



Attorney General Doug Peterson

News Release

FOR IMMEDIATE RELEASE
October 2, 2018

Nebraska Attorney General Doug Peterson announced on October 2, 2018, that the State of Nebraska, along with other states and the federal government, has reached an agreement in principle with pharmaceutical distributor AmerisourceBergen Corporation (ABC) to settle allegations that the company introduced adulterated drugs into interstate commerce. As a result, ABC will pay the states and the federal government \$625 million, of which nearly \$100 million will go to state Medicaid programs. Additionally, an ABC subsidiary, AmerisourceBergen Specialty Group pled guilty in federal court to illegally distributing misbranded drugs. The subsidiary agreed to pay \$260 million in criminal fines and forfeitures.

The national federal and state civil settlement resolves allegations concerning conduct that the ABC subsidiary opened Medical Initiatives, Inc. (MII), which appeared to be a pharmacy. MII pooled vials of drugs used during chemotherapy to create pre-filled syringes to sell to practitioners. The drugs involved in the scheme include Aloxi®, Anzemet®, Kytril®, Neupogen®, Procrit®, as well as the generic version of Kytril®.

MII, among other things, did not comply with pharmacy regulations in any state where it was licensed. Additionally, the filling of the syringes was not approved by the FDA and the drugs were adulterated, therefore not eligible for reimbursement by government healthcare programs.

The investigation resulted from three whistle-blower actions filed in U.S. District Court for the Eastern District of New York under the federal False Claims Act and various state false claims statutes. As part of the settlement, Nebraska will receive more than \$1.6 million in restitution and other recoveries.

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