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MISSISSIPPI JOINS LAWSUIT AGAINST TEVA PHARMACEUTICALS, OTHERS FOR FIXED PRICES CONSPIRACY; SECOND LAWSUIT FILED IN ONGOING, EXPANDING INVESTIGATION

May 13, 2019

Attorney General Jim Hood joined 44 states, led by Connecticut Attorney General William Tong, in announcing a 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 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, and Mylan, and 17 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 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 who met with each other during industry dinners, “girls nights out”, cocktail parties, golf outings and communicated via frequent telephone calls, emails and text messages to establish 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 a wide range of remedies including civil penalties and actions by the court to restore competition to the generic drug market.

“As we grapple with increasing drug prices, it is no surprise that nearly the entire generic drug market appears to be rigged. These are drugs that our citizens rely on every day,” General Hood said. “As Attorney General of the State of

Mississippi, I have made protecting Mississippi taxpayers a priority, especially against big pharmaceutical companies who take advantage of our state’s most vulnerable, and I am continuing my fight to hold those companies and individuals accountable.”

The complaint is the second to be filed in an ongoing, expanding investigation regarding what may be the largest cartel case in the history of the United States. 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.

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.

7. Kevin Green, former Director of National Accounts at Teva from January 2006 through October 2013.
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 Rekenhaler, 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

In addition to Connecticut and Mississippi, other states who joined the suit include Alabama, Alaska, Arizona, Colorado, Delaware, Florida, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, 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, Washington, West Virginia, Wisconsin and Puerto Rico.

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