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**FOR IMMEDIATE RELEASE:**

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*Teva Pharma, 20 other manufacturers raised prices of some generic drugs by up to 2,700 percent*

**OLYMPIA** — Attorney General Bob Ferguson and 43 other attorneys general filed a lawsuit against Teva Pharmaceuticals, the largest generic drug manufacturer in the world, and 20 other companies for conspiring in secret to increase prices of 116 common medications, including everyday antibiotics, antidepressants, contraceptives and statins.

In one of the most egregious and damaging price-fixing schemes in United States history, Teva and its co-conspirators raised prices on some drugs by well over 1,000 percent at the height of the conspiracy from July 2013 to January 2015. One blood pressure medication increased by as much as 2,700 percent.

According to the [lawsuit](#), filed May 10 in U.S. District Court for the District of Connecticut, the companies created an anticompetitive culture in the generic drug industry and met routinely to agree to raise prices of generic drugs in violation of state and federal antitrust laws and the Washington State Consumer Protection Act.

The lawsuit names 21 generic drug manufacturers as conspirators in the price-fixing scheme: Teva, Sandoz, Mylan, Pfizer, Actavis, Amneal, Apotex, Aurobindo, Breckenridge, Dr. Reddy's Laboratories, Glenmark, Greenstone, Lannett, Lupin, Par, Rising, Taro Israel, Taro USA, Upsher-Smith, Wockhardt USA and Zydus.

“These pharmaceutical manufacturers conspired to raise prices of generic prescription drugs, driving up health care costs and making it harder for millions of Washingtonians to access affordable care,” Attorney General Ferguson said. “Our friends and neighbors cannot afford to pay inflated drug prices to increase the profits of pharmaceutical companies. This is one of the most damaging price-fixing conspiracies in history – we’re going to hold those responsible accountable.”

In 2015, sales of generic drugs in the United States were estimated at \$74.5 billion. The lawsuit estimates that the alleged conduct resulted in billions of dollars of overcharges nationwide. These overcharges likely affected millions of Washingtonians.

When a branded drug manufacturer loses exclusive patent rights to a drug, generic drugs can enter the market at a lower cost. These generic drugs are equivalent to their brand-name counterparts, providing consumers the option to purchase their medications at a lower price.

The more manufacturers produce a particular generic drug, the lower the price falls for that drug. For drugs produced by a large number of generic manufacturers, the average generic price drops to 20 percent or less of the price of the branded drug. Generic drugs save consumers and taxpayers tens of billions of dollars annually in health care costs.

While some price increases are normal, prices of hundreds of generic drugs skyrocketed without explanation in 2013 and 2014. In 2013, more than 1,000 drugs had cost increases of more than 50 percent, more than double the number of drugs from the previous year. Generic drug manufacturers argued publicly that the increases were due to benign, legitimate factors such as industry consolidation, FDA-mandated plant closures or elimination of unprofitable generic drug product lines.

Privately, however, these companies created anticompetitive price-fixing agreements at regular industry dinners, lunches, parties, golf outings, frequent telephone calls, emails and text messages. Throughout these communications, the conspirators used terms like "fair share," "playing nice in the sandbox," and "responsible competitor" to describe how they unlawfully discouraged competition, raised prices and enforced an ingrained culture of collusion within the industry.

The conspirators usually chose to communicate in person or by phone, in an attempt to avoid creating a written record of their illegal conduct. When communications were reduced to writing or text message, the companies often took calculated steps to destroy evidence of those communications. For example, company executives destroyed text messages and documents after hearing about subpoenas from the states' investigation.

The companies agreed to drive up the cost of over a hundred common drugs, from everyday antibiotics such as amoxicillin and penicillin to antidepressants, contraceptives, non-steroidal anti-inflammatory drugs (NSAIDs), statins, ace inhibitors, beta blockers and more. These drugs are used to treat a wide range of diseases and conditions, such as diabetes, cancer, HIV, epilepsy, multiple sclerosis, high blood pressure, arthritis, high cholesterol, acid reflux and ADHD. A full list of the drugs affected by the scheme [is available here](#).

During the conspiracy, the costs of these drugs increased by 50 percent to 1,000 percent or more. Generic drugs whose prices had increased by more than 100 percent accounted for more than \$500 million in Medicaid drug reimbursements between June 2013 and June 2014.

The states' lawsuit seeks damages, the maximum civil penalties allowed under the law and actions by the court to restore competition to the generic drug market.

Ferguson and the state attorneys general will continue to investigate generic drug manufacturers regarding the sale of other drugs, and may bring additional actions based on those conspiracies in the future.

Connecticut is leading the lawsuit. Other attorneys general involved in the lawsuit are: Alabama, Alaska, Arizona, Colorado, Delaware, Florida, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Vermont, Virginia, West Virginia, Wisconsin and Puerto Rico joined the suit.

Antitrust Assistant Attorneys General Erica Koscher and Travis Kennedy are handling the case.

The lawsuit is the second to be filed in the states' ongoing investigation. In December 2016, Washington joined a lawsuit against six generic drug manufacturers for a different price-fixing scheme involving two generic drugs. A year later, the states [amended that complaint](#), expanding it

to 18 corporate defendants and 15 generic drugs. The case is still pending in the U.S. District Court in the Eastern District of Pennsylvania.

The Office of the Attorney General's Antitrust Division is responsible for enforcing the antitrust provisions of Washington's Unfair Business Practices-Consumer Protection Act. The division investigates and litigates complaints of anticompetitive conduct and reviews potentially anticompetitive mergers. The division also brings actions in federal court under the federal antitrust laws. It receives no general fund support, funding its own actions through recoveries made in other cases.

The Antitrust Division investigates complaints about potential anti-competitive activity. For information about filing a complaint, visit <https://fortress.wa.gov/atg/formhandler/ago/AntitrustComplaint.aspx>.