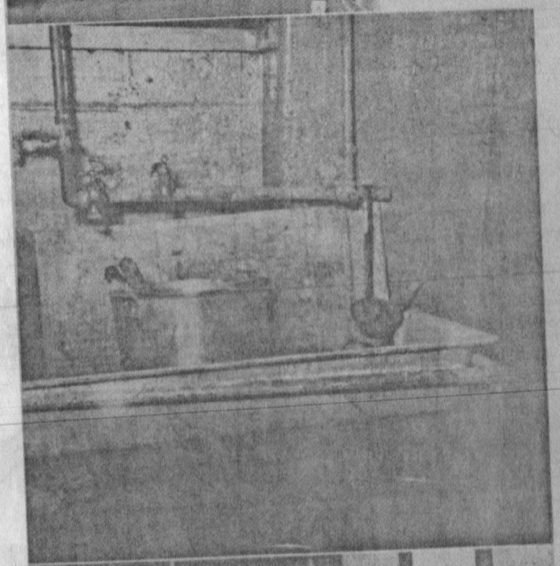
Journal of the American P
Association, Vol. 21, N
471, August 1960

adulteration, misbranding and illicit dt drug traffic



Taken shortly after the General Pharmacal Company was padlocked and its operators arrested, these pictures show the conditions under which drugs were being manufactured. The quotations used with each picture are taken from the 1959 catalogue issued by the company. At the left is the elevator entrance to the firm.



"All formulations kept strictly confidential . . . Products liability insurance carried."



"The C.F. number assigned to your formula assures you of a uniform product every time we make it."

Imagine—if you can—pharmaceutical houses using the following procedures in manufacturing drugs for the protection of public health.

Imagine enterprising men renting the top floors of a condemned building (away from the public eye), furnishing the area with tableting presses and producing a few drugs by generic name.

But, in addition to these drugs, picture these men producing many other drug articles. Their idea is to make them look exactly like items manufactured by reputable firms.

If you can project your imagination far enough you will realize that the least of this organization's worries are sanitary conditions, quality controls or actual content of the resulting bogus products. Then picture the hiring of "jobbers" to sell these products at "discount" priced repackaged samples.

An important element of this operation is a manually operated elevator. This can be easily lowered to admit friends to the field of operation. (If someone looks unfriendly—the elevator stays where it is.)

This whole fantastic scheme actually worked (reaping a reported $50,000 monthly) in New Jersey. Presumably no state drug inspector could possibly gain entrance.

But one day in June, the nightmarish operation ended when New Jersey drug inspectors and representatives of firms whose drugs were being counterfeited watched their chance and managed to get on the elevator belonging to the General Pharmacal Company of Hoboken, New Jersey.

Access was achieved when a familiar individual rang for the elevator. When it reach ground floor, a host of detectives swarmed into the elevator.

The undoing of the scheme actually began several months ago when personnel of the New Jersey Bureau of Food and Drugs learned from complaints filed by reputable companies that counterfeit drug products were apparently emanating from a source in New Jersey and were appearing in New York, Missouri, Illinois, Florida and other parts of the United States. They bore the same name and trademark as the legitimate products but the ingredients were not identical.

Because the offense involved more than drug adulteration and misbranding, Roscoe P. Kandle, state commissioner of health, notified Attorney General David D. Furman. State police were assigned to investigate.

Investigators said New Jersey was chosen for the operation because the state does not require the licensing of wholesale drug manufacturers as many other states do.

"A drug manufacturer who has to get a license would have to live up to much more stringent requirements and he would expect periodic examinations of his premises," one official of the state said.

Companies whose products were being counterfeited were Ciba Pharmaceutical Corporation, Schering Corporation, Warner-Chilcott, Wallace Laboratories, Merck Sharp and Dohme, Smith Kline and French, and Wyeth Laboratories.

These companies have made every effort to assure the public and pharmacy that drugs purchased through legitimate and reputable pharmaceutical channels in regular sealed packages are genuine products.

For example, Schering Corporation has sent a letter to pharmacists throughout the country explaining the situation. The Schering letter warns that "even though the General Pharmacal Company has been padlocked, there still may be substantial quantities of counterfeit tablets being peddled around the country in various bulk, unlabeled packages, often under the guise of 'repacked samples' or 'distress merchandise'."

It asks pharmacists to help locate bootleg merchandise by contacting the corporation if anyone offers to sell unlabeled tablets as genuine products.

To this request APhA adds its own emphasis. It urges pharmacists to continue to protect the public health by exposing such illicit drug distribution methods.

The Association also reminds the pharmacist that regardless of his personal knowledge and intent, or responsibility of others, each pharmacist is independently liable under law for using any adulterated or misbranded product. This fact underscores the important professional task placed before the pharmacist as purchasing agent for any pharmacy and its personnel. It urges the employment of only ortho systems of drug procurement and cautions against "bargain" offerings.

32-814 O - 74 (Face p. 10758)