Illegal Internet pharmacies pose growing threat

Reid Paul

You may not realize it, but one of your biggest competitors is right in your in-box. Spam, long seen as a nuisance and the source of computer viruses, is increasingly becoming the answer for many patients looking for cheap prescription drugs. MarkMonitor, a company that analyzes on-line brands, estimates that consumers may be spending $4 billion annually on prescription medications at uncertified on-line Web sites linked to spam e-mails.

And the threat is not just to pharmacies. In December, Marcia Bergeron, a British Columbia woman, died of toxic metal exposure after taking counterfeit prescription drugs purchased on-line. The toxicology report found unusually high levels of aluminum, phosphorus, titanium, tin, strontium, arsenic, and other metals in her liver. Investigators later found that Bergeron had visited numerous on-line pharmacies.

American pharmacists have gotten into the act as well. Recently, a North Carolina pharmacist was arrested for illegally dispensing Rx medications on-line, along with the Web site owner, and two doctors.

Pharmacists have been aware of the problem of unregulated and unlicensed pharmacies operating on-line for years. Beginning in 1999, the National Association of Boards of Pharmacy established its Verified Internet Pharmacy Practice Sites (VIPPS) program to certify on-line pharmacies.

Measuring spam

The MarkMonitor study provides one of the best indications of the enormity of the problem. In an analysis of six brand-name drugs during July 2007, the study sorted through billions of Web pages and more than 60 million e-mail solicitations to see where those brand names were used. MarkMonitor selected the three most popular prescription medications searched on Google as well as the top three drugs at Drugs.com. They were two cholesterol-lowering medications, an erectile dysfunction medication, an antidepressant, a sleep aid, and an antianxiety drug. The study found more than 100,000 spam messages directing people to 3,160 on-line pharmacies. Of those pharmacies only four were VIPPS certified.

The study analyzed the price of a single drug on both certified and noncertified Web pharmacies. The average price for the medication at the VIPPS-certified pharmacies was $10.85, while the noncertified pharmacies averaged $2.72—a 75% discount.

Problems from abroad

Some 38% of the spam is coming from China, with another 24% emerging from Russia, and 21% from within the United States. Interestingly, 44% of the Web site locations are from within the United States, but according to Fred Felman, chief marketing officer for MarkMonitor, many of those sites may be the result of computers that have been taken over by hackers.

“The overwhelming majority of Web sites are using questionable and deceptive practices,” Felman noted. “There is something rotten at every one of those sites, especially when they make claims of huge discounts.” Ten percent of the sites prominently advertised that no Rx is necessary, and fewer than half encrypted customer data.

The study also looked at gray and black market exchange Web sites, like Alibaba.com. In total, 390 exchange listings were found that mentioned the six popular drugs and 21 were examined in detail. The listings offered 75 million pills at approximately $150 million. At an average of $2 per pill, Felman noted, most of the drugs were probably counterfeit or stolen.

Most troubling about the data is the high level of traffic for many of the sites. Of the 3,160 sites identified in the report, one-third are ranked by the Alexa Web site tracking service and had an average of 32,000 visitors a day. MarkMonitor estimated that if just 0.5% of customers purchased on average $70 worth of medications, these ranked sites alone would earn $4 billion a year.

“Brand abuse that is profitable grows on-line. This is clearly profitable, and it will continue to grow,” Felman warned. “If you look at this in terms of market share, there is $180 billion in retail pharmacy trade. There are a lot more opportunities for these Web sites to capture market share.”