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MADIGAN: JOHNSON & JOHNSON TO PAY MORE THAN \$1.6 BILLION TO RESOLVE HEALTH CARE FRAUD ALLEGATIONS***Agreement Resolves Unlawful Marketing of Antipsychotic Drugs Risperdal & Invega***

Chicago — Attorney General Lisa Madigan today announced a \$1.6 billion joint state and federal settlement with Johnson & Johnson and its subsidiary Janssen Pharmaceuticals over its illegal marketing of antipsychotic drugs Risperdal and Invega. Illinois will receive \$23.6 million under the agreement.

Madigan, her state counterparts and the federal government alleged that from 1999 to 2005, the companies unlawfully marketed Risperdal for “off-label uses,” or uses not approved by the U.S. Food and Drug Administration (FDA), and made false and misleading statements about the safety and efficacy of the drug. Further, they allege the company engaged in a kickback scheme with health care professionals and pharmacists to promote the use of Risperdal among children, adolescents and older patients, for whom the drug’s usage was not approved by the FDA.

The states further contend that from 2007 through 2009, the companies promoted Invega for off-label uses and made false and misleading statements about the safety and efficacy of Invega. The companies’ alleged unlawful conduct caused false and fraudulent claims to be submitted to or caused purchases by government funded health care programs, including Illinois’ Medicaid program.

“Janssen illegally marketed its drugs to vulnerable patients, including children and seniors, and fraudulently billed the state’s Medicaid program for these drugs at taxpayers’ expense,” Madigan said.

The investigation resulted from four qui tam actions filed in the U. S. District Court for the Eastern District of Pennsylvania under the federal False Claims Act and related state statutes. Janssen Pharmaceuticals Inc. additionally will plead guilty in federal court to a criminal misdemeanor charge of misbranding Risperdal in violation of the Food, Drug, and Cosmetic Act. As part of the criminal plea, Janssen has agreed to pay an additional \$400 million in criminal fines and forfeitures.

As part of the resolution of these matters, the companies also will enter into a Corporate Integrity Agreement with the U.S. Department of Health and Human Services’ Office of the Inspector General, which will closely monitor the company’s future marketing practices.

This case was handled by Madigan’s Medicaid Fraud Bureau working with the National Association of Medicaid Fraud Control Units.

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