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## Media Release

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### **Pfizer Inc. to pay \$2.3 billion in historic settlement**

**Wilmington, DE** – The Attorney General’s office announced today that the State of Delaware, along with other states and the federal government, has reached agreement with Pfizer Inc to settle civil and criminal allegations that the company and its subsidiaries paid kickbacks and engaged in improper marketing of numerous drugs that it manufactures. The largest settlement in history in a health care fraud matter, Pfizer will pay the states and the federal government \$1 billion in civil damages and penalties to compensate Medicare, Medicaid, and other federal healthcare programs. It will also enter into a Corporate Integrity Agreement with the United States Department of Health and Human Services, Office of the Inspector General, which will closely monitor the company’s future marketing and sales practices. Delaware’s Medicaid program will receive \$537,266.

In addition, a Pfizer subsidiary, Pharmacia & Upjohn Company, Inc., has agreed to plead guilty to a felony violation of the Food, Drug, and Cosmetic Act (FDCA) and to pay a fine and forfeit \$1.3 billion for misbranding with the intent to defraud or mislead the anti-inflammatory drug Bextra. Pfizer pulled Bextra from the market in 2005.

“Deceptive and fraudulent practices by pharmaceutical companies endanger the public health by compromising effective medical decision-making,” stated Timothy Mullaney, Director of the Attorney General’s Fraud and Consumer Protection Division. “This agreement demonstrates that the Government will not tolerate this profit-driven abuse of the public welfare.”

This announcement follows the September 2, 2009 announcement that Delaware reached a settlement with Pfizer following an investigation into its alleged improper marketing of the antipsychotic drug Geodon for off-label uses. As a result, Pfizer agreed to change how it markets Geodon, will not promote its off-label use, and will pay \$33 million to the states. The Delaware Consumer Protection Fund will receive \$448,200 in that agreement.

The states and federal government allege that Pfizer, the world’s largest pharmaceutical manufacturer, engaged in a pattern of unlawful marketing activity to promote multiple drugs for certain “off-label” uses which the Food and Drug Administration (FDA) had not approved. Although a physician is allowed to prescribe drugs for off-label uses, federal law prohibits pharmaceutical manufacturers from marketing their products for such uses. This promotional activity included:

- Marketing Bextra for conditions and dosages other than those for which it was approved
- Promoting the use of the antipsychotic drug Geodon for a variety of off-label conditions such as attention deficit disorder, autism, dementia and depression for patients that included children and adolescents

- Selling the pain medication Lyrica for unapproved conditions
- Making false representations about the safety and efficacy of Zyvox, an antibiotic only approved to treat certain drug resistant infections

In addition to the improper off-label marketing of these drugs, Pfizer is alleged to have made illegal payments to health care professionals to induce them to promote and prescribe the drugs Bextra, Geodon, Lyrica, Zyvox, Aricept, Celebrex, Lipitor, Norvasc, Relpax, Viagra, Zithromax, Zoloft, and Zyrtec. These payments allegedly took many forms, including entertainment, cash, travel and meals. Federal law prohibits payment of anything of value in exchange for the prescribing of a product paid for by a federal health care program.

This settlement is based on nine qui tam, or “whistleblower” cases that were filed by private individuals under state and federal false claims statutes in the United States District Courts for the District of Massachusetts, the Eastern District of Pennsylvania, and the Eastern District of Kentucky. A National Association of Medicaid Fraud Control Units team participated in the investigation and conducted the settlement negotiations with Pfizer on behalf of the settling states.

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