

Novartis in bribery scandal again, this time in Korea

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Singapore: The latest in a string of scandals related to Novartis comes from Korea. As reported by the Korean Herald, six incumbent and former executives of the South Korean unit of Swiss pharmaceutical giant Novartis have been indicted on charges of providing illegal kickbacks to doctors.

Seoul Western District Prosecutors' Office has charged the six, including the company's former CEO surnamed Mr Moon, for allegedly providing money or other rewards known in the industry as rebates to doctors in exchange for prescribing Novartis' medicines.

The sources also confirmed that nearly 23 people were involved in the scandal, including six publishers of medical publications and doctors engaging in kickback-related deals.

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In response to the charges, Novartis reiterated its lack of tolerance for this type of misconduct. According to the company's website: "Our live and computer-based programs include, but are not limited to, meaningful discussion of the application and consequences of the False Claims Act, Anti-Kickback Statute, OIG Compliance Program Guidance, PhRMA Code on Interactions with Healthcare Professionals, as well as other applicable federal, state, and industry rules and guidelines."

For years, South Korean health regulators and prosecutors have undertaken rigorous measures to halt domestic and foreign firms paying rebates on drug sales since passing a drug anti-rebate law in 2013.

This is not the first time that the drug giant is in troubled waters. Earlier this year, Novartis had faced bribery allegations in Turkey, not long after paying a \$25 million settlement with the US government for a bribery scandal in China. In 2015, the Swiss company paid \$390 million to settle a separate case in the US related to kickbacks to specialty pharmacies.