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ATTORNEY GENERAL RAOUL JOINS DRUG PRICING LAWSUIT

Raoul & 48 Attorneys General File Lawsuit Over Conspiracy to Fix Prices & Allocate Markets for More Than 80 Topical Generic Drugs

Chicago — Attorney General Kwame Raoul today joined a coalition of 49 attorneys general in filing a lawsuit against Taro, Perrigo, and Fougera (now Sandoz) Pharmaceuticals and 24 other large generic drug manufacturers alleging a widespread conspiracy to artificially inflate and manipulate prices, reduce competition and unreasonably restrain trade for more than 80 different topical generic drugs.

[The lawsuit](#), filed in U.S. District Court for the District of Connecticut, also names 10 individual senior executive defendants at the heart of the conspiracy who were responsible for sales, marketing, pricing and operations. The drugs at issue account for billions of dollars of sales in the United States, and the alleged schemes increased prices affecting the health insurance market, taxpayer-funded health care programs like Medicare and Medicaid, and individuals who must pay artificially-inflated prices for their prescription drugs.

Raoul's complaint alleges that Taro, Perrigo, Sandoz, and 24 other generic drug manufacturers engaged in a broad, coordinated and systematic campaign to conspire with each other to fix prices, allocate markets and rig bids for more than 80 different generic drugs. These drugs come in a variety of dosage forms, including creams, gels, lotions, ointments, shampoos, and solutions. In some instances, the coordinated price increases were over 1,000 percent.

"This is yet another layer of the pervasive conspiracy by generic drug companies to increase drug prices and their profits at the expense of Americans who rely on these vital medications," Raoul said. "This conduct is illegal and immoral, and I am proud to join my fellow attorneys general in taking action to hold these manufacturers and individuals accountable."

The complaint lays out a scheme in which executive of competing companies would negotiate illegal agreements during industry dinners, trade shows, and customer conferences. They also communicated via frequent telephone calls, emails and text messages where they discussed allocating customers and coordinating price increases on the products they had in common. Throughout this conspiracy, defendants used terms like "fair share," "playing fair," and "rules of engagement" to describe how they unlawfully discouraged competition, raised prices and enforced an ingrained culture of collusion.

The lawsuit seeks damages, civil penalties and actions by the court to restore competition to the generic drug market.

The complaint is the third to be filed in this ongoing, expanding litigation. The [first two complaints](#), still pending in U.S. District Court in the Eastern District of Pennsylvania, were filed in 2016 and 2019 and now include 38 corporate defendants, 19 individual defendants, and 139 generic drugs. Eight former executives from Heritage Pharmaceuticals, Fougera/Sandoz, and Glenmark have entered into settlement agreements and are cooperating with the attorneys general's working group in those cases.

Corporate Defendants

1. Actavis Holdco U.S., Inc.
2. Actavis Pharma, Inc.
3. Amneal Pharmaceuticals Inc.

4. Amneal Pharmaceuticals, LLC
5. Aurobindo Pharma USA, Inc.
6. Fougera Pharmaceuticals, Inc.
7. G&W Laboratories Inc.
8. Glenmark Pharmaceuticals Inc. USA
9. Greenstone LLC
10. Hi-Tech Pharmacal Co. Inc.
11. Lannett Company, Inc.
12. Lupin Pharmaceuticals, Inc.
13. Mallinckrodt Pharmaceuticals
14. Mallinckrodt PLC
15. Mallinckrodt LLC
16. Morton Grove Pharmaceuticals, Inc.
17. Mylan Pharmaceuticals Inc.
18. Mylan NV
19. Oceanside Pharmaceuticals, Inc.
20. Perrigo New York, Inc.
21. Pfizer, Inc.
22. Sandoz, Inc.
23. Sun Pharmaceuticals Industries, Inc.
24. Taro Pharmaceuticals USA, Inc.
25. Teligent, Inc.
26. Versapham, Inc.
27. Wockhardt USA, LLC

Individual defendants

1. Ara Aprahamian, vice president of sales and marketing at Taro Pharmaceuticals USA, Inc.
2. Mitchell Blashinsky, former vice president of marketing for generics at Taro Pharmaceuticals USA, Inc. from January 2007 through May 2012, and former vice president of sales and marketing at Glenmark Pharmaceuticals Inc. USA from June 2012 through March 2014.
3. Douglas Boothe, former chief executive officer of Actavis from August 2008 through December 2012; and former executive vice president and general manager of Perrigo New York, Inc. from January 2013 through July 2016.
4. Mitchell Blashinsky, former vice president of marketing for generics at Taro Pharmaceuticals USA, Inc. from January 2007 through May 2012, and former vice president of sales and marketing at Glenmark Pharmaceuticals Inc. USA from June 2012 through March 2014.
5. Douglas Boothe, former chief executive officer of Actavis from August 2008 through December 2012; and former executive vice president and general manager of Perrigo New York, Inc. from January 2013 through July 2016.
6. James Grauso, former vice president of sales and marketing at G&W Laboratories from January 2010 through December 2011; former senior vice president, commercial operations for Aurobindo from December 2011 through January 2014; executive vice president, N.A. commercial operations at Glenmark from February 2014 to the present.
7. Walt Kaczmarek, former senior director, national accounts, vice president, national accounts and senior vice president, commercial operations for Fougera Pharmaceuticals (now Sandoz) from

November 2004 through November 2012; and former vice president-general manager, and president, Multi-Source Pharmaceuticals at Mallinckrodt from November 2013 through August 2016.

8. Armando Kellum, former vice president, contracting and business analytics at Sandoz.
9. Kurt Orlofski, former president and chief executive officer at Wockhardt USA from April 2007 through August 2009; former president of G&W Labs, Inc, from September 2009 through December 2016.
10. Mike Perfetto, former vice president of sales and marketing for actavis from August 2003 through January 2013; and former chief commercial officer for Taro Pharmaceuticals from January 2013 through his recent retirement from the company.
11. Erika Vogel-Baylor, vice president for sales and marketing for G&W Labs, Inc. since July 2011.
12. John Wesolowski, senior vice president of commercial operations for Perrigo since February 2004.

Joining Raoul in the filing the complaint are the attorneys general of Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, 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 York, North Carolina, North Dakota, Northern Mariana Islands, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia and Wisconsin.