



PRESS RELEASE

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COLORADO TO RECEIVE MORE THAN \$4.5 MILLION IN HISTORIC HEALTH CARE SETTLEMENT WITH GLAXOSMITHKLINE

DENVER – Colorado Attorney General John W. Suthers today announced that the State of Colorado will receive more than \$4.5 million as part of a settlement with pharmaceutical manufacturer [GlaxoSmithKline \(NYSE: GSK\)](#) in the largest health care fraud settlement in history. The settlement, involving the federal government and a majority of states, requires GlaxoSmithKline to pay a total of \$2 billion in settlement money plus an additional \$1 billion in fines. In addition, GlaxoSmithKline will plead guilty to federal criminal charges relating to drug labeling and U.S. Food and Drug Administration (FDA) reporting.

The settlement resolves allegations that GlaxoSmithKline engaged in various illegal schemes related to the marketing and pricing of drugs it manufactures. The schemes allegedly included engaging in a pattern of unlawfully marketing certain drugs for uses for which the drugs were not approved by the FDA; making false representations regarding the safety and efficacy of certain drugs; offering kickbacks to medical professionals; and underpaying rebates owed to government programs for various drugs paid for by Medicaid and other federally-funded healthcare programs.

The Colorado Attorney General's Medicaid Fraud Control Unit was a member of the small team that represented the interests of the states in the settlement. Approximately 45 states are expected to participate in the agreement. The settlement is the result of several government investigations, including investigations prompted by several qui tam (whistleblower) lawsuits filed or consolidated in federal court in Massachusetts.

The \$2 billion settlement moneys will compensate losses suffered by numerous government health care programs, including Medicare, TRICARE, Veterans' Affairs, and Medicaid. Colorado's payment represents the losses specifically attributable to Colorado's Medicaid program.

“These funds are a significant recovery for Colorado’s Medicaid program,” commented [Colorado Attorney General John Suthers](#). “This case sends a clear message - Colorado will not tolerate pharmaceutical companies breaking the rules and increasing the burden on critical state programs that benefit the sick and needy.”

The State of Colorado pays roughly \$5 billion each year for the medical care of 700,000 qualified recipients.

Details on GlaxoSmithKline activities alleged by the federal government:

- Marketing the depression drug Paxil for off-label uses, such as use by children and adolescents;
- Marketing the depression drug Wellbutrin for off-label uses, such as for weight loss and treatment of sexual dysfunction, and at higher-than-approved dosages;
- Marketing the asthma drug Advair for off-label uses, including first-line use for asthma;
- Marketing the seizure medication Lamictal for off-label uses, including bipolar depression, neuropathic pain, and various other psychiatric conditions;
- Marketing the nausea drug Zofran for off-label uses, including pregnancy-related nausea;
- Making false representations regarding the safety and efficacy of Paxil, Wellbutrin, Advair, Lamictal, Zofran, and the diabetes drug Avandia;
- Offering kickbacks, including entertainment, cash, travel, and meals, to healthcare professionals to induce them to promote and prescribe Paxil, Wellbutrin, Advair, Lamictal, Zofran, the migraine drug Imitrex, the irritable bowel syndrome drug Lotronex, the asthma drug Flovent, and the shingles and herpes drug Valtrex; and
- Submitting incorrect pricing data for various drugs, thereby underpaying rebates owed to Medicaid and other federal healthcare programs.

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