

### Federal Perspective

The Federal Trade Commission (FTC) is waging the battle against online health fraud with three important weapons: *law enforcement, business guidance, and consumer education.*

**\*Law enforcement:** The longstanding liaison agreement between the FTC and the FDA limits the FTC's role in challenging deceptive claims for prescription drugs. However, the 1994 passage of the Dietary Supplement Health & Education Act and the rise of the Internet as a source of health-related products have put online health fraud at the center of the FTC's radar screen. In recent years, the agency has brought more than 100 law enforcement actions against the marketers of questionable cures for arthritis, cancer, HIV/AIDS, obesity, diabetes, and other serious conditions. One recent settlement with the marketer of a purported human growth hormone product resulted in consumer refunds of up to \$20 million, the largest ever for the FTC in a health-related case. Given the global nature of Internet commerce, the FTC has stepped up cooperative efforts with international law enforcement counterparts. For example, a 2003 Trilateral Cooperation Charter agreement between the United States, Mexico, and Canada has resulted in more than 750 actions against companies making questionable weight loss claims.

**\*Business guidance:** An important tool for preventing the dissemination of bogus ad claims online is common-sense guidance to small businesses. During periodic "surf days," FTC staff and their counterparts from federal, state, and local agencies search the Internet for websites making what appear to be patently misleading health claims for products and services. The agency then sends the company an e-mail advising them of potentially deceptive representations on their site and warning them

that the FTC will anonymously return to the site to ensure that the questionable claims have been taken down. Staff includes links to the FTC's business compliance materials, including Dietary Supplements: An Advertising Guide for Industry, a plain-language primer available at [ftc.gov](http://ftc.gov).

**\*Consumer education:** The FTC regularly works with state and local agencies, and medical groups to educate consumers about the dangers of online health fraud. It also publishes dozens of brochures to help consumers separate fact from fiction on the Internet. The FTC has popularized another consumer education tool – the "teaser" site. For example, consumers looking for weight loss products online may happen upon a webpage advertising "FatFoe," a supplement containing "eggplant extract" that promises consumers can shed up to two pounds a day. However, when consumers click for more information, they're taken to a page that explains, "FatFoe is not a real weight loss product. The ad to which you responded is a fake, posted by the Federal Trade Commission and the Competition Bureau of Canada to warn consumers about diet rip-offs." The FatFoe site, [www.wemarket4u.met/fatfoe](http://www.wemarket4u.met/fatfoe), is available in English, Spanish, and French and received more than 100,000 hits in its first year.

### Purchases

The responsibilities of the Clearinghouse include purchasing medications from suspected "rogue" websites and pursuing complaints against associated physicians and pharmacists. Clearinghouse staff placed three orders and received two orders for medication in the first quarter of 2006. Overall, staff has placed 54 orders, with 49 being approved.

www.drugs-pharmacy.com

An order for Cialis was placed and received in February 2006. The pharmacy is located in Maine, the website based in Georgia, and the prescribing physician has been licensed in California, Nevada, and Pennsylvania.

www.maepharmacy.com

An order for Tamiflu was placed and received in March 2006. The pharmacy is located in Colorado, the website based in Costa Rica, and the prescribing physician licensed in New Jersey.

## News of Interest

- Daniel Adkins, a lawyer who was general counsel for Xpress Pharmacy Direct, an Internet pharmacy shut down in May 2005, was indicted in January 2006 on charges he helped deceive legitimate pharmacies into supplying narcotics to Xpress Pharmacy Direct. Those narcotics were then sold over the Internet. Adkins was charged with conspiracy to distribute and dispense controlled substances, wire fraud, unlawful distribution and dispensing of controlled substances and misbranding drugs.
- The Idaho Legislature enacted HB 611 on March 22, 2006. This bill addresses Internet prescribing and states that “treatment, including issuing a prescription or drug order, based solely on an online questionnaire or consultation outside of an ongoing clinical relationship does not constitute a legitimate medical purpose.”
- An Associated Press story on February 22, 2006, stated that the Canadian International Pharmacy Association believes cross-border sales of prescription drugs from Canada have fallen by as much as 30 percent since about 42 million seniors and disabled people became eligible for Medicare drug coverage January 1. The group further states that U.S. authorities have stepped up enforcement of laws against importing foreign medicines.
- The parents of John McKay, a 19-year old college student who committed suicide while taking

generic Prozac obtained online, have filed one of the first lawsuits of its kind against the Internet website’s operators (USAnetRX.com), prescribing physician (Christian Hageseth III), and the pharmacy (Gruich Pharmacy Shoppe) that mailed the pills. According to *The Mercury News* on March 14, 2006, the suit was filed in federal court in San Francisco in February 2006.

- Dr. Naseer Ahmed Warraich had his medical license suspended by the Manitoba College of Physicians February 23, 2006, for two months, and was fined for countersigning prescriptions for U.S. patients that were filled by Canadian pharmacies. He is the 10th Manitoba doctor disciplined by the College for countersigning prescriptions in this manner.

## Disciplinary Actions

The following is a partial list of recent disciplinary actions taken against physicians who prescribed medicine via the Internet.

- Maine Board of Licensure in Medicine—Virginia Biddle, M.D., license suspended on Dec. 13, 2005.
- Ohio Medical Board—Ruth Ann Holzhauser, M.D., license revoked in February 2006.
- New York State Board for Professional Medical Conduct—Sanjay Sood, M.D., placed on probation in October 2005.
- North Carolina Medical Board—Ranvir Ahlawat, M.D., surrendered medical license on March 2, 2006.

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