

Maker of Claritin Drug To Plead Guilty To Federal Criminal Anti-Kickback Charges, Pay Fine of \$52 Million, Also Facing \$282 Million In Civil Liabilities

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In yet another example of a pharmaceutical company found guilty of criminal charges in terms of price-fixing, the drug company Schering-Plough has agreed to plead guilty to federal anti-kickback charges. The company, which makes the popular Claritin drug, had failed to provide the best price to state Medicaid programs for its Claritin drug, and as a result, was overcharging states to the tune of hundreds of millions of dollars. Forty-nine states and the District of Columbia were involved in this agreement, which requires Schering-Plough to pay hundreds of millions of dollars in fines. The drug company's sales practices will also be under "strict scrutiny" for five years, according to federal government officials.

This is yet another example of a drug company exploiting the system for maximum profit. It's almost a wonder that they were even caught, given that this kind of practice is widespread in the pharmaceutical industry. Personally, I'm wondering who's going to be scrutinizing Schering-Plough for the next five years -- will it be the FDA, and if so, what motivation does the FDA have to make sure Schering-Plough follows the rules from here forward? I wouldn't be surprised if employees of the FDA were shareholders in this company or had received monies or payments in the past for being consultants or employees of this company.

The bottom line is that when it comes to prescription drug companies and the pharmaceutical industry, the American taxpayers are consistently getting screwed by the system. They're being ripped off on a daily basis from over-priced prescription drugs that can be purchased for far less from Canada, Mexico, and European countries. Every once in a while, one of these drug companies gets caught and has to pay back a portion of the profits that it stole from the American public, but by and large, most of these pharmaceutical companies consider this kind of practice to be business as usual. Very few are actually caught for these sort of underhanded deals, and even when they are caught, they are typically only required to pay back fines that represent a fraction of the profits they generated from such activities.

Once again, contrast this with the treatment given to makers of nutritional supplements when they're targeted by the FDA. For example, one company called Lane Labs was targeted by the FDA because it was selling a nutritional supplement that actually promised to cure cancer. It contained powerful immune boosting extracts of rice bran and medicinal mushrooms, and in fact, I believe the product was an effective cure for many cancers. The product was named MGN-3.

When the FDA targeted this company, they not only put them out of business, they made sure they couldn't sell MGN-3 in the United States and they demanded that the company reimburse all customers who had purchased MGN-3 over the last six years, thereby draining Lane Labs of operating cash, and practically ensuring it would go broke.

Meanwhile, when Schering-Plough is caught and pleads guilty to federal charges of ripping off taxpayers, the company is merely fined a fraction of the total revenues it generated from its operations. If this punishment had been consistent with the degree of punishment that is usually dealt out to nutritional supplement companies, Schering-Plough would have been required to actually refund the full purchase price of Claritin to all wholesale customers who had purchased the drug over the last six years. That would have amounted to a far greater dollar amount.

As you can see, there remains a great disparity in the way companies are treated by the U.S. legal system and the Food and Drug Administration, and the treatment they receive depends entirely on whether they are pushing prescription drugs vs. nutritional supplements. When a company like Lane Labs actually tells the truth about a product that helps cure cancer, it is put out of business by the FDA -- it is destroyed. But when a company like Schering-Plough admits to criminal charges involving kickbacks of hundreds of millions of dollars, it is allowed to remain in business to keep on selling its popular drug, and to make good by merely paying a fraction of the total revenues in terms of fines.

And that, folks is just one way in which the FDA makes sure that the pharmaceutical companies continue to thrive while alternative medicine, complementary medicine, nutritional supplements and other natural healing modalities remain suppressed.