

April 20, 2017

Dear UC SHIP Student,

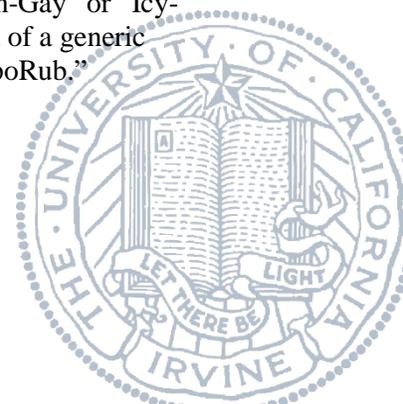
We are writing with important information about a fraud scheme targeting UC SHIP members. We do not have information at this time indicating that you have been impacted by this scheme. But we are sharing this information out of caution to assist our students in protecting themselves and their health information, as we have information that the perpetrators of this scheme are actively soliciting UC students in variety of ways to obtain their UC SHIP membership information. This letter contains important information about how to protect your health information and your identity.

### How the Scheme Works

We recently received information that a non-UC provider has been contacting students under suspicious pretenses to obtain their UC SHIP membership information and then using their UC SHIP numbers to prescribe multiple medications to those students.

- We have been informed that a company called “California Clinical Trials LLC” is specifically advertising to students enrolled in UC SHIP to enroll them in a “clinical trial” of topical pain creams. These ads have appeared on Facebook and have offered UC SHIP members up to \$550 to enroll in their “clinical trial.” We believe that students may have been misled into believing that this “clinical trial” was associated with UC SHIP, which it is not. This company and its activities have absolutely no relationship to the University of California.
- We understand that a company called “PharmaPro Solutions” has appeared at job or recruiting fairs to solicit UC students to apply for jobs as sales representatives. As part of the “employment application,” we understand that PharmaPro representatives have asked students to provide UC SHIP insurance numbers and other health information. The student shortly thereafter begins to receive prescription topical pain creams in the mail from a mail-order pharmacy, even though the student did not ask for the prescription and did not consult with a doctor or pharmacist. This company and its activities have absolutely no relationship to the University of California.
- Lastly, we believe that PharmaPro Solutions or another company may be tabling or setting up unauthorized booths at or around UC campuses and offering “free samples” of these topical pain creams. In exchange for the sample, the company is believed to be requesting UC SHIP membership information. Again, these activities have absolutely no relationship to the University of California.

We believe that, once students’ UC SHIP membership information is collected, the scheme involves writing large numbers of fraudulent prescriptions for topical pain medications in the names of these students. The prescription medications involved include Dermacin, Inflammacin, Diclofenac, Mebolic, Migranow, Inflammation Reduction Pak, Xeltral, and possibly others. Most of these medications are packaged in kits consisting of a drug similar to ibuprofen (either as a topical solution or as pills), coupled with a second component, which is similar to an over-the-counter “Ben-Gay” or “Icy-Hot” cream. Mebolic is a prescription vitamin product, and Migranow is a kit composed of a generic migraine medication plus a topical cooling liquid similar to over-the-counter “Vic’s VapoRub.”



### What We Are Doing

We consider this matter fraud against our students and the University, and are taking every reasonable step to protect our students and the UC SHIP plan from this kind of abuse. UC SHIP itself uncovered this scheme and is conducting an in-depth, ongoing investigation with our legal counsel and law enforcement. We have taken immediate actions to cut-off the prescribers and all the companies and persons known to us who may be involved in this scheme, including suspending participation of such providers and pharmacies in our plan, effective immediately. We are taking additional, preventive actions with respect to the high-cost drugs and kits involved here that are an emerging target for fraud and are placing additional internal controls around UC SHIP claims. We are actively pursuing legal action and working with law enforcement to hold the perpetrators accountable.

If you have information that may assist law enforcement or the University in this matter, please contact the UC Irvine Police Department at (949) 824-5223.

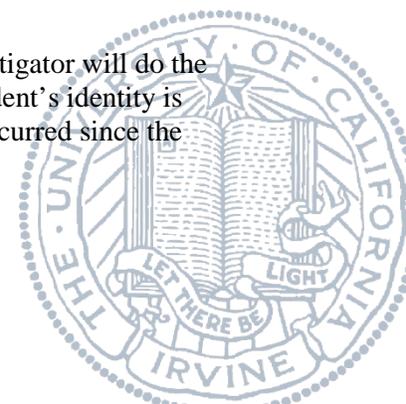
### Protecting Yourself and Your Information

This scheme appears sophisticated and our investigation remains active, so we do not know all of the facts at this time. We are contacting you now because your well-being and privacy are paramount. We encourage you to observe the following tips to keep yourself and your information safe:

- 1) Beware of so-called “clinical trials” advertised on social media, the web, and elsewhere. Some of these clinical trials are shams, designed to leverage your UC SHIP coverage to write expensive prescriptions for what are essentially worthless medications. These medications may even be dangerous. The University strongly encourages students and third parties to verify a researcher’s credentials and affiliation before participating in any clinical trial. Make sure that the informed consent form you sign lists an Institutional Review Board, or Ethics Committee, and contact them to make sure the study is legitimate. Information about legitimate clinical trials can also be found at [www.clinicaltrials.gov](http://www.clinicaltrials.gov). UC runs many clinical trials, and they are absolutely essential to ensuring the advancement of medicine. A genuine clinical trial has important protections for its enrollees. A true clinical trial will rarely offer large sums of money for participants.
- 2) Do not share your UC SHIP membership information with anyone, other than your health care provider; when in doubt, check with your Student Health Center. Your membership number is private, sensitive information. Do not share it with organizations tabling on campus or as part of an employment application. In California, employers can only ask for medical or health insurance information in limited circumstances and very rarely when you are first applying for a job.

We also want to alert you to resources for protecting your identity. Please find enclosed important information about checking your credit reports and ensuring that no new accounts were created in your name. Students enrolled in UC SHIP also have access to **AllClear ID** via Anthem. Students can contact **AllClear ID** at <https://anthemcares.allclearid.com>, or 1-855-227-9830, (Monday through Saturday from 8:00 AM - 8:00 PM Central Time). Services include the following:

- **Identity Theft Repair Assistance:** Should a student experience fraud, an investigator will do the work to recover financial losses, restore the student’s credit, and ensure the student’s identity is returned to its proper condition. This assistance will cover any fraud that has occurred since the incident first began.



- **Credit Monitoring:** At no cost, students may also enroll in additional protections, including credit monitoring. Credit monitoring alerts consumers when banks and creditors use their identity to open new credit accounts.
- **Child Identity Protection:** Child-specific identity protection services will also be offered to any students with children insured through their Anthem plan.
- **Identity theft insurance:** For individuals who enroll, the company has arranged for \$1,000,000 in identity theft insurance, where allowed by law.
- **Identity theft monitoring/fraud detection:** For students who enroll, data such as credit card numbers, Social Security numbers and emails will be scanned against aggregated data sources maintained by top security researchers that contain stolen and compromised individual data, in order to look for any indication that the students' data has been compromised.
- **Phone Alerts:** Individuals who register for this service and provide their contact information will receive an alert when there is a notification from a credit bureau, or when it appears from identity theft monitoring

Finally, we want to take this opportunity to remind you that it is important that you protect your personally identifying information (health insurance ID, Social Security number, bank account information, etc.) at all times from unauthorized use. Your health plan information and medical identity can be valuable to an identity thief. As a result, please take precautions including:

- You should never provide your health insurance ID or Social Security number to someone you don't know. Also, as a rule, avoid sharing sensitive information over email or through social media.
- Be wary if someone offers you "free" health services or products, but requires you to provide your health plan ID number. Medical identity thieves may pretend to work for an insurance company, doctors' offices, clinic, or pharmacy to try to trick you into revealing sensitive information.
- Keep paper and electronic copies of your medical and health insurance records in a safe place. Shred outdated health insurance forms, prescription and physician statements, and the labels from prescription bottles before you throw them out.
- Before you provide sensitive personal information to a website that asks for your social security number, insurance account numbers, or details about your health, find out why the information is needed, how it will be kept safe, whether it will be shared, and with whom. If you decide to share your information online, first read the privacy policy on the website and look for a lock icon on the browser's status bar or a URL that begins "https:" the "s" is for secure.

We appreciate your attention to this important matter.

Sincerely,

UCI Student Health Center



## Frequently Asked Questions Regarding This Fraud Scheme

How do I know if my personally identifying information has been exposed by this scheme?

*The University of California (the “UC” or the “University”) has provided two notifications – one to all students enrolled in the UC Student Health Insurance Plan (“UC SHIP”) and a second to students we know have been affected by the scheme. If the letter you received did not notify you that you have received prescription medication or been solicited for your UC SHIP membership information or other medical information, UC does not currently have information suggesting that your information was obtained or used in the scheme.*

I participated in this clinical trial and now fear that I have suffered harm.

*The prescription medications involved in this scheme include Dermacin, Inflammacin, Diclofex, Mebolic, Migranow, Inflammation Reduction Pak, Xelital, and possibly others. UC encourages you to contact your student health center (see <http://www.ucop.edu/uc-health/reports-resources/student-health-services/index.html> for contact information) if you have any concerns about your health, if you received any of the medications above, if you participated in a “clinical trial” for a pain cream, or if you have received medication from a provider not known to you for any other reason.*

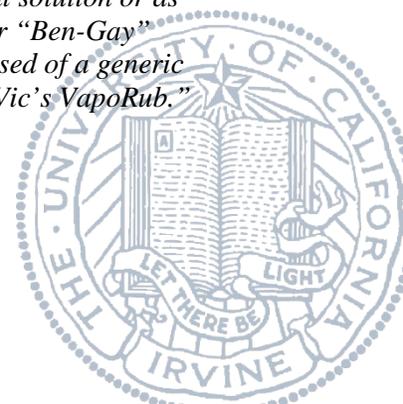
*This “clinical trial” had no affiliation with the University and was not approved or organized by the University.*

*UC researchers do conduct scores of legitimate clinical trials that allow patients access to new and innovative treatments, and lead to substantial breakthroughs for patient care. UC strongly encourages students and third parties to verify a researcher’s credentials and affiliation before participating in any clinical trial. Make sure that the informed consent form you sign lists an Institutional Review Board, or Ethics Committee, and contact them to make sure the study is legitimate. Information about clinical trials can also be found at [www.clinicaltrials.gov](http://www.clinicaltrials.gov). Students should beware of anyone offering “free” samples or easy cash in exchange for their personal information and of so-called “clinical trials” that offer large amounts of money just for signing up.*

Are the medications that were prescribed dangerous?

*UC encourages all students to contact the Student Health Center if they have received any of the medications above, if they participated in a “clinical trial” for a pain cream, or if they have received medication from a provider not known to them for any other reason.*

*The prescription medications involved include Dermacin, Inflammacin, Diclofex, Mebolic, Migranow, Inflammation Reduction Pak, Xelital, and possibly others. Most of these medications are packaged in kits consisting of a drug similar to ibuprofen (either as a topical solution or as pills), coupled with a second component, which is similar to an over-the-counter “Ben-Gay” cream. Mebolic is a prescription vitamin product, and Migranow is a kit composed of a generic migraine medication plus a topical cooling liquid similar to over-the-counter “Vic’s VapoRub.”*



*With a few exceptions, there were no claims submitted by any of the involved prescribers for clinical care of the students for whom they wrote these prescriptions – even though the drugs at issue here should not be prescribed without a good faith medical examination and diagnoses of some condition to be treated. The above medications may also be contraindicated with pregnancy, use of alcohol, and/or serotonin reuptake inhibitors (SSRIs). This is why we're encouraging students to reach out to their medical providers if they have specific questions about the side effects of a medication they may have taken.*

When and how did UC learn about this scheme?

*UC SHIP regularly reviews prescription claim data for unusual activity. On Thursday, April 20, UC publicly filed court documents setting forth the information known to UC at the time. We cannot provide additional details about this investigation right now because it is ongoing.*

Have the perpetrators been apprehended?

*UC is actively working with law enforcement and will request that the perpetrators of this scheme be prosecuted. We cannot share information about any criminal investigation.*

*We are also reaching out to the medical and professional licensing authorities to ensure that they can take appropriate action to suspend or revoke licenses of any professionals abusing their positions.*

Why did the University allow fraud perpetrators to access student data?

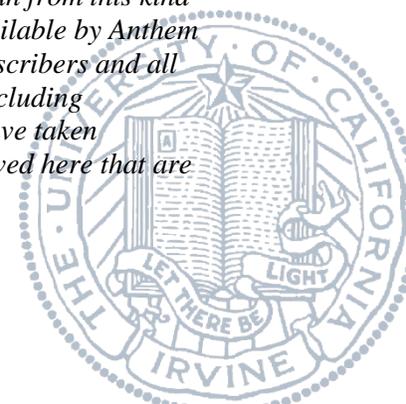
*From what we have uncovered, this scheme did not involve a breach of any UC system. Rather, persons not affiliated with UC contacted students under false pretenses and convinced students to provide their UC SHIP membership information and other medical information. We are warning UC SHIP members and the entire University community about this scam so that they can better identify fraudulent schemes to unlawfully collect their personal information.*

What of my personal information might be exposed?

*The perpetrators of this scheme are believed to have solicited student information through a sham clinical trial advertised on Facebook through a company known as California Clinical Trials, LLC, through job fairs attended by companies known as Pharma Pro and Pharma Pro Solutions, and by setting up tables on campus during student events. Personal information that a student provided to one of those companies or individuals related to those companies may be at risk.*

What is UC doing to protect its students?

*UC is taking every reasonable step to protect our students and the UC SHIP plan from this kind of abuse. The UC SHIP health plan offers identity protection services made available by Anthem through ALL Clear ID. We have also taken immediate actions to cut-off the prescribers and all the companies and persons known to us who may be involved in this scheme, including suspending participation of such providers and pharmacies in UC SHIP. We have taken additional, preventive actions with respect to the high-cost drugs and kits involved here that are*



*an emerging target for fraud and are placing additional controls on UC SHIP claims. We are actively pursuing legal action and working with law enforcement to hold the perpetrators accountable.*

If students were involved in the scheme, as recruiters or otherwise, could they be expelled or prosecuted?

*In general, UC follows the same policies and procedures any time that a student that engages in a crime or significant misconduct against the university or fellow students. Based on what we know now, this appears to be a scheme run by non-UC people and companies and targeting UC students. At this time, we do not know whether any students were purposefully or actively involved in the scheme, other than as victims.*

Will the University reimburse me if these scammers stole my identity and opened financial accounts?

*The UC SHIP plan offers identity theft protection services made available by Anthem through ALL Clear ID. There is also fraud protection offered by financial institutions for fraudulent transactions. Generally, the University is not liable for identity theft losses occurring as a result of a student providing personal information to a third party.*

Will I be financially liable for these prescriptions (e.g., co-pays, lifetime cap, annual limits, etc.)?

*No, we view what has happened to this point to be a fraud on UC SHIP and our students.*

I have information that may assist law enforcement or the University in this matter.

*Please contact the UC Irvine Police Department at 949-824-5223.*

I have additional questions not covered here.

*If you are a student, please call the UC Irvine Student Health Center at 949-824-5301 during regular business hours of 8:00 AM to 5:00 PM, Monday through Friday.*

*If you are a journalist, please contact: **Dianne Klein, UCOP, Office of Communications**  
**(510) 987-0254***

