

Chinese police say Glaxo employees bribed doctors

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China's police ministry accused executives of pharmaceutical supplier GlaxoSmithKline on Thursday of conducting a large and long-running bribery campaign to persuade doctors to prescribe drugs.

GSK employees are accused of paying "large bribes" laundered through travel agencies to doctors, hospitals and others to "to open new sales channels and increase drug revenues," said a Public Security Ministry announcement. It said the scheme "lasted a long time" but gave no details.

They also are suspected of tax offenses involving collusion with travel agencies to issue false invoices, the ministry said. It identified the employees only as "high officials" of Britain-based GSK and gave no details of the size of payments or who received them.

"After questioning, the suspects confessed to the crime," the statement said.

GSK said it would cooperate with the authorities but said Thursday's announcement was the first official communication it has received about the investigation.

"Corruption has no place in our business," said a company statement. "If evidence of such activity is provided we would of course act swiftly on it."

Police in the central city of Changsha announced two weeks ago that GSK employees had been detained for questioning about unspecified "economic crimes." Thursday's statement said the investigation also took place in Shanghai and the central city of Zhengzhou.

GlaxoSmithKline said in June that it had investigated an accusation that its salespeople in China bribed doctors and found no evidence of wrongdoing. The company has said the police investigation might be based on information from the same anonymous source.

GlaxoSmithKline PLC is headquartered in Britain but has a presence in the United States, which could make it liable to penalties under U.S. anti-bribery laws.

Last week, state media reported the government was investigating production costs for 60 foreign and domestic drug companies in a possible first step toward changing state-set maximum prices. The announcement gave no indication any companies were suspected of wrongdoing.

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