

AG Brnovich Joins Antitrust Lawsuit Against 20 Generic Drug Manufacturers and 15 Senior Executives

*Lawsuit Alleges Conspiracy to Fix Prices and Allocate Markets
for More Than 100 Generic Drugs*

PHOENIX -- Attorney General Mark Brnovich, along with 43 other state attorneys general, filed an antitrust lawsuit against Teva Pharmaceuticals and 19 of the nation's largest generic drug manufacturers, alleging a broad conspiracy to artificially inflate and manipulate prices, reduce competition, and unreasonably restrain trade for more than 100 different generic drugs. The federal lawsuit also names 15 senior executive defendants at the heart of the conspiracy who were responsible for sales, marketing, pricing, and operations. The drugs at issue account for billions of dollars of sales in the United States, and the alleged schemes increased prices affecting the health insurance market, taxpayer-funded healthcare programs like Medicare and Medicaid, and individuals who paid artificially-inflated prices for their prescription drugs.

“My office is committed to ensuring that Arizona consumers are not harmed by drug manufacturers conspiring to raise drug prices,” said Attorney General Mark Brnovich. “Arizonans rely every day on the drugs at issue in this complaint for the treatment of diseases like cancer, diabetes, depression, and arthritis. Market forces should drive the cost of generic drugs, not drug manufacturers who rake in billions in profits through alleged collusion while consumers’ pocketbooks – and, in some cases, their health – suffer from skyrocketing prices.”

The complaint alleges that Teva, Sandoz, Mylan, Pfizer, and 16 other generic drug manufacturers engaged in a broad, coordinated, and systematic campaign to conspire with each other to fix prices, allocate markets, and rig bids for more than 100 different generic drugs. In some instances, the coordinated price increases for a particular drug were over 1,000 percent.

The complaint describes how the defendants unlawfully discouraged competition, raised prices, and enforced an ingrained culture of collusion. The complaint alleges that the conspiracy was conducted through an interconnected web of industry executives, who conspired with each other during industry dinners, “girls nights out,” lunches, cocktail parties, and golf outings. The complaint also cites to thousands of competitor communications via telephone calls, emails, and text messages that allegedly sowed the seeds for their illegal agreements.

This is the second complaint filed by Arizona in conjunction with other state attorneys general regarding collusion amongst generic drug manufacturers and their executives. The lawsuit seeks damages, civil penalties, and actions by the court to restore competition to the generic drug market.

Full copy of the filed complaint (/sites/default/files/docs/press-releases/2019/complaints/GDMS_Complaint.pdf).

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