

ROGUE INTERNET PHARMACIES MISUSE OF SEALS OF APPROVAL



White Paper prepared by the
Alliance for Safe Online Pharmacy – European Union (ASOP EU)
with data provided by LegitScript

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1. Summary

The purpose of this report is to illustrate the extent to which rogue Internet pharmacies currently misappropriate and display, without permission or lawful usage, the various seals of approval of existing Internet pharmacy certification programs. As shown in this short analysis, the illicit copying and misuse of Internet pharmacy seals of approval is endemic on the Internet by rogue Internet pharmacies, which put a premium on falsely appearing legitimate, and one ASOP EU member estimates that anywhere from 10% to 40% of the rogue online pharmacy market utilize falsified or misappropriated seals of approval. The Alliance for Safe Online Pharmacies (EU) submits this analysis in the hope that it will underscore the need for a common logo to be developed that utilizes known best practices to minimize, to the extent possible, future misuse and harvesting of the common logo, and rapidly identifies and responds to instances of misuse.

2. Overview

The Internet is a valuable, positive force for information and convenience, and the online healthcare market is no exception. However, patients globally are increasingly put at risk by illegal online drug sellers peddling falsified medicinal products, or prescription drugs sold without adequate medical supervision.

- 97% of entities offering to sell drugs on the Internet are illegitimate and operating in violation of applicable laws and regulations worldwide (National Association of Boards of Pharmacy; LegitScript);
- 50% of the prescription medicines sold online by websites that hide their physical address are counterfeit (World Health Organization);
- At any one time there are in excess of 30,000 fake pharmacy websites accessible by the European population (LegitScript);
- A website designed to look like an illegal online pharmacy generated in excess of 360,500 hits in nine weeks, making it the third-most-popular “online pharmacy” in Germany. Taking conservative estimates for the orders, had consumers been able to buy from the website, the study revealed a potential €35mn of sales (European Alliance for Access to Safe Medicines);
- A conservative estimate of between €1bn-€3bn for total European counterfeiting medicines sales is projected, with this figure rising to over €10bn by 2020 (“Falsified Medicines – Costing the Earth,” Alliance for Safe Online Pharmacy - EU and European Alliance for Access to Safe Medicines, March 2013);
- The number of shipments stopped by EU Customs has doubled compared to 2010, with an 82% increase in detentions of postal traffic largely due to the increase in online purchases, and 69% of articles detained in postal traffic are medicines (European Commission’s annual report on European Union Customs enforcement, July 2011);

- Discussing the proliferation of rogue Internet pharmacies, Algirdas Šemeta, Commissioner for Taxation, Customs, Anti-fraud and Audit, explains: *“We have experienced a spectacular increase of detentions in the postal traffic since last year: the number of cases tripled and many of the seized goods included medicines... This upward trend reflects a growing number of online purchases”* (European Commission’s annual report on European Union Customs enforcement, July 2011).

Against this backdrop, and in order to help Internet users more readily identify which Internet pharmacies operate legitimately, the Falsified Medicines Directive (Directive 2011/62/EU), among other things, requires the establishment of a “common logo” for websites of legally operating online pharmacies/retailers that must be:

- Clearly displayed on every page of the website offering medicinal products;
- Recognizable throughout the EU while enabling the identification of the Member State where the online pharmacy is established; and
- Linked (reciprocal link) to the dedicated website set up by each Member State providing the national list of all legally operating online pharmacies in order to allow customers to verify the authenticity of the logo displayed on the webpage of the online pharmacy.

The law thus expects the common logo to be secure, not easily forged, and used only by legitimate online pharmacies that adhere to applicable health and safety laws. This may sound easy but, as this paper illustrates, implementation of a secure seal, logo or license is far from simple. Indeed, the vast majority of such emblems of legitimacy have/are currently being routinely misappropriated by criminal online drug sellers.

Through this paper, ASOP EU hopes to further educate policymakers and other stakeholders about the prevalence of rogue Internet pharmacies’ misuse of seals of approval and, by doing so, shed light on the importance of investing the time and resources necessary to secure the forthcoming EU Internet pharmacy common logo for the benefit of all patients.

3. Background on ASOP EU

ASOP EU is a coalition of patient, professional and industry participants, formed in March 2012. Participants include many of the global leaders in the Internet ecosystem, including advertising providers and search engines, registrars and registries, payment processors, and delivery service providers. All are united in the goal of increasing patient safety online. Further background information can be found at www.asop.eu.

ASOP EU applauds the passing and implementation of the Falsified Medicines Directive, specifically including the provisions addressing Internet pharmacies/retailers offering medicinal products for human use for sale at a distance to the public. We encourage the EU Commission’s further action to fully and robustly implement these online pharmacy provisions so as to ensure the safety of any patient who shops online.

4. Misuse of Seals of Approval by Rogue Internet Pharmacies

Seals of approval, whether issued by regulators or private sector organizations, are readily and frequently misappropriated by rogue online pharmacies. Seals of approval – which may also be called a common logo, trust-mark, or insignia of legitimacy – are high-value targets for Internet criminals to forge. If forged successfully, the website has much to gain and little to lose; droves of purchases from consumers who unwittingly believe the site is legitimate yield high profit at a very low risk of being penalized by law enforcement if caught.

As an illustration of how rogue Internet pharmacies will forge anything to feign legitimacy, among others, examples of forged seals, licenses and logos include:

- Pharmacy licenses;
- Medical licenses;
- U.S. Food and Drug Administration logo;
- Other regulatory authority logos;
- Payment processor logos including VISA, MasterCard, American Express, PayPal and Discover;
- Shipping service logos including UPS, FedEx, EMS, the U.S. Postal Service and the Canadian Postal Service, and
- PharmacyChecker and the Canadian Internet Pharmacy Association.¹

For purposes of illustration, ASOP EU offers two specific, egregious examples of such logo, seal and license misuses. This evidence was provided by ASOP EU member LegitScript (www.legitscript.com), which operates the world's largest database of online pharmacies and assists EU Member State and other health regulators, law enforcement, and Internet and payment companies in identifying and analyzing the online sale of medicines, and has shut down more than 10,000 websites displaying falsified logos, licenses or other forged seals of approval.

a. EXAMPLE: EvaPharmacy, a rogue Internet pharmacy network

A Eastern European rogue Internet pharmacy network commonly known as “EvaPharmacy” in the underground world operates thousands of illegal online pharmacy websites. These websites are rogue because they:

- Are known to sell counterfeit medications;
- Sell prescription medication without requiring a prescription; and
- Lack the required pharmacy licenses.

¹ Please note that not all of the entities cited in this section that provide a seal or logo are legitimate, and some in fact certify illegal websites with which they are affiliated. The purpose of this report simply is to highlight the unauthorized copying and use of images.

EvaPharmacy is an international conglomeration of Eastern European, and possibly a few Chinese and Australian, individuals, who source the fake or unapproved drugs from locations including India and Pakistan. The network, which grew out of the Bulker.biz spam-sponsoring outfit and first appeared as “EvaPharmacy” in 2007, currently operates between 2,000 and 20,000 fake pharmacy websites at any one time, and is one of the most common sources of spam email traffic worldwide. In sheer numbers of websites, the EvaPharmacy network and its affiliates outpaced the well-known rogue Internet pharmacy network GlavMed in 2009. EvaPharmacy remains among the largest operations in the rogue Internet pharmacy market. EvaPharmacy was among the major networks targeted during INTERPOL’s Operation Pangea V in October 2012, which resulted in several thousand websites being identified and shut down, some of which were part of the EvaPharmacy network.

The hallmark of this particular rogue online pharmacy network is the continuing display of forged pharmacy licenses and fake pharmacy certification logos. Consider, for example, the lower part of the home page for *canadianhealthcaremaildiscount.com*, a rogue Internet pharmacy in the EvaPharmacy organized crime network, shown below (image 1), which falsely displays the logos of the US Food and Drug Administration, VeriSign and Visa, among many others.

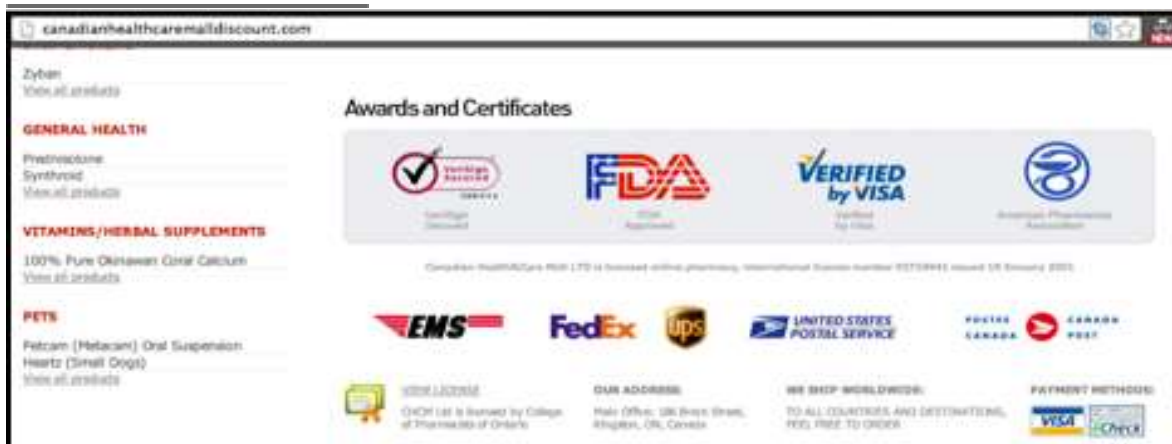


Image 1

Image 2 shows that the EvaPharmacy website *rxcanadameds.com* uses unauthorized Canadian International Pharmacy Association and PharmacyChecker seals. Clicking on each of those seals brings up a pop-up window, but neither pop-up displays an authentic certification. In both cases, if the seal were legitimate/not forged it would link to identification of the pharmacy name and approval status.



Image 2

In addition to fake organization seals, EvaPharmacy is known for the falsified pharmacy licenses on its website templates. The following are just two examples of fake licenses on EvaPharmacy websites (image 3; image 4):



Image 3

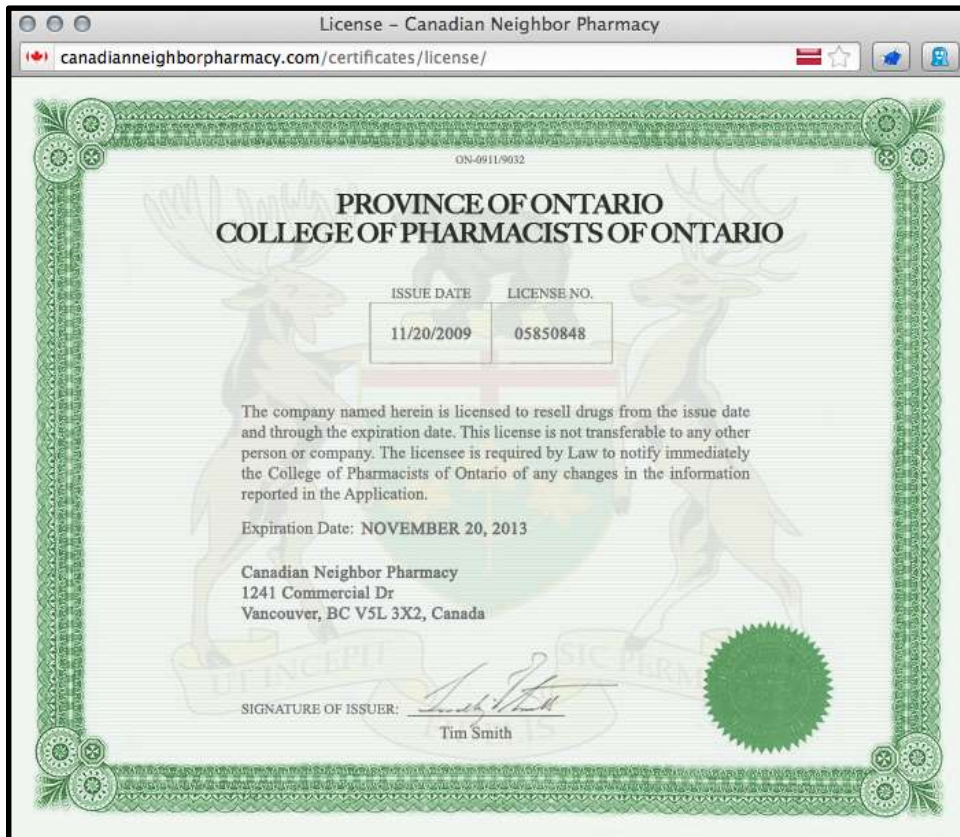


Image 4

LegitScript has received letters from the following entities confirming that licenses displayed on EvaPharmacy websites are forged:

- The California Department of Public Health,
- California State Board of Pharmacy,
- The Minnesota Board of Pharmacy,
- The Manitoba Pharmaceutical Agency, and
- L'Ordre des pharmaciens du Québec.

As noted above, the number of EvaPharmacy websites varies at any one time, but it constitutes the largest rogue Internet pharmacy network measured by the number of websites. At a bare minimum, there are easily above 2,000 rogue online pharmacies in the EvaPharmacy network online at any one time as per LegitScript's analysis, and typically far more. Given LegitScript's estimate that there are 40,000 Internet pharmacies online at any one time on average, this constitutes at least 5% of the Internet pharmacy market at any one time, and typically much more – and does not account for other criminal networks misappropriating various logos.

b. EXAMPLE: PharmacyExpress, a rogue Internet pharmacy network

PharmacyExpress is a spam operation believed to be run by a Russian criminal spammer who is also connected to the EvaPharmacy network. The websites in the network are intentionally and knowingly engaged in criminal activity.

PharmacyExpress websites are rogue as they:

- Sell prescription medication without requiring a prescription;
- Offer generic, unapproved and unregulated versions of prescription drugs;
- Lack the required pharmacy licenses; and
- Dispense medications via an unknown entity that is not appropriately licensed as a pharmacy.

PharmacyExpress websites primarily target US customers, though they ship worldwide, and claim to be Canadian despite no apparent connections to Canada.

One popular PharmacyExpress template — used by *medicgreen.com*, shown below (image 5), and scores of others — displays an “awards and certificates” section at the bottom of the home page with fake seals, licenses and the logo of the United States Food and Drug Administration. None of these are authorized uses.

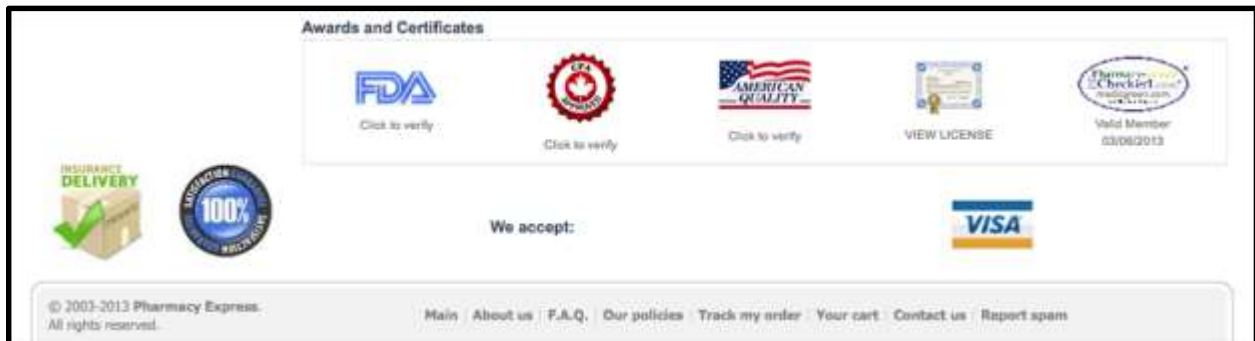


Image 5

Additionally, like EvaPharmacy, the PharmacyExpress network displays fake pharmacy licenses. One such license is from the “New Zealand Board of Pharmacy,” which does not exist (image 6).



Image 6

Other PharmacyExpress websites display unauthorized images at the top of the home page. For example, see *canadianpharmacycialis-cp.com* (image 7), a website that contains images of pharmaceutical products but then links to the PharmacyExpress website *online-health-store24.com* for purchases. Note that *canadianpharmacycialis-cp.com* also uses the fake New Zealand Board of Pharmacy license, provided further down on the website's home page.



Image 7

Additionally, the PharmacyExpress network website *canadianpharmacyviagra-cp.com* (image 7 and 8) displays a fake seal that reads pharmacychecker1.com (image 8).

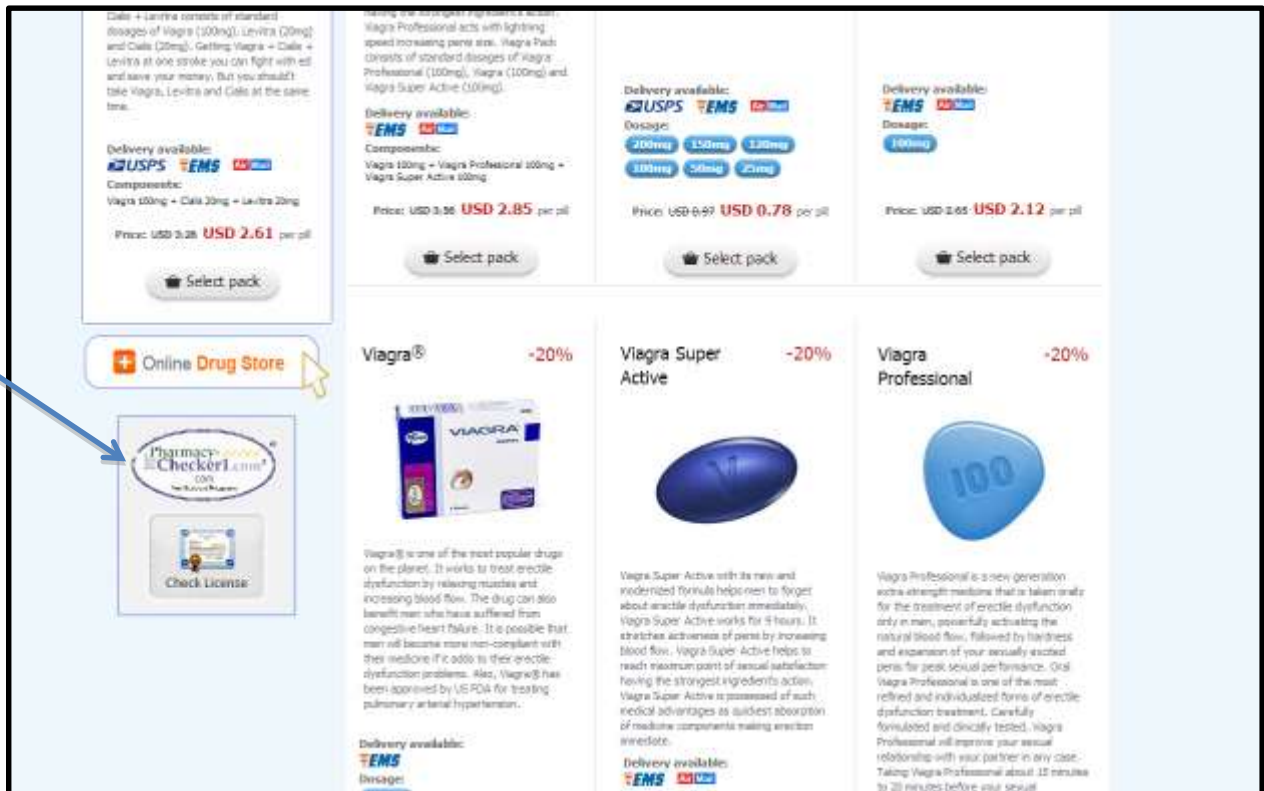


Image 8

This spoofed PharmacyChecker domain name is apparently registered to a PharmacyExpress network affiliate. While the logo is a forgery, *pharmacychecker1.com* itself links to the real *pharmacychecker.com* from the main navigation bar. It is possible the operators of PharmacyChecker will eventually notice that traffic is coming to *pharmacychecker.com* from *pharmacychecker1.com*, thus the spoofed website might get shut down by the real PharmacyChecker. Notably, *pharmacychecker1.com* shares an IP address with hundreds of other domain names that host PharmacyExpress Internet pharmacies; they also display the fake logo that reads *pharmacychecker1.com*.

The number of PharmacyExpress rogue Internet pharmacies online at any one time varies widely, but typically constitutes 1,500 at a minimum, and is not infrequently in the 10,000 to 15,000 range.

c. EXAMPLE: Worldwide Drug Store, a rogue Internet pharmacy network

The medium-size network Worldwide Drug Store is also rogue as websites in this network:

- Sell prescription medication without requiring a prescription;
- Offer generic, unapproved and unregulated versions of prescription drugs;
- Lack the required pharmacy licenses; and

A common homepage template for Worldwide Drug Store websites shows several logos falsely suggesting that the pharmacy is licensed in Canada. The seals below which appear on the network's *generics4u.com* website are not hyperlinked back to the claimed accreditation source

or to any online drug seller certificates (image 9). There are several hundred rogue Internet pharmacies in this network.



Image 9

d. EXAMPLE: Everest Network, aka ElifePharmacy, a rogue Internet pharmacy network

Consisting of about 300 websites, the Everest Network operates from outside the United States and ships drug into the U.S.; this is illegal and increases the risk that the drugs are counterfeit or adulterated. Moreover, the websites in this network state that they sell only generic medications — and these include generic versions of lifestyle drugs that do not currently have an approved generic version. Specifically, Everest Network websites:

- Sell prescription medication without requiring a prescription;
- Offer generic, unapproved and unregulated versions of prescription drugs, which they state are sourced from India; and
- Likely lack the required pharmacy licenses of every place they ship to (which is internationally).

Commonly displayed by other rogue Internet pharmacy networks, Everest websites also show a red “CPA approved” image with a Canadian flag-style maple leaf (image 10). Despite its widespread use within rogue network websites, it is unclear what this image represents; it is not a recognizable seal from a legitimate (or even illegitimate for that matter) pharmacy or drug regulator, association, or third-party verification service. It may be that the rogue networks have – inaccurately – attempted to spoof a seal from the Canadian Pharmacists Association that is known as CPhA, or some other organization. Regardless, the meaningless “CPA approved” image is found on thousands of rogue network pharmacy websites and may give unknowing patients a false sense of security.

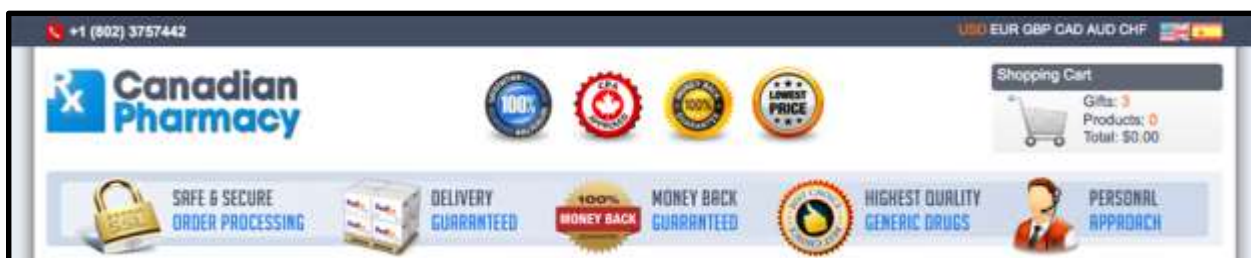


Image 10

e. **EXAMPLES: Forged Government Regulatory Agency and Pharmacy Group Logos: EU, UK, China and US**

While logos and images referencing Canada are the most commonly misused, dozens of other region-specific logos, licenses and pharmacy group seals are regularly misappropriated. This section provides a few illustrative examples.

Example 1, European Union: *cheap-hq-rx-online.net*, a website that links to pharmacy websites in multiple rogue networks, displays the Pharmaceutical Group of the European Union logo at the bottom of the home page (image 11):



Image 11

Example 2, European Union: Some websites in the Pharmatheke rogue Internet pharmacy network use a version of the Bundesinstitut für Arzneimittel und Medizinprodukte (BfArM) logo. Pharmatheke websites mainly target the German market as well as some other EU nations. Image 12 below shows *farmaciadeltoro.org*, a website in the Pharmatheke network.



Image 12

Example 3, United Kingdom:

The unapproved Internet pharmacies *travelpharm.com* and *manorpharmacy.co.uk* do not have their own certifications from the General Pharmaceutical Council (GPhC) but use the registration number of the GPhC-registered pet medication website *vet-medic.com*. Both home pages display GPhC logos with the registration number 1089485, which corresponds with *vet-medic.com*. These logos also are clickable and link to a registration page on the GPhC website (image 13). Note that although the trading name Manor/Travelpharm/Vet-Medic Pharmacy seems to match all three websites, only *vet-medic.com* is listed as a registered Internet pharmacy.

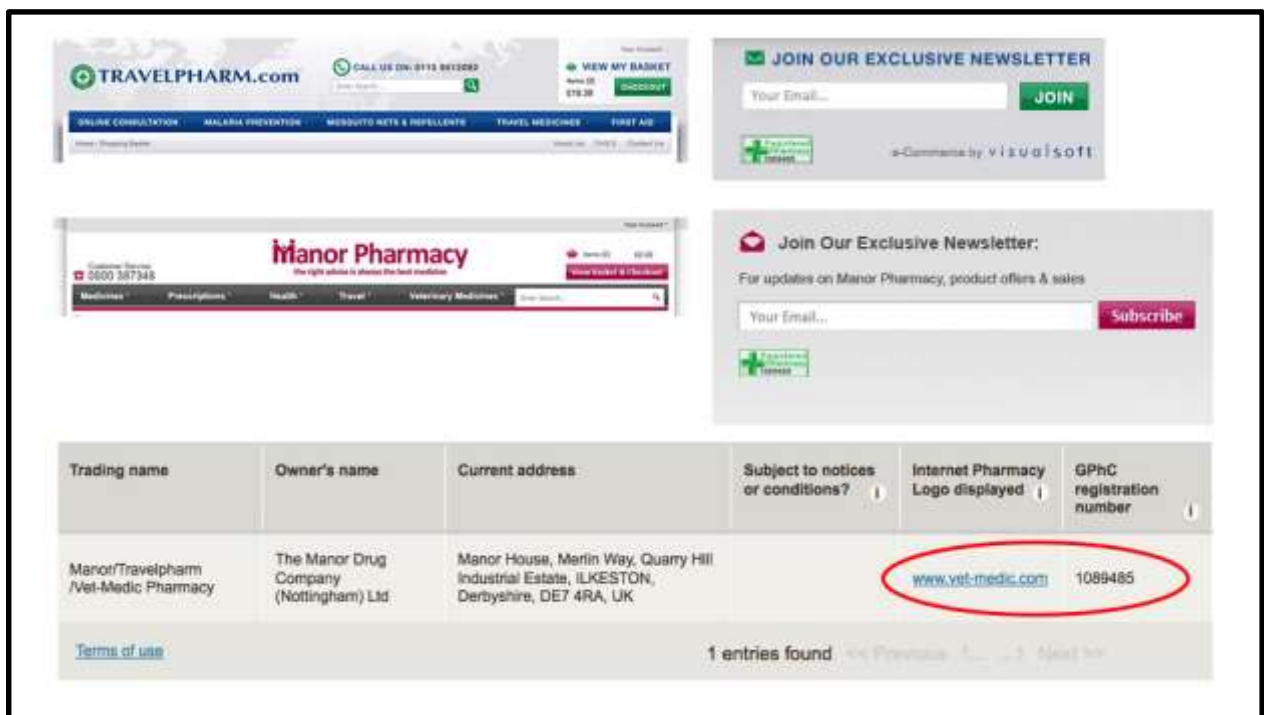


Image 13

Another GPhC example: *Freedomhealthonline.co.uk* uses a GPhC registration number but has incorporated it into a fake graphic (image 14). The registration number corresponds with *pharmacy2u.co.uk*, an unapproved Internet pharmacy. The terms and conditions section on *freedomhealthonline.co.uk* erroneously lists the Pharmacy2U registration number as 10990088 but does state that its medications are dispensed by Pharmacy2U.

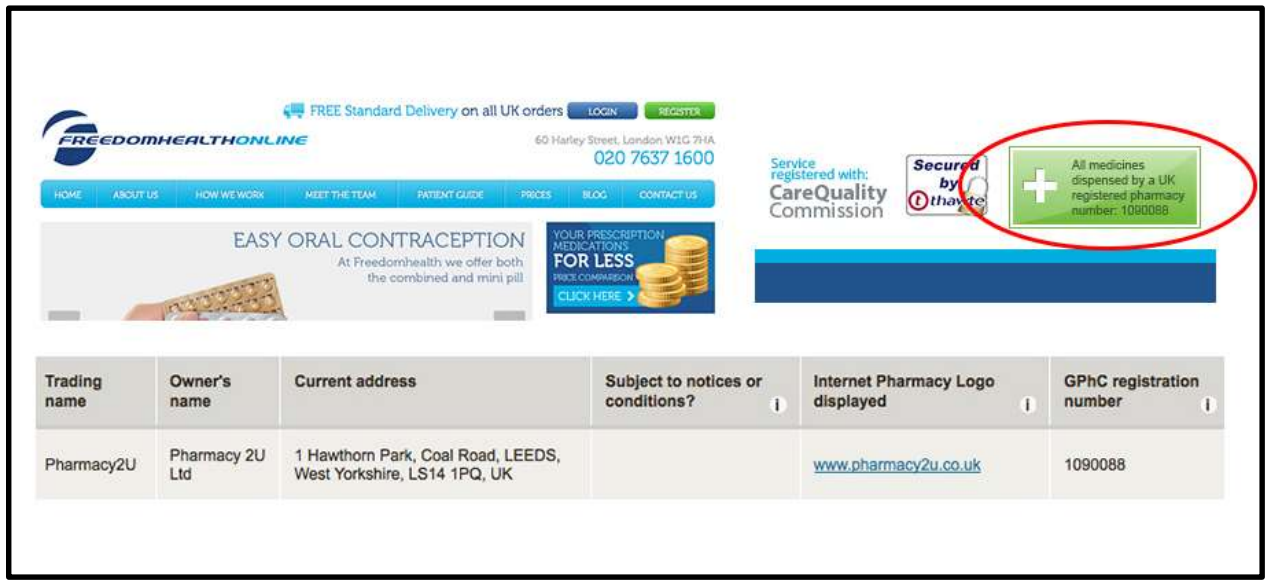


Image 14

Example 4, China: In addition to misappropriating pharmaceutical company logos, the Chinese rogue Internet pharmacy *ailidachina.com* links to a China Food and Drug Administration (CFDA) license. The license was likely downloaded from the Internet and uploaded to *ailidachina.com*'s own servers. A picture of a CFDA license can be accessed via a link at the bottom of the home page, implying the website is certified to sell prescription drugs, though it is not, as even CFDA-registered online pharmacies are not allowed to sell prescription drugs online (image 15):



Image 15

Example 5, United States: In addition to the misuse of the US FDA logo discussed above (see image 1, 5 and 7), the rogue Internet pharmacy *onlinediscountsupplies.com* references the FDA on each page of the website despite the fact that it also sells non-FDA-approved drugs such as Kamagra and Super P-Force (image 16). The drug seller also falsely claims in its FAQ to be "FDA and [World Health Organization] certified."

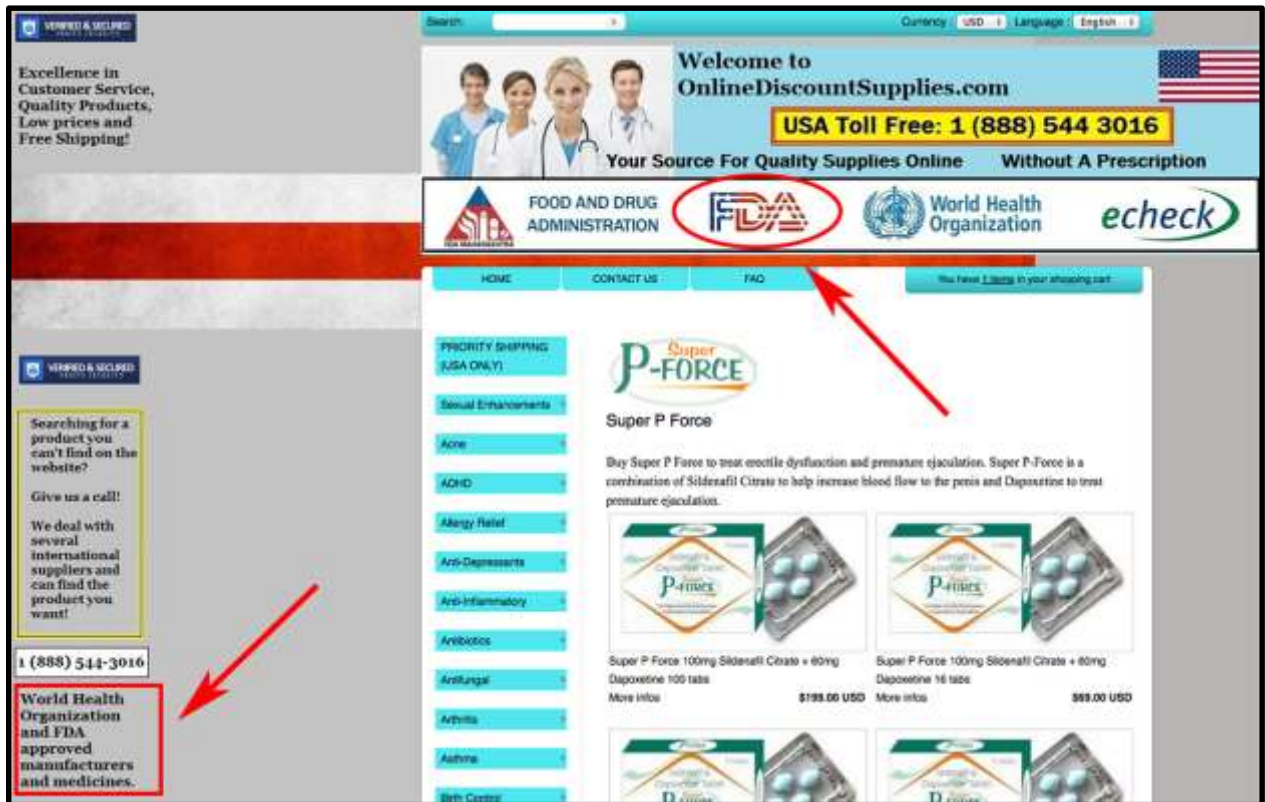


Image 16

Example 6, Pharmacy Groups: More than one website in the Rx-Promotion rogue Internet pharmacy network uses two altered images of pharmacy certification logos, turning CIPA (Canadian International Pharmacy Association) into “CIMA” and PharmacyChecker.com into “PharmaChecker.com.” Image 16 shows *canadianipharmacy.com* next to the authentic logos.

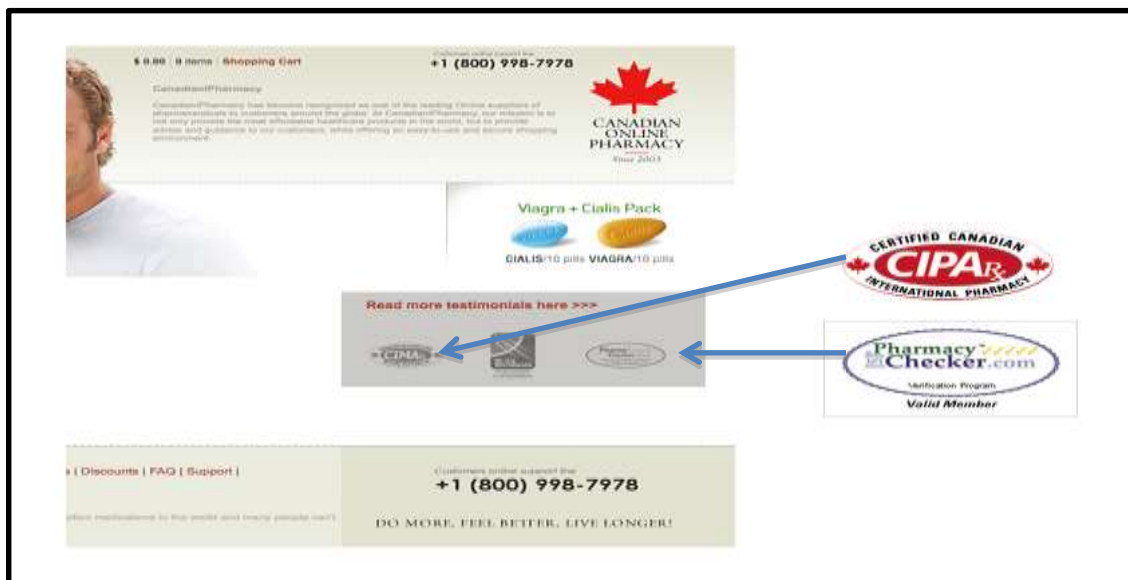


Image 16

f. EXAMPLE: Forged Corporate Logos

Internet pharmacy criminals also misuse corporate logos, misleading consumers and feigning legitimacy by displaying the logos of companies with whom the rogue website has no business relationship.

Example 1: American Express: The rogue Internet pharmacy *overnight-pharm.com* displays an American Express logo but does not accept American Express (image 17).



Image 17

Example 2: Discover: The rogue Internet pharmacy *bestrxpill4u.com* displays a Discover Card logo on its home page, but Discover Card is not a payment option (image 18).



Image 18

Example 3: Credit Card Logos: Another rogue Internet pharmacy, *genericastore.com*, uses similar credit card company logos despite the fact that cash on delivery is the only payment

option during the checkout process (image 19).

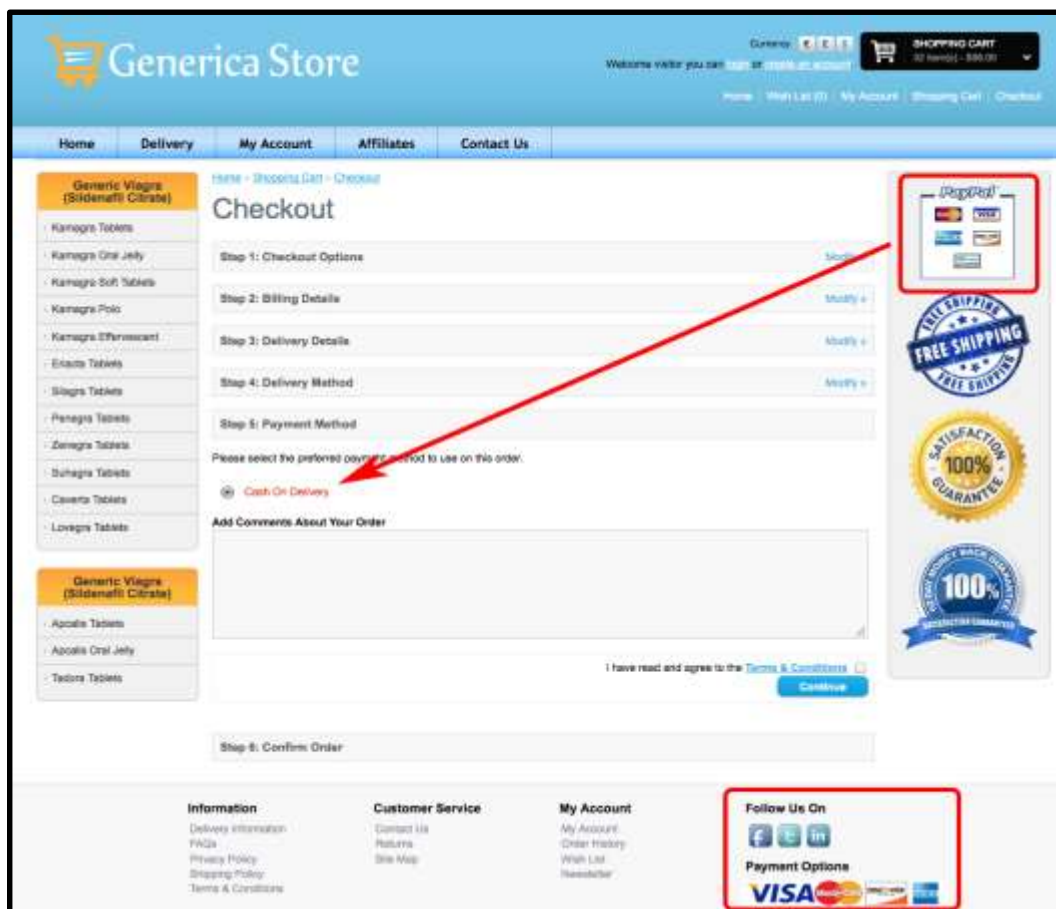


Image 19

4. Implications for the EU Internet Pharmacy Common Logo

While egregious, these are but a few examples from approximately 150-200 international rogue Internet pharmacy networks, each of which have anywhere from a handful to thousands of rogue Internet pharmacy websites. Not all of them copy and misappropriate logos, but it stands to reason that if an online drug seller is willing to sell falsified or unapproved medicines, it likely would not hesitate to display a falsified logo. While some networks do not typically misappropriate logos, an analysis of those networks and websites that do suggest that at any one time, roughly 10% - 40% of the Internet pharmacy market – a broad range, to be sure, but a sizable one any way it is calculated – is controlled by rogue Internet pharmacy operators that seek to misappropriate and misuse other programs Internet pharmacy certification logos.

Given this and recognizing the huge benefits and low risks involved in successfully misappropriating logos, seals and licenses, we should expect that Internet pharmacy criminals will target the forthcoming EU Internet pharmacy common logo. Needless to say, to be a useful

tool patients must be able to recognize and trust the veracity of the common logo.² Thus any misuse of the EU common logo by rogue Internet pharmacies will greatly undermine its effectiveness as a tool to help patients identify safe, law-abiding websites.

The EU Commission has wisely prioritized the security of the common logo (*see e.g.* Concept Paper for Public Consultation on the Implementing Act on a Common Logo for Legally-Operating Online Pharmacies/Retailers Offering Medicinal Products for Human Use for Sale at a Distance to the Public, 10/17/2012). ASOP EU applauds the Commission's work and encourages continued diligence to implement the common logo in order to ensure Internet criminals cannot misuse it to the detriment of patients.

5. Conclusion

As recognized in the Falsified Medicines Directive, Internet consumers need to be able to distinguish legitimate from rogue online pharmacy websites in order to protect themselves from falsified medicinal products. The Internet pharmacy common logo provides an important method to empower patients to buy from safe, law-abiding online pharmacies.³

Unfortunately, the fraudulent use of Internet pharmacy seals, logos and licenses is all too common, as evidenced by just a few of the possible hundreds of examples provided herein. The profits are too great and the risks are too low to believe these criminals will stop forging seals on their own; it is thus incumbent upon the Commission – working with supportive public and private-sector organizations – to create a common logo that cannot easily be misused. ASOP EU, including our expert Internet security working group, welcomes and stands ready to collaborate with the Commission to implement a common logo that patients recognize and can trust.

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² Regarding the importance of patients' *recognition* of the common logo, we encourage the Commission and Member States to embrace and fully fund the Falsified Medicines Directive's call for communication campaigns to be run in coordination with the European Medicines Agency. If the common logo is trustworthy, the public must be aware of the logo's existence and rationale in order for it to have a meaningful impact on patient safety. *See also* ASOP EU's Comments on the Concept Paper dated January 17, 2013.

³ As mentioned in ASOP EU's Comments on the Concept Paper (January 17, 2013), the National Association of Boards of Pharmacy's (NABP) community application for the .PHARMACY generic top-level domain (gTLD) – when operational in late 2013 – will be another way for consumers globally to find a safe, law-abiding online pharmacy. We thus urge the Commission, Member States, and the EMA to collaborate with NABP and its regulatory and patient safety partners to incorporate the .PHARMACY domain into EU-based Internet pharmacy communication campaigns.