AG Jepsen: 40 State Attorneys General Now Plaintiffs in Federal Generic Drug Antitrust Lawsuit

States file amended complaint in lawsuit against six generic drug companies, now alleging new violations of state antitrust and consumer protection laws

Attorney General George Jepsen announced today that Connecticut has filed an amended antitrust complaint in federal court that increases from 20 to 40 the number of states alleging that six generic drug-makers entered into illegal conspiracies in order to unreasonably restrain trade, artificially inflate and manipulate prices and reduce competition in the United States for two generic drugs.

The amended complaint also adds claims of alleged violations of state antitrust laws – in addition to the alleged violations of federal antitrust laws – in each of the 40 states, as well as state consumer protection laws in most of the states, against the defendant generic companies Heritage Pharmaceuticals, Inc., Aurobindo Pharma USA, Inc., Citron Pharma, LLC, Mayne Pharma (USA), Inc., Mylan Pharmaceuticals, Inc. and Teva Pharmaceuticals USA, Inc.

Connecticut is leading the multistate group of plaintiff states, which now includes Alabama, Arizona, California, Colorado, Delaware, Florida, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Utah, Vermont, Virginia, Washington and Wisconsin.

"I am extremely proud of the coalition that we have built in this case," said Attorney General Jepsen. "Today's amended complaint is, I believe, a testament to the strength of this case and the importance of this investigation. The anticompetitive actions that we allege in this complaint are egregious and, ultimately, consumers, businesses and taxpayers paid the price. I'm grateful to my colleagues from across the country who have come together to join us in this bipartisan action to hold these companies accountable."

"We're pleased that our state continues to lead the way in making sure that consumers have access to a fair, safe marketplace, especially when it comes to health care," said state Consumer Protection Commissioner Jonathan A. Harris, "Businesses that operate in our state and across the country need to know that they're always welcome in Connecticut, but if they break the law, and hurt consumers they will be held accountable for their actions. In order for consumers to protect themselves and make smart decisions about their health care and medication, they need to interact with businesses who have their best interests at heart."

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, generic drug companies and key executives, uncovered evidence of 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.

The complaint 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 alleged anticompetitive conduct – 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 allege.
The lawsuit was 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 ongoing investigation.

Assistant Attorneys General Joseph Nielsen, Laura Martella, Antonia Conti and Cynthia Courtney; Paralegal Holly McDonald; and Assistant Attorney General 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 redacted amended complaint.

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