Thief of HAARTs

Big pharma take the high road after black-market blowback of freebie meds

February 1, 2003 By Esther Kaplan and Walter Armstrong

The drug industry has long denied activist charges that high drug prices are killing the developing world's 40 million HIVers. The true culprit, according to industry lobby Pharmaceutical Research and Manufacturers of America (PhRMA), is "inadequate infrastructure, cultural barriers to care and mismanaged health-care systems." In fact, it took a global treatment-access movement to spur the industry's drug donation and discount initiatives of the past two years. So when scandals erupted last fall over these charity meds ending up in the hands of private profiteers, it was a PhRMA PR bonanza waiting to be reaped.

First, last October, the Ugandan government discovered that 290,000 tablets of fluconazole (Diflucan), donated by Pfizer for AIDS-related thrush and cryptococcal meningitis, had been stolen and sold at retail; 10 pharmacies were busted in stings and shut down. Then investigators from the Netherlands, Germany and France uncovered traffickers in Combivir, 3TC and Trizivir, antiretrovirals that GlaxoSmithKline (GSK) had sold at a 90 percent discount across Africa. Crooks had smuggled some $16 mil in pills back into Europe for market-rate resale. Most shipments were turned around by "wholesalers" at some of the West African airports. Some batches may never have left Europe.

The head of a major ASO in Senegal implicated in the Trizivir fraud was fired; he claimed to have sold off the Glaxo drugs in order to buy other, more urgently needed meds for his clients. At presstime, one German and one French middleman had been arrested. "There is a whole chain of individuals and businesses involved," a Dutch health inspector said. Partly in response to this incident, the European Union approved new regulations for drug-donation programs, including tighter customs inspection.

But how could theft happen on such a scale? While Pfizer, whose gift drugs were resold only inside Uganda, had distinct pills (a tablet for donated drug, a capsule for retail sale in the US and Europe) that likely prevented the theft from going transnational, the GSK discount meds carried no special ID.

Doctors Without Borders' Raffaella Ravinetto said, "The lesson is that distinct packaging should be instituted without further delays. There is no way to reimport drugs that are differently marked."

Conjuring up conspiracies, Jamie Love, director of the Consumer Project on Technology, a pharma

watchdog, observed that the scandal rolled out “as if it were staged.” The news hit just before a November confab in Australia, where the World Trade Organization took up pricing and other make-or-break med issues for HIVers. The scandal, Love said, “provided the spin that may help impose unnecessary burdens on developing countries.” But treatment activists contacted by *POZ* pooh-poohed such speculations.

Pharma, for its part, refrained from “I told you so”s. Pfizer rep Lisa Herren-Foster told *POZ* that although “we’re incredibly disappointed that the drug we donated is being resold, Pfizer remains committed to expanding the program.” GSK spokesperson Alan Chandler took the high road usually claimed by activists. Before reaffirming the company’s commitment to its discount program, Chandler pointed out that in this case “the victims are the HIV patients in Africa.”

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