

New York And 43 Other States Sue 20 Generic Drug Manufacturers Alleging Conspiracy To Fix Prices And Allocate Markets For More Than 100 Generic Drugs

Second Lawsuit Filed In Ongoing, Expanding Investigation

NEW YORK – Attorney General Letitia James joined 43 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 drugs at issue account for billions of dollars of sales in the United States. The States allege that the Defendants' conduct artificially increased prices to health insurers, taxpayer-funded healthcare programs like Medicare and Medicaid, and individuals who paid and continue to pay inflated prices for their prescription drugs.

The complaint alleges that Teva, Sandoz, Mylan, Pfizer and 16 other generic drug manufacturers engaged in a broad, coordinated and systematic conspiracy 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, and ointments; and classes, including statins, ace inhibitors, beta blockers, antibiotics, anti-depressants, contraceptives, non-steroidal anti-inflammatory drugs. They 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 who met with each other during industry dinners, lunches, cocktail parties, golf outings and communicated via frequent telephone calls, emails, and text messages sowing the seeds for their illegal agreements. Throughout the complaint, defendants are described as using 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, filed in the United States District Court for the District of Connecticut, seeks damages, civil penalties, and equitable relief to restore competition to the generic drug market.

"The evidence shows a multi-year, multi-faceted conspiracy to enrich pharmaceutical companies at the expense of consumers," said **Attorney General Letitia James**. "The scope of the conspiracy is breathtaking, affecting generic drugs that people rely on every day to treat acute and chronic conditions, like diabetes and arthritis. The blatant anticompetitive conduct alleged in the complaint harmed consumers' health and well-being in multiple way and we intend to hold the wrongdoers accountable."

The complaint is the second to be filed in an ongoing, expanding investigation of the generic drug industry. The first complaint, still pending in U.S. District Court in the Eastern District of Pennsylvania, was filed in 2016 and involves 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 New York, Alabama, Alaska, Arizona, Colorado, Connecticut, Delaware, Florida, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, 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.

New York's investigation has been led by Robert Hubbard and Emily Granrud, both Assistant Attorney Generals in the Antitrust Bureau, and supervised by Beau Buffier, Antitrust Bureau Chief. The Antitrust Bureau is part of the New York Attorney General's Economic Justice Division, led by Christopher D'Angelo, Executive Deputy Attorney General.

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