

SJC Approves Leahy Bill To Increase Penalties For Counterfeit Drugs

WASHINGTON (Thursday, Dec. 8, 2011) – The Senate Judiciary Committee Thursday approved bipartisan legislation to increase penalties for trafficking counterfeit drugs.

“The sale of counterfeit medication is a multi-billion dollar criminal industry that threatens the health and safety of American consumers,” said Committee Chairman Patrick Leahy (D-Vt.). “Law enforcement is finding counterfeit versions of drugs that patients rely on to treat blood clots, cholesterol, prostate cancer, influenza, Alzheimer’s, and other serious conditions. We must do more to prevent and deter this conduct. Counterfeiting drugs cannot be just one more low-risk venture for international organized criminals to profit.”

The Counterfeit Drug Penalty Enhancement Act responds to recommendations made by the U.S. Intellectual Property Enforcement Coordinator and the administration’s Counterfeit Pharmaceutical Inter-agency Working Group. The legislation will increase penalties for the trafficking of counterfeit drugs to reflect the severity of the crime and the harm to the public. While it is currently illegal to introduce counterfeit drugs into interstate commerce, the penalties are no different than those for the trafficking of other products, such as electronics or clothing. The Counterfeit Drug Penalty Enhancement Act will target violators that knowingly manufacture, sell or traffic counterfeit medicines to the United States.

Leahy introduced the legislation with Judiciary Committee Ranking Member Chuck Grassley (R-Iowa) in November. The bill is cosponsored by Senators Michael Bennet (D-Colo.), Richard Blumenthal (D-Conn.), Sheldon Whitehouse (D-R.I.), Dianne Feinstein (D-Calif.), Jon Kyl (R-Ariz.), Christopher Coons (D-Del.), and Amy Klobuchar (D-Minn.). Companion legislation has been introduced in the House By Representatives Patrick Meehan (R-Pa.) and Linda Sánchez (D-Calif.).

It has been reported that counterfeit drugs result in 100,000 fatalities globally each year, and account for an estimated \$75 billion in annual revenue for criminal enterprises.

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**Statement Of Senator Patrick Leahy (D-Vt.),
Chairman, Senate Judiciary Committee,
Executive Business Meeting
S. 1886, The Counterfeit Drug Penalty Enhancement Act
December 8, 2011**

The sale of counterfeit medication is a multi-billion dollar criminal industry that threatens the health and safety of American consumers. I thank Senators Grassley, Bennet, and Blumenthal for working with me on drafting this bipartisan, bicameral legislation, as well as the other five Members of the Committee who have cosponsored it.

Our bill raises the maximum penalty for trafficking in counterfeit pharmaceuticals, and directs the Sentencing Commission to consider amending its guidelines in light of the need for an effective deterrent and the potential and actual harm to the public.

The Alliance for Safe Online Pharmacies wrote in support of this legislation that “criminals are drawn to counterfeit drugs because of the significantly higher profits in comparison to the very low risks and penalties.”

Law enforcement is finding counterfeit versions of drugs that patients rely on to treat blood clots, cholesterol, prostate cancer, influenza, Alzheimer’s, and other serious conditions. We must do more to prevent and deter this conduct. Counterfeiting drugs cannot be just one more low-risk venture for international organized criminals to profit.

The Senate is getting serious this year about tackling the economic drain, job loss, and health and safety risk posed by counterfeiting. I am pleased that Senator Whitehouse’s bipartisan bill to combat counterfeits entering the military supply chain was included as an amendment in the Defense Authorization bill, along with a provision from the PROTECT IP Act that will clarify the authority of Customs and Border Protection to share information about suspected counterfeits with rights-holders. I hope these two provisions will be retained in the final legislation.

The legislation I expect the Committee will report today will not end the problem of drug counterfeiting, but it is one important step in our fight.

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