SHOP SAFE ACT WILL PROTECT CONSUMERS FROM UNSAFE PRODUCTS SOLD ONLINE

The Issue: American consumers are frequently exposed to counterfeit and substandard goods sold on the internet that do not undergo oversight or safety approvals. These goods appear legitimate but are, in fact, the opposite. This is driving a public health crisis which Congress must address. Current policies do not require online platforms to vet vendors or act against accounts selling illicit and counterfeit goods, including dangerous products like drugs. Bad actors exploit these loopholes to perpetrate fraud against unsuspecting consumers while evading prosecution or other consequences.

The Solution: The Alliance for Safe Online Pharmacies (ASOP Global) supports H.R.3429, the Stopping Harmful Offers on Platforms by Screening Against Fakes in E-commerce Act (SHOP SAFE Act). The bipartisan bill, sponsored by Reps. Jerrold Nadler (D-NY.), Darrell Issa (R-CA.), Hank Johnson (D-GA.), and Ben Cline (R-VA.), would curb the sale of counterfeit goods on e-commerce sites, hold companies responsible for substandard and illegitimate items sold via their platforms, and help ensure the internet is a safe place where Americans can shop. The SHOP SAFE Act will hold these powerful platforms accountable for the illicit and potentially deadly transactions they facilitate and will be a vital tool in the fight against copyright infringement, fraud, and threats to public health and safety.

Counterfeit Sales Online Continue to Increase

- Criminals exploit consumer fears around the COVID-19 pandemic, selling illegal and unapproved drugs disguised as legitimate products to treat or prevent the virus.
- Roughly 95% of the 35,000+ online pharmacies worldwide operate illegally, selling medicines without
 requiring a prescription and peddling fake and dangerous medicinal alternatives in violation of state and
 federal law as well as pharmacy practice standards.

Online Marketplaces Fail to Protect Consumers

- Consumers should be able to identify their online purchase source so they can distinguish legitimate goods from counterfeits.
- Online marketplaces often profit from the sale and distribution of counterfeit and illegal products, giving them little reason to self-regulate.
- Nearly half of consumers (45%) erroneously believe that the FDA or state regulators have approved websites offering healthcare and/or prescription medications online and that figure jumps to 59% among those who have already bought online.
- Americans expect some level of protection online: <u>Nearly three-quarters</u> (72%) believe that verified, safe websites selling prescription medications should appear first in search results.

Implementing Incentives for Marketplaces to Self-Regulate Will Drive Reform

- The SHOP SAFE Act incentivizes online marketplaces to engage in best practices and combat widespread fraud and illegal activity on their platforms.
- Absent regulation, online retailers have no incentive to prioritize consumer health and safety over profits.
- Through this legislation, Congress can help online marketplaces establish common-sense practices such as vetting sellers to ensure legitimacy, removing counterfeit listings, and de-platforming sellers who repeatedly sell counterfeits.

Please visit ASOP Global's website for additional information on Internet Accountability.

ABOUT ASOP GLOBAL

The Alliance for Safe Online Pharmacies (ASOP Global), a 501(c)(4) nonprofit organization headquartered in Washington, D.C. with activities in U.S., Canada, Europe, Latin America, and Asia, is dedicated to protecting consumers around the world, ensuring safe access to medications, and combating illegal online drug sellers.