- Understanding Internet Pharmacies
  - Participants
  - Location
  - Technology
Internet Guide: Topics

- Prevention: Public Awareness & Education, Legislation needed
- Addressing the problem
- Conducting an investigation
- Coordination
  - Public & Private
  - Domestic & International
- Training

Criminal Laws

- Are Internet drug sales operations illegal?
- What if no drugs enter or leave the country?
Enforcement Powers

- Undercover operations
- Intercept communications
- Require preservation of communications
- Search warrants – all elements of operation
  - Example: credit card statements of buyers to trace money
- Seizure authority
  - Computers & hardware
  - Assets accrued or used

Training
REGISTRATION INFORMATION

WHOIS SEARCH RESULTS

- **rx-mart.com**
  - **Registrant**: rworld@micom.com
  - **Administrative Contact**: rworld@micom.com
  - **Technical Contact**: draper@micom.com
  - **Domain Name**: rx-mart.com
  - **Country**: Dominican Republic
  - **Phone**: 509-245-212
  - **City**: Bedford, TX, USA

‘WHOIS’ - A Registration identification Search Engine

Completely False Information

TRACE ROUTE TO (ISP)

http://www.rx-mart.com

- **66.221.215.216**
  - **www.rx-mart.com**
  - **Bedford, TX, USA**
  - **C1 Host**

Acts like a telephone number
International Cooperation

OPERATION “CYBER CHASE”

International Enforcement

- Government of India
  Narcotics Control Bureau
- Government of Canada
  Royal Canadian Mounted Police
- Government of Australia
  Australian Federal Police
- Government of Costa Rica
OPERATION “CYBER CHASE”

International Arrests

Arrests: 26

OPERATION “CYBER CHASE”

International Asset Seizures

40 Bank Accounts
$ 8.5 Million USC

Other Assets
$ 325,000 USC
Comments / Questions?

Harry J. Matz
Senior Trial Attorney
Narcotic & Dangerous Drug Section
U.S. Department of Justice
Harry.matz@usdoj.gov