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Pfizer to Plead Guilty To Improper Marketing

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Pfizer Inc. agreed to plead guilty to a federal criminal charge of illegally marketing the painkiller Bextra and will pay \$2.3 billion for illegally promoting the sale of that and other medicines for unapproved uses.

The settlement disclosed on Wednesday was the largest ever by a drug maker accused of marketing wrongdoing. Pfizer said in January that it had recorded a \$2.3 billion settlement-related charge in the fourth quarter, but details of the expected agreement weren't previously released.

Doctors in the U.S. are allowed to prescribe drugs approved by the Food and Drug Administration as they see fit, but companies can't market medicines for unapproved, or so-called off-label, uses. According to the settlement agreement, Pfizer encouraged doctors to prescribe Bextra for off-label uses such as acute pain and promoted the antipsychotic Geodon for unapproved use by children.

Under the settlement with the Justice and Health and Human Services departments, Pfizer's Pharmacia & Upjohn unit will plead guilty to a criminal charge and the company will pay \$1.3 billion to resolve criminal allegations involving Bextra. Pfizer pulled Bextra from the market in 2005 after Merck & Co.

withdrew a competing painkiller, Vioxx, due to links to increased heart-attack risk.

Pfizer agreed to pay another \$1 billion to resolve whistleblower complaints that it illegally promoted Bextra, Geodon, the antibiotic Zyvox and the epilepsy drug Lyrica. The fine also resolves allegations that Pfizer treated doctors to meals, paid them for speaking engagements and subsidized their travel to induce them to prescribe off-label uses for those four drugs and nine others.

The settlement is the third in which Pfizer signed a "corporate integrity" agreement pledging to clean up its drug-marketing practices. It signed the agreements in 2002 over Lipitor and in 2004 over epilepsy drug Neurontin. Under the latest agreement, Pfizer will have to create a mechanism for doctors to report questionable conduct by Pfizer sales representatives.

Also Wednesday, the company said it will pay \$33 million to 42 states and the District of Columbia to settle state consumer protection allegations related to its past promotional practices concerning Geodon. Pfizer will record a \$33 million charge in the current quarter.

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