

**Letitia James**

New York State Attorney General

Attorney General James Helps Secure \$49.1 Million from Drug Companies over Illegal Coordination to Inflate Prices

AG James and 49 Attorneys General Secure First Two Settlements in Ongoing Cases Against 30 Companies for Prescription Drug Price Fixing

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NEW YORK – New York Attorney General Letitia James today joined a bipartisan multistate coalition of 50 attorneys general in announcing settlements with Heritage Pharmaceuticals (Heritage) and Apotex Inc. (Apotex) totaling \$49.1 million for their roles in a massive, long-running scheme to artificially inflate and manipulate prices, reduce competition, and restrict trade for dozens of generic prescription drugs. The companies in the scheme, some of which increased prices by 1,000 percent, manufactured essential medications to treat diseases ranging from diabetes to cancer to ADHD. As part of the settlements, both companies have agreed to cooperate in ongoing multistate investigations against 30 corporate defendants and 25 individual executives. Both companies have also agreed to implement internal reforms to ensure fair competition and compliance with antitrust laws.

“Affordable generic drugs are a lifeline for millions of New Yorkers who rely on them every day to treat everything from diabetes to heart conditions,” said **Attorney General James**. “The companies involved in this scheme engaged in a massive conspiracy to illegally coordinate prices, driving up costs for consumers as much as 1,000 percent. These two settlements will help enable the victims of this scheme to get compensation, and will hopefully ensure this type of illegal price fixing will not happen again. I thank my fellow attorneys general for their hard work and collaboration to protect consumers from this unfair anticompetitive conduct.”

The settlements are the result of two lawsuits filed by the Office of the Attorney General and a coalition of attorneys general against some of the nation's largest pharmaceutical companies. The [first complaint](#), filed in 2016, included Heritage and 17 other corporate defendants, two individual defendants, and 15 generic drugs. Two former executives from Heritage Pharmaceuticals, Jeffrey Glazer and Jason Malek, have since entered into settlement agreements and are cooperating with the states' investigations. The [second complaint](#) was filed in 2019 against Teva Pharmaceuticals and 19 of the nation's largest generic drug manufacturers. The complaint names 16 individual senior executives as defendants. The [third complaint](#) was filed in 2020 against Sandoz and 18 other of the nation's largest generic drug manufacturers, in addition to 10 individual defendants.

The lawsuits allege these companies engaged in a broad, coordinated, and systematic conspiracy to fix prices, avoid competition, and rig bids for more than 100 different generic drugs. The companies maintained an interconnected web of industry executives where these competitors met with each other during industry dinners, "girls' nights out," lunches, cocktail parties, and golf outings, and communicated via frequent telephone calls, emails, and text messages that sowed the seeds for their illegal agreements. Defendants used 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.

The drugs included in the scheme span all types, including tablets, capsules, creams, and ointments; and classes, including antibiotics, anti-depressants, contraceptives, and non-steroidal anti-inflammatory drugs. They treat a range of diseases and conditions from basic infections to diabetes, cancer, epilepsy, multiple sclerosis, HIV, ADHD, and more. In some instances, the coordinated price increases were over 1,000 percent. Digoxin, an essential heart medication manufactured by Heritage, tripled in price, causing patients to pay hundreds of dollars more for the drug.

The cases stem from an investigation built on evidence from several cooperating witnesses at the core of the conspiracy, a massive 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.

A motion for preliminary approval of the \$10 million settlement with Heritage was filed yesterday 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.

Consumers who purchased a generic prescription drug manufactured by either Heritage or Apotex between 2010 and 2018 may be eligible for compensation. To determine your eligibility, call 1-866-290-0182, email info@AGGenericDrugs.com or visit www.AGGenericDrugs.com.

Joining Attorney General James in announcing the settlements are the attorneys general of Alaska, Arizona, California, Colorado, Connecticut, Delaware, 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, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, the District of Columbia, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

These settlements are the latest example of Attorney General James taking action to stop companies from engaging in anticompetitive conduct and harming New Yorkers. In May, Attorney General James joined 40 other states and the Department of Justice in [suing Live Nation and Ticketmaster for monopolizing the live music industry](#). In October 2023, Attorney General James [secured \\$4.5 million from one of the nation's largest title insurance companies](#) for using illegal no-poach agreements with competitors to keep employees from switching jobs. Attorney General James has now ended the use of no-poach agreements by the five largest commercial underwriters in the United States, including [First American](#), [Fidelity](#), [Old Republic](#), [Stewart](#), and [Amtrust](#). In 2022, Attorney General James [sued a ski resort company in Syracuse for buying its main competitor and shutting it down in order to monopolize the local market](#).

New York's investigation has been led by Assistant Attorneys General Bob Hubbard and Saami Zain and Legal Assistant Arlene Leventhal of the Antitrust Bureau, under the supervision of Deputy Bureau Chief Amy McFarlane and Bureau Chief Elinor Hoffmann of the Antitrust Bureau. The Antitrust Bureau is part of the Division for Economic Justice, overseen by Chief Deputy Attorney General Christopher D'Angelo and First Deputy Attorney General Jennifer Levy.