



May 8, 2020

The Honorable Nancy Pelosi (CA-12)
Speaker of the House
United States House of Representatives
Washington, D.C. 20515

The Honorable Steny Hoyer (MD-05)
Majority Leader
United States House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy (CA-23)
Republican Leader
United States House of Representatives
Washington, D.C. 20515

Dear Speaker Pelosi, Majority Leader Hoyer and Republican Leader McCarthy:

On behalf of the Partnership for Safe Medicines (PSM), we are writing to thank you for your strong leadership and dedication in responding to the global COVID-19 pandemic, as well as ensuring the safety of the American public. As you begin crafting the fourth health and economic stimulus, PSM would like to propose several recommendations on additional essential actions that can be taken to further protect American consumers from counterfeit medications, frauds, scams and other dangerous products claiming to be related to the pandemic.

Comprised of more than 45 non-profit groups, PSM is a public health group committed to the safety of prescription drugs and protecting consumers against counterfeit, substandard or otherwise unsafe medicines. Our principles include the fight against counterfeit drugs, securing and protecting the pharmaceutical supply chain and the regulation of online sellers of medicines.

Counterfeit medicines and medical supplies are not a creation of the current pandemic crisis. Over the years, we have seen individuals trafficking a wide array of prescription medicines from counterfeit insulin, to lifestyle, cosmetic and counterfeit drugs to counterfeit medical supplies including counterfeit glucose tests, blood pressure cuff and substandard syringes. Counterfeit medicines are a billion dollar industry and the COVID-19 pandemic has provided a new opportunity to take advantage of the unsuspecting American public.

With brick-and-mortar and online stores experiencing shortages of items such as hand sanitizer, paper products, medicines and medical supplies, Americans who cannot find important over-the-counter (OTC) and prescription medicines locally may seek them from new online sources, especially if they are facing hardships because of the pandemic. Scam artists are preying upon fearful people by selling fake COVID-19 protective equipment, treatments, fake test kits and "cures." The Food and Drug Administration (FDA) has warned that fake treatments may harm COVID-19 patients directly or cause critical delays in diagnosis and treatment.¹

As such, we are seeing an explosion of cybercrime related to COVID-19 scams and frauds. These criminal activities require domain names, which are being used to run illegal drug, phishing, spam and malware campaigns, and scam sites. During March 2020, at least 100,000 new domain names were registered containing terms like "covid," "corona" and "virus,"² plus more domains registered to sell items such as medical masks. Beyond this, other domains were used to spam out

¹ 1 FDA News Release, "Coronavirus Update: FDA and FTC Warn Seven Companies Selling Fraudulent Products that Claim to Treat or Prevent COVID-19," March 9, 2020, <https://bit.ly/2J6gH30>

² Don't Panic: COVID-19 Cyber Threats." Palo Alto Networks Unit 42 blog, 24 March 2020, at: <https://unit42.paloaltonetworks.com/covid19-cyber-threats/>

advertisements for COVID-themed scams. New domain names fitting these criteria are being registered at the rate of around 1,000 per day.³

Moreover, according to the FDA, registries and registrars often will not act against illegal and dangerous online prescription drug sellers without court orders even when: the domain names themselves explicitly imply illegal activity, the sites violate terms of use agreements and they are repeat offenders and/or are resistant to correcting violations cited in abuse complaints.

Sadly, the current influx of COVID-19 scams was entirely predictable. We, along with our allies, have long called for increased regulation and enforcement against similar illegal acts that result in public health harms. We and our allies have long warned of the illegal online sales of opioids and other prescription drugs on the open web, as well as the consumer financial frauds related to these illegal acts. These acts have provided the model for the COVID-19 frauds of today, as in recent weeks, the FDA and the Federal Trade Commission (FTC) have issued multiple joint warning letters to companies for offering products in clear violation of the Federal Food, Drug and Cosmetic Act.

We appreciate the efforts many internet commerce companies have taken to mitigate COVID-19 related consumer harms, including price gouging, the sale of counterfeit products, and related financial crimes.⁴ However, more needs to be done, as these frauds continue to persist and will proliferate as consumers' reliance on the Internet for goods and services increase as a consequence of social distancing and stay-at-home orders. Websites, social media and online marketplaces will remain constant sources of healthcare scams unless Congress takes concrete action to address structural issues that have enabled online frauds to thrive.

As such, we recommend Congress address one of the root causes of today's online fraud problem: the complete lack of domain name registrar accountability. Despite the multiple calls from the FDA and Drug Enforcement Administration (DEA),⁵ voluntary action has not stopped illegal online drug crime. We urge Congress to require – not ask – for registrars to do more against online scams. Following are two well-vetted policy solutions that would have an immediate and significant impact in reducing these dangerous scams:

- **Require transparency to stop internet fraud at scale.** As Rep. Bob Latta (R-OH) called for in a February 2020 House Resolution,⁶ Congress should require registrars to validate domain name registration information and make registration data accessible.⁷ The U.S. Department of Justice (DOJ), FTC, FDA, Department of Commerce, Europol, cybersecurity experts, public health leaders and others agree that access to domain registration information is the essential for “tracking down cybercrooks and/or for disrupting their operations.”⁸
- **Stop companies from profiting off of domains used for public health scams.** While leaders at DOJ, FTC, FDA and leaders in governments act to monitor and stop COVID-19 scams, Congress could strengthen these efforts by requiring U.S.-based domain name registrars to immediately lock and suspend any domain name used to facilitate coronavirus and other public health scams. Especially during a global pandemic, there is simply no reason that domain name registrars should be able to profit from the sale of

³ “Domain Name Registration Data at the Crossroads: The State of Data Protection, Compliance, and Contactability at ICANN.” Interisle Consulting Group, LLC, 31 March 2020, page 18, at: <http://bit.ly/DataCrossroads>

⁴ Google: <https://www.blog.google/inside-google/company-announcements/coronavirus-covid19-response/>; Facebook: <https://about.fb.com/news/2020/03/coronavirus/>; Twitter: https://blog.twitter.com/en_us/topics/company/2020/An-update-on-our-continuity-strategy-during-COVID-19.html; eBay: <https://community.ebay.com/t5/Announcements/COVID-19-Coronavirus-Important-reminder-about-our-listing/ba-p/30716958>; Amazon: <https://blog.aboutamazon.com/company-news/price-gouging-has-no-place-in-our-stores>

⁵ <https://www.fda.gov/drugs/news-events-human-drugs/online-opioid-summits>

⁶ https://latta.house.gov/uploadedfiles/latta_whois_house_resolution.pdf

⁷ <https://latta.house.gov/news/documentsingle.aspx?DocumentID=402281>

⁸ See <https://secureandtransparent.org/policy-and-advocacy/>

domains used for COVID-19-related frauds and phishing attacks.

Therefore, the Partnership for Safe Medicines respectfully requests for the inclusion of the two recommendations above within the proposed fourth stimulus bill. These provisions will greatly assist in the combating against online COVID-19 frauds and scams and will help to continue to protect the American public dangerous and deadly counterfeit medicines and medical supplies.

The COVID-19 pandemic makes your work against healthcare and financial fraud more important now than ever. Please consider PSM a resource and ally in this fight. Thank you in advance for your consideration.

Sincerely,

Shabbir Imber Safdar
Executive Director

cc: Members of the United States House of Representatives