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Seventh Generic Drug Manufacturer Is Charged In Ongoing Criminal Antitrust Investigation

Consumers Were Allegedly Overcharged at Least \$350 Million

Teva Pharmaceuticals USA Inc. (Teva) has been charged with conspiring to fix prices, rig bids, and allocate customers for generic drugs, the Department of Justice announced today.

According to a superseding indictment filed today in the U.S. District Court for the Eastern District of Pennsylvania, the company participated in three conspiracies from at least as early as May 2013 until at least in or around Dec. 2015.

“Today’s charge reaffirms that no company is too big to be prosecuted for its role in conspiracies that led to substantially higher prices for generic drugs relied on by millions of Americans,” said Assistant Attorney General Makan Delrahim of the Department of Justice’s Antitrust Division. “The division will continue to work closely with our law enforcement partners to ensure that companies that blatantly cheat consumers of the benefits of free markets are prosecuted to the full extent of the law.”

Count one charges Teva for its role in a conspiracy that included Glenmark Pharmaceuticals Inc., USA (Glenmark), Apotex Corp. (Apotex), and others. On May 7, Apotex admitted to its role in this conspiracy and agreed to pay a \$24.1 million penalty. On July 14, a grand jury returned an indictment against Glenmark for its role in the same conspiracy, which today’s indictment supersedes. According to the charge, Teva, Glenmark, Apotex, and unnamed co-conspirators agreed to increase prices for pravastatin and other generic drugs. Pravastatin is a commonly prescribed cholesterol medication that lowers the risk of heart disease and stroke.

Count two charges Teva for its role in a conspiracy with Taro Pharmaceuticals U.S.A., Inc. (Taro U.S.A.), its former executive Ara Aprahamian, and others. On July 23, Taro U.S.A. admitted to its role in this conspiracy and agreed to pay a \$205.7 million penalty to resolve that charge as well as its role in a separate antitrust conspiracy. Aprahamian was indicted in February 2020 for his role in the conspiracy with Teva, among other charges, and is awaiting trial. According to the charge, Teva and its co-conspirators agreed to increase prices, rig bids, and allocate customers for generic drugs including, but not limited to, drugs used to treat and manage arthritis, seizures, pain, skin conditions, and blood clots.

Count three charges Teva for its role in a conspiracy with Sandoz Inc. and others. In March 2020, Sandoz admitted to its role in this conspiracy, as well as in conspiracies with other generic drug manufacturers, and agreed to pay a \$195 million penalty. According to the charge, Teva and its co-conspirators agreed to increase prices, rig bids, and allocate customers for generic drugs including, but not limited to, drugs used to treat brain cancer, cystic fibrosis, arthritis, and hypertension.

“During these difficult times, it is absolutely essential that our pharmaceutical companies conduct business with the well-being of the consumer in mind,” said Acting Special Agent in Charge Steven Stuller, U.S. Postal Service Office of Inspector General. “When generic drug companies conspire to artificially increase prices, they do so to the detriment of many who depend on these medications to maintain good health. Along with the Department of Justice Antitrust

Division and our partners at the Federal Bureau of Investigation, the USPS Office of Inspector General remains committed to investigating those who would engage in this type of harmful conduct.”

“Today’s charges, the latest in a series of law enforcement actions taken against large drug companies, confirm that this kind of criminal behavior in the generic pharmaceutical industry will not be tolerated,” said James A. Dawson, Acting Assistant Director in Charge of the FBI’s Washington Field Office. “Price fixing and bid rigging is a crime, and the American people—who rely on these drugs to treat serious ailments—are the ones who pay the price when companies like Teva conspire to raise their costs. The FBI remains committed to holding companies accountable for their illegal and reprehensible activity.”

“Today’s superseding indictment against Teva is another important step in this ongoing criminal investigation, which has already recovered hundreds of millions of dollars,” said U.S. Attorney William M. McSwain for the Eastern District of Pennsylvania. “Along with our partners at the Antitrust Division, we remain heavily focused on illegal price fixing and market allocation in generic drugs and on addressing the impact those practices have on federal healthcare programs like Medicare and Medicaid.”

Teva is the seventh company to be charged for its participation in conspiracies to fix prices, rig bids, and allocate customers for generic drugs. Five previous corporate cases were resolved by deferred prosecution agreements, and Teva’s co-conspirator Glenmark is awaiting trial. Four executives have also been charged; three have entered guilty pleas, and one is awaiting trial.

A criminal charge merely alleges that crimes have been committed. All defendants are presumed innocent until proven guilty beyond a reasonable doubt.

Each of the charged offenses carry a statutory maximum penalty of \$100 million for companies. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime if either amount is greater than \$100 million.

This case is the result of an ongoing federal antitrust investigation into price fixing, market allocation, bid rigging, and other anticompetitive conduct in the generic pharmaceutical industry, which is being conducted by the Antitrust Division with the assistance of the United States Postal Service Office of Inspector General, the Federal Bureau of Investigation’s Washington and Philadelphia Field Offices, and the U.S. Attorney’s Office for the Eastern District of Pennsylvania. Anyone with information on market allocation, price fixing, bid rigging, or other anticompetitive conduct related to the generic pharmaceutical industry should contact the Antitrust Division’s Citizen Complaint Center at 1-888-647-3258 or visit www.justice.gov/atr/contact/newcase.html.

Component(s):

[Antitrust Division](#)

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