

**Research Report - 7th Annual Session**

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# **Economic and Social Council**

**Combating multinational drug trafficking  
linked to pharmaceutical companies**



**Forum:** ECOSOC

**Issue:** Combating multinational drug trafficking linked to pharmaceutical companies

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## Introduction

Drug trafficking is defined to be the global illegal trade of drugs, which can involve the cultivation and manufacturing processes, the distribution of goods, and sales of substances. Typically the idea of drug trafficking is associated with criminal networks and the distributions of illegal narcotics. However, in a contemporary age new issues have been brought up, particularly the involvement of legitimate pharmaceutical companies within this industry. Patients all across the world entrust their health and stability to these multinational corporations, however, may be putting their own lives at risk potentially by misleadingly consuming unregulated fake medical products, products which have been altered, badly stored, or even have expired.

In a modern world, this issue is of major concern. A larger demand for medicines, coupled with the COVID-19 pandemic, along with widespread internet usage has made the advertisement and distribution of unlawful medical products much simpler, and proves to be a growing and dangerous problem to tackle. The issue can pose a larger risk in developing nations, where lack of capacity for enforcement makes these nations in particular vulnerable to the illegal pharmaceutical trading industry.

## Definition of Key Terms

### Controlled Substances

A drug or substance that has tight government control due to its potential for abuse / addiction.

### Corporate accountability

The responsibility of companies to act in an ethical and legal manner particularly in relation to public welfare.

## **Drug Diversion**

The channeling of regulated pharmaceuticals from their respective legal sources to illegal marketplaces.

## **Drug Enforcement Agency (DEA)**

US based Law enforcement agency, working against drug trafficking.

## **Good Manufacturing Practices (GMP)**

The minimum set of standards that medicine manufacturers must meet within their production cycles to ensure consistency and quality.

## **International Narcotics Control Board (INCB)**

United Nations (UN) body tasked with watching the implementation of international drug control treaties, along with ensuring the appropriate availability for drugs with medical purposes.

## **Multinational Drug Trafficking**

Unlawful trade and distribution of drugs and medicines across borders internationally.

## **Opioid Crisis**

Large spread issue in the public health sector as a result of the increase in utilisation of prescribed and non-prescribed opioid drugs.

## **Opioid drugs**

A drug class of natural, semi-synthetic, and synthetic drugs which work on opioid receptors in the brain to produce morphine-like effects such as pain relief in consumers.

## **Over prescription**

The prescription of drugs in excess / too often than necessary.

## **Pharmaceutical companies**

Licensed corporations participating and investing in the research, development, and marketing of drugs and medicines used for the treatments of diseases and illness.

## **Public Health Security**

Protection towards populations when at risk of health threats, in the context from the misuse or illicit distributions of drugs.

## **Regulatory Framework**

The set of legal rules and regulations used to ensure compliance with given standards in order to govern the production and distribution of pharmaceutical products.

## **Supply Chain Integrity**

Reliability and security associated with the systems involved with the production, manufacturing, transportation and distribution of pharmaceuticals.

## **General Overview**

The words ‘Drug Trafficking’ are typically associated with the illicit transportation and distribution of substances like cocaine, methamphetamine, and heroin sent out by organised crime groups. However in an ever changing world, this definition must be broadened, especially with the new arrival of legal pharmaceutical products such as opioids and other controlled drugs becoming key players in the issue of global drug trafficking.

In the late 20th century, pharmaceutical companies started vehemently advertising opioid painkillers, chiefly in the United States of America (USA). This led to skyrocketing numbers of sales of the product, where in the USA alone between the years of 1999 to 2010, the sales of Opioids quadrupled in number. Due to misleading claims about the drug’s safety, the drug had been over prescribed to consumers ultimately leading to many overdosing along with creating a black market for distributing such drugs. Crises such as the OxyContin and Purdue Pharma abuses highlighted the shift of our world, and led to the blurring of lines when understanding legal pharmaceutical trades and its illicit counterpart.

Though the crisis is international, like many other issues certain regions fall more susceptible to the issue compared to others. In regards to the opioid crisis, the USA and Canada fall the largest victims. Both nations have high rates in regards to overdose and addiction related deaths / casualties. The problem however is not solely North American, with countries in Europe like the UK and Germany also raising complaints and concern towards prescription drug abuses. Developing nations typically face challenges such as weak pharmaceutical regulations, porous borders, and corruption, leading to difficulties in managing the problem of smuggling and reselling of fake and diverted legitimate drugs. With the production processes of these medicines taking place in industrialised companies like India and China, drugs can be easily counterfeited or diverted and subsequently distributed globally.

In a modern world illicit pharmaceutical trafficking is supported through organised crime organisations and faults in the production chains of lawful pharmaceutical companies. Black market sources also support the unregulated international sales of prescription medicines, which raises substantial criticism to many companies for failing to keep track of mistrustful orders of drugs or potential misuse of the drugs.

The impacts of this issue are vast and current. Public health systems face the burden of rising addiction rates, where overdose, chronic diseases, and death associated with substance abuse is the norm. When looking at the matter from an economic viewpoint, governments face billions in bills towards law enforcement, rehabilitation services, and healthcare towards individuals affected by this issue. Along with this, mistrust in pharmaceutical companies grows especially with larger awareness of legal medicine contributing to illegal trade networks. Sustainable Development Goal 3 (SDG3) can also be undermined where in developing nations counterfeit or drugs that are misused can be a large contributor in rising mortality rates along with treatment failures.

## **Major Parties Involved**

### **United States of America (USA)**

The USA is a key player in the crisis, especially with its heavy involvement in the opioid crisis, which brought significant attention to the crisis itself. Many US based companies such as Purdue Pharma contribute significantly to the addiction crisis by aggressively marketing the drug while insufficiently regulating its distribution. Organisations within the nation such as the DEA also play vital roles when it comes to the management and control of drug distribution.

### **India**

India as a large industrialised country is one of the largest producers of general pharmaceutical medicines, and as such plays a significant role in the international drug supply chain. It also struggles when addressing the diversion of lawful drugs into illicit marketplaces, along with the issue of counterfeit substance productions. Due to high corruption rates along with misregulation, control in this nation of drug trafficking is made difficult.

### **China**

Along with India, China is also a heavily industrialised region, partaking in the industry by being a large exporter of pharmaceutical ingredients (API's). These ingredients are used both in the

supply chains of both legal and illegal drugs. China has also held involvement in the global production and distribution of synthetic opioids such as fentanyl, opioids and their counterparts. To attempt to address the matter China has in recent times taken steps towards attaining tighter control over the regulation and banning of certain chemical substances.

## European Union (EU)

The EU plays a large role in the consumption, production, and regulation of the international drug market. Certain EU countries have called attention towards the noticeable increase in authorised drug misuse and trafficking. Through initiatives such as the Falsified Medicines Directive along with the cross-border cooperation amongst law enforcement agencies have contributed towards fighting against counterfeit medicines circulating the drug market.

## United Nations Office on Drugs and Crime (UNODC)

This is a UN body targeted towards combating drug trafficking and associated criminal activity. It tackles the issue by offering guidance towards policy, promoting data sharing amongst countries, and supporting law enforcement training.

## Timeline of Key Events

Date	Description of Event
2023	<b>More stringent international policy</b>   Organisations such as the UNODC and INCB call for more stringent cooperation when it comes to pharmaceutical control.
2021	<b>Global settlements</b>   U.S based pharmaceutical companies agree towards multi-billion USD settlements resolving lawsuits regarding the mismarketing of opioids. Large producers like China and India announce more stringent controls on exports and precursor chemicals.
2020	<b>COVID-19</b>   With the COVID-19 pandemic supply chains are disrupted, border enforcement is reduced and overall control over the drug trade is lessened and made more challenging.

<b>2019</b>	<b>Johnson &amp; Johnson and more sued</b>   Case against Johnson & Johnson won for their role in opioid crisis, leading to further legal action to be taken against other pharmaceutical corporations.
<b>2018</b>	<b>China and India international scrutiny</b>   India and China addressed their place in exporting drugs ending up in illegal markets. Further investigation reveals how loopholes in regulation and oversight lead to trafficking of drugs.
<b>2015 - 2017</b>	<b>Intensifying of Fentanyl Crisis</b>   Synthetic opioids flood North American and European markets, leading to peaks of overdose related deaths and casualties.
<b>2010</b>	<b>Emergence of online drug trade</b>   Illegal marketplaces emerge, selling drugs like fentanyl, allowing for international drug trafficking.
<b>2007</b>	<b>Pharmacy company 'Purdue Pharma' pleads guilty</b>   Company pleads guilty for misadvertising and misbranding OxyContin.
<b>Early 2000's</b>	<b>Concerns over prescription drug abuse</b>   Public health communities have increased cases of opioid dependency and death. Evidence comes up regarding prescription drugs in the black markets.
<b>Late 1990's</b>	<b>Prescribed opioids rise in USA</b>   Opioid companies begin aggressively marketing opioids to consumers as a low risk of addiction.

## Previous Attempts to Resolve the Issue

### United Nations (UN) Actions

**UNODC 2009 Political declaration and plan of action on international cooperation towards an integrated and balanced strategy to counter the world drug problem :** Pleading for member states to make more stringent control over precursors and improve policy regarding pharmaceutical products, to further prevent the diversion of substances into illicit marketplaces.

**Commission on Narcotic Drugs (CND), Resolution 55/8 2012** | More international collaboration towards fighting against drug trafficking, more specifically emphasising the need for monitoring in the supply chain.

**CND Resolution 58/10 2015** | Use of electronic systems for monitoring / controlling trade to prevent the diversion of pharmaceutical drugs.

**International Narcotics Control Board (INCB) Annual report** | Brings up the issue of misuse in the pharmaceutical industry and emphasising the need for tighter controls on opioids.

### US Government actions

**Controlled Substances Act (CSA) Introduced** | Federal policy to regulate the manufacturing, import and export, distribution, and usage of regulated substances.

- Major lawsuits against major drug companies, gaining multi-billion-dollar settlements + resulted in more stringent compliance regulations for these companies.

### China Government actions

- More supervision for electronic pharmaceutical export controls and sales.
- Laws passed to sort fentanyl and counterparts as controlled substances in 2019.

### India Government actions

**Drugs and Cosmetics Act** | Act tightening the control of import, manufacturing, and distribution of drugs within India.

- More cooperation with international organisations to manage and track pharmaceutical exports and illegal manufacturing units.

### European union actions

**Falsified Medicines Directive** | Combats falsified drugs, and includes the means of tracking and verifying pharmaceutical products.

### Possible Solutions

- Creation of a UN led Pharmaceutical Monitoring organisation / body
- Global import and export tracking and verification for drugs systems.



- National regulation strengthening for pharmaceutical sales and distribution.
- Corporate accountability measures implemented.
- Intelligence sharing amongst member nations and cooperation amongst international law enforcement agencies.
- Financial and technical assistance to developing nations to provide support.
- Develop alternatives to opioids and drugs for pain management in healthcare systems.

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