Pharma Profits and Payouts

Of the top ten pharmaceutical companies in 2014, five of the world’s biggest are based in the United States.

1. Pfizer, USA
US-based - $203.93bn in market capitalization and $172.1bn worth assets as of May 2014. The company recorded sales of $52.67 billion and profit of $22 billion in 2013.

Settlements reached with the US Department of Justice
2009 – $2.3 billion
Product(s) – Bextra, Geodon, Zyvox, Lyrica
Violation(s) – Off-label promotion, kickbacks to physician
This was second largest marketing fraud settlement and Pfizer’s fourth settlement in the multimillions in less than 10 years.

Other Settlements:
2011 – Prempro. Pfizer agreed to pay $330 million to settle more than 2,200 lawsuits. The company was accused of hiding the menopause drug’s cancer risks.

Pending Civil Litigation – South Carolina
Product – Lipitor
Alleged injury – type-2 diabetes, over 4,000 people have reported they developed type-2 diabetes.

2. Novartis, Switzerland
Swiss multinational company had a market value of $227.44bn and $126.3bn worth assets as of May 2014. The company recorded sales of $57.9bn and a profit of $9.2bn in 2013.

Settlements reached with the US Department of Justice
2010 – $423 million
Product(s) – Trileptal
Violation(s) – Off-label promotion, kickbacks to physicians
Laws allegedly violated – False Claims Act, FDCA

Other Settlements:
2010 – Novartis agreed to pay US$422.5 million in criminal and civil claims and to enter into a Corporate Integrity Agreement with the US Office of the Inspector General.
2013 – Federal prosecutors filed two lawsuits against Novartis under the False Claims Act for off-label marketing and kickbacks. In the second, the Justice Department joined a whistleblower
lawsuit brought by a former sales rep over off-label marketing of three drugs: Lotrel and Valturna (both hypertension drugs), and the diabetes drug, Starlix.

3. Sanofi, France
French multinational company estimated to hold $137.14bn of market cap and $132.4bn of assets as of May 2014. The company recorded net sales of $43.75bn and recorded a profit of $4.9bn in 2013.

Settlements reached with the US Department of Justice
2012 - $109 million
Product – Hyalgan
Violation(s) – Kickbacks and improper payments to physicians
Laws allegedly violated – False Claims Act

Pending Civil Litigation
Product – Ambien
Alleged injuries – memory loss and dangerous sleepwalking/sleep driving events

Product – Plavix
Alleged injuries – internal gastrointestinal and cerebral bleeding
(lawsuits also filed against Bristol-Myers Squibb as a partner in the development of Plavix)

4. Roche Holding, Switzerland
A Switzerland-based company that held $253.74bn of market capitalization and assets worth $69.9bn as of May 2014 with net sales and profit at $50.46bn and $12bn respectively in 2013.

Civil Litigation
2012 - $25 million
Product – Accutane
Alleged injuries – inflammatory bowel disease (IBD)

2012 - $18 million ($9 million to two plaintiffs)
Product – Accutane
Alleged injuries – inflammatory bowel disease (IBD), depression, birth defects
(By 2007, Roche Holding had lost the first of 400 Accutane/IBD lawsuits.)

5. Merck & Co., USA
Global pharmaceutical company had $165.8bn market value and $105.6bn of assets as of May 2014 with sales and profit at $44.09bn and $4.4bn respectively in 2013.

Settlements reached with the US Department of Justice
2008 – $650 million
Product(s) – Zocor, Vioxx, Pepcid
Violation(s) – Medicare fraud, kickbacks
Laws allegedly violated – False Claims Act, Medicaid Rebate Statute

Other settlements
2015 – $100 million in damages (without admitting any wrongdoing)
Product – NuvaRing  
Treatment – birth control  
Alleged injury – blood clots and heart problems

**Civil Litigation**  
2011 - $950 million  
Product – Vioxx  
Treatment – arthritis and menstrual painkiller  
Violations(s) – Fraudulent marketing and safety claims  
Alleged injuries – Within five years of being approved by FDA, studies quickly found that Vioxx dramatically increased the chance for a fatal heart attack or strokes.  
Vioxx was pulled from the market in 2004 was forced to initiate a worldwide recall after it was found to double the risk of heart attack and stroke.

**Pending Civil Litigation**  
Product – Propecia  
Treatment – Male pattern baldness, benign prostatic hyperplasia  
Alleged injury – Sexual/Erectile dysfunction

Product – Fosamax  
Treatment – bone density  
Alleged injury – increased femur fractures, jaw necrosis (dead jaw)

Product – Januvia  
Treatment – Type II diabetes  
Alleged injury – causes pancreatitis and pancreatic cancer

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6. **GlaxoSmithKline, UK**  
UK-based global company held a $128.8bn market cap and $69.7bn of assets as of May 2014. The company recorded sales of $41.43bn and profit of $8.5bn in 2013.

**Settlements reached with the US Department of Justice**  
2012 – $3 billion, the largest illegal marketing settlement ($1 billion criminal, $2 billion civil)  
Product(s) – Avandia, Wellbutrin, Paxil, Advair, Lamictal, Zofran, Imitrex, Lotronex, Flovent, Valtrex  
Violation(s) – Off-label promotion, kickbacks to physicians  
Laws allegedly violated – False Claims Act, FDCA

2010 - $750 million  
Product(s) – Kytril, Bactroban, Paxil CR, Avandament  
Violations(s) – Poor manufacturing practices  
Laws allegedly violated – False Claims Act/FDCA

2010 – $460 million to settle 10,000 lawsuits  
Product – Avandia  
Treatment – diabetes
Alleged injury – heart attacks, strokes and deaths from cardiovascular disease

Pending Civil Litigation
Product – Zofran
Treatment – anti-nausea medication
Alleged injury – birth defects

7. AstraZeneca, UK
UK-based company had $82.32bn market value and $55.9bn of assets as of May 2014. The company's sales with net profits of $25.69bn and $2.6bn respectively in 2013

Settlements reached with the US Department of Justice
2010 - $520 million
Product(s) – Seroquel
Violation(s) – Off-label promotion, kickbacks
Laws allegedly violated – False Claims Act

2003 - $355 million
Product(s) – Zoladex
Treatment – prostate and advanced breast cancer, endometriosis and uterine fibroids
Violation(s) – Medicare Fraud
Laws allegedly violated – Prescription Drug Marketing Act

AstraZeneca also agreed to pay $90 million in a Nationwide Settlement and $13 million in the Massachusetts Settlement.

8. Eli Lilly & Co., USA
US-based pharmaceutical company held $65.86bn market capitalization and $35.2bn of assets as of May 2014, while its sales and net profit in 2013 were $23.11bn and $4.7bn respectively.

Settlements reached with the US Department of Justice
2012 - $1.4 billion
Product – Zyprexa
Violation(s) – Off-label promotion/use
Laws allegedly violated – False Claims Act, FDCA

Pending Civil Litigation (Illinois)
Product(s) – AndroGel, Axiron
Treatment – Testosterone replacement therapy
Alleged injury – Pulmonary embolism

9. Abbott Laboratories, USA
US-based global company had $59.4bn market capitalization and $43bn of assets as of May 2014. The company recorded sales of $21.85bn and profit of $2.6bn in 2013.

Settlements reached with the US Department of Justice
2012 – $1.6 billion
Product – Depakote
Violation(s) – Off-label promotion/use
Laws allegedly violated – False Claims Act, FDCA

**Civil Litigation**
2015 - $38 million
Product – Depakote
Treatment(s) – epilepsy anti-convulsant, manic episodes
Alleged injury – serious and potentially life-threatening birth defects including spina bifida, fetal trauma, fetal death, and malformations of the mouth, heart, hand, ribs and urethra. The U.S. Department of Justice is currently investigating Abbott for illegally marketing Depakote for unapproved purposes.

**Settlements reached with the US Department of Justice**
2012 – $190 million
Product(s) – Over 400 medications including Lipitor, Prozac, Nexium, Allegra, Wellbutrin, Zantac, Flonase, Nexium, Valium, Celebrex, Seroquel and Claritin
Violation(s) – inflating pricing data and defrauding Medicare
Laws allegedly violated – False Claims Act ($151 million settlement with 29 states for Medicaid overpayments)

**Other settlements**
2009 - $350 million class action
Product(s) – over 400 branded drugs
Laws allegedly violated – racketeering conspiracy to inflate drug prices

**Other notable pharmaceutical companies drug liability cases**

**Johnson & Johnson**
A New Jersey based company with sales of $65 billion for the calendar year of 2011.

2015 - $7.8 million settlement with the state of Arkansas
Product – Risperdal
Treatment – antipsychotic used for schizophrenia, manic episodes associated with bipolar disorder, and irritability associated with autistic disorder

Violation – Off-label use
Laws allegedly violated – False Claims Act, FDCA

2015 - $2.5 million awarded to an autistic man who was prescribed Risperdal as a child, and had developed large breasts as a result.
Johnson & Johnson is facing similar Risperdal private civil and state government lawsuits, which so far have resulted in hundreds of millions of dollars in fines for the company. In Texas, an enforcement action resulted in a $158 million settlement. Similar actions are continuing in Mississippi and Kentucky.

Bayer AG
Germany based company with revenue of $56.03 bn, assets of $84.98 bn and profits of $4.54 bn.

2013 - $1.69 billion to settle 8,800 civil lawsuits
Product(s) – Yasmin and Yaz
Treatment – birth control
Alleged injuries – deep vein thrombosis, pulmonary embolisms, blood clots, gall bladder injuries, strokes

Endo (2014)
Endo Health Solutions Inc. and its subsidiary Endo Pharmaceuticals Inc. agreed to pay $192.7 million to resolve criminal and civil liability arising from Endo’s marketing of the prescription drug Lidoderm. As part of the agreement, Endo admitted that it intended that Lidoderm be used for unapproved indications and that it promoted Lidoderm to healthcare providers this way.