

Drug maker Sandoz to pay \$195 mn to settle US case: govt

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Sandoz was among 20 drug makers accused of price-fixing, causing some prices to increase by 10 times

Sandoz, a subsidiary of Swiss pharmaceutical giant Novartis, has agreed to pay \$195 million to avoid trial on charges it conspired to fix prices of

generic drugs, US prosecutors announced Monday.

The Justice Department last year accused Sandoz along with 19 other drugmakers of colluding to artificially inflate the price of some 100 treatments, ranging from non-steroidal antidepressants to drugs for a wide range of diseases.

The price of the treatments multiplied by as much as 10 times, according to the complaint filed in [federal court](#) in Connecticut.

"The company agreed to pay a \$195 million criminal penalty and admitted that its sales affected by the charged conspiracies exceeded \$500 million," the Justice Department said in a statement, adding that the misconduct occurred between 2013 and 2015.

"Under the deferred prosecution agreement, Sandoz has agreed to cooperate fully" with the ongoing criminal investigation, it said.

The Justice Department said one former Sandoz executive, Hector Armando Kellum, had pleaded guilty to unspecified charges stemming from the investigation.

Sandoz had rejected the charges at the time, but on Monday issued a statement admitting "misconduct."

"We take seriously our compliance with antitrust laws, and in reaching today's resolution, we are not only resolving historical issues but also underscoring our commitment to continually improving our compliance and training programs and evolving our controls," Sandoz President Carol Lynch said.

"We are disappointed that this misconduct occurred in the face of our clear antitrust compliance policies and multiple trainings—and in full

contravention of the company's values," she said, adding that "Individuals implicated in the underlying conduct are no longer employed by the company."

Sandoz said it was also negotiating with the Justice Department's civil division to resolve "potential related claims," and had put aside \$185 million for that.

Other drugmakers accused in the complaint were Israel's Teva and US laboratory Mylan.

The Justice Department said two other unnamed companies charged in the investigation had reached agreements with prosecutors similar to that accorded to Sandoz, in which prosecution was suspended in exchange for cooperation.

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