



## PRESS RELEASE

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### **AmerisourceBergen Corporation to Pay \$1.8 Million to Settle Allegations of Distributing Unapproved and Adulterated Drugs** *Scheme Allegedly Exposed Vulnerable Cancer Patients to Contaminated Drugs*

**BALTIMORE, MD (November 16, 2018)** – Maryland Attorney General Brian E. Frosh announced today that the Maryland Medicaid program will receive \$1.8 million from the AmerisourceBergen Corporation (ABC) to settle allegations that the company fraudulently marketed adulterated drugs to vulnerable cancer patients.

The payment is part of a national settlement in which ABC will pay \$625 million to federal and state health care programs in order to resolve a series of whistleblower lawsuits pursued by numerous states and the federal government. ABC is one of the nation's largest wholesale drug companies and ranked number 11 on the Fortune 500 list. In addition to the civil settlement, the ABC subsidiary that engaged in the conduct, AmerisourceBergen Specialty Group (ABSG), pleaded guilty to illegally distributing misbranded drugs and will pay \$260 million in criminal fines and forfeitures.

The case arose from an investigation into the practices of an ABSG pharmacy in Alabama called Medical Initiatives, Inc. (MII). MII pooled vials of certain chemotherapy-related drugs to create pre-filled syringes for use on patients. The lawsuits alleged that MII was not a legitimate pharmacy but rather merely a re-packager of drugs that had not received federal approval to produce and market the syringes. Moreover, MII allegedly prepared the syringes in an unsterile environment resulting in the contamination of the drugs by bacteria and other foreign particles. The drugs involved in the scheme include Aloxi®, Anzemet®, Kytril®, Neupogen®, Procrit®, as well as the generic version of Kytril®.

The lawsuits alleged that ABC failed to submit any safety, stability or sterility data to the FDA to show that its preparation of the syringes was safe; therefore, thousands of claims submitted to Medicaid and other government health programs for the adulterated drugs were fraudulent. The settlement also resolves allegations that ABC double-billed government health programs for the syringes and gave kickbacks to physicians to induce them to purchase syringes.

Attorney General Frosh thanked the Medicaid Fraud Control Unit for its work on the case, in addition to the Offices of the Attorneys General of New York, California, Florida, Illinois and Oregon.