

The Virgin Islands Consortium

V.I. Government Resolves Claims With Janssen Pharmaceutical Company

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ST. THOMAS -- Attorney General Claude Earl Walker has announced that the government of the Virgin Islands has received hundreds of thousands of dollars in settlement from giant pharmaceutical company, Janssen Inc.

AG Walker made this announcement Monday morning at a joint press conference with Commissioner of Licensing and Consumer Affairs Devin Carrington and Director of Bureau of Motor Vehicles Lawrence Olive. The press conference was held at the Department of Justice Conference room here.

The settlement agreement between the Virgin Islands government and Janssen Pharmaceuticals, Inc., AG Walker said, resulted in Janssen's paying \$300,000.00 to the government to "resolve claims related to the marketing of Risperdal in the Virgin Islands prior to 2008."

Risperdal is an antipsychotic drug that is commonly used to treat schizophrenia, bipolar disorder and irritability in people with autism, but it has to be used and marketed according to the Food and Drug Administration guidelines. However, investigations conducted by the Attorney General's office and the DLCA revealed that Janssen's conduct violated the Virgin Islands Unfair Trade Practices Act and the Consumer Fraud Act, both administered by the DLCA, Mr. Walker said.

"The government investigated claims that Janssen... deceptively minimized the increased risk that certain patients who took Risperdal would develop diabetes, which prompted a warning letter from the United States Food and Drug Administration," AG Walker said in his prepared statement.

In addition, Janssen "deceptively marketed Risperdal for pediatric patients while denying and failing to disclose risks that boys would develop gynecomastia, or enlarged breasts, an obviously serious side effect, and suffer other hormonal effects," Mr. Walker said.

Janssen also promoted Risperdal for elderly patients without disclosing that the drug was not approved for use by the elderly and that the Food and Drug Administration has warned Janssen that data did not support claims that Risperdal was safe and effective for elderly patients, said AG Walker.

"While I am deeply concerned by the allegations of serious misconduct targeting children and the elderly, our investigation concluded that Janssen's marketing and sales of Risperdal in the Virgin Islands were very limited," Mr. Walker said.

Meanwhile, Commissioner Carrington said the government and his department are determined to ensure that companies that do business in the Virgin Islands provide complete and accurate information to consumers.

Calling the Janssen settlement the "single largest consumer settlement in DLCA's history," Commissioner Carrington said he was pleased with the outcome.

"Most of our monetary penalties and fines do not get above \$5,000.00," he said in his prepared statement. "So, a consumer settlement of \$300,000.00 is extraordinary. We believe that it is fitting, given this investigation, and happy that it is resolved this way."

Mr. Carrington concluded by saying that his department will continue to collaborate with the Department of Justice to look at a number of big consumer issues "because we have heard from the community that we need to address these issues because they are way overdue."