



Attorney General Marty Jackley

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Ranbaxy Pays South Dakota over a Million to Resolve Adulterated Drugs Claims

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Ranbaxy Pays South Dakota over a Million to Resolve Adulterated Drugs Claims

PIERRE, S.D - Attorney General Marty Jackley announced today that South Dakota has joined with other states and the federal government in a \$500 million dollar settlement to resolve civil and criminal allegations that Ranbaxy, a generic pharmaceutical manufacturer based in Gurgaon, India, introduced adulterated drugs into interstate commerce. As a result, false or fraudulent claims were allegedly submitted to the South Dakota Medicaid Program.

The investigation resulted from a qui tam action filed in the United States District Court for the District of Maryland under the federal False Claims Act and various state false claims statutes. The whistleblower's complaint alleged that Ranbaxy knowingly manufactured, distributed and sold generic pharmaceutical products – whose strength, purity and/or quality fell below the standards required by the FDA. The products at issue consisted of 26 generic pharmaceutical products manufactured at its facilities in Paonta Sahib and Dewas, India, at various times between April 1, 2003 and September 16, 2010.

“Consumers rely on FDA standards to ensure that the drugs they purchase are safe for their use and this settlement sends a message to pharmaceutical companies that substandard products won't be tolerated,” said Jackley.

Ranbaxy has agreed to pay the states and the federal government \$350 million dollars in civil damages and penalties to resolve civil allegations of poor manufacturing practices in two Indian manufacturing plants. \$266,729,715 of this amount will go to the Medicaid programs, which is funded jointly by the states and the federal government. The total portion of the settlement amount recovered by South Dakota is \$1,169,626, of which \$761,151 will be retained by the

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federal government as the federal Medicaid share. The remaining \$408,475 will go to the state general fund to offset alleged Medicaid damages in this case.

The South Dakota Medicaid Fraud Control Unit and the South Dakota Department of Social Services assisted in recovering the settlement money.

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