

This document is an additional annex to the OIG Progress Report (GF/B29/04) that was shared with the Board on 3 June 2013.

This document, sent to the Board on 15 June 2013, is intended to provide background information on a specific activity of the Office of the Inspector General over the reporting period: the Joint Inter-Agency Task Force (JIATF).

The Joint Inter-Agency Task Force

Background

The Global Fund spends more than one hundred million dollars annually on the procurement of anti-malarial medicines, largely in the form of Artemisinin-based Combination Therapies (ACTs). Similarly, under the Presidential Malaria Initiative (PMI) the U.S. Government is planning to spend nearly 50 million dollars on ACTs throughout 2013. Both organizations therefore have a significant interest in identifying and responding to the crimes of theft, diversion, and counterfeiting of Global Fund and USAID-funded ACTs and it was this shared interest that led to the establishment of the Joint Inter-Agency Task Force (JIATF) in 2012 to specifically focus on these issues in sub-Saharan Africa and South East Asia.

Whilst The Global Fund, through the activities of The Office of The Inspector General (OIG), had previously investigated a number of allegations relating to the 3 crimes, it acted mainly in a reactive manner. Many of allegations of theft and diversion were already dated by the time OIG became involved, impeding prospects for successful investigation. The establishment of the JIATF represents a new, proactive, intelligence-led approach. JIATFs joined-up approach emphasizes:

- i) Partnership with key international and national level partners
- ii) Obtaining a more detailed picture of the scope and scale of the crimes
- iii) Safeguarding public health
- iv) Intelligence-led investigations
- v) Informing internal TGF policy development

JIATF Core Membership

The JIATF comprises elements from 3 entities: Investigators from the Global Fund's OIG, Special Agents from The United States Agency for International Development - Office of The Inspector General (USAID-OIG) and investigators from the United Nations Development Program - Office of Audit and Investigations (UNDP-OAI). Whilst OIG and USAID-OIG already shared a close working relationship, having collaborated on a number of investigations since 2011, a decision was taken in 2012 to also embark on a more sustained engagement with OAI. UNDP acts as a Global Fund Principal Recipient (PR) in 26 countries and its membership of JIATF represents a logical development. The JIATF entities have developed an excellent working relationship and conduct regular video conference meetings, briefings, information-sharing, joint operational planning, and joint missions on the ground.

i) Partnership with key International and National Level Partners

JIATF engages with a number of key partners in order to further its goals. Firstly, each core entity works closely with their respective main Agency Body. For Global Fund OIG, this is the Global Fund Secretariat. While OIG and the Secretariat had previously met in 2011 and 2012 to discuss the issues of theft, diversion, and counterfeiting of medicines, little substantive progress

was made in terms of developing a comprehensive strategy to address the crimes. However, in 2013 under the new leadership, both the OIG and the Secretariat have reinvigorated their relationship and are collaborating closely on a regular basis. A new OIG-Secretariat Working Group has been established which is developing a comprehensive approach and in July 2013, The Global Fund will host a major event at its headquarters in Geneva where the Secretariat, JIATF, and other key stakeholders, including all of the main ACT manufacturers, will convene to discuss developing a comprehensive strategy to address these issues. Findings derived from the work of JIATF are also serving to inform and guide Global Fund policy and programs in respect of responding to theft, diversion, and counterfeiting of ACTs.

OIG also works closely with Interpol, particularly its Medical Products Counterfeiting and Pharmaceutical Crime (MPCPC) Unit, recognizing it as a global leader in this field. OIG welcomes the re-energized relationship with Interpol and plans to deliver a number of joint training initiatives to national law enforcement and drug regulatory bodies throughout 2013 and 2014. OIG is also using the relationship with the MPCPC Unit as the catalyst to revisit and finalize the proposed Memorandum of Understanding (MoU) with Interpol, which had stalled under the previous OIG leadership.

In 2013, OIG has established a strong working relationship with personnel within the Rapid Alert Unit of The World Health Organization (WHO) which plays a lead role in issuing information alerts (both restricted and public) relating to counterfeit medicines. OIG has also commenced developing a relationship with The United Nations Office on Drugs and Crime (UNODC) and in February 2013, was invited to its Headquarters in Vienna to discuss a number of potential collaborative initiatives and to attend a major UNODC-hosted international conference focusing on fake medicines. JIATF also works in a discrete manner with a number of other international law enforcement agencies in furtherance of its proactive intelligence-led investigative activities.

At the national level, JIATF is working closely with a number of law enforcement and drug regulatory bodies. Acting as the lead entity on this initiative, The Global Fund OIG views this as a means of facilitating the principle of Country Ownership (a core Global Fund goal) in its most positive form. The initiative entails a 4-pronged approach.

Firstly, OIG proactively engages with key strategic actors including National Anti-Corruption Bodies, Departments of Public Prosecution, Inspector Generals of Police, Financial Intelligence Units, and Drug Regulatory Agencies.

Secondly, formal negotiations then commence in order to establish Memorandums of Understanding (MoUs). To date, MoUs have been signed with Malawi's Financial Intelligence Unit (FIU) (28-Jan-13) Malawi's Anti-Corruption Bureau (ACB) (31-Oct-13) Malawi's Inspector General of Police (24-Apr-13), Tanzania's Prevention and Combating of Corruption Bureau (PCCB) (09-Apr-13) and Nigeria's Economic and Financial Crimes Commission (EFCC) (29-May-13). MoU negotiations are currently underway with Malawi's Department of Public Prosecutions (DPP) and Food and Drug Agency (FDA) Tanzania's Financial Intelligence Unit (FIU), Inspector General (IG) of Police, Department of Public Prosecutions (DPP), Food and Drug Agency (FDA), and Nigeria's National Agency for Food and Drug Administration and Control (NAFDAC).

On the signing of the MoUs, the OIG commences close interaction and collaboration with its national-level partners. A key component of this strategy entails the provision of capacity building and logistical support. In May 2013, OIG organized and funded two of Nigeria's EFCC

personnel to attend a UK Police training course. Following the training, the EFCC delegation was invited to OIG's headquarters in Geneva to conduct further intelligence analysis exercise. IT equipment and software support were also donated to EFCC by OIG. Similar instances of support are envisaged with other national-level partners throughout the second half of 2013 and in 2014. The OIG is also scheduled to deliver a number of specialist training courses to its national-level partners, which will be conducted as part of a joint initiative with a number of international agencies OIG works with.

The final component of OIG's proactive engagement strategy with national-level partners is the commencement of joint investigations and referrals. For further details see 'Intelligence-led investigations' section below.

JIATF recognizes that only by working together in a joined-up manner with all stakeholders, can the crimes of theft, diversion, and counterfeiting be properly addressed. Therefore, over the past 12 months JIATF has embarked upon a proactive engagement strategy with a number of the leading anti-malarial ACT Manufacturers. This has led to the development of sound working relationships with a number, who have provided a high level of cooperation. JIATF aims to further develop these relationships which are based on a mutual trust and information sharing, and to expand this approach to all ACT manufacturers. The forthcoming major event hosted at the Global Fund's Headquarters in Geneva, in July 2013, provides the ideal forum to brief the manufacturing industry on both the work of JIATF and associated efforts by the Global Fund Secretariat to further respond to the crimes.

Finally, JIATF interacts on a regular basis with specialists in the scientific community who focus on sub-standard and fake anti-malaria medicines. For too long, the scientific and law enforcement community operated in independent silos, with little interface. The OIG has sought to bridge this divide through engagement and has sought advice and assistance in respect of its screening and testing initiative for counterfeit medicines. In doing so, it has found extremely willing partners within the scientific community, including the School of Chemistry and Biochemistry, Georgia Institute of Technology, the U.S. Center for Disease Control (CDC), The Wellcome Trust-Mahosot Hospital-Oxford Tropical Medicine Research Collaboration, based at Mahosot Hospital, Vientiane in Laos, and the London School of Hygiene and Tropical Medicine (LSHTM).

ii) Obtaining a more detailed picture of the scope and scale of the crimes

Ongoing in-country activities of JIATF are enabling a more accurate picture to be developed concerning the scope and scale of the problem of theft, diversion, and counterfeiting of Global Fund and USAID-funded ACTs. Information derived from these activities is being systematically reviewed by JIATF analysts, enabling proactive, intelligence-led investigations to be conducted, weaknesses in supply chain systems to be highlighted and the existence of counterfeit products identified, all serving to assist in creating a comprehensive strategy to address the crimes.

iii) Safeguarding Public Health

Addressing the crime of counterfeit ACT medicines is a major strategic JIATF objective. With the assistance of the scientific community, the OIG has developed a robust screening and testing regime to identify the existence of counterfeit products acquired under the JIATF project. This facilitates the identification of products which contain no active pharmaceutical ingredient (API). Where such products are identified, OIG has developed a Standard Operating Procedure

(SOP) which ensures that all key stakeholders (including WHO, Interpol, Global Fund Secretariat, National-Level Drug Regulatory Bodies, and the ACT manufacturer(s)) are informed and consulted.

iv) Intelligence-led investigations

JIATF is currently engaged in a number of proactive intelligence-led investigations and throughout the 3rd and 4th quarters of 2013 several operations are scheduled to take place. These will address all three areas of focus: theft, diversion, and counterfeiting of Global Fund and USAID-funded ACTs. JIATF recognizes that in order for investigations and interdictions to be successful, the necessary buy-in by credible and robust national-level law enforcement and drug regulatory agencies is necessary. In this regard, the OIG has recently reached agreement with Nigeria's EFCC to develop a specialist dedicated taskforce to focus on the three crimes. Flowing from this agreement, the OIG will conduct sustained operations with EFCC over the next 12 months.

v) Informing Policy Development

The work of JIATF is serving to assist in guiding Global Fund Secretariat policy in respect of enhancing the integrity of supply chain management, mitigating risks, and improving anti-theft and anti-counterfeiting measures. The OIG is currently finalizing its initial lessons-learned report which will be submitted to the Secretariat containing a number of prescriptive policy recommendations which if implemented will serve to further strengthen surveillance measures in respect of ACT deliveries.

Next Steps

JIATF plans to maintain its ongoing in-country activities in order to systematically and comprehensively monitor the scope and scale of theft, diversion, and counterfeiting of Global Fund and USAID-funded ACTs. It will also seek to further expand its target country focus throughout the last 2 quarters of 2013 and into 2014. Sustained engagement with both its international and national-level partners will continue