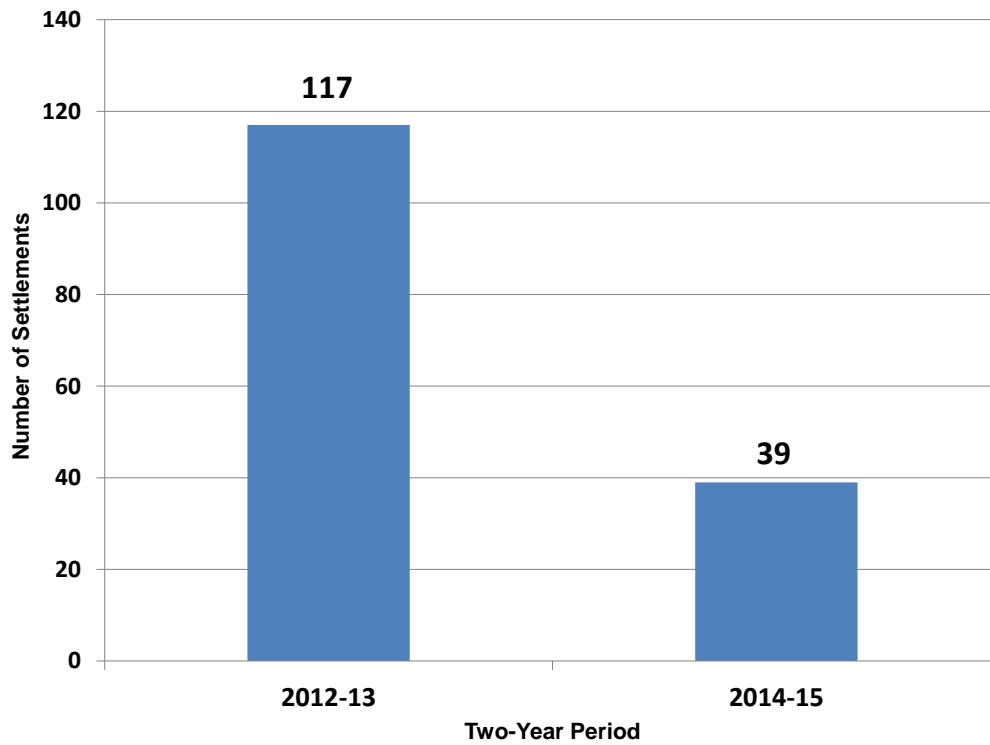


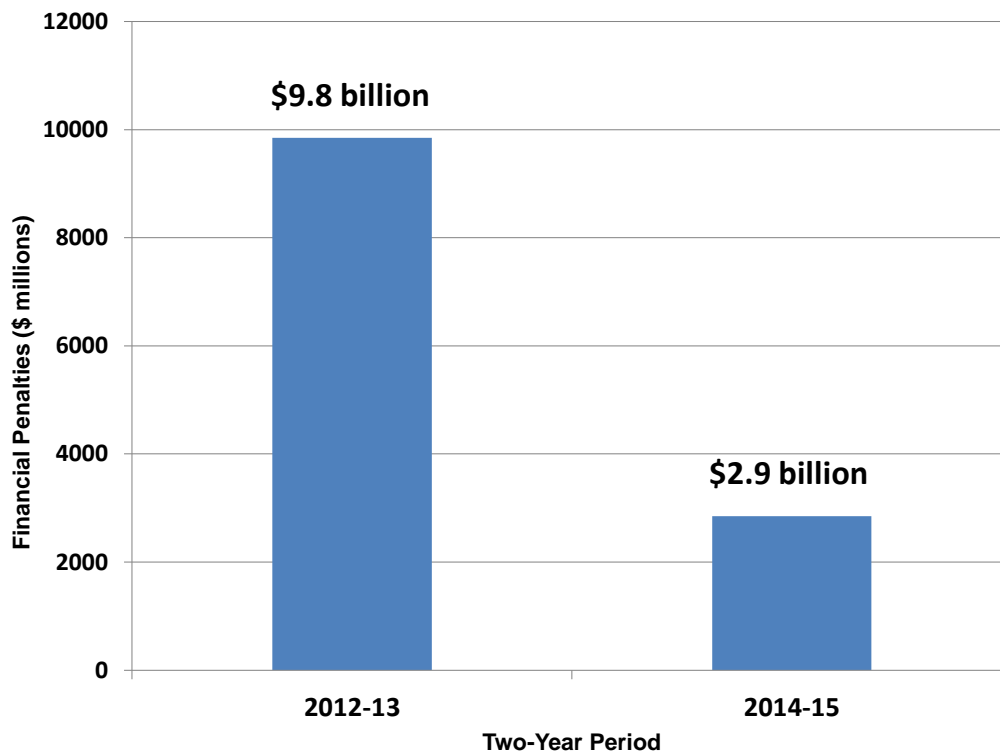
Public Citizen

Twenty-Five Years of Pharmaceutical Industry Criminal and Civil Penalties: 1991 Through 2015

67% Decline in the Number of Settlements from 2012-13 to 2014-15:



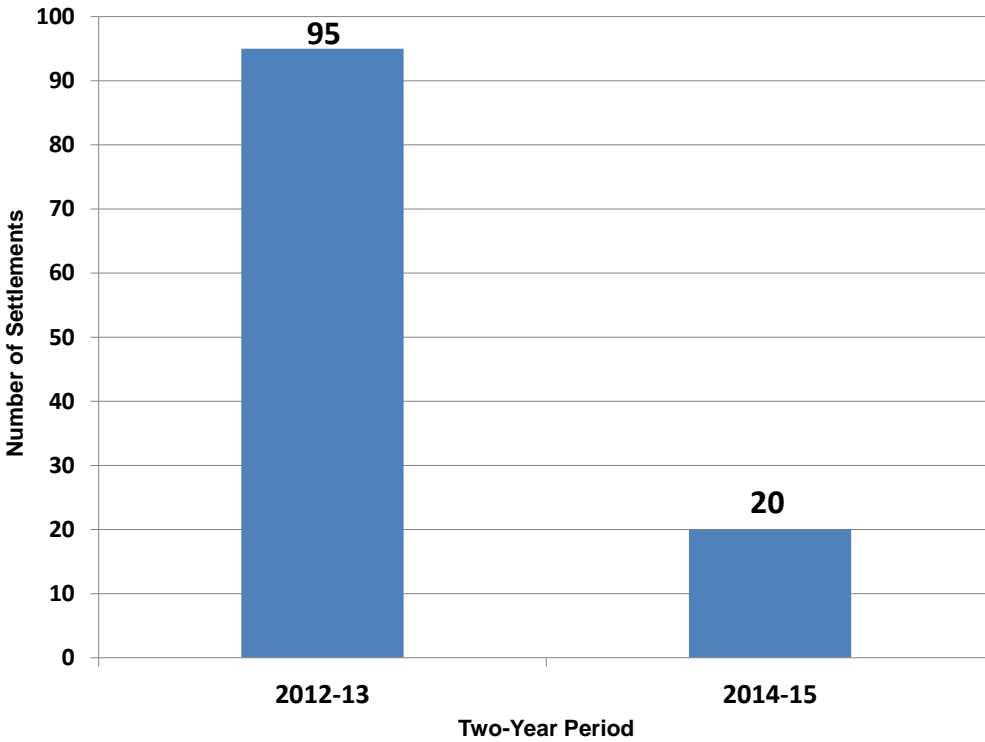
70% Decline in Financial Penalties from 2012-13 to 2014-15:



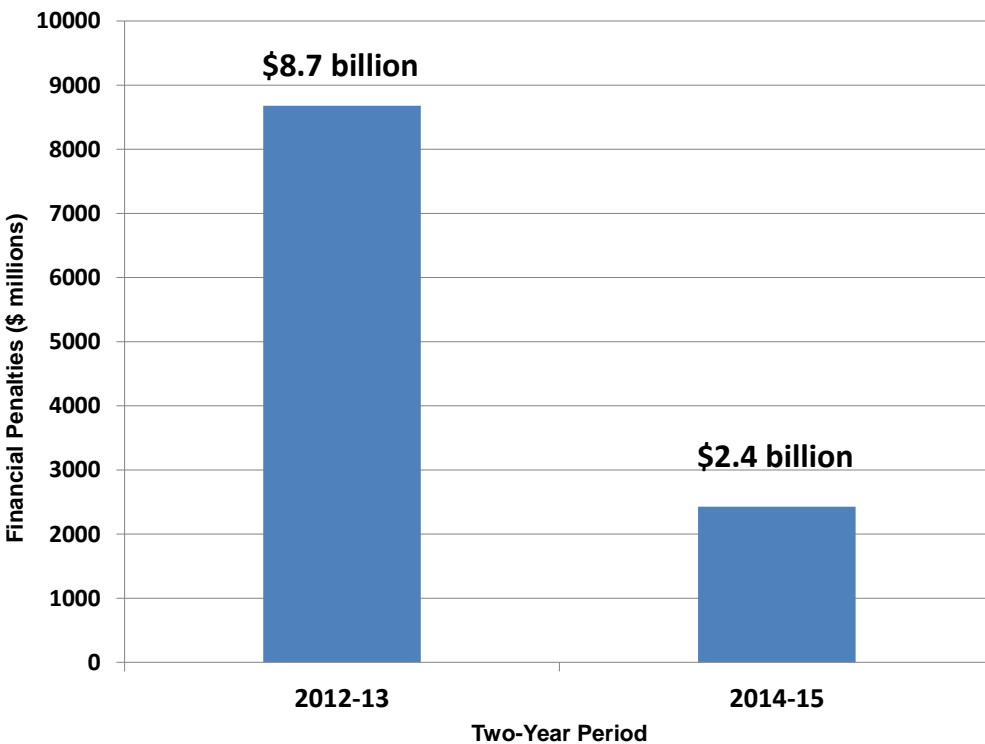
Public Citizen

Twenty-Five Years of Pharmaceutical Industry Criminal and Civil Penalties: 1991 Through 2015

79% Decline in the Number of State Settlements from 2012-13 to 2014-15:



72% Decline in Federal Financial Penalties from 2012-13 to 2014-15:



Public Citizen

Twenty-Five Years of Pharmaceutical Industry Criminal and Civil Penalties: 1991 Through 2015

Excerpt from press release commenting on the decline in penalties in 2014-15

Another key finding is that both the number and size of settlements decreased significantly in 2014 and 2015. Just \$2.4 billion in federal financial penalties were recovered in 2014-2015, less than one-third of the \$8.7 billion in 2012-2013 and the lowest two-year total since 2004-2005. Moreover, there were just 20 state settlements in 2014-2015, the lowest two-year total since 2006-2007. This reflected a dramatic decrease in federal financial penalties for unlawful drug promotion and a similarly sharp decline in the number of single-state settlements stemming from overcharging government health programs.

The report explores several possible reasons for this drop in settlement activity. The possibilities include a decline in federal enforcement; a shift in the focus of federal prosecutions away from off-label marketing and toward other forms of illegal activity, as [alluded to \(PDF\)](#) by U.S. Department of Justice officials in 2012; changes in state Medicaid pharmaceutical reimbursement strategies; and shifts in industry marketing strategies.

“We don’t yet know why there were fewer and smaller settlements in the 2014 to 2015 period,” said Dr. Sammy Almashat, researcher with Public Citizen’s Health Research Group and lead author of the report. “But we do know that, in addition to the rarity of executive accountability, previous penalties never have been large enough to deter the most common types of pharmaceutical fraud. So it would be surprising if the industry suddenly decided, of its own accord, to comply with laws it has routinely violated for decades.”