

## BREAKING NEWS

### AG Schmitt Sues Teva, 19 Other Drug Manufacturers, and 15 Individuals Alleging Price Fixing Scheme on Over 100 Generic Drugs

#### One of the largest and most damaging price fixing schemes in history

May 13, 2019, 09:46 AM

**Jefferson City, Mo.** – Attorney General Eric Schmitt announced today that the state of Missouri is joining the State of Connecticut’s lawsuit against Teva Pharmaceuticals and 19 of the nation's largest generic drug manufacturers, alleging that the companies drastically inflated and manipulated prices, reduced competition and unreasonably restrained trade for more than 100 different generic drugs. This is one of the most damaging and far-reaching price fixing schemes in modern history, with certain companies inflating prices by nearly 1,000 percent.

“Millions and millions of Americans rely on generic prescription drugs every day to treat diabetes, infections, depression, cancer, HIV, and more. This price fixing scheme by Teva Pharmaceuticals and other industry giants demonstrates a level of corporate greed the state of Missouri and the country rarely sees,” said Attorney General Schmitt. “By joining this lawsuit we’re sending a clear message to pharmaceutical companies: if you harm any of the 6 million people that call Missouri home, we will pursue action and hold you accountable for your actions.”

The lawsuit, filed in U.S. District Court for the District of Connecticut, also names 15 individual 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 must pay artificially-inflated prices for their prescriptions drugs.

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. The drugs span all types, including tablets, capsules, suspensions, creams, gels, ointments, and classes, including statins, ace inhibitors, beta blockers, antibiotics, anti-depressants, contraceptives, non-steroidal anti-inflammatory drugs, and treat a range of diseases and conditions from basic infections to diabetes, cancer, epilepsy, multiple sclerosis, HIV, ADHD, and more. In some instances, the coordinated price increases were over 1,000 percent.

The complaint lays out an interconnected web of industry executives where these competitors met with each other during industry dinners, "girls nights out", lunches, cocktail parties, golf outings and communicated via frequent telephone calls, emails and text messages that sowed the seeds for their illegal agreements. Throughout the complaint, defendants use 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.

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

The complaint is the second to be filed in an ongoing, expanding investigation by the Connecticut Office of the Attorney General. [The first complaint](#), still pending in U.S. District Court in the Eastern District of Pennsylvania, was filed in 2016 and now includes 18 corporate defendants, two individual defendants, and 15 generic drugs. Two former executives from Heritage Pharmaceuticals, Jeffery Glazer and Jason Malek, have entered [into settlement agreements](#) and are cooperating with the Attorneys General working group in that case.

In addition to Connecticut, 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, South Dakota, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Puerto Rico joined the suit.

#### Corporate Defendants

1. Teva Pharmaceuticals USA, Inc.
2. Sandoz, Inc.
3. Mylan Pharmaceuticals Inc.
4. Actavis Holdco US, Inc.
5. Actavis Pharma, Inc.
6. Amneal Pharmaceuticals, Inc.
7. Apotex Corp.
8. Aurobindo Pharma U.S.A., Inc.
9. Breckenridge Pharmaceutical, Inc.
10. Dr. Reddy's Laboratories, Inc.
11. Glenmark Pharmaceuticals Inc. USA
12. Greenstone LLC
13. Lannett Company, Inc.
14. Lupin Pharmaceuticals, Inc.
15. Par Pharmaceutical Companies, Inc.
16. Pfizer, Inc.
17. Taro Pharmaceuticals USA, Inc.
18. Upsher-Smith Laboratories, LLC
19. Wockhardt USA, LLC
20. Zydus Pharmaceuticals (USA), Inc.

**Individual defendants**

1. Ara Aprahamian, Vice President of Sales and Marketing at Taro Pharmaceuticals U.S.A, Inc.
2. David Berthold, Vice President of Sales at Lupin Pharmaceuticals, Inc.
3. James Brown, Vice President of Sales at Glenmark Pharmaceuticals, Inc.
4. Maureen Cavanaugh, former Senior Vice President and Chief Commercial Officer, North America, for Teva
5. Marc Falkin, former Vice President, Marketing, Pricing and Contracts at Actavis
6. 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
7. Kevin Green, former Director of National Accounts at Teva from January 2006 through October 2013. Since November 2013, Green has worked at Zydus Pharmaceuticals (USA) Inc. as the Vice President of Sales
8. Armando Kellum, former Vice President, Contracting and Business Analytics at Sandoz
9. Jill Nailor, Senior Director of Sales and National Accounts at Greenstone
10. James Nesta, Vice President of Sales at Mylan
11. Kon Ostaficiuk, the President of Camber Pharmaceuticals, Inc.
12. Nisha Patel, former Director of Strategic Customer Marketing and later, Director of National Accounts at Teva.
13. David Rekenhaller, former Vice President, Sales US Generics at Teva
14. Richard Rogerson, former Executive Director of Pricing and Business Analytics at Actavis
15. Tracy Sullivan DiValerio, Director of National Accounts at Lannett

**Drugs listed in the complaint as subject to price-fixing and market allocation agreements:**

1. Adapalene Gel
2. Amiloride HCL/HCTZ Tablets
3. Amoxicillin/Clavulanate Chewable Tablets
4. Amphetamine/Dextroamphetamine ER (aka Mixed Amphetamine Salts)
5. Amphetamine/Dextroamphetamine IR
6. Azithromycin Oral Suspension
7. Azithromycin Suspension
8. Baclofen Tablets
9. Benazepril HCTZ
10. Bethanechol Chloride Tablets
11. Budesonide DR Capsules
12. Budesonide Inhalation
13. Bumetanide Tablets
14. Buspirone Hydrochloride Tablets
15. Cabergoline
16. Capecitabine
17. Carbamazepine Chewable Tablets
18. Carbamazepine Tablets
19. Cefdinir Capsules
20. Cefdinir Oral Suspension
21. Cefprozil Tablets
22. Celecoxib
23. Cephalexin Suspension
24. Cimetidine Tablets
25. Ciprofloxacin Tablets
26. Clarithromycin ER Tablets
27. Clemastine Fumarate Tablets
28. Clomipramine HCL
29. Clonidine TTS Patch
30. Clotrimazole Topical Solution
31. Cyproheptadine HCL Tablets
32. Desmopressin Acetate Tablets
33. Desogestrel/Ethinyl Estradiol Tablets (Kariva)
34. Dexmethylphenidate
35. Dextroamphetamine Sulfate ER
36. Diclofenac Potassium Tablets
37. Dicloxacillin Sodium Capsules
38. Diflunisal Tablets
39. Diltiazem HCL Tablets
40. Disopyramide Phosphate Capsules
41. Doxazosin Mesylate Tablets
42. Drospirenone and ethinyl estradiol (Ocella)
43. Enalapril Maleate Tablets
44. Entecavir
45. Eptol Tablets
46. Estazolam Tablets
47. Estradiol Tablets
48. Ethinyl estradiol and levonorgestrel (Portia and Jolessa)
49. Ethosuximide Capsules
50. Ethosuximide Oral Solution
51. Etodolac ER Tablets
52. Etodolac Tablets
53. Fenofibrate
54. Fluconazole Tablets
55. Fluocinonide Cream
56. Fluocinonide Emolient Cream
57. Fluocinonide Gel
58. Fluocinonide Ointment
59. Fluoxetine HCL Tablets
60. Flurbiprofen Tablets
61. Flutamide Capsules
62. Fluvastatin Sodium Capsules

63. Gabapentin Tablets
64. Glimepiride Tablets
65. Griseofulvin Suspension
66. Haloperidol
67. Hydroxyurea Capsules
68. Hydroxyzine Pamoate Capsules
69. Irbesartan
70. Isoniazid
71. Ketoconazole Cream
72. Ketoconazole Tablets
73. Ketoprofen Capsules
74. Ketorolac Tromethamine Tablets
75. Labetalol HCL Tablets
76. Lamivudine/Zidovudine (generic Combivir)
77. Levothyroxine
78. Loperamide HCL Capsules
79. Medroxyprogesterone Tablets
80. Methotrexate Tablets
81. Mimvey (Estradiol/Noreth) Tablets
82. Moexipril HCL Tablets
83. Moexipril HCL/HCTZ Tablets
84. Nabumetone Tablets
85. Nadolol Tablets
86. Niacin ER Tablets
87. Nitrofurantoin MAC Capsules
88. Norethindrone/ethinyl estradiol (Balziva)
89. Northindrone Acetate
90. Nortriptyline Hydrochloride Capsules
91. Omega-3-Acid Ethyl Esters
92. Oxaprozin Tablets
93. Oxybutynin Chloride Tablets
94. Paricalcitol
95. Penicillin VK Tablets
96. Pentoxifylline Tablets
97. Piroxicam
98. Pravastatin Sodium Tablets
99. Prazosin HCL Capsules
100. Prochlorperazine Tablets
101. Propranolol HCL Tablets
102. Raloxifene HCL Tablets
103. Ranitidine HCL Tablets
104. Tamoxifen Citrate Tablets
105. Temozolomide
106. Tizanidine
107. Tobramycin
108. Tolmetin Sodium Capsules
109. Tolterodine ER
110. Tolterodine Tartrate
111. Topiramate Sprinkle Capsules
112. Trifluoperazine HCL
113. Valsartan HCTZ
114. Warfarin Sodium Tablets

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