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OFFICE OF THE ATTORNEY GENERAL STATE OF FLORIDA

Florida Attorney General's Office News Release

AG Moody Takes Legal Action in Generic Drug Price-Fixing Investigation



TALLAHASSEE, Fla.—Attorney General Ashley Moody is taking legal action against several generic drug manufacturers for participation in a conspiracy to fix prices and allocate the market for generic drugs. Today's lawsuit is the third resulting from a multistate antitrust investigation into a widespread conspiracy by generic drug manufacturers to artificially inflate and manipulate prices, reduce competition and unreasonably restrain trade for generic drugs sold nationwide. This latest complaint, filed in the U.S. District Court for the District of Connecticut, focuses on more than 80 topical dermatological generic drugs that account for billions of dollars of sales in the U.S. The complaint names 26 corporate defendants and 10 individual defendants, seeking damages, civil penalties and actions by the court to restore competition to the generic drug market.

Attorney General Ashley Moody said, "These major pharmaceutical companies colluded to disrupt the free market—and consumers paid the price. The defendants in our ongoing, multistate litigation must answer to the public for their conspiracy to artificially inflate prices on these important generic drugs; forcing consumers, including many seniors, to pay more than they should have for the treatment and relief so important to their health."

The topical dermatological generic drugs at the center of the complaint include creams, gels, lotions, ointments, shampoos and solutions used to treat a variety of skin conditions, pain and allergies. The complaint stems from evidence provided by several cooperating witnesses at the core of the conspiracy, a massive database of more than 20 million documents, and a phone

records database containing millions of call detail records and contact information for more than 600 sales and pricing individuals in the generics industry. Among the records obtained by Florida and the other states is a two-volume notebook containing the contemporaneous notes of one of the states' cooperators that memorialized discussions during phone calls with competitors and internal company meetings over a period of several years.

Between 2007 and 2014, three generic drug manufacturers, Taro, Perrigo, and Fougera, now Sandoz, sold nearly two-thirds of all generic topical products sold in the U.S. The multistate investigation uncovered comprehensive, direct evidence of unlawful agreements to minimize competition and raise prices on dozens of topical products. The complaint alleges longstanding agreements among manufacturers to ensure a fair share of the market for each competitor and to prevent price erosion due to competition.

The complaint is the third filed as part of the investigation. The first complaint filed in the U.S. District Court in the Eastern District of Pennsylvania in 2016, remains pending and now includes 18 corporate defendants, two individual defendants and 15 generic drugs. Two former executives from Heritage Pharmaceuticals, Jeffery Glazer and Jason Malek, entered into settlement agreements and are cooperating with the attorneys general working group in that case.

The second complaint, filed in the U.S. District Court in the Eastern District of Pennsylvania in 2019 against Teva Pharmaceuticals and 19 of the nation's largest generic drug manufacturers is also still pending. That complaint names 16 individual senior executive defendants. The states are currently preparing for trial in the case.

To view the third complaint filed today, click here.

For a list of the corporate defendants named in the third complaint filed today, click here.

For a list of the individual defendants in the case, click here.

For a list of the generic drugs listed in the complaint that were impacted by the various price-fixing and market allocation agreements, click here.

Attorney General Moody and Florida have played a leading role in this matter, joined by the attorneys general of Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, the District of Columbia, Georgia, the Territory of Guam, Hawaii, 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, Puerto Rico, Rhode Island, South Carolina, Tennessee, Utah, the U.S. Virgin Islands, Vermont, Virginia, Washington, West Virginia and Wisconsin in filing the complaint.