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Iowa Joins 20-State Antitrust Lawsuit against Heritage Pharmaceuticals, other Generic Drug Companies

States allege widespread conspiracy among competitors to reduce competition, increase prices for numerous generic prescription drugs

DES MOINES – Attorney General Tom Miller today joined 19 state attorneys general in filing a federal [antitrust lawsuit](#) against generic drug-maker Heritage Pharmaceuticals Inc., Auribindo Pharma USA Inc., Citron Pharma LLC, Mayne Pharma (USA) Inc., Mylan Pharmaceuticals Inc. and Teva Pharmaceuticals USA Inc.

The lawsuit alleges the companies entered into illegal conspiracies to unreasonably restrain trade, artificially inflate and manipulate prices and reduce nationwide competition for two generic drugs: doxycycline hyclate delayed release, an antibiotic, and glyburide, an oral diabetes medication.

The suit is filed under seal in the U.S. District Court for the District of Connecticut. Portions of the complaint are redacted in order to avoid compromising the states' ongoing investigation.

On Wednesday, the U.S. Department of Justice [announced](#) federal felony criminal charges against two former Heritage executives – former CEO Jeffrey Glazer and former president Jason Malek – for their alleged roles in conspiracies to fix prices, rig bids and allocate customers for doxycycline hyclate.

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.

In July 2014, the state of Connecticut initiated an investigation of the reasons behind suspicious price increases of certain generic pharmaceuticals. The investigation, which is still ongoing as to a number of additional generic drugs, uncovered evidence of a broad, well-coordinated and long running series of

conspiracies to fix prices and allocate markets for a number of generic pharmaceuticals in the United States.

In their lawsuit, the states allege that senior drug company executives and their subordinate marketing and sales executives conceived and carried out the misconduct. The suit further alleges 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 anticompetitive conduct, the states allege, including efforts to fix and maintain prices, allocate markets and otherwise thwart competition, caused significant, harmful and continuing effects in the country's healthcare system.

The states further allege that the drug companies knew that their conduct was illegal and made efforts to avoid communicating with each other in writing or, in some instances, to delete written communications after becoming aware of the investigation.

The states allege that the companies' conduct violated the federal Sherman Act and are asking the court to enjoin the companies from engaging in illegal, anticompetitive behavior and for equitable relief, including substantial financial relief, to address the violations of law and restore competition.

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