

BOARD OF LEGISLATORS  
COUNTY OF WESTCHESTER

Your Committee is in receipt of a proposed Act, which if enacted by your Board, would authorize the County Attorney to join the County of Westchester as plaintiff in an action against certain generic pharmaceutical companies and others who fixed prices, allocated markets, and engaged in antitrust violations, which resulted in the overpayment for generic drugs by Westchester County.

Because the conduct dates back to approximately 2010 and covers almost every generic pharmaceutical product, the County's spending on these products – and thus potential damages in this suit, which can be trebled – is significant.

For example, on March 2, 2020, one of the potential defendants, Sandoz, agreed to pay a \$195 million criminal penalty in connection to felony antitrust charges arising from the company's antitrust violations regarding generic drug pricing.

A four-count felony charge accusing Sandoz of participating in conspiracies with other generic-drug makers between 2013-15 was recently filed in the Eastern District of Pennsylvania. The Department of Justice entered into a deferred prosecution agreement with Sandoz the same day, under which it agreed to co-operate with the ongoing investigation and admitted that sales resulting from the alleged schemes rose above \$500 million.

Although a criminal fine is different from an admission of damages in a civil suit, it is an encouraging development in the long road ahead. Civil damages from this and other Defendants are likely to be significantly more.

The law firm of Napoli Shkolnik PLLC filed a lawsuit in the Supreme Court of New York, Nassau County, on behalf of 14 New York Counties, against generic pharmaceutical manufacturers based upon their consistent behavior with respect to the generic pharmaceutical market. The complaint seeks damages, disgorgement of profits, injunctive relief, attorneys' fees and costs, and other relief.

The case was removed to federal court and transferred to the MDL (Multi-District Litigation) for this matter, currently pending in the U.S. District Court for the Eastern District of Pennsylvania. The case is *County of Nassau, et al v. Actavis Holdco US, Inc., et al.*, 20-00065-CMR (16-MDL-2724) (E.D. Pa.).

Your Committee has carefully considered the subject matter and the attached act and recommends authorizing the County Attorney to join the County of Westchester as plaintiff in an action against certain generic pharmaceutical companies and others who fixed prices, allocated markets, and engaged in antitrust violations, which resulted in the overpayment for generic drugs by Westchester County.

An affirmative vote of a majority of the Board is required to pass this legislation.

Dated: White Plains, New York  
April 21, 2021

Benjamin Boykin  
Kirk Swell  
Manny Pan

Benjamin Boykin  
W. N. M.  
Manny Pan  
Cohue R

Law & Major Contracts

Budget & Appropriations

COMMITTEE ON

Dated: April 21, 2021  
White Plains, New York

*The following members attended the meeting remotely, as per Governor Cuomo's Executive Order 202.1 and approved this item out of Committee with an affirmative vote. Their electronic signature was authorized and is below*

**COMMITTEES ON**

*Mary Jane Skimsky*  
*Colin J. [Signature]*

*Ruth Walter*  
*Alfred Willis*  
*Catherine F. Parker*

**Law & Major Contracts**

**Budget & Appropriations**

ACT NO. - 2021

AN ACT authorizing the County Attorney to join the County of Westchester as plaintiff in an action against certain generic pharmaceutical companies and others who fixed prices, allocated markets, and engaged in antitrust violations, which resulted in the overpayment for generic drugs by Westchester County.

BE IT ENACTED by the Board of Legislators of the County of Westchester as follows:

Section 1. The County Attorney is hereby authorized to join the County of Westchester as plaintiff in an action against certain generic pharmaceutical companies and others who fixed prices, allocated markets, and engaged in antitrust violations, which resulted in the overpayment for generic drugs by Westchester County.

Section 2. The County Attorney or his duly designated representative is hereby authorized to undertake such legal proceedings and prepare all documents necessary or desirable to accomplish the purpose of this Act.

Section 3. This Act shall take effect immediately.

# FISCAL IMPACT STATEMENT

SUBJECT: Napoli Shkolnik PLLC

NO FISCAL IMPACT PROJECTED

## OPERATING BUDGET IMPACT

To Be Completed by Submitting Department and Reviewed by Budget

### SECTION A - FUND

GENERAL FUND

AIRPORT FUND

SPECIAL DISTRICTS FUND

### SECTION B - EXPENSES AND REVENUES

Total Current Year Expense \$ -

Total Current Year Revenue \$

Source of Funds (check one):  Current Appropriations  Transfer of Existing Appropriations

Additional Appropriations  Other (explain)

Identify Accounts: \_\_\_\_\_

Potential Related Operating Budget Expenses: Annual Amount N/A

Describe: \_\_\_\_\_

Potential Related Operating Budget Revenues: Annual Amount N/A

Describe: An Act authorizing the County Attorney to join the County of Westchester as plaintiff in an action against certain generic pharmaceutical companies and others which resulted in the overpayment for generic drugs by Westchester County.

Anticipated Savings to County and/or Impact on Department Operations:

Current Year: N/A

Next Four Years: N/A

Prepared by: Patricia Haggerty

Title: Sr. Budget Analyst

Department: Budget

Date: April 7, 2021

Reviewed By:   
Budget Director

Date: 4/8/21