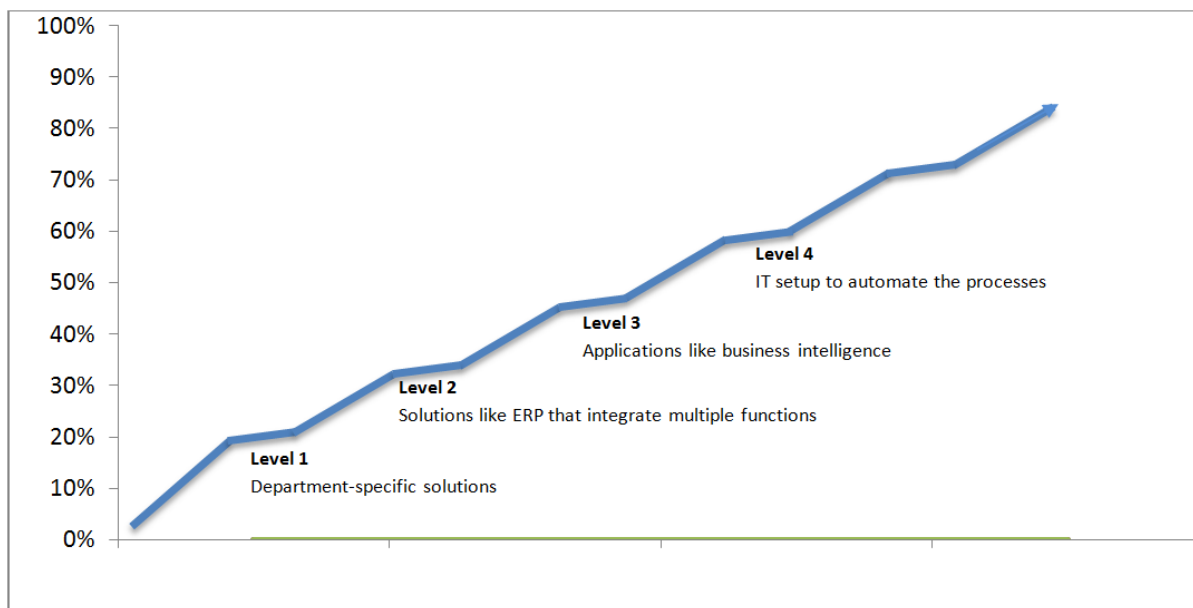


Biggest IT Threats to South-Asian Pharmaceutical Companies

Globalization has accelerated the growth of the pharmaceutical industry, it added outsource business operations and new IT systems. The increase of IT system complexity becomes more vulnerable to fraud.

It has been observed that the supply chain fraud is the biggest threat in this business. Large companies have increasingly become “extended enterprises” as they have globalized, outsourced, reengineered their business processes, brought business partners and vendors closer and specialized their functions. The result makes them more complex and leaves them vulnerable to an array of frauds ranging from simple theft, to the misrepresentation of inventory to fool investors, through to counterfeiting, grey market diversion and piracy. According to America's Food and Drug Administration (FDA) the volume of fraudulent drugs in the supply chain has increased fivefold between 2001 and 2007 with fraudulent pharmacies raking in up to six billion dollars per year. Also, The World Health Organization (WHO) estimates that roughly 10 percent of drugs on the market worldwide are counterfeit; as many as 25 percent may be so in developing countries.



IT adoption level in pharmaceutical companies

And as the paperless office becomes a reality, more and more businesses use electronic media to store records and business data. IT adoption levels in the pharmaceutical companies is uniformly growing from department specific solutions to automation of the

entire organization. The adoption of new technology makes the process of data flow easy. The following are the risks due to implementation of new technology:

- Unprotected personal data leading to the opportunity for identity theft.
- Digital data manipulation for personal gain or any other organization.
- Modification on automated system to change the operational process or corrupt the result.
- Noncompliance with standards.
- Theft of IP assets.

Agape Fraud Management Service is providing solution to cope with these possible threats. It provides forensically sound solution which is admissible to the court of law as an evidence for further remedial activities. It is estimated that about 80 percent of the pharmaceutical companies are not able to move further their litigation due to lack of evidence against the fraudster.

Similarly about 65 percent of the company policies and rules are not compatible with the contemporary business environment. Agape Fraud Management Services collects, assesses and analyze facts, build chain of events, document significant facts, model scenarios. Also committed with following objective:

- Identifying opportunities for fraud and corruption.
- Implementing risk management, prevention and minimization procedures in day to day operations.
- Execute procedures to investigate allegations of fraudulent or corrupt behavior.
- Reacting appropriately to situations where fraud or corruption allegations are found to be true.
- Providing appropriate training and promulgating relevant codes of conduct to ensure employees and contractors are aware of their responsibilities in combating fraud and corruption.
- Ensuring an environment in which fraudulent or corrupt activity is discouraged.

For more information on Security Threats, visit us at www.agapeinc.in or www.agapeforensic.com.