



## Inside the world of counterfeit drugs

Dateline's Chris Hansen investigates how fake prescription drugs have popped up at pharmacies— and how this can be stopped

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The Blount family of St. Louis, Missouri has already discovered that counterfeit medicine is a very real and growing threat.

**Ed Blount:** Maxine was a fighter, she always was a fighter. She never complained.

Ed and Maxine Blount were married for 29 years and raised six kids. But suddenly, after a visit to the doctor, the family got bad news.

**Blount:** The biopsy shows she's got breast cancer.**Chris Hansen, Dateline correspondent:** Breast cancer?**Blount:** Yes.

Maxine had surgery. But a year later, when the cancer returned and spread to other parts of her body, she began a grueling course of radiation and chemotherapy.

**Hansen:** No matter how much of a fighter you are, that treatment takes its toll. **Blount:** It takes away your strength. And it takes away your desire to live, more or less.

But doctors said there was a medicine that might help.

Maybe you've heard about it on TV: Procrit. It can't cure cancer, but it can give people the energy to help fight it.

**Hansen:** So how did Maxine respond to this Procrit?**Blount:** She responded real well because she knew she would have three or four real up days.**Tina Rawn, daughter:** She said, you know, how great it made her feel. She didn't just physically feel better. She mentally felt better, too.**Hansen:** So you could see the difference?**Rawn:** Definitely.

Maxine was getting the highest strength from a vial, injected once a week. It cost \$500 a dose— quite literally, worth its weight in gold.

**Blount:** It was worth it because it gave her life. It gave her something to live for.

The doctor would prescribe the Procrit, and the family would go to the pharmacy and pick up the drug. They would then take it to the cancer clinic, who would inject her with the medicine. It gave Maxine the strength to do things with her family, including her daughter's new baby, Sadie.

**Rawn:** She loved to see her.**Hansen:** The Procrit helped your mom have the energy to play with her granddaughter?**Rawn:** It did.

But suddenly, mysteriously, the Procrit seemed to stop working. Her family wondered, was the

cancer taking over?

Then a nurse at the cancer clinic made a shocking discovery: Their latest batch of Procrit was counterfeit. And there wasn't enough of the active ingredient to have an effect.

**Hansen:** The labels look legit. The box looks legit. It's got a lot number and expiration number.

**Blount:** To a common person, you go down the drugstore and pick that up, it could be full of water. You wouldn't know the difference. We had no idea that what we were getting and having administered wasn't the good stuff. How, how could we know?

What surprised us, and what may surprise you about this case, is that Maxine and her family followed the U.S. government warnings you've heard. They didn't import the medicine from Canada. They didn't order it over the Internet. They got the medicine the way most of us do— at a trusted local pharmacy.

**Hansen:** Prior to this, had you heard anything about such a thing as counterfeit prescription medicine?

**Rawn:** Never. I never ever would have dreamed that someone was counterfeiting it, just taking advantage of someone who's already terminally ill. I can't even conceive it.

So how did it happen? These records obtained by Dateline show that before Maxine's medicine arrived at her drug store, drugs from the same batch were bought and sold by a series of drug wholesalers and distributors in Texas, Arizona, Tennessee, Florida, and New York.

Along the way, someone slipped in the counterfeits.

And Maxine Blount wasn't the only victim. The bogus medicine ended up in well-known drug stores nationwide, including CVS.

Investigators discovered that a phony prescription drug ring run by a Jose Grillo of Miami, operated undetected for nearly a year— selling as many as 11,000 boxes of counterfeit Procrit to wholesalers nationwide, and pocketing an estimated \$28 million.

And what other medicines are counterfeiters targeting?

Even the top-selling prescription drug in America, Lipitor, had to be recalled when counterfeits from Central America were discovered in drug stores across the country, including Rite Aid.

Another phony prescription drug ring had operated for more than a year before someone even noticed the fakes. We rarely think to look for them.

**Aaron Graham, investigated counterfeit drugs for the government and pharmaceutical industry:**

If I'm sick to begin with, that's why I have the prescription. Now I get the counterfeit medicine. Now it's sub-potent. So I'm not getting better. The first thought the doctor has is not, "Oh, you must have a counterfeit drug." It's, "The drug's not strong enough, it's not the right drug, you have a different illness, so let's treat it differently."

And because bogus prescription drugs can be so difficult to detect, no one really knows how many Americans there are, like Maxine Blount, who suffered because her medicine was fake.

**Blount:** That Procrit was her only hope of being able to enjoy some prime time because without it, she had nothing. She got part of her life stolen away from her. **Hansen:** When you're dying of cancer, time is precious. **Blount:** Special. **Hansen:** And this was the medicine that was supposed to make those

moments tolerable for her. **Blount:** Right.

Within a few months, Maxine Blount was dead. And an entire family felt robbed.

When you hear a story like that, where the stakes are so high, you want to know more. Who's making the bogus medicines? How do they sneak them into the very heart of our medical system? And could we find some of the illegal counterfeiters?

The search for answers would start at a computer keyboard and take us halfway across the world.

Maxine Blount of Missouri was bravely battling cancer when her family discovered that one of her medicines was counterfeit.

**Tina Rawn, Maxine Blount's daughter:** She didn't do anything wrong. I mean, she got her prescription from her doctor and went and had it filled.

Now her family is speaking out, hoping to warn others.

**Rawn:** This is all part of it, I know she would want us to do this. And let people know what happened to her. And that can happen to them.

Dateline wanted to find out more about the counterfeit medicine business. Where are the bogus drugs coming from? And what are the loopholes that let them reach the shelves of neighborhood pharmacies?

So we went to a man who has investigated counterfeiting cases all over the world.

**Aaron Graham, investigated counterfeit drugs for the government and the pharmaceutical industry:** They seized these teddy bears that contained 40,000 dose units of counterfeit Viagra.

Aaron Graham shows us cases, right here in America, where counterfeit medicine has been smuggled in and eventually sold to neighborhood pharmacies.

**Graham:** He was selling them to wholesalers actually in the United States. **Chris Hansen, Dateline correspondent:** How much of this stuff got in neighborhood drug stores? **Graham:** It's my understanding that more than \$500,000 wholesale price of this particular drug went to pharmacies. **Hansen:** A half million dollars. **Graham:** That's right.

That adds up to more than 70,000 doses of medicine.

You might think medicines go straight from the factory to your pharmacy. But there's actually a complex network of wholesalers who buy and sell surplus medicines. All it takes is some phony paperwork and some realistic packaging to let fake medicine slip into the system, and be shipped to local pharmacies nationwide. And criminals know it.

**Graham:** We've seen Russian organized crime. We've seen Chinese triads. We've seen Colombian cocaine traffickers. We've seen the Mexican mafia. We've even seen the Hell's Angels counterfeiting and smuggling medicines. **Hansen:** So you've seen Mexican and Colombian cartels that are now both doing cocaine and prescription drugs? **Graham:** Absolutely.

Example: Julio Cruz, a convicted cocaine smuggler.

Federal prosecutors say he was one of the ring-leaders in the group that made that fake Lipitor and sold it to drug stores and mail-order pharmacies throughout the United States.

And where are the bogus medicine being made?

Graham showed us some examples. One was in a cave in China, where those pills in the teddy bears were made. We also saw pictures of a counterfeiting operation in Columbia, making both prescription and non-prescription bogus medicines— complete with yellow road paint as one the ingredients.

**Graham:** This is the product coming out of there. They use cement they use. [They use] the lead-based highway paint they used to provide the coloring.**Hansen:** So in this case it's not only counterfeit, but it's dangerous.**Graham:** Incredibly dangerous. Boric acid will cause renal failure in humans.

After seeing conditions like that, we wanted to know more about the counterfeit medicine business.

So Dateline decided to go undercover, posing as businessmen interested in buying and selling phony drugs. The first step, setting up our own company, "Hansen Group," with a simple Web page. We set up a phone with an answering machine and a mail box where we could get deliveries.

Then we went online to a series of business-to-business bulletin boards.

We won't tell you all the steps, but experts told us the best way to start would be to look for ads for Viagra, thought to be one of the most counterfeited drugs in the world.

*Phone message: From Bombay India, regarding the U.S. brand medication.*

And before long, by telephone...

*Phone message: This is regarding your request for various pharmaceuticals. Thank you.*

And by e-mail, we began to get offers, including one from a Chinese woman who calls herself "Cherry Wong."

*Cherry Wong: Every month we sell, we have sent to America.*

Over the phone and in emails she didn't mince words. "This business" she told us, "is illegal"... but "high profit."

She agreed to send us a sample of her pills. Not only Viagra, but two other popular erectile dysfunction medicines—Cialis and Levitra.

At first, the pills and the packaging looked so good, we wondered if they might be genuine— the same medicine sold less expensively overseas.

To find out for sure, we took the Viagra to the testing lab at Pfizer, the company that makes the real Viagra.

**John Thomas, Pfizer's counterfeit expert:** You have to look for subtle differences.

John Thomas is Pfizer's expert at identifying counterfeits. Usually, he can spot a fake right away. But with these pills, it's hard to tell, even when they're side-by-side with the real thing.

**Thomas:** These are actually quite good.

If these pills are fake, Thomas says they're some the best counterfeits he's ever seen.

**Hansen:** Is that close enough to fool the average pharmacist? **Thomas:** If you aren't looking at them side-by-side, it's really difficult. **Hansen:** That's frightening. **Thomas:** It is frightening, you're right.

It will take a sophisticated chemical test to tell for sure.

**Thomas:** Now you can see very clearly that there are significant differences.

In the end, the chemical fingerprint proves the pills are fake. And even though they look good, you may be surprised to find out what's inside them.

**Thomas:** We have probably a tablet composed of mainly gypsum or dry-wall material. **Hansen:** The same stuff that's in dry wall. **Thomas:** Basically. It's very similar, right.

Although they contain some of the active ingredient of Viagra, the pills are mostly dry wall. But they look good enough to fool almost anyone.

**Hansen:** How would you rate it as a counterfeit? **Thomas:** An excellent counterfeit.

And although he's testing our fake Viagra, Thomas knows from experience that counterfeiters worldwide are also targeting other medicines.

He showed us some recent examples—fake medicines that wouldn't work.

**Thomas:** Here's a collection of some of the meds we've had recently.

The drugs we saw included Aricept, for Alzheimers and Norvasc, for blood pressure.

**Thomas:** Again, no active ingredient in this. **Hansen:** No active ingredient? **Thomas:** No active ingredient whatsoever. **Hansen:** So it somebody's taking this for their blood pressure... **Thomas:** No effect.

Lipitor, for cholesterol.

**Thomas:** It has no active in it whatsoever. **Hansen:** And for an elderly person or someone who needs to keep their cholesterol, it could be fatal? **Thomas:** That is dangerous, correct.

So who's making the fake pills we bought, some of the best counterfeits experts have seen?

To find out, Dateline keeps negotiating with Cherry Wong. Remember, she thinks we're businessmen interested in buying fake medicine and selling it in America.

To prove we mean business, we place another order, this time for 1,000 pills. And just as Cherry promised, they sail through customs undetected.

So we decide to try something rarely attempted. We met an illegal counterfeiter face-to-face.

We've been negotiating over the phone and the Internet for eleven months. And now we're in

China to find to find out how hard it would be to ship counterfeit pills into the United States—pills that could end up in your neighborhood pharmacy.

The Chinese government frowns on investigative reporting, but we went anyway with our hidden cameras rolling.

It's a country famous for knock-offs. But on this trip, we're not looking for fake Gucci or Rolex.

She may not look the part but Cherry Wong says she is the chief salesperson for one of the biggest counterfeit pharmaceutical operations in China. We meet her and her assistant in the lobby of a modern Chinese hotel.

Cherry Wong doesn't know I'm a reporter. She thinks I'm a businessman interested in buying fake medicine.

After some small talk, we move to a private suite, where we can talk serious business. We have wired the room with five different hidden cameras.

*Chris Hansen, Dateline correspondent (undercover and hidden camera): The quality on the test shipment was extraordinary.*

To remove any doubt about who made such high-quality counterfeits, we ask her directly.

*Hansen: But you actually make it right? Your company does? Cherry Wong: Yeah, our company, our factory made it.*

Cherry Wong says her company makes better counterfeits than other Chinese companies—fake medicines good enough to sell to distributors all over the world.

*Hansen: You've got Britain, Italy? Wong: Yeah. Hansen: Australia? Wong: Australia. Yeah. Hansen: Japan? Wong: Japan. Hansen: France? Wong: Uh-huh. Hansen: And America.*

And take one guess where she sells the most.

*Hansen: Out of all of those, America is the biggest purchaser? Wong: Yeah.*

Since the fake pills don't have to have real medicine in them, and don't have to pass safety tests, they're cheap to make.

Cherry's charging us one dollar a pill instead of \$8, the regular wholesale price for the real medicine. But since her pills look good enough to pass for the real thing, we can sell them at a huge profit.

*Wong: Our company, we're very, very busy.*

So just how large is her counterfeiting operation? To find out, we ask how many pills she could smuggle into the United States undetected.

The numbers are even bigger than we imagined.

*Hansen: How much do you think we could ship? Wong: One time? Hansen: Yeah, at a time. Wong: I think—the biggest quantity is 6,000. Hansen: 6,000 in one shipment? Wong: Yeah. Hansen: And how*

*many shipments per month do you think you could...Wong: Every week, six times. Every day, one time.Hansen: So we could do 6,000 a day?Wong: Yeah.*

She says she'll do it with packages like these, using popular commercial shippers.

In order to avoid detection, the fake pills come in small packets. They're heavily bubble-wrapped and taped with the bottles and the fake labels shipped separately.

But now instead of a thousand pills, she's telling us how she can smuggle 6,000 pills a day. That's a million-and-a-half pills a year.

*Hansen: It would not be a problem then to do 6,000 a day, five days a week, 30,000 pills a week? So that's, you know, 120,000 a month.Wong: You can do it?Hansen: Well, we're getting very close at our end. If you could do it we can do it.Wong: OKay.*

If we finalize the deal, at retail price in the United States, a year's shipment of counterfeit pills would be worth \$ 10 million.

*Hansen: That's a lot of money.Wong: Yeah.*

But during our meeting, we discover something else. Cherry's company isn't stopping at Viagra. She tells us they're working on more fakes, including the cholesterol drug, Crestor, the prescription cream, Vaniqa, and the weight loss drug, Xenical.

*Hansen: So, in other words, you can make the raw material for all this - Crestor, Vaniqa, Tomudex, and Xenical - but not finished product yet?Wong: Yeah.Hansen: In the future you think you can do finished product though?Wong: In the future I think we can do the finished goods.*

But just when we thought we'd heard it all, Cherry Wong tells us something else we'd never imagined.

*Hansen: We would be selling these to stores, to drug stores. If Pfizer changes the packaging do you know, so you can change as well?Wong: Our lab in America. They always give us the newest information.*

Could that be true? The counterfeiters have a lab in America?

We wanted to find out more. So to keep our conversation going, we promise to keep working on our multi-million dollar deal.

*Hansen: Let's do it.*

We shake hands and have a meal to celebrate.

Chinese counterfeiter Cherry Wong thinks I'm a businessman about to seal a multi-million dollar deal to buy her fake medicines. We've been negotiating over the Internet, over the phone, and now, face-to-face in China.

*Cherry Wong (on hidden camera): we can produce more than this quantity.Chris Hansen, Dateline correspondent (undercover): You could do even more than that? Wong: Yeah, even more.*

But she's telling us things that seem hard to believe. She's boasting about her company's "lab" in America, and about her customers world wide.

Could it be true? Or is Cherry just exaggerating, trying to make a sale? To find out, we showed our tape to Aaron Graham, who has worked undercover investigating phony prescription drugs all over the world.

**Aaron Graham, investigated counterfeit drugs for the government and pharmaceutical industry:** She seems very articulate, eloquent, and she's excited to meet you. **Hansen:** And excited to do the deal. **Graham:** And to do business with you, that's right. **Hansen:** But her biggest customer is in the United States. **Graham:** I believe that's true.

And what about that fake medicine Cherry wants to sell us? Could it really be resold here in the United States?

**Hansen:** Do you think we could find a middleman who would ultimately sell these counterfeit medicines to a neighborhood drugstore? **Graham:** Well, I hate to say it, but it wouldn't surprise me.

So we keep negotiating, trying to find out the location of Cherry's American lab. And who's really in charge of her counterfeiting operation?

At a lunch to celebrate the prospect of our multi-million dollar business deal, Cherry begins to relax a little and tell us some secrets about her company.

*Cherry Wong: One is the big, biggest boss.*

She tells us her boss is a Chinese-born scientist who actually lives in United States, and worked for American drug companies.

*Wong: He has worked in America for more than 10 years. Hansen: Really? Did he work for one of the drug companies? Wong: Yeah.*

Remember, Cherry knows all too well that the fake medicine business is illegal. She even wrote it in an email. So we doubt she'll tell us much more about her boss.

But it never hurts to ask.

*Hansen: What is his name? Wong: Uh... Hansen: Oh, you don't have to tell.*

But by now, Cherry seems to trust us. Not only does she tell us his name, Dr. Lou, she even spells it for us.

In this follow-up e-mail, she gives us even more detail, saying he worked at a company called Advanced Syntech, then founded his own company called Pharmaron.

*Hansen (confronting Dr. Lou at a parking lot): Dr. Lou? Dr. Lou? Pharmaron? Boliang Lou: Yeah. Hansen: How are you? Chris Hansen of Dateline NBC. Lou: Oh, yeah.*

Dateline checked records and discovered that a man, Dr. Boliang Lou, a scientist living in Louisville, Kentucky, had founded a research lab called Pharmaron. Before that, he'd worked at Advanced Syntech, where he got a patent.

He seemed to match Cherry's description until we started asking about fake medicines.

*Hansen: But do you have a company in China that is making products like these? Cialis? Viagra? Lou: No, I don't. Hansen: Other medicines? Lou: Not at all. Hansen: You do not? Lou: No, no. Hansen: You're positive? Lou: Positive.*

In this country, Dr. Lou is a respected scientist, so it makes you wonder— could Cherry Wong be making it all up, using his name to make her business sound bigger than it is?

We were about to discover that we weren't the only ones who wanted to know about Cherry Wong.

**Hansen:** How big of a player is Cherry Wong?**John Theriault, vice president, global security, Pfizer:** We don't know right now. She has a source of supply for a number of different products, not just Viagra. And she has customers in countries around the world.

Theriault is in charge of a team of investigators, trying to track down counterfeiters all of the world.

After we returned from our undercover meetings in China, we discovered that Theriault's team was in the middle of its own sting trying take down Cherry Wong's entire operation.

**Theriault:** We thought she was a fairly important player. But we really didn't have any idea where she was. And we didn't have any idea of what organization she might be associated with.

While Pfizer investigates, we keep on digging, going back to the Internet, searching this time for a medicine that could be the difference between life and death.

If the deadly bird flu ever becomes a world-wide pandemic as some experts fear, the medicine that will be the front line defense is Tamiflu, made by the Swiss company Roche.

We wondered, are counterfeiters taking advantage of bird flu fears by making fake Tamiflu? And if so, how hard would it be to find the fakes?

We found a man who we called, calling himself "Nick Yin" from China. On his Web site, he claims to have genuine Tamiflu and other medicines, including Plavix, Xenical, Norvasc, and Lipitor—all, he says, in bulk quantities.

*Nick Yin (on the telephone): I can ship three kilograms each time. About 5,000 boxes. Dateline: 5,000 boxes? Yin: Yes. Dateline: And you've done that successfully to the United States? Yin: Yes.*

We order a sample of his Tamiflu. And before long, it arrives, hidden in an express mail envelope.

Inside, was one package with ten capsules.

The box clearly says Tamiflu by Roche, just like the real thing. It is sealed and stamped with a code number, just like the real thing. In the blister pack inside, the capsules themselves are off-white and yellow, with the word, Roche, imprinted on each one. Just like the real thing.

To the naked eye, this life-saving medicine looks legitimate. And Nick Yin says he's selling a lot of it to America.

*Yin: Yes, I mainly sell to your country. You don't need to worry.*

But when Dateline sends the Tamiflu to Roche, the manufacturer, to be tested, the company says it is actually counterfeit.

And if not getting the medicine you need sounds bad, consider something worse. Imagine terrorists getting involved in counterfeit medicine.

**Aaron Graham, former undercover counterfeit investigator:** We've had testimony of the Hill that Hezbollah is counterfeiting medicines to fund their terrorist activities.

Aaron Graham says when he heard that 600,000 doses of fake Lipitor had turned up in American drug stores back in 2003, the first thing that crossed his mind was, could it be a new kind of terrorist attack?

**Graham:** God forbid somebody had intentionally, with malice, introduced an adulterated and dangerous medicine. And that morning everybody got up and took their Lipitor, and people started falling over. That's what went through my mind. It still goes through my mind, frankly. Very scary.

In a Dateline Hidden Camera Investigation, Chinese counterfeiter, Cherry Wong, sold us some the most authentic-looking fake pills experts have ever seen. But we're still trying to find out who's in charge of Cherry Wong's operation.

Pfizer's chief of security, John Theriault, wants to know too.

**John Theriault, Pfizer chief of security:** We were trying to work the food chain, both into the United States to find out if she had a network here, and also back up the food chain in China to find out who was manufacturing the product.

While Pfizer expands its investigation, we continue our own, trying to find out more about this man—Dr. Boliang Lou, the Chinese-American research scientist Cherry Wong claims is her “big boss.”

*Boliang Lou: Completely not true.*

When we first met him, Dr. Lou flatly denied having anything to do with counterfeiting, and said he didn't even recognize the name of Cherry's company.

*Chris Hansen, Dateline correspondent, talking to Dr. Lou: What about that? Is that familiar to you?*  
*Lou: No.*

Cherry Wong told us she worked for a Chinese company called Cixi Combipharma.

Dateline found and translated these business records from China, showing that Cixi Combipharma was actually formed by another company—Beijing Combipharma.

And whose name appears on the board of directors of that company?

Dr. Boliang Lou. Dr. Lou lives on White Blossom boulevard in Louisville, Kentucky. Looking closely at the official Chinese company records, you can see his address, written in English.

What's more, for several years, his wife was listed as the company's biggest shareholder.

So last month, we went back to Dr. Lou to ask him about the records that seemed to raise more

questions than they answered.

*Hansen: So these are the documents filed with the Chinese government for Beijing Combipharma, okay?*

*Lou: Uh-Hmm.Hansen: And these are the members of the board which include you, and your wife. Right?Lou: Yeah.*

When we showed him the official documents, Dr. Lou told us his family had started the company, but he and his wife severed their ties to it in December 2004, before Dateline ever met Cherry Wong or received her shipments.

*Lou: We just dissolved this company a long time ago. Hansen: But your family started this company.Lou: With my brother.Hansen: With your brother.Lou: Yeah. No longer existing.*

Later in a phone call, Dr. Lou told us he suspected a few years ago that the company might be selling raw materials that could be used in counterfeits, and told his brother to stop it immediately.

Dr. Lou says he's no counterfeiter. He's a victim of Cherry Wong who's using his name, and the company's name, without his knowledge.

In fact, his lawyer told us Cherry Wong quit her job at Cixi Combipharma in June 2004, but kept using the company name for her own independent operation.

*Hansen: Well, do you think somebody could be making this up for some reason to harm you? Lou: Absolutely, absolutely!*

Could Cherry Wong be making up the whole story as part of a slick sales pitch?

More about her later.

No matter who's behind this counterfeiting operation, the real question is, how do you stop the fakes from threatening America's medicine supply?

Aaron Graham thinks there's a solution that could be adopted by legitimate drug distributors.

**Aaron Graham:** They can use a device to actually read the bottle, obtain the radio frequency ID number.

It's a system to put a miniature chip with an ID number on every bottle of medicine. Then, track where it goes.

**Graham:** So if it doesn't scan, it's not ours.**Hansen:** It's counterfeit**Graham:** That's right.

The company Graham works for, Purdue Pharma, became the first manufacturer to put the radio chips, called RF-ID, on a medicine—the company's powerful pain-killer, Oxycontin.

And now, Pfizer is following suit, putting similar ID tags on Viagra, trying to stop the growing problem of fake medicines turning up in neighborhood drug stores.

**Theriault:** The evidence today is that while pharmacies in this country are not awash by any standard with counterfeit products, there's more getting in now than there used to be.

Our investigation of counterfeit medicine began after we met the Blount family of Missouri.

Maxine Blount was in a life-and-death battle with cancer when she discovered one of medicines she'd gotten at her local drug store was fake.

**Ed Blount:** It's bad enough at any point to know you've got cancer, and then find out you're not getting the kind of drugs that you're supposed to get, it's devastating.

Over the course of the next year, we discovered just how easy it is for counterfeit medicines to wind up at your local pharmacy, from popular prescriptions like Viagra to life-saving drugs like Tamiflu. They're bogus medicines that look just like the real thing, but may not work when it counts.

**Aaron Graham, counterfeit medicine expert:** It's all about money. Criminals are very bright, sophisticated people. They're looking for a margin. They're looking for an opportunity. They're looking for an opening. **Margaret Glavin, in charge of enforcement at the FDA:** We are not happy with the state of the security of the distribution system at this point. We think it can be stronger.

She says the government is increasingly concerned about counterfeit medicine showing up in neighborhood pharmacies. And if you shop for medicine over the Internet, you're taking an even bigger risk. But none of this is new to the federal government.

In 1984, there was a scandal about counterfeit birth control pills in America. Congress held hearings and passed a new law, telling the FDA to set up a system—so called “paper pedigrees”—to track prescription medicines from the factory to the pharmacy. Ronald Reagan was the president.

Since then, George Bush, Bill Clinton, and George W. Bush have all named their own appointees to head FDA. But the FDA never finished enacting the regulations needed to fully enforce the pedigree law because drug wholesalers predicted a paperwork nightmare.

**Glavin:** They felt that those were overly burdensome and overly costly for them. **Chris Hansen, Dateline correspondent:** Too expensive?**Glavin:** Yes.

But now, with new electronic pedigree technology available, so-called RF-ID, will the federal government finally require companies to track medicines from the factory to the pharmacy, to protect against counterfeit drugs that have been tainted, poisoned, or just don't work?

**Hansen:** They're already doing it with Viagra and Oxycontin.**Glavin:** That's right.**Hansen:** Why not the rest of the drugs?**Glavin:** Well, I think that's a very good question. And I think that this show you're doing is really a service in that it's one, telling the American public what they need to do, what they need to watch out for. And two, it raises the profile of this issue.**Hansen:** Are you planning to make RF-ID technology mandatory?**Glavin:** As I said, we're looking at what our options are to increase the speed with which the technology and the application of that technology to the pharmaceutical supply.

And what do drug stores think about electronic tracking?

In a letter, the National Association of Chain Drug Stores told us they're “optimistic” about the new technology, but said it's still “unproven.” So they're calling for “immediate initiatives” to strengthen licensing requirements for drug wholesalers.

The association representing wholesalers told us they also support stricter licensing standards and harsher criminal penalties for counterfeiters.

Pharmaceutical companies are also changing packaging to make it harder to copy.

Meanwhile, the federal government says it has stepped up enforcement. And, in at least one case, it's paying off.

Remember the small sample of fake Tamiflu we bought from China? To find out more about Nick Yin's counterfeiting business, Dateline negotiated for a larger shipment. But, this time, when we went to pick up the package, federal agents from the FDA and U.S. Customs were waiting.

Inspectors had opened our package during a spot check, and they seized our counterfeit Tamiflu.

It's one of more than 100 counterfeit Tamiflu shipments into the United States they've seized in the last seven months.

And what about the Chinese counterfeiter we met with, Cherry Wong? And the American scientist who says she's lying about him?

Dr. Boliang Lou says he's willing to cooperate with any investigation of Cherry Wong. But a face-to-face meeting he wants won't be happening any time soon.

**Hansen:** As we speak here today, she's in custody?**John Theriault, vice president, global security, Pfizer:** She is.

Working with the government, investigators from Pfizer built a case against Cherry Wong, and turned it over to Chinese authorities.

**Theriault:** They reacted very quickly, very thoroughly. And placed her under arrest. So she has been arrested and she's in custody right now.**Hansen:** What stage is their investigation at right now?

**Theriault:** They're not sharing information with us as the case develops. And that's not unusual. But we've told them what our interests are, and that's identifying the entire network.

But for every counterfeiter arrested, experts say there are others emerging.

So even though officials say medicine in America is still the safest in the world, the FDA is also recommending that you keep a close eye next time you get a prescription—whether you buy online, through the mail or even at a drug store.

**Glavin:** Consumers also have things they can do. They ought to look at the product. Has it changed color? Does it have a different taste or a different smell? Are the pills cracked or chipped? Does the packaging look as though it's been compromised? Is the label funny? Is it on crooked? Is it different than the label they've had before? **Blount:** To a common person, you go down the drugstore and pick that up, it could be full of water. You wouldn't know the difference. We had no idea that what we were getting and having administered, wasn't the good stuff. How could we know?

For one family who's seen the impact phony medicine can have, the crackdown on counterfeiters, and the new rules to make medicines safer, can't happen soon enough.

**Blount:** There's no way you can put a value on it of what it did. I got a little granddaughter in there that got cheated.**Tina Rawn, Maxine Blount's daughter:** She didn't get to spend a lot of time with her. We're an average family. But that it happened to us, it can happen to anyone.

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