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Greek prosecutors raid Novartis offices, disclose wide-ranging probe into bribery allegations

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Novartis says it is cooperating with "local and foreign" officials investigating corruption allegations in Greece.

Greek officials **announced** Tuesday that they are investigating Novartis for bribery in the wake of local media reports raising questions about the company. It is the fourth set of bribery allegations against the Swiss drugmaker to go public in the past year.

Greek authorities have interviewed scores of sources and raided Novartis offices in Greece, according to multiple local news outlets. Justice Minister Stavros Kontonis ordered the inquiry after "denunciations concerning bribes paid to functionaries by Novartis" appeared in the press, the ministry said in a statement, as **quoted** by Agence France Presse (AFP).

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According to media **reports** in Greece, authorities announced the probe after a former Novartis manager in the country made suicide threats at an Athens hotel on New Year's Day. Judicial sources **told** the Swiss news agency ATS that the man was among the company employees to be interviewed by prosecutors.

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Novartis said in a statement that it is aware of the media reports about its business practices in Greece and is "actively seeking further information."

The company is "fully cooperating with requests from local and foreign authorities," the statement said. "Novartis is committed to the highest standards of ethical business conduct and regulatory compliance in all aspects of its work and takes any allegation of misconduct extremely seriously."

Greek prosecutors have requested assistance from the U.S. government in their probe, the local news site Greek Reporter **says**. They say the U.S. is investigating similar allegations of bribery in Greece, apparently for violations of the U.S. Foreign Corrupt Practices Act.

"The judicial investigation will be swift and thorough," the ministry's statement said.

Those original media reports also **stated** that two Novartis executives had been **questioned** by the U.S. Securities and Exchange Commission in August. The managers were said to have handed over hundreds of documents to SEC officials detailing more than 4,000 payments to doctors, the Athens-Macedonian News Agency **said** Tuesday.

Greece's investigation follows a similar probe **launched** in South Korea last February and corruption allegations leveled by a Turkish **whistleblower** in March. In August, South Korean prosecutors **indicted** a half-dozen Novartis executives for issuing improper rebates to local doctors.

Also last year, Novartis agreed to pay \$25 million to **settle** an SEC investigation into bribery allegations in China. According to the SEC, Novartis offered Chinese doctors lavish entertainment—including a junket to Chicago and Niagara Falls—and other inducements to boost prescriptions of its drugs in the country.

Novartis is not the only multinational drugmaker paying fines to the U.S. for foreign corruption. AstraZeneca **agreed** last year to pay \$5.5 million to settle the SEC's allegations of bribery in China. And in a settlement that dwarfs all the others, Israel-based generics giant Teva agreed last month to hand over \$520 million to wrap up a raft of bribery allegations in Russia, Ukraine and Mexico, the **largest-ever** FCPA settlement for a drugmaker.

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