

Written Testimony by
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Submitted on behalf of the Partnership for Safe Medicines
To the North Dakota Senate Human Services Committee

On Senate Bills SB 2209 & SB 2212

Madame Chair and members of the committee, I submit this testimony to express my concerns and opposition to passage of SB 2209 & SB 2212, which aim to legalize the importation of prescription drugs from Canada. My opposition is based on my experience as a former Canadian law enforcement officer, combating organized crime groups operating in Canada and along the border with the United States for over three decades. I was a Chief Superintendent in the Ontario Provincial Police and a Director of Intelligence and Enforcement for the Canada Border Services Agency.

While prescription drug importation proposals are well-intentioned to help lower drug prices for average Americans, they are likely to trigger significant, long-lasting and dangerous unintended consequences by greatly expanding the illicit trade in adulterated, substandard and counterfeit drugs.

The Government of Canada has repeatedly stated opposition to any importation proposals, since the United States is nine-times larger than Canada. Our government most recently enacted an interim order on export restrictions for prescription medicines to counter importation proposals and avoid worsening drug shortages.ⁱ

This lack of genuine supply for any importation program will open the door to foreign and domestic criminals willing to fill the unmet demand with adulterated, substandard or counterfeit drugs. This will include the transshipment of illicit prescription medicines through Canada to make them appear legitimate.

While Canada's pharmaceutical supply chain is very safe, it was built to ensure the safety of drugs entering and being consumed in Canada. Canadian law enforcement and Canadian border agents are resourced to secure the Canadian drug supply, not to protect the safety of prescription drugs for export or transshipment to the United States. The priority of Canadian law enforcement and border protection is to maintain the safety on inbound packages destined for domestic use.

Canadian Law Enforcement and Border Protection do not routinely inspect outgoing or transshipped packages and cargo, unless presented with actionable intelligence from other law enforcement units or third parties. Transshipments into the United States, including those through Canada already present an avenue for illegal, dangerous, and counterfeit drugs. Legalizing importation schemes from Canada is going to exacerbate this issue.

Criminals are already in the business of supplying fake medicines and have repeatedly shown a disregard for human life and public safety by operating fake Canadian pharmacies, transshipping counterfeit medicines and trafficking in illicit medical supplies. Operation Pangea, an annual global law enforcement operation designed to enforce against the online sale of counterfeit and illicit medicines highlights the extent of the issue. During Operation Pangea XIII (conducted March 2020), law enforcement seized over 4.4 million units of counterfeit, adulterated or substandard medicines, medical supplies and devices worth over USD\$14 million and took over 2,500 illegal websites offline.ⁱⁱ Seized fake medical products related to the COVID 19 pandemic, including unauthorized anti-viral medicines and fake PPE, provided a stark reminder that criminals will exploit every opportunity and every loophole, especially if driven by a lack of genuine supply.

In summary, since legitimate medicines will be unavailable from Canada in sufficient quantities for North Dakota's importation program, criminals will fill that void. Criminals driven by greed will offer medicines that they will claim are Canadian but are anything but. This is not some hypothetical future scenario but has already happened multiple times before.

CanadaDrugs.com, for example, was a Canadian online pharmacy operated by two Canadian licensed pharmacists. From 2009 – 2012, they sold \$78 million worth of unapproved, misbranded, and counterfeit drugs to the U.S. clinics and patients. These drug products included Avastin, a counterfeit cancer medication, which had zero active pharmaceutical ingredients.

And while U.S. prosecutors, the DOJ and the FDA pursued the criminals with the full range of federal tools available, none of the CanadaDrugs.com ring leaders went to jail. The DOJ had to settle on a penalty of \$34 million in fines and six-months of house arrest, in line with Canadian sentencing guidelines.ⁱⁱⁱ

It may seem appealing to try and address drug pricing with drug importation, but we need to worry about the unintended consequences of such policies for the United States, as well as Canada. I urge you to dismiss these bills in the interest of the public safety of both or our nations. Thank you for allowing me to raise my concerns.

Sincerely,

Don Bell

ⁱ "Health Canada issues new Interim Order to prevent bulk exportation of prescription drugs from Canada", accessed at <https://www.pharmainbrief.com/2020/11/health-canada-issues-new-interim-order-to-prevent-bulk-exportation-of-prescription-drugs-from-canada/>

ⁱⁱ <https://www.interpol.int/en/Crimes/Illicit-goods/Pharmaceutical-crime-operations>

ⁱⁱⁱ Volz, M. (2018, April 13). *Canadian pharmacy fined \$34 million for illegal imports*. <https://www.usnews.com/news/news/articles/2018-04-13/canadian-pharmacy-to-be-fined-millions-for-illegal-imports>.