



PRESS RELEASE

AG Healey Sues Generic Drug Makers and Executives for Widespread Conspiracy to Raise Prices

Lawsuit Part of an Ongoing Multistate Investigation

FOR IMMEDIATE RELEASE:

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Office of Attorney General Maura Healey

MEDIA CONTACT

Alex Bradley

Phone

(617) 727-2543 (tel:6177272543)

Online

alexander.bradley@mass.gov (mailto:alexander.bradley@mass.gov)

BOSTON — Alleging a widespread conspiracy to inflate and manipulate the prices of dozens of generic drugs, Attorney General Maura Healey announced today that she has

joined a coalition of states in filing a lawsuit against 20 drug makers and 15 pharmaceutical executives.

“Our case alleges that some of the largest generic drug manufacturers in the country actively conspired together to fix prices and profit as a result of their illegal scheme,” said AG Healey. “People depend on generic drugs to keep health care costs down and make medications more affordable. The actions by these companies are reprehensible, illegal, and betray the public’s trust.”

The [complaint \(/doc/genericdrugscomplaint\)](/doc/genericdrugscomplaint), filed on Friday in the U.S. District Court of Connecticut, alleges that 20 major drug makers, including Teva, Sandoz, and Mylan, actively worked together to coordinate and fix prices of more than 100 different medications that treat a wide array of conditions – including diabetes, cancer, multiple sclerosis, HIV/AIDS, and epilepsy – and account for billions of dollars of sales in the United States. In some instances, the complaint alleges that these companies were able to drive prices up for certain drugs by more than 1,000 percent.

The complaint further alleges that the senior executives, who were responsible for sales, marketing, pricing and operations, regularly conspired to allocate markets and raise prices through social and industry events, as well as through emails, telephone calls, and text messages. The executives used terms like “fair share,” “playing nice in the sandbox,” and “responsible competitor” to describe how they unlawfully discouraged competition, raised prices and engaged in a coordinated and systematic campaign to conspire with each other.

AG Healey previously joined a similar [lawsuit \(/news/in-major-antitrust-lawsuit-ag-healey-sues-generic-drug-makers-for-conspiring-to-raise-prices%20\)](/news/in-major-antitrust-lawsuit-ag-healey-sues-generic-drug-makers-for-conspiring-to-raise-prices%20) in 2016 against six different pharmaceutical companies. That complaint is pending in the U.S. District Court in the Eastern District of Pennsylvania.

The Corporate Defendants in today’s announcement are:

- Teva Pharmaceuticals USA, Inc.
- Sandoz, Inc.

- Mylan Pharmaceuticals Inc.
- Actavis Holdco US, Inc.
- Actavis Pharma, Inc.
- Amneal Pharmaceuticals, Inc.
- Apotex Corp.
- Aurobindo Pharma U.S.A., Inc.
- Breckenridge Pharmaceutical, Inc.
- Dr. Reddy's Laboratories, Inc.
- Glenmark Pharmaceuticals Inc. USA
- Greenstone LLC
- Lannett Company, Inc.
- Lupin Pharmaceuticals, Inc.
- Par Pharmaceutical Companies, Inc.
- Pfizer, Inc.
- Taro Pharmaceuticals USA, Inc.
- Upsher-Smith Laboratories, LLC
- Wockhardt USA, LLC
- Zydus Pharmaceuticals (USA), Inc.

The individual Defendants who have been named include:

- Ara Aprahamian, Vice President of Sales and Marketing at Taro
- David Berthold, Vice President of Sales at Lupin
- James Brown, Vice President of Sales at Glenmark
- Maureen Cavanaugh, former Senior Vice President and Chief Commercial Officer, North America, for Teva
- Marc Falkin, former Vice President, Marketing, Pricing and Contracts at Actavis

- James Grauso, former Senior Vice President, Commercial Operations for Aurobindo from December 2011 through January 2014. Since February 2014, Grauso has been employed as the Executive Vice President, N.A. Commercial Operations at Glenmark
- Kevin Green, former Director of National Accounts at Teva from January 2006 through October 2013. Since November 2013, Green has worked at Zydus as the Vice President of Sales
- Armando Kellum, former Vice President, Contracting and Business Analytics at Sandoz
- Jill Nailor, Senior Director of Sales and National Accounts at Greenstone
- James Nesta, Vice President of Sales at Mylan
- Kon Ostaficiuk, the President of Camber Pharmaceuticals, Inc.
- Nisha Patel, former Director of Strategic Customer Marketing and later, Director of National Accounts at Teva
- David Rekenhaller, former Vice President, Sales US Generics at Teva
- Richard Rogerson, former Executive Director of Pricing and Business Analytics at Actavis
- Tracy Sullivan DiValerio, Director of National Accounts at Lannett

The lawsuit seeks damages, civil penalties and actions by the court to restore competition to the generic drug market.

In addition to Massachusetts, and led by Connecticut's Attorney General, the plaintiff jurisdictions in this lawsuit are Alabama, Alaska, Arizona, Colorado, Delaware, Florida, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, and Wisconsin..

This matter is being handled in Massachusetts by Assistant Attorney General and Division Chief Will Matlack, Assistant Attorney General and Deputy Division Chief Michael

Mackenzie, Assistant Attorney General Daniel Leff, and Economic Analyst Grace Bradshaw, all of the AG Healey's Antitrust Division.

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Media Contact

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Office of Attorney General Maura Healey

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Attorney General Maura Healey is the chief lawyer and law enforcement officer of the Commonwealth of Massachusetts.

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