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STATE OF CONNECTICUT

ATTORNEY GENERAL GEORGE JEPSEN

May 24, 2017

AG Jepsen: States Reach Settlements, Cooperation Agreements with Two Former Executives in Generic Drug Multistate Investigation

Two former executives of a New Jersey-based generic pharmaceutical manufacturer have entered into settlement and cooperation agreements with 41 states and territories that are investigating what they allege is widespread anticompetitive activity in the generic drug industry that has led to higher prices for consumers and state governments, Attorney General George Jepsen announced today.

Mr. Jason Malek, the former president of Heritage Pharmaceuticals, Inc., and Mr. Jeffrey Glazer, the former chairman and chief executive officer of Heritage Pharmaceuticals, Inc. – each residents of New Jersey – have entered into settlement agreements with the investigating states in which they have agreed to cooperate in the states' ongoing litigation and investigation.

In July 2014, the state of Connecticut initiated an investigation of the reasons behind suspicious price increases of certain generic pharmaceuticals. The investigation, which Connecticut is leading, is ongoing as to a number of additional generic drugs, generic drug companies and key executives, and has already resulted in a pending lawsuit against six generic drug-makers that alleges a well-coordinated and long-running conspiracy to fix prices and allocate markets for doxycycline hyclate delayed release, an antibiotic, and glyburide, an oral diabetes medication.

Heritage Pharmaceuticals, Inc. – based in Eatontown, New Jersey – is a defendant in the states' litigation.

"We have alleged in our lawsuit that executives with Heritage Pharmaceuticals played a major role in these illegal conspiracies, we have, and we fully expect the agreements we have reached with Mr. Glazer and Mr. Malek – and the evidence they will provide to our working group – will significantly strengthen our ability to prosecute the litigation and further our investigation," said Attorney General Jepsen. "Ultimately, it was consumers, taxpayers – and, indeed, our healthcare system as a whole – who unwittingly paid for these actions through artificially high prices for generic drugs. I'm grateful for the continued partnership within our multistate group. The litigation and investigation remain among the highest priorities for my office, and we intend to continue to aggressively pursue our enforcement actions through this investigation."

In December 2016, Mr. Glazer and Mr. Malek each entered into plea agreements with the U.S. Department of Justice after being charged with two counts of criminal violations of the Sherman Antitrust Act. In addition to their cooperation with the states' investigation, Mr. Glazer and Mr. Malek will each pay a \$25,000 civil penalty to the states.

Assistant Attorneys General Joseph Nielsen, Laura Martella, Antonia Conti and Michael Cole, chief of the Antitrust and Government Program Fraud Department, are assisting the Attorney General with this matter.

Please [click here to view a copy of the settlement with Mr. Glazer](#) and [click here for a copy of the settlement with Mr. Malek](#).

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