Celgene Pays $751,418 to Settle Cancer Drug Fraud Case
Company Promoted Off-Label Use of Drugs and Paid Doctors Kickbacks

BALTIMORE, MD (July 27, 2017) - Maryland Attorney General Brian E. Frosh announced today that Maryland will receive $751,418.67 from the Celgene Corporation to resolve allegations that the company engaged in a variety of illegal marketing schemes for its cancer drugs Thalomid and Revlimid and paid kickbacks to physicians to induce them to prescribe the drugs.

The payment is part of a national settlement in which Celgene will pay the states and the federal government $280 million to resolve allegations arising from a whistleblower lawsuit filed in the U.S. District Court for the Central District of California.

“Endangering the health of cancer patients for the sake of boosting profits is deplorable,” said Attorney General Frosh. “This settlement is part of our ongoing efforts to ensure that pharmaceutical companies cease any deceptive marketing of prescription drugs.”

The settlement resolves allegations that Celgene unlawfully marketed Thalomid for the treatment of multiple myeloma and certain other cancers prior to FDA approval for treating this type of cancer, a practice known as off-label marketing. Thalomid, better known as thalidomide, caused severe birth defects in thousands of infants in the 1950s and 1960s after it was prescribed as a sedative. The drug has more recently been found to have anti-cancer effects but years of clinical testing were required to establish its safety and efficacy. The lawsuit alleged that Celgene engaged in a similar off-label marketing scheme for its drug Revlimid to treat multiple myeloma and certain other cancers. The settlement also resolves allegations that Celgene improperly influenced the medical literature on the two drugs through payments to influential physicians, and concealed or downplayed adverse effects. Celgene’s alleged conduct resulted in fraudulent claims paid by Maryland Medicaid and other government health programs. Additionally, the settlement resolves allegations that Celgene handed physicians kickbacks in exchange for prescribing the two drugs, including paid speaking engagements, clinical trial grants, paid consulting work and subsidies to cover patient co-pays.

Attorney General Frosh thanked the state Medicaid Fraud Control Unit, that worked as part of a team that participated in the settlement negotiations on behalf of the states and included representatives from the Offices of the Attorneys General of California, North Carolina, Ohio, Texas, and Wisconsin.

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