



GEORGE JEPSEN OFFICE OF THE ATTORNEY GENERAL

Select Language | ▼

[Translation
Disclaimer](#)

[Home](#)

[About Us](#)

[Press Releases](#)

[Contact Us](#)

[CONSTITUENT ISSUES](#)

[CONSUMER ASSISTANCE](#)

[OFFICE RESOURCES](#)

[FORMAL OPINIONS](#)



STATE OF CONNECTICUT ATTORNEY GENERAL GEORGE JEPSEN

October 31, 2017

AG Jepsen Leads Coalition in New, Expanded Complaint in Federal Generic Drug Antitrust Lawsuit

States allege broad, industry-wide understanding among numerous drug manufacturers to restrain competition and raise prices on 15 generic drugs; senior executives sued

Attorney General George Jepsen today led 45 other attorneys general taking part in a wide-ranging multistate antitrust investigation of the generic drug industry in asking the federal court for permission to file a new complaint in the states' pending lawsuit that increases the number of generic drug manufacturer defendants from six to 18 in the case and the number of drugs at issue in the litigation from two to 15.

For the first time, the states are also suing senior executives at two generic drug companies who are alleged to have engaged in the illegal conduct.

In the expanded complaint, the states allege a number of specific illegal agreements among the defendants to fix prices and allocate customers for a number of generic drugs. The states further allege that these conspiracies were part of a much broader, overarching industry code of conduct that enabled the defendant manufacturers to divvy up the market for specific generic drugs in accordance with an established, agreed-upon understanding for assigning each competitor their share of the market.

"The generic drug market was conceived as a way to help bring down the cost of prescription medications for American consumers," said Attorney General Jepsen. "For years, though, those savings have not been realized, and instead the prices of many generic drugs have skyrocketed. In our original complaint, the states – led by my office – alleged that prices for two generic drugs increased dramatically due to illegal conspiracies between six generic drug manufacturers. When that complaint was filed, I said it was just the tip of the iceberg. Today, we are seeking leave of the court to file an expanded complaint that implicates significantly more companies, significantly more drugs and two individual executives in the illegal conduct. We allege in this complaint that the defendant companies' collusion was so pervasive that it essentially eliminated competition from the market for these 15 drugs in its entirety. Our ongoing investigation continues to uncover additional evidence, and we anticipate bringing more claims involving additional companies and drugs at the appropriate time."

Previously, the lawsuit was filed against generic drug manufacturers Heritage Pharmaceuticals, Inc.; Aurobindo Pharma USA, Inc.; Citron Pharma, LLC; Mayne Pharma (USA), Inc.; Mylan Pharmaceuticals, Inc.; and Teva Pharmaceuticals USA, Inc. alleging that they entered into illegal conspiracies in order to unreasonably restrain trade, artificially inflate and manipulate prices and reduce competition in the United States for two drugs: doxycycline hyclate delayed release, an antibiotic, and glyburide, an oral diabetes medication.

The states are seeking to expand the complaint to include Actavis Holdco U.S., Inc.; Actavis Pharma, Inc.; Ascend Laboratories, LLC; Apotex Corp.; Dr. Reddy's Laboratories, Inc.; Emcure Pharmaceuticals, Ltd.; Glenmark Pharmaceuticals, Inc.; Lannett Company, Inc.; Par Pharmaceutical Companies, Inc.; Sandoz, Inc.; Sun Pharmaceutical Industries, Inc.; and Zydus Pharmaceuticals (USA), Inc.

The expanded complaint also names two individual defendants: Rajiv Malik, president and executive director of Mylan N.V., which is the parent company of Mylan Pharmaceuticals, Inc.; and Satish Mehta, the chief executive officer and managing director of Emcure Pharmaceuticals, Ltd., which is the parent company of Heritage Pharmaceuticals, Inc.

The expanded complaint also adds allegations that the companies entered into conspiracies involving the following additional generic drugs:

- Acetazolamide, used to treat glaucoma and epilepsy;
- Doxycycline monohydrate, an antibiotic;
- Fosinopril-hydrochlorothiazide, used to treat high blood pressure;
- Glipizide-metformin, a diabetes medication;
- Glyburide-metformin, a diabetes medication;
- Leflunomide, used to treat rheumatoid arthritis;
- Meprobamate, an anxiety medication;
- Nimodipine, a calcium channel blocking agent used to reduce problems caused by a bleeding blood vessel in the brain;
- Nystatin, an antifungal medication;
- Paromomycin, an antibiotic used to treat certain parasite infections;
- Theophylline, used to treat asthma and other lung problems;
- Verapamil, used to treat hypertension; and
- Zoledronic acid, used to treat hypercalcemia.

The lawsuit is currently pending as part of the multidistrict litigation in the U.S. District Court for the Eastern District of Pennsylvania. Portions of the expanded complaint are redacted in order to avoid compromising ongoing investigations.

"Generic drugs are a multibillion-dollar industry," Attorney General Jepsen said, "but it's an industry based on products that people need and rely upon every single day for their health and well-being. The allegations of our complaint are shocking, and the depth and breadth of the conspiracies alleged are mind-blowing. The harm caused to America's economy and households is real – additional financial burdens for patients paying for needed medications, higher premiums as health insurers pass higher drug costs onto consumers and greater costs to cash-strapped states paying for care through public health insurance programs."

In July 2014, the state of Connecticut initiated an antitrust investigation of the reasons behind suspicious price increases of certain generic drugs. The investigation, which is still ongoing as to a number of additional generic drugs, generic drug companies and key executives, uncovered evidence of well-coordinated and long-running conspiracies to fix prices and allocate markets for certain generic drugs.

The states allege that the defendants routinely coordinated their schemes through direct interaction with their competitors at industry trade shows, customer conferences and other events, as well as through direct email, phone and text message communications. The alleged anticompetitive conduct – including efforts to fix and maintain prices, allocate markets and otherwise thwart competition – has resulted in artificially increased prices for generic drugs reimbursed by federal and state healthcare programs, such as Medicaid, and raised the coverage costs for employer-sponsored health plans and out-of-pocket costs for consumers. The states allege that the conduct caused significant, harmful and continuing effects in the country's healthcare system.

In 2015, generic drug sales in the United States were estimated at \$74.5 billion; currently, the generic pharmaceutical industry accounts for approximately 88 percent of all prescriptions written in the United States.

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

A copy of the filing will be made available later today.

[Please click here to view a Fact Sheet on the states' litigation.](#)

###

Media Contact:

Jaclyn M. Severance
jaclyn.severance@ct.gov
860-808-5324 (office)
860-655-3903 (cell)

Consumer Inquiries:

860-808-5318
attorney.general@ct.gov
Facebook: [Attorney General George Jepsen](#)
Twitter: [@AGJepsen](#)

