



U.S. Department of Justice  
Office of Justice Programs  
Bureau of Justice Assistance



PROGRAM BRIEF

Pharmaceutical Diversion  
Program

PREPARED IN COOPERATION WITH  
STATE ATTORNEYS GENERAL THE  
STATE ATTORNEY GENERAL  
ENFORCEMENT COORDINANCE ACT

118769

**PROGRAM BRIEF**

Information Guide for Law Enforcement, Regulatory Agencies and professional Licensing Boards Administrators and Planners

**PHARMACEUTICAL DIVERSION PROGRAM**

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**ACQUISITIONS**

## I. INTRODUCTION

The diversion of pharmaceuticals into the illicit market and resultant abuse of these controlled substances remains a major drug abuse and drug law enforcement problem, accounting for 54 percent of the Drug Abuse Warning Network (DAWN) mentions in 1985. These diverted drugs become available to the drug abuser as a result of illegal activity by registrants, prescription fraud and abuse, indiscriminate prescribing, and theft.

The retail level is the principal source from which drugs are "diverted" from legitimate medical uses to drug abusers. Studies have documented the extent to which licensed professionals and establishments such as doctors, hospitals, and pharmacies have been criminally involved in diversion or have been manipulated by drug abusers to provide pharmaceuticals.

In numerous states, criminal syndicates have financed the establishment of "clinics" for the purpose of distributing prescription drugs or issuing prescriptions for such drugs under the cover of a legitimate medical practice. The physicians employed by such syndicates are instructed to conduct examinations and compile records to create the appearance of a bona fide medical practice. These clinics are difficult to investigate by either Federal or state authorities. Often, "patients" will be directed to a pharmacy that is controlled by the operators of the scheme. Typically, between one and five million dosage units of drugs can be diverted through such an operation.

Another major method of diversion are rings that forge prescriptions and systematically have them filled in a way to avoid easy detection. Physicians who prescribe excessively or carelessly because of their own problems (e.g., alcoholism, drug abuse, mental illness, senility) or because of adequate knowledge concerning the effects of the drugs or ignorance of the law are also a major source of diversion.

Despite admirable efforts, investigation of diversion by persons licensed by states has been generally inadequate because of insufficient resources. State professional licensing boards are often poorly funded, lack sufficient numbers of well-trained investigators, lack access to law enforcement intelligence regarding the distribution of drugs, and lack sufficient data processing equipment to undertake the audits and analysis necessary to identify persons who are the sources of diversion. The intent of this resource package is to enable states to develop or to enhance an existing program of diversion control.

## II. GOALS AND OBJECTIVES

### PROGRAMS GOAL:

The goal of the Pharmaceutical Diversion Program is to strengthen the role of law enforcement, professional licensing boards and regulatory agencies in reducing diversion of legitimately produced controlled substances.

## **OBJECTIVES:**

- A. To establish a system or to enhance existing systems for collecting and analyzing data on the diversion of controlled substances.
- B. To conduct investigations of such diversions and provide for professional license discipline.
- C. To improve regulatory controls against diversion.
- D. To prevent and detect forged, altered, or illegal prescriptions and to identify practitioners who prescribe excessively.
- E. To train law enforcement, prosecutorial, and regulatory personnel to improve the control of diversion.

## **III. CRITICAL ELEMENTS**

### **A. COLLECTING AND ANALYZING DIVERSION DATA**

Critical to the success of this program is the establishment of a system of first-time or base-line data collection and analysis and expanding existing capabilities. It would require providing evidence of need based upon (state and/or local) law enforcement investigations. In creating or expanding a data-collection system, consideration should be given to information-sharing capability between regulatory and law enforcement agencies.

Examples of activities include: (a) integrating existing automated data systems in order to assist in targeting potential violators, e.g., Automation of Reports and Consolidation Orders Systems (ARCOS), to Medicaid Medicare Information System (MMIS), to multiple prescription information; (b) programs to supplement state problems identification, e.g., Mini-DAWN systems, State Police Crime Lab submissions; (c) establishment of an information clearinghouse to monitor violative practitioners; and (d) programs to collect data not currently available, e.g., prescriptions surveys or multiple prescriptions comparisons.

### **B. CONDUCTING INVESTIGATIONS AND PROVIDING FOR PROFESSIONAL LICENSE DISCIPLINE**

Activities would be required to provide either supplemental support to existing enforcement or prosecutorial workforces or to establish and/or implement mechanisms which would provide for professional license discipline.

Examples of activities include: (a) designating specific attorneys for specific professional boards; (b) employing hearing officers and administrative law judges to develop findings of fact and conclusions of law for board consideration when caseloads are high; (c) establishment of or increase in positions for investigating diversion cases and determining

compliance with laws/regulations; (d) support for diversion investigative assistance for local law enforcement agencies; and (e) support for special state diversion prosecutors and/or to assist prosecutorial staff in the prioritization of diversion cases.

**C. IMPROVING REGULATORY CONTROLS AGAINST DIVERSION**

Activities would focus primarily on the codification of rules and regulations governing the distribution of controlled substances. Additionally, existing laws and administrative procedures pertaining to professional licensing and license revocation would be examined for effectiveness. Also, effectiveness controls applied to specific diversion in other jurisdictions would be examined for applicability, such as "doctor shopping" laws, felony possession of blanks prescriptions, amphetamine restrictions, etc.

Examples of activities include: (a) review of state/Federal regulations to ensure uniformity in scheduling actions; (b) review of state laws regarding professional license revocation in light of the laws existing in other jurisdictions and review of a state's provisions for revocation or restriction of state licenses; and (c) support for establishing and/or participating in a national information exchange program to insure registrant competency prior to the issuance of a state registration.

**D. PREVENTION AND DETECTION OF FORGED, ALTERED OR ILLEGAL PRESCRIPTIONS**

Activities would focus on analysis of existing systems for separate controlled substance registrations and/or multiple prescription programs for implementation in states without such programs, providing to practitioners information and education on such programs and on providing ongoing support for such programs once they have been implemented so that they may continue under the aegis of the regulatory boards, such as data analysis, program evaluation, and report issuance.

Examples of activities include: (a) establishing or enhancing a system for separate controlled substance registrations; (b) establishing or enhancing a multiple prescriptions system; (c) establishing Pharmacy Alert Systems or prescription clearinghouse networks to provide timely information regarding stolen or altered prescriptions or persons attempting to pass them.

**E. TRAINING TO IMPROVE DIVERSION CONTROL**

Activities would include: (a) providing training on a multi-level basis in order to join the efforts of regulatory and peer review organizations with the criminal justice system; and (b)

providing training to individuals within the criminal justice system who may be referred cases that are beyond the parameters of regulatory boards.

Examples of activities include: (a) support for routine investigative training for investigative personnel on state licensing boards; (b) development of cooperative training programs for state and local police officers; and (c) the establishment of a comprehensive training program for state prosecutors which covers topics such as drug laws, prioritization of diversion cases, and the prosecution of medical practitioners.

#### **F. IMPROVING COMMUNICATION**

Activities would establish a regular exchange of information and rapport between officials and/or individuals responsible for diversion control at state and local level and to persons in the state licensed to handle controlled substances.

Examples of activities include: (a) conducting formal joint meetings of intra-state diversion and law enforcement officials to promote communication and cooperation; (b) establishing information exchange network between private industry and regulatory/enforcement personnel; and (c) providing information to registrants to assist in voluntary compliance efforts such as a drug trend or problems newsletter or computerized information systems.

#### **IV. IMPLEMENTATION**

It is anticipated that successful implementation of the Pharmaceutical Diversion program will incorporate the following:

- A. Development of an overall diversion control strategy which includes collecting and analyzing diversion data, conducting investigations and providing for professional license discipline, improving regulatory controls against diversions, prevention, and detection of forged, altered, or illegal prescriptions, training to improve diversion control, and improving communication between official and/or individuals responsible for diversion control at the state and local level and persons licensed to handle controlled substances.
- B. Selection of a management system which incorporates coordination between regulatory agencies, law enforcement, and professional licensing board.

#### **V. PROGRAM EXPERIENCE**

The concept of the Pharmaceutical Diversion Program evolved from both the realization that diversion of pharmaceuticals into illicit market and resultant abuse of these controlled substances remains a major drug abuse and law enforcement problem and that combatting this

serious problem can best be achieved through a coordinated effort, coupled with enhanced resources and intelligence capabilities, involving law enforcement, regulatory agencies, and professionals licensing boards at all levels of government.

Previous efforts to address diversion control include the DEA funded DIU Program adopted by numerous states and the DIPS Program in Michigan.

Results of these similar efforts have established the benefits of coordination, well planned diversion control programs. The Pharmaceutical Diversion Program is based on these favorable results and builds on their experiences toward the goal of implementing effective control program throughout the United States.

## **VI. SOURCES FOR INFORMATION AND ASSISTANCE**

### **A. Selected Bibliography**

General Accounting Office reports have regularly identified problems in the administration of the laws in the area of controlled substances:

"Efforts to Prevent Dangerous Drugs from Illicitly Reaching the Public" (B-175425, April 17, 1972).

"Improvements Needed in Regulating and Monitoring the Manufacturing and Distribution of Licit Narcotics" (GGD-75-102, August 28, 1976).

"Retail Diversion of Legal Drugs - A Major Problem With No Easy Solution" (GGD-78-22, March 10, 1978).

"Comprehensive Approach Needed to Help Control Prescription Drug Abuse" (GAO/GGD-83-2, October 29, 1982).

DEA Tucson Conference Report.

### **B. Sources for Technical Assistance**

Contact the Diversion Control Group Supervisor of the appropriate DEA staff listed in Attachment B.

### **C. Federal Program Contact**

Law Enforcement Branch  
Discretionary Program Division  
Bureau of Justice Assistance  
U.S. Department of Justice  
633 Indiana Avenue, N.W.  
Washington, D.C. 20531  
(202) 272-4605/724-5974

## VII. PERFORMANCE INDICATORS

During implementation of the program described in this Program Brief, participating agencies will be required to track and maintain certain program information in order to provide some indication of program performance. While basic in nature, this information will not only provide an indication of program progress and performance, but will also serve as a benchmark for continued program implementation and allow for comparison with similar program efforts in other jurisdictions. Attachment A provides a suggested reporting form listing several performance indicators which should be helpful in tracking program performance. Those listed are required at a minimum; other performance indicators are currently under development.



PERFORMANCE INDICATORS

Program Category: Pharmaceutical Diversion Prevention and Control

Project I.D. No: \_\_\_\_\_  
(limited to 10 characters)

Implementing Agency: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Report Dates: \_\_\_\_/\_\_\_\_/\_\_\_\_

Period Covered: \_\_\_\_/\_\_\_\_/\_\_\_\_ through \_\_\_\_/\_\_\_\_/\_\_\_\_

Performance Indicators: In order to gather basic information regarding project implementation, please provide responses to the following performance indicators:

- 1) Number of staff assigned to project:
- 2) Total amount of Federal/non-Federal expenditures:
- 3) Products of some critical element activities would be performance indicators in themselves, such as reports from a system of data collection and analysis, or from a multiple copy prescription system. Attach a copy of such a report or reports if produced.
- 4) Identify the number of leads developed this quarter as a result of data collection and analysis performed through the grant program, and results:

Number administrative actions: \_\_\_\_\_

Results:

Number of prosecutorial actions: \_\_\_\_\_

Results:

5) During this reporting period provide the number and identify of new or amended statutes or regulations developed, reviewed, implemented:

6) For this reporting period identify the total number of:

Forgeries detected: \_\_\_\_\_

Licensees/registrants involved: \_\_\_\_\_

Actions taken: \_\_\_\_\_

7) For this reporting period identify the number of:

Law Enforcement officials trained: \_\_\_\_\_

Training hours completed: \_\_\_\_\_

Regulatory personnel trained: \_\_\_\_\_

Training hours completed: \_\_\_\_\_

Prosecutorial staff trained: \_\_\_\_\_

Training hours completed: \_\_\_\_\_

ATTACHMENT B

Drug Enforcement Administration  
Diversion Control Staff Directory

Local Assistance

Arizona

Drug Enforcement Administration  
Diversion Control Group Supervisor  
One First Street  
Suite 201  
Phoenix, Arizona 85004  
(602) 261-4866

California, Nevada

Drug Enforcement Administration  
Diversion Control Group Supervisor  
350 S. Figueroa Street  
Suite 800  
Los Angeles, California 90071  
(213) 688-4016

Colorado, New Mexico, Utah, Wyoming

Drug Enforcement Administration  
Diversion Control Group Supervisor  
U.S. Custom House, Room 316  
P.O. Box 1860  
Denver, Colorado 80201  
(303) 844-3951

District of Columbia, Maryland, Virginia, West Virginia

Drug Enforcement Administration  
Diversion Control Group Supervisor  
400 Sixth Street, S.W., Room 2558  
Washington, D.C. 20024  
(202) 724-6060

Florida

Drug Enforcement Administration  
Diversion Control Group Supervisor  
700 Twiggs Street, Suite 400  
Tampa, Florida 33602  
(813) 228-2178

Georgia, North Carolina, South Carolina, Tennessee

Drug Enforcement Administration  
Diversion Control Group Supervisor  
75 Spring Street S.W., Room 740  
Atlanta, Georgia 30303  
(404) 331-7328

Illinois, Indiana, Minnesota, North Dakota, Wisconsin

Drug Enforcement Administration  
Diversion Control Group Supervisor  
Dirksen Federal Building, Suite 500  
219 South Dearborn Street  
Chicago, Illinois 60604  
(312) 353-7889

Louisiana, Alabama, Arkansas, Mississippi

Drug Enforcement Administration  
Diversion Control Group Supervisor  
1661 Canal Street, Suite 2200  
New Orleans, Louisiana 70112  
(504) 589-2171

Massachusetts, Connecticut, Maine, New Hampshire, Rhode Island, Vermont

Drug Enforcement Administration  
Diversion Control Group Supervisor  
JFK Federal Building, Room G-64  
Boston, Massachusetts 02203  
(617) 565-2813

Michigan, Kentucky, Ohio

Drug Enforcement Administration  
Diversion Control Group Supervisor  
231 West Lafayette, Room 357  
Detroit, Michigan 48226  
(313) 226-7290

Missouri, Iowa, Kansas, Nebraska, South Dakota

Drug Enforcement Administration  
Diversion Control Group Supervisor  
Suite 200, Chromalloy Plaza  
120 South Central Avenue  
St. Louis, Missouri 63105  
(319) 425-3264

New Jersey

Drug Enforcement Administration  
Diversion Control Group Supervisor  
Federal Office Building  
970 Broad Street  
Newark, New Jersey 07101  
(201) 645-5940

New York

Drug Enforcement Administration  
Diversion Control Group Supervisor  
555 West 57th Street  
New York, New York 10019  
(212) 399-5018

Pennsylvania, Delaware

Drug Enforcement Administration  
Diversion Control Group Supervisor  
William J. Green Federal Building  
600 Arch Street, Room 10224  
Philadelphia, Pennsylvania 19106  
(215) 597-9540

Texas, Oklahoma

Drug Enforcement Administration  
Diversion Control Group Supervisor  
1880 Regal Row  
Dallas, Texas 75235  
(214) 767-7250

Washington, Alaska, Idaho, Montana, Oregon

Drug Enforcement Administration  
Diversion Control Group Supervisor  
220 West Mercer Street, Suite 301  
Seattle, Washington 98119  
(206) 442-5443