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INTERNET PHARMACIES

Hydrocodone, an Addictive
Narcotic Pain Medication,
Is Available Without a
Prescription Through the
Internet

Statement of Robert J. Cramer
Managing Director, Office of Special Investigations



Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to summarize the results of our investigation of some of the business practices of certain U.S. Internet pharmacies that sold narcotics without a prescription. Our testimony is part of a larger body of work GAO has performed that is the subject of a report and additional testimony we are releasing today that examines issues surrounding the availability and safety of prescription drugs sold over the Internet and the business practices of certain Internet pharmacies.¹ We conducted our work from March 2004 through June 2004 in accordance with quality standards for investigations as set forth by the President's Council on Integrity and Efficiency.

At your request, Mr. Chairman, we attempted to obtain information about the sources of hydrocodone² that we purchased without a prescription from eight U.S. online pharmacies. Hydrocodone is an addictive narcotic pain medication, and illicit use of this drug has increased significantly in recent years. We contacted one of the pharmacies that had sold us hydrocodone in an attempt to determine the relationship between the Internet site and the pharmacy that dispensed the narcotic and to find out what role a physician may have played in facilitating our purchase. We also spoke to a physician who actually prescribed the narcotic for one of our purchases and appears to be operating an Internet drug business that caters almost exclusively to individuals purchasing hydrocodone. Although the Internet Web site and the physician have taken some measures to disguise their operation as a legitimate enterprise, their business practices suggest otherwise.

We determined the location of the pharmacy that we contacted based on the return address on the package in which the sample was delivered. Further, posing as a relative of the customer who had purchased hydrocodone from this Internet pharmacy, one of our investigators spoke to the pharmacist who dispensed the drug as well as the prescribing physician. Subsequently, we conducted surveillance of the office where the physician processes Internet drug orders.

¹U.S. General Accounting Office, *Internet Pharmacies: Some Pose Safety Risks for Consumers*, GAO-04-820 (Washington, D.C.: June 17, 2004); *Internet Pharmacies: Some Pose Safety Risks for Consumers and Are Unreliable in Their Business Practices*, GAO-04-888T (Washington, D.C.: June 17, 2004).

²Hydrocodone, a Schedule III controlled substance, is the generic version of Vicodin.

In summary, we found that (1) one can purchase hydrocodone from certain Web sites on the Internet without providing a prescription or being examined by a physician; and (2) the Internet pharmacies from which we made our purchases of hydrocodone charge significantly higher prices for the drug than walk-in pharmacies. We concluded that those who participate in Internet drug operations that operate in this manner appear to be in the business of knowingly servicing, and profiting from, individuals who may purchase pain medication for illicit purposes.

Purchases of Narcotic Pain Medication Without Prescriptions

We obtained hydrocodone from eight domestic Web sites on which we placed orders without submitting a prescription or undergoing an examination by a physician. Six purchases, each from different Web sites, were dispensed by a single pharmacy located in a Southeastern state. The two remaining purchases were ordered from two separate Web sites and were dispensed by separate pharmacies located in states in the Southeast and Southwest.

We obtained the hydrocodone online by completing questionnaires on which a GAO staff member (the “customer”) claimed that he had pain. In addition, he claimed that his doctor had prescribed hydrocodone for the pain, but that he had recently lost his health insurance and could not return to his doctor for a new prescription. Five Web sites sent the narcotic after receiving our order and credit card payment information. We received telephone calls from the three other suppliers before our order was completed. They asked questions about our purported need for the hydrocodone and prior use of the drug.

In our attempt to determine the relationship between the Internet site and the pharmacy that dispensed the narcotic, and to find out what role a physician may have played in facilitating our purchase, we contacted one of the pharmacies that had sent us hydrocodone. We also contacted the physician who “prescribed” a 30-day supply of the narcotic without seeing or speaking to the customer and without any confirmation from a physician that the customer had previously been under a doctor’s care or had received a prescription for pain relief.

This specific purchase originated on February 26, 2004, when the customer, posing as a patient experiencing pain, used a pseudonym to place an order for hydrocodone. Customers are advised on the site that they are required to (1) fill out an online questionnaire, (2) receive a phone call from a medical professional to discuss the customer’s medical condition to

determine if he or she is approved for the drug, and (3) undergo a complete physical examination. If approved, the medication is billed to the customer's credit card.

Despite the claims on the Web site that customers must satisfy these requirements, we obtained the hydrocodone without undergoing a physical examination or producing any tangible evidence showing treatment by a doctor in the past. Indeed, the customer simply completed the online questionnaire and spoke by telephone to the physician's representative, who offered the customer two options for satisfying the physical examination requirement: (1) for \$199, the customer could visit a physician at one of two clinics in the area where the customer lived; or (2) for \$49, the representative would fax or e-mail paperwork that the customer could take to his own physician to fill out and return to the pharmacy's physician. In addition, the representative told the customer that if he chose and paid for one of these two options with a credit card during their telephone conversation, the physician would immediately issue a 30-day prescription so that he could get his medication right away.

The customer told the representative that he needed to think about both options. However, the representative reemphasized that if he chose either the \$199 or the \$49 option and paid for it immediately, he could get his 30-day supply of hydrocodone right away. The customer then chose the \$49 option and gave the representative his credit card information. After the transaction was complete, the representative reviewed the information that the customer submitted online and said that he would receive e-mails from her and from the Web site containing paperwork and information on how to pay for the medication.

The customer then asked if he needed to set up an appointment for a consultation with the physician, and the representative replied that she had already completed the consultation. Later that day, the customer received the paperwork and an e-mail link for a payment site. He went to the site and used his credit card to pay a total of \$190 for his initial 30-day supply of hydrocodone.

Subsequent Investigation

Subsequent to receipt of the hydrocodone, a GAO investigator, posing as a relative of the customer, contacted the pharmacy listed on the return address of the package in which it was delivered. The pharmacist confirmed that he had sent the drug and explained that he has a business

relationship with the Web site on which we ordered it, and with a physician who sent a prescription for it to the pharmacist.

The investigator then telephoned the physician who confirmed that he prescribed the hydrocodone. The physician claimed that he never writes prescriptions for new medications for patients and that he always confirms that the patient has been on the medication in the past. The investigator asked whether the doctor had actually spoken with his relative, and the physician responded that one of his associates had in fact spoken to him. He said that he has a staff of several people who make such telephone calls to confirm that the customer has been on the medication in the past. He repeatedly asserted that the staff calls and speaks with the customer's physician who previously prescribed the medication. However, he confirmed that the telephone number his staff had called with respect to our purchase was simply the telephone number of the customer himself, not that of a physician.

The physician indicated to our investigator that he was handling his Internet drug business from a clinic he operates. When asked the name of the clinic, he indicated that it is part of a health care network and gave a name that does not correspond to the name of any existing health care network we could find or to any actual medical practice with which the physician is in fact affiliated. He said to our investigator, "90 percent of our business is for hydrocodone." He acknowledged that he currently provides prescriptions for five different Internet drug sites and disclosed that he previously wrote prescriptions for two Web sites that have been shut down.

When asked about the possibility of children buying narcotics through him, the physician claimed that the need for a credit card is the "safeguard" to prevent that from happening and that "a kid shouldn't have a credit card." However, he admitted that "parents call [him] all the time saying that their children have gotten hold of their credit cards." While he stated that the system can be used by customers to purchase drugs for illicit purposes, he repeatedly stressed that his online pharmacy business offers "a service for patients who don't have insurance, who can't afford to go and see a doctor."

However, this assertion is patently false. To the contrary, the customer paid a total of \$190.00, and an additional \$49.00 "consultation" fee, for 60 tablets of hydrocodone that can be purchased for an average price of about \$26.00 at local retail pharmacies at which we inquired. Thus, we paid nearly ten times the ordinary retail price of the drug because we did not

have a prescription. The Drug Enforcement Administration provided us with information that the “street price” or illegal sales price of the hydrocodone we bought online is about \$5 to \$6 per pill. Thus, we paid slightly less than the street price for the drug from this source. The prices we paid for hydrocodone at the other seven Web sites from which we ordered it were also significantly higher than the retail price at local pharmacies. Overall, we paid the eight online pharmacies prices that were 3 to 16 times the price charged for hydrocodone at local pharmacies.

During our visit to the site where the physician purports to operate a clinic, we saw no evidence of a health clinic. The site is a one-room storefront set up with several computers and telephones. The only individuals we saw going to or leaving the storefront appeared to be employees, and there was no sign on the premises indicating that the business was health related. When one of the employees was asked what kind of business is operated at the location, she responded that they do “computer consultations.”

Concluding Observations

Our investigation revealed that customers can purchase hydrocodone, a potentially dangerous and addictive controlled substance, from certain domestic Internet sites that do not require prescriptions. These Web sites appear to purposely cater to hydrocodone customers who are willing to pay a substantial markup for the painkillers because they do not have prescriptions. As a result, these sites appear to be in the business of profiting from illicit drug use rather than providing a safe, inexpensive alternative source of drugs for customers.

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Jeff Nelligan, Managing Director, NelliganJ@gao.gov (202) 512-4800
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