

## Merck to Pay \$950 M in Vioxx Case

**DUFF WILSON**

Merck has agreed to pay \$950 million and has pleaded guilty to a criminal charge over the marketing and sales of the painkiller Vioxx, the company and the Justice Department said Tuesday.

The negotiated settlement, which includes resolution of civil cases, was the latest of a series of fraud cases brought by federal and state prosecutors against major pharmaceutical companies.

By the time Vioxx, which was approved by the Food and Drug Administration in 1999, was pulled off the market in 2004 because evidence showed that it posed a substantial heart risk, about 25 million Americans had taken the drug.

In a statement on Tuesday, Merck said that it had previously disclosed the seven-year investigation by the US attorney in Massachusetts and had charged \$950 million against its earnings in October 2010. Merck agreed to pay a \$321 million criminal fine and plead guilty to one misdemeanor count of illegally introducing a drug into interstate commerce, the Justice Department said in a news release. The charge arose from Merck's promotion of Vioxx to treat rheumatoid arthritis before the FDA approved it for that purpose in 2002.

Merck also is paying \$426 million to the federal government and \$202 million to state Medicaid agencies. Those payments will settle civil claims that its illegal marketing caused doctors to prescribe and bill the government for Vioxx they otherwise would not have prescribed.

Physicians are free to prescribe drugs for any purpose they see fit, but pharmaceutical companies are prohibited from marketing them for any uses except those that the FDA has determined are safe and beneficial.

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