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Now Eli Lilly faces $4.9 mn bribery allegations in China

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Singapore: A Chinese newspaper named 'The 21st Century Business Herald' has alleged that Eli Lilly spent more than $4.90 million (30 million yuan) to bribe doctors in China to prescribe the firm's medicines instead of rival products over a period of around one year from 2011-12..

Eli Lilly is the fourth foreign drugmaker after GSK and Sanofi and Novartis to face whistleblower accusations. The reports coincide with multiple Chinese investigations into the pharmaceutical sector, spanning alleged corruption to how drugs are priced.

The whistleblower further added that employees paid the bribes to promote two of the company's key insulin products in Shanghai and neighboring Anhui province. Also, kickbacks in the form of paid talks, conferences and other contributions were also made.

The newspaper, while quoting the whisleblower, said that, "In order to hit sales at rival companies and push the company's own products, bribes and special payments of all sorts were extremely common at the company. The level of the problem was just as bad as at GlaxoSmithKline."

Reuters revealed that Eli Lilly had been made aware of allegations of kickbacks in 2012 by a former sales manager. The firm had initiated an investigation at that time involving staff interviews, e-mail monitoring and expense report audits.

Eli Lilly, which has 3,600 employees in China (representing almost 10 percent of its global workforce), is no stranger to bribery allegations. In December 2012, it agreed to pay $29 million to settle US civil charges that its subsidiaries made improper payments to foreign government officials to win business in Russia, Brazil, China and Poland.