



DEPARTMENT OF THE ATTORNEY GENERAL

**News Release**

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**PHARMACEUTICAL MANUFACTURER TO PAY HAWAII \$1.4 MILLION  
TO SETTLE FRAUD ALLEGATIONS**

HONOLULU – Attorney General David M. Louie announced today that Hawaii will recover \$1,455,919.22 from drug giant Johnson & Johnson and its Janssen Pharmaceuticals, Inc. subsidiary for illegal promotion of two of its best selling antipsychotic medicines.

From 1999 through 2005 the pharmaceutical manufacturer boosted its sales of Risperdal by marketing the drug for uses not approved by the Federal Food and Drug Administration (FDA) and by paying money to providers to prescribe Risperdal instead of equally effective drugs produced by its competitors. Johnson & Johnson then altered its Risperdal formula and pushed its new brand, called Invega, in juvenile and senior populations despite FDA guidelines that cautioned against use by individuals in those age groups.

Hawaii's recovery was part of a larger settlement involving other states and the Federal Government that garnered \$1.2 billion in restitution and penalties. In addition to the monetary sanctions, Janssen Pharmaceuticals will enter a guilty plea in Federal Court to misbranding for its illegal marketing of the drugs.

The total amount of the recovery for Hawaii is \$2,891,752.87. The Federal Government shares in the recovery because it pays for the majority of Hawaii's Medicaid program. Therefore, after the Federal Government is paid, Hawaii's share will be \$1,455,919.22.

Attorney General Louie stated that "the State Medicaid Program is an honor system. We will prosecute these important cases, recover our losses, and send a message that sanctions will follow when companies try to violate the rules." The case was filed in Federal Court in Pennsylvania, and Hawaii's Department of the Attorney General, Criminal Justice Division, Medicaid Fraud Control Unit worked with the Federal

Government and other participating states to prosecute the case. The case was originally brought by a whistle blower who will also share in the recovery. The case was filed under the Federal and State False Claims Acts which encourage lawsuits by civilians who identify fraud and secretly report it to the government.

Hawaii's Medicaid Fraud Control Unit worked with the Hawaii State Legislature to amend the Hawaii False Claims Act, which enabled the State to keep an additional 10% of the recovery that would ordinarily be paid back to the Federal Government. The Legislature approved the amendment during the 2012 session and the extra 10% the State is now permitted to keep is expected to bring more revenue to the State in future False Claims Act cases.

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