

MEDIA RELEASE

TRACIT issues warning on fake, falsified and substandard healthcare products and medicines

Online fraudsters exploit COVID-19 fears

New York, 2 April 2020 – The Transnational Alliance to Combat Illicit Trade (TRACIT) issued a statement today, warning consumers about the risks and growing availability of fake, falsified and substandard medical and healthcare products and medicines. The organization, known for mitigating illicit trade across industry sectors worldwide, reports a surge in ineffective, fraudulent products that undermine public health and efforts to stem the COVID-19 pandemic.

"Emergency response measures to protect people from the COVID-19 virus must include the urgent need to protect them from fake, falsified and substandard medical products and medicines," said TRACIT Director-General Jeffrey Hardy. "Someone wearing a falsified or substandard surgical face mask is not only at risk of exposure, but it creates a false sense of security that can actually accelerate the spread to others."

Worldwide reports indicate a surge in the availability and type of fraudulent medical products intended to exploit the fears of consumers, which includes illicit offerings of falsified versions of treatments such as Hydroxychloroquine and Azithromycin that will harm or kill already vulnerable patients. Joint operations by the World Customs Organization, Europol and Interpol have resulted in a significant increase in seizures of counterfeit and unauthorized face masks and hand sanitizers.

"Expectations are that the availability of fakes and fraudulent products on the Internet will increase dramatically, especially with the closure of retail stores and the imposition of population distancing strategies," said Mr. Hardy. "People must be especially careful with their social media, where outright fraud and advertising of fakes is already a major problem."

In its statement, TRACIT's product warning list includes fake, falsified and substandard medical products such as surgical masks, hydro-alcoholic gels, testing kits and thermometers. Also listed for increased vigilance are high demand healthcare and consumer products prone to counterfeiting, including cleaning solutions, toilet paper, anti-bacterial wipes, indoor sports equipment, refrigeration appliances, food products and reading materials.

TRACIT called for immediate action by governments, law enforcement, Internet platforms and brand owners:

- Governments to prioritize the response to fraud among COVID-19 emergency measures, allocate resources to blocking distribution of fakes, warn consumers about the risks of fake and fraudulent products, especially online sales, and impose immediate sanctions on the manufacture and sale of fraudulent COVID-19 related products.
- Law enforcement to clamp down on violators, increase vigilance for stolen, tampered and expired medical products and medicines, and establish a coordinated national strategy to share intelligence, best practices and cooperate on cross-border investigations.
- Internet eCommerce platforms to amplify policing and takedown of online sales of counterfeit and fraudulent COVID-19 related products.
- Brand owners to increase security of supply chains for genuine COVID-19 related medical products and medicines, share data with law enforcement where supply chains have been compromised and raise awareness about online shopping fraud.

In the longer run, TRACIT expressed concern that the COVID-19 Pandemic underscores the urgent need for a strong international policy framework to combat the illicit trade of fake, falsified and substandard medical products and medicines.

"Once we get past this crisis, we'll need to double our efforts to prevent counterfeiting and falsification of medical products and medicines," said Mr. Hardy. "This must start with stronger provisions for preventing the availability of illicit products online and stronger measures to keep illicit pharmaceuticals out of the physical supply chain, including postal and express carrier infrastructures."

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Collaboration

This effort was produced in collaboration with Elipe Global a leader in strategic government relations, corporate affairs and communications services (https://www.elipe-global.com/index.html) and the UK Anti-Counterfeiting Group (https://www.a-cg.org/).

For more information

The TRACIT statement on COVID-19 Product Fraud along with other resources can be found here: https://www.tracit.org/covid-19.html

About TRACIT

The Transnational Alliance to Combat Illicit Trade (<u>TRACIT</u>) is an independent, private sector initiative to mitigate the economic and social damages of illicit trade by strengthening government enforcement mechanisms and mobilizing businesses across industry sectors most impacted by illicit trade.

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