

Attorney general sues six generic drug-makers

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ALBUQUERQUE – Attorney General Hector Balderas announced July 17 that New Mexico has joined with four other states in filing a lawsuit in federal court alleging that six generic drug-makers entered into illegal conspiracies in order to unreasonably restrain trade, artificially inflate and manipulate prices and reduce competition in the United States for two generic drugs.

“I will continue to hold big out-of-state corporations accountable when then they rip off New Mexico consumers, and when companies put profits over patients, they will face the full extent of New Mexico law,” Balderas said. “All New Mexico children, families and seniors deserve affordable access to the lifesaving medications that they rely on every day.”

The lawsuit mirrors ongoing, 40-state litigation alleging violations of federal and state antitrust laws and state consumer protection laws in some of the states against the defendant generic companies Heritage Pharmaceuticals, Inc., Aurobindo Pharma USA, Inc., Citron Pharma, LLC, Mayne Pharma (USA), Inc., Mylan Pharmaceuticals, Inc. and Teva Pharmaceuticals USA, Inc.

The investigation, which is still ongoing as to a number of additional generic drugs, generic drug companies and key executives, uncovered evidence of a well-coordinated and long-running conspiracy to fix prices and allocate markets for doxycycline hyclate delayed release, an antibiotic, and glyburide, an oral diabetes medication.

The complaint alleges that the defendants routinely coordinated their schemes through direct interaction with their competitors at industry trade shows, customer conferences and other events, as well as through direct email, phone and text message communications. The alleged anticompetitive conduct – including efforts to fix and maintain prices, allocate markets and otherwise thwart competition – caused significant, harmful and continuing effects in the

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country's healthcare system, the states allege.

New Mexico and the states further allege that the drug companies knew that their conduct was illegal and made efforts to avoid communicating with each other in writing or, in some instances, to delete written communications after becoming aware of the investigation. New Mexico and the states are asking the court to enjoin the companies from engaging in illegal, anticompetitive behavior and for equitable relief, including substantial financial relief, to address the violations of law and restore competition.

The lawsuit was filed under seal in U.S. District Court. Portions of the complaint are redacted in order to avoid compromising the ongoing investigation. A copy of the complaint will be provided upon request.