

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Inspector General**



Inspector General  
May 28, 2013

**RANBAXY PAYS \$500 MILLION TO RESOLVE ADULTERATED DRUGS**  
**CLAIMS**

Inspector General Charles J. Willoughby announced today that the District of Columbia has joined with other states and the federal government in a \$500 million settlement to resolve civil and criminal allegations that Ranbaxy, a generic pharmaceutical manufacturer based in Gurgaon, India, introduced adulterated drugs into interstate commerce. As a result, false or fraudulent claims were submitted to the District's Medicaid Program.

Ranbaxy has agreed to pay the states and the federal government \$350 million in civil damages and penalties to resolve civil allegations of poor manufacturing practices in two Indian manufacturing plants - \$266,729,715.10 of which will go to the Medicaid program, which is funded jointly by the states and the federal government. The total portion of the settlement amount recovered by the District of Columbia is \$340,189. The remaining \$83,270,284.86 is designated for other federal health care programs affected by Ranbaxy's conduct. Additionally, Ranbaxy USA, a subsidiary, pled guilty to seven felony counts alleging violations of the U.S. Food, Drug, and Cosmetic Act, and has agreed to pay \$150 million in criminal fines and forfeitures. Also, Ranbaxy entered into a consent decree in January 2012 with the federal government to address outstanding current good manufacturing practice and data integrity issues in the two Indian manufacturing plants at issue. These provisions include a wide range of actions to correct its violations and to ensure that the violations do not recur.

A team from the National Association of Medicaid Fraud Control Units (NAMFCU) conducted the settlement negotiations with Ranbaxy on behalf of the states and included representatives from the Offices of the Attorneys General for the states of New York, California, South Carolina, Maryland, and Oregon. Mr. Willoughby recognized the work of Medicaid Fraud Control Unit attorney Elaine Block and auditor Yolanda Mobuary for their work on this matter.