Disappearing Drugs: Protect Yourself from Diversion

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How long does diversion take?

- It only takes a few seconds to make a decision that can change your life forever.
  - In the example shown, it took approximately 12 seconds from entering the frame to leaving it.
- Time frames may vary, but in most cases, it takes very little time for theft including robberies and burglaries to occur.
- Theft is a slippery slope. Many subjects indicate they only intended to do it one time.

Objectives:
1. Gain awareness of growing trend of prescription drug diversion.
2. Identify physical and policy security considerations.
3. Describe best practices in pharmacies to deter and detect diversion.
4. Understand methods to track loss.

Cause for concern

- Pharmaceuticals had the highest growth trend in drugs associated with property crimes. (NDTS, 2004-2008)
- It was second in drugs with the highest growth trend in violent crime behind crack cocaine. (NDTS, 2004-2008)
- While pharmaceuticals had the fastest growing trend from 2004 to 2008 less then 10 percent of law enforcement agencies report pharmaceuticals as their greatest drug threat. (NDTS, 2004-2008)
- Misconceptions of safety – sharing of controlled drugs/abuse of controlled drugs is not understood to have similar if not more severe health risks compared to illicit drugs such as Heroin, Cocaine, and Methamphetamine. This remains true despite highly publicized celebrity deaths in which misuse of prescription medication was a factor.
According to results from the 2010 National Survey on Drug Use and Health (NSDUH), an estimated 2.4 million Americans used prescription drugs non-medically for the first time within the past year, which averages to approximately 6,600 initiates per day. More than one-half were females and about a third were aged 12 to 17. Although prescription drug abuse affects many Americans, certain populations, such as youth, older adults, and women, may be at particular risk. (NIDA, October 2011)

41% of teens believe that prescription drugs are much safer to use than illicit drugs. (Partnership for a Drug Free America, Partnership Tracking Attitude Study, August 2008)

More than 1 in 4 parents believe that prescription and OTC drugs are much safer to abuse than street drugs. (Partnership for a Drug Free America, Partnership Tracking Attitude Study, August 2008, as reported in ONDCP Prescription for Danger report, Jan. 2008)

1 in 5 teens share their prescription drugs with friends. (Goldworthy & Mayhorn, 2009)

In 2008, for the first time, teens reported that it is easier to get prescription drugs than beer. (National Center on Addiction and Substance Abuse at Columbia University (CASA), National Survey of American Attitudes of Substance Abuse, 2008)

Arkansas has the worst teen prescription pain reliever abuse problem in the entire United States. (SAMHSA, 2007, as reported in ONDCP Teens and Prescription Drugs report, Feb. 2007)

Methods of Diversion
- Internal Theft
- Patients – Fraudulent activity/doctor shopping
- Doctors and Pharmacists as a source
- Loss during Transport
- Robbery/Burglary/other thefts (increasing at an alarming rate)
- Illegal Internet Pharmacies
- Pharmaceutical Companies

My co-workers would never steal from me...

Why divert drugs?
Reasons/Justifications for Diversion

- Pharmacists
  - Dependence/Abuse Issues
  - Self Medication
  - Provide assistance to others
  - "Didn’t think I would get caught."

- Rx Technicians
  - Monetary reasons
  - Peer pressure (boyfriend, girlfriend, husband, wife, etc.)
  - Education difference often results in risk taking
  - "Didn’t think I would get caught"

Prescription Drug Diversion

- Oxycontin has been known to be sold on the street for $1.00 per milligram. 100 count bottle of 80mg = $8,000.00.
- How much is it worth? As much as someone is willing to pay for it.
- Drugs may be the only stolen items which gain value.
  - Steal a TV and you have to sell it for less than it can be purchased for in store
  - Bank Robbery – Dollar for Dollar
  - Prescription Drugs – value increases after theft (value may depend on a variety of factors including availability, relationship and need)

Key Policy and Procedural Considerations

- Consistent Training/Education of Staff
- Robbery/Burglary Response
- Physical Security Expectations
- Dispensing practices
- Participation in Investigations
- Procedure for fraud/suspected fraud
- Crisis Management

Pharmacy Best Practices

- Develop a Loss Prevention/Diversion Investigator relationship and also a relationship with a legal expert.
- Maintain a Shrink Report & Conduct regular audits of High Risk Drugs.
- Perform a perpetual inventory.

- Research new employees. (Drug Testing, Background checks, Facebook, Pre-Employment Interview Process)
- Monitor current Rx staff for unusual behaviors or changes in lifestyle.
- Establish clear policies and procedures for ordering, receiving, storing and returning medications.

Physical Security Best Practices

- Security Survey
  - Identifies areas of concern and presents solutions for improvement on a wide variety of physical security considerations. This may include a crisis audit, it is better to try to prevent a crisis then clean up after one occurs.
- Safes/Lockboxes
Physical Security Best Practices

- Burglar Alarm Systems/Security Fog (SmokeCloak)
- CCTV System
  - Return on investment
  - Deterrent
  - Consider getting expert pharmacy investigation advice on installation and use. (the system by itself has limitations)
  - Backup in case technology fails

How much diversion do we have on video?

Tracking loss – The Shrink Report

- One of the most useful tools in tracking loss is a shrink report.
- This allows business owners to monitor receipts, sales, returns, inventory adjustments and overbuys to track potential theft trends. It also helps establish timelines, potential loss totals.
- Considerations for the report:
  - Tracking the same drug with multiple manufacturers.
  - Adjustments may be perfectly reasonable. Two examples would be damaged or otherwise unusable drugs.
  - Micromanaging can lead to erroneous counts.
  - Bad information goes in = Bad information comes out.

Sample Shrink Report

<table>
<thead>
<tr>
<th>Date</th>
<th>Drug Name</th>
<th>AOH</th>
<th>SOH</th>
<th>Purchases</th>
<th>Returns</th>
<th>Adjustments</th>
<th>Sales</th>
<th>Overbuy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 5</td>
<td>Alprazolam 2mg</td>
<td>10</td>
<td>80</td>
<td>200</td>
<td>0</td>
<td>-23</td>
<td>180</td>
<td>20</td>
</tr>
<tr>
<td>Week 4</td>
<td>Alprazolam 2mg</td>
<td>13</td>
<td>60</td>
<td>200</td>
<td>0</td>
<td>-21</td>
<td>190</td>
<td>10</td>
</tr>
<tr>
<td>Week 3</td>
<td>Alprazolam 2mg</td>
<td>24</td>
<td>50</td>
<td>200</td>
<td>0</td>
<td>-17</td>
<td>190</td>
<td>10</td>
</tr>
<tr>
<td>Week 2</td>
<td>Alprazolam 2mg</td>
<td>31</td>
<td>40</td>
<td>200</td>
<td>0</td>
<td>-9</td>
<td>160</td>
<td>40</td>
</tr>
<tr>
<td>Week 1</td>
<td>Alprazolam 2mg</td>
<td>0</td>
<td>0</td>
<td>200</td>
<td>0</td>
<td>0</td>
<td>200</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>Alprazolam 2mg</td>
<td>100</td>
<td>0</td>
<td>920</td>
<td>0</td>
<td>-70</td>
<td>920</td>
<td>80</td>
</tr>
</tbody>
</table>

Sample Shrink Report (Possible Overbuy Issue)

<table>
<thead>
<tr>
<th>Date</th>
<th>Drug Name</th>
<th>AOH</th>
<th>SOH</th>
<th>Purchases</th>
<th>Returns</th>
<th>Adjustments</th>
<th>Sales</th>
<th>Overbuy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 5</td>
<td>Hydrocodone 10/325</td>
<td>1000</td>
<td>1000</td>
<td>500</td>
<td>0</td>
<td>0</td>
<td>580</td>
<td>-80</td>
</tr>
<tr>
<td>Week 4</td>
<td>Hydrocodone 10/325</td>
<td>1080</td>
<td>1080</td>
<td>1000</td>
<td>0</td>
<td>0</td>
<td>520</td>
<td>480</td>
</tr>
<tr>
<td>Week 3</td>
<td>Hydrocodone 10/325</td>
<td>800</td>
<td>600</td>
<td>1000</td>
<td>0</td>
<td>0</td>
<td>520</td>
<td>480</td>
</tr>
<tr>
<td>Week 2</td>
<td>Hydrocodone 10/325</td>
<td>120</td>
<td>120</td>
<td>500</td>
<td>0</td>
<td>0</td>
<td>450</td>
<td>50</td>
</tr>
<tr>
<td>Week 1</td>
<td>Hydrocodone 10/325</td>
<td>70</td>
<td>70</td>
<td>500</td>
<td>0</td>
<td>0</td>
<td>430</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>Hydrocodone 10/325</td>
<td>3500</td>
<td>0</td>
<td>2550</td>
<td>0</td>
<td>0</td>
<td>2550</td>
<td>1000</td>
</tr>
</tbody>
</table>
This couldn’t happen to me…

Investigative Process

1. Recognize a problem exists
   - Inventory issues
   - Complaints
   - Anonymous tips

2. Preliminary Investigation
   - Initial gathering of information
   - Notification of potential loss to appropriate agencies and investigation ongoing

3. Isolate the loss
   - Items
   - Potential Suspects
   - Time Frames
   - Red flags

4. Gather evidence
   - Review/Install Covert Cameras
   - Reports, Invoices, witness statements

5. Extend investigation (comprehensive)
   - Look for other areas of loss, possible fraud

6. Interview/Interrogation
   - Interview
   - Interrogation
   - One benefit of a private/internal investigation – No Miranda Required

7. Contact Law Enforcement/Regulatory Bodies
   - Investigation wrapped up, case already prepared

8. Follow up after theft
   - Look for areas of improvement, opportunities to deter future theft

Benefits to a professional Loss Prevention relationship

- Provides better control of the investigative process.
- Helps protect from liability.
- Interview/Interrogation may lead to additional evidence not initially discovered.
- Helps deter future theft and ensures the problem isn’t passed along to another pharmacy.
- Helps maximize profitability and minimize potential for loss.
- Law Enforcement & Private Business often don’t have the same perspective in regards to what all aspects of the resolution should be.

Considerations of what Diversion may cost

- Imprisonment
- Loss of professional licensing
- Loss of DEA license
- Monetary Fines (from multiple sources)
- Civil liabilities
- Loss of dollars in inventory or damages
- Damage to reputation

Summary

- Prescription drug diversion is a growing safety concern for pharmacists, law enforcement and the general public.
- Prevention of diversion is a key step in ensuring protection of both private business interests and public safety.
- Utilizing proven Loss Prevention methods can help minimize the risk that you face in a diversion crisis.
- Shrink Plans, Security Surveys, CCTV and professional investigation/interviewing can assist in providing a satisfactory resolution in the event of a diversion crisis.
A Slippery Slope

Paladin Risk Control

Questions?

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