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OPINION ARTICLE

REVISED The internet trade of counterfeit spirits in Russia – an emerging problem undermining alcohol, public health and youth protection policies? [version 2; referees: 2 approved]Maria Neufeld¹, Dirk W. Lachenmeier ^{2,3}, Stephan G. Walch³, Jürgen Rehm^{1,2,4-6}¹Institute for Mental Health Policy Research, Centre for Addiction and Mental Health (CAMH), Toronto, ON, M5S 2S1, Canada²Institute for Clinical Psychology and Psychotherapy, TU Dresden, Dresden, 01187, Germany³Chemisches und Veterinäruntersuchungsamt (CVUA) Karlsruhe, Karlsruhe, 76187, Germany⁴Dalla Lana School of Public Health, University of Toronto, Toronto, ON, M5T 3M7, Canada⁵Department of Psychiatry, University of Toronto, Toronto, ON, M5T 1R8, Canada⁶Institute of Medical Science (IMS), University of Toronto, Toronto, ON, M5S 1A8, Canada**v2** First published: 20 Apr 2017, 6:520 (doi: [10.12688/f1000research.11418.1](https://doi.org/10.12688/f1000research.11418.1))
Latest published: 27 Jun 2017, 6:520 (doi: [10.12688/f1000research.11418.2](https://doi.org/10.12688/f1000research.11418.2))**Abstract**

Counterfeit alcohol belongs to the category of unrecorded alcohol not reflected in official statistics. The internet trade of alcoholic beverages has been prohibited by the Russian Federation since 2007, but various sellers still offer counterfeit spirits (i.e., forged brand spirits) over the internet to Russian consumers, mostly in a non-deceptive fashion at prices up to 15 times lower than in regular sale. The public health issues arising from this unregulated trade include potential harm to underage drinkers, hazards due to toxic ingredients such as methanol, but most importantly alcohol harms due to potentially increased drinking volumes due to low prices and high availability on the internet. The internet sale also undermines existing alcohol policies such as restrictions of sale locations, sale times and minimum pricing. The need to enforce measures against counterfeiting of spirits, but specifically their internet trade should be implemented as key elements of alcohol policies to reduce unrecorded alcohol consumption, which is currently about 33 % of total consumption in Russia.

Open Peer ReviewReferee Status:  

Invited Referees

1


2

REVISED**version 2**published
27 Jun 2017**version 1**published
20 Apr 2017

report



report

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Author roles: Neufeld M: Writing – Original Draft Preparation; Lachenmeier DW: Conceptualization, Writing – Review & Editing; Walch SG: Writing – Review & Editing; Rehm J: Conceptualization, Writing – Review & Editing

Competing interests: No competing interests were disclosed.

How to cite this article: Neufeld M, Lachenmeier DW, Walch SG and Rehm J. **The internet trade of counterfeit spirits in Russia – an emerging problem undermining alcohol, public health and youth protection policies?** [version 2; referees: 2 approved] *F1000Research* 2017, 6:520 (doi: [10.12688/f1000research.11418.2](https://doi.org/10.12688/f1000research.11418.2))

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Grant information: The author(s) declared that no grants were involved in supporting this work.

First published: 20 Apr 2017, 6:520 (doi: [10.12688/f1000research.11418.1](https://doi.org/10.12688/f1000research.11418.1))

REVISED Amendments from Version 1

The Conclusion section was improved according the reviewers' request pointing out some further aspect of measures against counterfeiting.

See referee reports

Unrecorded consumption in Russia

Unrecorded alcohol is alcohol, not reflected in official statistics, but consumed as a beverage¹. Since it is untaxed, it is usually much cheaper than regular alcohol². For Russia, unrecorded consumption is estimated at about 33.4% (5.3 litres of pure alcohol per capita per year) of the consumed alcohol (3; for an overview see 4).

Previous studies in Russia have focused on the consumption of alcohol surrogates^{5–9} or homemade alcohol^{6,10,11}, but comparatively little research has been done on other forms of unrecorded products, such as counterfeit alcohol^{12,13}. In the course of an ongoing longitudinal study on unrecorded alcohol consumption in Western Siberia¹⁴, we have observed various internet sellers of counterfeit spirits, ranging from individual offers on social networks and micro-blogs to specialized online shops offering forged expensive spirits brands.

The structure and role of internet shops: legal issues

Despite the fact that internet trade of alcoholic beverages was prohibited in 2007 as part of measures to reduce counterfeit sales¹⁵, we recorded more than 25 online sellers of counterfeit alcohol, all of which appeared to be maintained and operational (unpublished report). All of the observed platforms were structured similarly, typically featuring a product catalogue, a section about the delivery process and payment, a FAQ section and a contact page; they offered a delivery service against payment, typically for bulk orders only. The prices of the offered products were considerably lower than the regular market prices for retail sale, for example the prices of international vodka brands were 6 times lower than in regular sale, and prices of international spirits such as rum and whiskey were 10–15 times lower. Qualitative interviews revealed that consumers were well aware of the fact, that the beverages offered were not originals¹⁶.

Experiences from the research project

Our first attempt to order online failed. The seller kept the 100% advance payment and never answered our e-mails. The failure to deliver however, may have been the result of a common internet scam rather than a legal issue connected with the official ban on the online trade of alcohol. For the second order a seller with a 50% advance payment scheme was chosen; over 100 bottles of counterfeit spirits were delivered within the following four weeks. One of the ordered international vodkas was not delivered, but instead we received a cheaper Russian brand. Although all of the delivered bottles had Russian excise stamps attached to them, we suspected these were counterfeits because of the low price of the product, and this was later confirmed by chemical analyses. However, the appearance of the bottles was in good accordance with the original products. The accompanying documents of the delivery package indicated payment of

freight costs, but not the payment for alcohol itself. Processing payments for the delivery of alcohol is legal according to Russian law and seems to be an important loophole in the existing legislation frequently used by various online sellers, regardless of whether their products are counterfeits or not¹⁷.

Potential health issues of counterfeit alcohol

There are several health issues arising from this unregulated online trade of counterfeit spirits. One problem is the potential harm to health of underage drinkers, a vulnerable group, specifically as the developing brain may be affected¹⁸. Undermining of youth protection laws by internet trade because of lack of regulation or its enforcement has been observed in European Union countries as well¹⁹.

Since the manufacturing of counterfeits does not follow unified guidelines of product composition and safety, they might contain harmful and toxic ingredients besides ethanol itself. For example methanol poisonings with counterfeit branded spirits have occurred regularly in Russia over the last two years, resulting in several deaths^{14,20}. These cases corroborate the observed lack of enforcement of food safety standards in internet trade²¹. However, methanol intoxications are only isolated cases in relation to the general problem of ethanol's adverse effects. Hence, the main problem with counterfeit spirits lies with their cheap price, high availability and their high demand by certain population groups leading to heavy consumption. Studies suggest that consumption of non-deceptive counterfeits (products of which the consumers are fully aware that they are counterfeits usually because of their cheap price) is associated with consumers of lower socio-economic strata, heavy drinking and consumption of further types of unrecorded alcohol, including alcohol surrogates^{13,16}. Cheaper alcohol products have been linked to most risky patterns of consumption associated with premature mortality^{22–24}.

The illegal internet sale of counterfeit alcohol does not only evade tax payments and undermines youth protection policies, it also undermines various other alcohol policy measures introduced in Russia over the last years to reduce the harmful use of alcohol²⁵, such as restrictions of sale locations and sale times and the fixed minimum price on alcoholic beverages^{25,26}.

Conclusions

Research in Russia suggests that the Internet has become an important trade channel of counterfeits^{12–14} with the observed online sellers apparently operating as an intermediate link in the distribution chain of counterfeit alcohol in Russia, meeting the consumer's stable demand for cheap alcohol. Therefore, measures against counterfeiting of alcohol should be part of specific policies to reduce unrecorded alcohol consumption and alcohol-related harms in Russia. These measures should include not only legislation, where increasingly higher penalties for the illegal use of trademarks over the past six years were implemented²⁷, but also law enforcement, where the laws seemingly are not really enforced, as the many internet sources for alcohol reveal. In addition, consistent monitoring of the entire production and supply chain of alcoholic beverages as well as effective denaturing of alcohol not intended for human consumption should be considered as the two key elements to achieve this goal²⁸.

Author contributions

DWL and JR conceptualized the article. MN drafted a first version of the text, DWL, SGW and JR revised the text and all authors approved of the final manuscript.

Competing interests

No competing interests were disclosed.

Grant information

The author(s) declared that no grants were involved in supporting this work.

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Open Peer Review

Current Referee Status:



Version 1

Referee Report 12 June 2017

doi:[10.5256/f1000research.12328.r23405](https://doi.org/10.5256/f1000research.12328.r23405)



Yury Evgeny Razvodovsky

Grodno State Medical University, Grodno, Belarus

The illegal trade of the counterfeit alcohol is the growing problem in many European countries¹. Especially cause worries about recent growth of the infiltration the counterfeit alcoholic beverages into online markets and social media platforms¹.

The paper written by Neufeld and coauthors addresses the relatively new phenomenon, which did not have much space in the scientific literature: the illegal internet trade of the counterfeit alcohol in Russia². The topic itself is extremely important from a public health perspective, because consumption of alcohol surrogates and counterfeit spirits was identified as one of the major contributor to alcohol-related deaths toll in Russia^{3,4}. Therefore, this paper is the helpful contribution to fill up this gap. The authors reasonably argue that the internet market of the counterfeit spirits has become an important trade channel of the unrecorded alcohol in Russia, which poses risk to human health due to toxic chemicals, such as methanol; and, also undermines the measures of the alcohol control policy, introduced in this country over the last decade.

The scale of this problem is well illustrated by the case of the mass poisoning in Krasnoyarsk city (Siberia) in 2015, due to consumption of the falsification whisky bought on the Internet, which killed almost 30 people. According to [newspaper reports](#), over 6.000 bottles of Jack Daniels were seized in this city, which contained a mixture of methanol, ethanol and the water.

In relation to this, the Russian government should consider a number of potentially effective approaches addressing to the problem of the counterfeit spirits, including raising public awareness of the life treating danger, posed by these products, and also taking the legal actions against the people, offering counterfeit alcoholic beverages for sale on websites and social media platforms.

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Is the topic of the opinion article discussed accurately in the context of the current literature?

Yes

Are all factual statements correct and adequately supported by citations?

Yes

Are arguments sufficiently supported by evidence from the published literature?

Yes

Are the conclusions drawn balanced and justified on the basis of the presented arguments?

Yes

Competing Interests: No competing interests were disclosed.

Referee Expertise: Alcohol-related problems

I have read this submission. I believe that I have an appropriate level of expertise to confirm that it is of an acceptable scientific standard.

Author Response 19 Jun 2017

Dirk Lachenmeier, 42, Chemisches und Veterinäruntersuchungsamt (CVUA) Karlsruhe, Germany

We thank the reviewer for his insight and providing a further example that strengthens our arguments. Regarding approaches, we have added some further suggestions in the revision of our article (see also response to the second reviewer below).

Competing Interests: No competing interests were disclosed.

Referee Report 03 May 2017

doi:10.5256/f1000research.12328.r22029



Andrey V. Korotayev 

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Notwithstanding the impressive successes achieved by the Russian government and civil society since 2005 in the reduction of the excessive alcohol consumption and the associated harm, the alcohol consumption in Russia still remains very high and constitute the single most important cause of the excessive mortality in this country¹. That is why it is so important to identify new measures that could contribute to the further reduction of the alcohol consumption in Russia, and that is why the reviewed article appears so timely and significant. Indeed, the authors demonstrate quite convincingly that the illegal internet sale of counterfeit alcohol undermines various alcohol policy measures introduced in Russia over the last years to reduce the harmful use of alcohol, such as restrictions of sale locations and

sale times and the fixed minimum price on alcoholic beverages.

The only problem with the article is that its authors do not offer any effective recommendations whose implementation could result in the elimination of the illegal internet sale of alcohol. In fact, they recommend two measures: "consistent monitoring of the entire production and supply chain of alcoholic beverages as well as effective denaturing of alcohol not intended for human consumption". However, I do not think that the authors themselves believe that the implementation of these two measures will result in the elimination of the illegal internet sale of alcohol. Thus, I would suggest that they should think about some additional policy measures. In this respect, it would be very useful if they could study how other countries have managed to solve this problem. In addition, the recommendation to establish "consistent monitoring of the entire production and supply chain of alcoholic beverages" does not appear to be sufficiently specific - the authors should specify what measures should be taken in order to establish such a monitoring.

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Is the topic of the opinion article discussed accurately in the context of the current literature?

Yes

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Yes

Are arguments sufficiently supported by evidence from the published literature?

Yes

Are the conclusions drawn balanced and justified on the basis of the presented arguments?

Yes

Competing Interests: No competing interests were disclosed.

I have read this submission. I believe that I have an appropriate level of expertise to confirm that it is of an acceptable scientific standard.

Author Response 19 Jun 2017

Dirk Lachenmeier, 42, Chemisches und Veterinäruntersuchungsamt (CVUA) Karlsruhe, Germany

Thank you for providing some further background into the issue of alcohol-related harm in Russia. As requested, we have added some further aspects on potential measures into the conclusion section. The problem appears to be rather on the enforcement side than on the policy side. For example, higher penalties were recently introduced into the general laws against counterfeiting. Otherwise, we agree with the reviewer that control of internet trade beyond borders is an extremely challenging task and that adequate responses by authorities need to be developed with priority (but such research would be beyond the scope of this 1000-word opinion piece).

Competing Interests: No competing interests were disclosed.
