

Now Chinese medicine maker accused of bribery

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Singapore: The state-owned television network in China, the Chinese Central Television (CCTV) has alleged that bribery is rife at a unit of domestic drug maker Sino Biopharmaceutical. The report claimed that a majority owned subsidiary of the company had paid for illegal overseas trips for doctors.

The report claimed that two groups of doctors attended 50-minute meetings organized by the company in China and then left on sponsored trips. The TV report referred to Jiangsu Chia Tai-Tianqing, one of 23 'principal subsidiaries' listed by Sino Biopharm in its 2012 annual report.

CCTV is said to have cited a company insider and showed undercover footage indicating sales staff had paid about \$1,100 (6,500 yuan) per doctor on certain overseas trips and the network reported that those junkets could be interpreted as illegal bribes.

The broadcast also included images of a company invitation to one confab, scheduled for August 21 that said, "After the meeting, Chia Tai Tianqing's Tiance products group has prepared an exciting and comfortable trip for you to Chiang Mai, Thailand. We believe this medical meeting will leave you with deep and beautiful memories."

Reacting to the broadcasted report, Sino Biopharmaceutical said that it has sent an internal team to investigate the allegations. The company spokesperson claimed that a statement would be issued once there is more clarity on the matter.

This report is the latest in the series of allegations made by whistleblowers and investigative reports related to corruption in China's pharmaceutical industry.

Earlier this year, four Chinese executives from British drugmaker GlaxoSmithKline were detained by the police in China over allegations that they used cash and sexual favors to bribe doctors and health officials to drive sales.

Soon after this <u>US</u> drugmaker Eli Lilly and Co was accused by an unidentified whistleblower claiming that it spent more than \$4.9 million (30 million yuan) to bribe doctors in China.

Last month, other whistleblowers alleged that <u>Swiss drugmaker Novartis AG</u> and <u>French company Sanofi SA had paid bribes</u> to doctors to boost drug sales. Johnson & Johnson was then fined by Chinese authorities for monopolistic pricing.

Last week, a privately held Chinese drugmaker, Gan & Lee Pharmaceuticals issued a statement claiming that it is looking into allegations that it spent \$130.7 million (800 million yuan) to bribe doctors over a five year period.