

# The Office of the Attorney General William Tong <sup>(<https://portal.ct.gov/ag>)</sup>

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Attorney General Tong Announces Significant Updates in Multistate Litigation Against Generic Drug Manufacturers Over Conspiracies to Inflate Prices and Limit Competition

## Press Releases



## OFFICE OF THE ATTORNEY GENERAL CONNECTICUT

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## Attorney General Tong Announces Significant Updates in Multistate Litigation Against Generic Drug Manufacturers Over Conspiracies to Inflate Prices and Limit Competition

**If you bought certain generic prescription drugs in the United States between January 1, 2010 and December 31, 2018, you could be eligible for money**

(Hartford, CT) – Attorney General William Tong today led a coalition of 50 states and territories announcing two significant cooperation agreements and settlements with Heritage Pharmaceuticals and Apotex totaling \$49.1 million to resolve allegations that both companies engaged in widespread, long-running conspiracies to artificially inflate and manipulate prices, reduce competition, and unreasonably restrain trade with regard to numerous generic prescription drugs. As part of their settlement agreements, both companies have agreed to cooperate in the ongoing multistate litigations led by Connecticut against 30 corporate defendants and 25 individual executives. Both companies have further agreed to a series of internal reforms to ensure fair competition and compliance with antitrust laws. A motion for preliminary approval of the \$10 million settlement with Heritage will be filed today in the United States District Court for the District of Connecticut in Hartford. A settlement with Apotex for \$39.1 million is contingent upon obtaining signatures from all necessary states and territories and will be finalized and filed in the U.S. District Court in the near future.

The settlements come as the states prepare for the first trial to be held in Hartford, Connecticut.

If you purchased a generic prescription drug manufactured by either Heritage or Apotex between 2010 and 2018, you may be eligible for compensation. To determine your eligibility, call 1-866-290-0182 (Toll-Free), email [info@AGGenericDrugs.com](mailto:info@AGGenericDrugs.com) or visit [www.AGGenericDrugs.com](http://www.AGGenericDrugs.com).

"Heritage and Apotex both participated in widespread conspiracies to jack up prices and block competition for generic prescription drugs. Their brazen collusion cost American families and our public healthcare programs millions of dollars. Both companies are now cooperating with our ongoing litigation, and we are very confident in our case heading toward our first trial in Connecticut," **said Attorney General Tong**.

Connecticut's Assistant Attorney General Joseph Nielsen is the lead attorney for a coalition of nearly all states and territories filing three antitrust complaints, starting first in 2016 under the leadership of then-Attorney General George Jepsen. The **first Complaint** (<https://portal.ct.gov/AG/Press-Releases-Archived/2017-Press-Releases/AG-Jepsen-Leads-Coalition-in-New-Expanded-Complaint-in-Federal-Generic-Drug-Antitrust-Lawsuit>) included Heritage and 17 other corporate Defendants, two individual Defendants, and 15 generic drugs. Two former executives from Heritage Pharmaceuticals, Jeffery Glazer and Jason Malek, have since **entered into settlement agreements** (<https://portal.ct.gov/AG/Press-Releases-Archived/2017-Press-Releases/AG-Jepsen-States-Reach-Settlements-Cooperation-Agreements-with-Two-Former-Executives-in-Generic-Drug>) and are cooperating. The **second Complaint** ([https://portal.ct.gov/-/media/AG/Downloads/GDMS\\_Complaint\\_51019\\_FINAL\\_REDACTED\\_PUBLIC\\_VERSION.pdf](https://portal.ct.gov/-/media/AG/Downloads/GDMS_Complaint_51019_FINAL_REDACTED_PUBLIC_VERSION.pdf)) was filed in 2019 against Teva Pharmaceuticals and 19 of the nation's largest generic drug manufacturers. The Complaint names 16 individual senior executive Defendants. The third complaint, to be tried first, focuses on 80 topical generic drugs that account for billions of dollars of sales in the United States and names 26 corporate defendants and 10 individual defendants. Six additional pharmaceutical executives have entered into settlement agreements with the States and have been cooperating to support the States' claims in all three cases.

The cases all stem from a series of investigations built on evidence from several cooperating witnesses at the core of the different conspiracies, a massive document database of over 20 million documents, and a phone records database containing millions of call detail records and contact information for over 600 sales and pricing individuals in the generics industry. Each complaint addresses a different set of drugs and defendants, and lays out an interconnected web of industry executives where these competitors met with each other during industry dinners, "girls nights out", lunches, cocktail parties, golf outings and communicated via frequent telephone calls, emails and text messages that sowed the seeds for their illegal agreements. Throughout the complaints, defendants use terms like "fair share," "playing nice in the sandbox," and "responsible competitor" to describe how they unlawfully discouraged competition, raised prices and enforced an ingrained culture of collusion. Among the records obtained by the States is a two-volume notebook containing the contemporaneous notes of one of the States' cooperators that memorialized his discussions during phone calls with competitors and internal company meetings over a period of several years.

Alaska, Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Northern Mariana Islands, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, U.S. Virgin Islands, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and Puerto Rico joined in today's announcement.

Lead Assistant Attorney General Joseph Nielsen and Assistant Attorneys General Alex Frisbee, Kyle Ainsworth, Cara Moody, Paralegal Gaile Colaresi and Deputy Associate Attorney General Nicole Demers, Chief of the Antitrust Section – along with former team members Assistant Attorneys General Laura Martella and Christine Miller, and retired Assistant Attorneys General Michael Cole, Rachel Davis, and Toni Conti – assisted the Attorney General in this matter.

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