Transcript of Media Briefing on Ranbaxy Labs

FTS-HHS FDA

Moderator: Rita Chappelle
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Coordinator: ...standing by. At this time all participants are in a listen only mode. During the question and answer session please press star 1 on your touch-tone phone.

Today's conference is being recorded it you have any objections you may disconnect at this time. And now I will be turning this meeting over to Ms. Rita Chappelle.

Rita Chappelle: Thank you (Karen). I'd like to thank all of you for joining us today for this major announcement on the drug import action taken today by the US Food and Drug Administration.

My name is Rita Chappelle and I work in the FDA's office of Public Affairs and along with my colleague (Chris Kelly) we will serve as your media contact for inquiries after the conclusion of today's media teleconference.

At the onset let me say that this call is for credentialed media only. Those who are not members of the media will be in a listen only mode At the conclusion of this call FDA will have a stakeholders call to address any questions and answers. Details of that call have been sent out to those impacted parties.

Today I'm joined in the room by Dr. Douglas Throckmorton, Deputy Director for FDA's Center for Drug Evaluation and Research. Along with Doug we have Debra Autor, Director of Cedar's Office of Compliance at FDA. We also

have a number of technical experts in the room (Gary Bueller) Director of Cedar's Office of Generic Drugs, (Joseph Amulari), Deputy Director of Cedar's Office of Compliance, as well as Murray Lumpkin who is our Deputy Commissioner Office of International Programs.

We will begin today's call with an opening remarks from Dr. Throckmorton followed by Deb Autor. At the conclusion of their remarks I will then open the phone lines up for questions from the media. Because of the number of media on this call we will do our best to take as many questions as we can. In that regard media will be limited to one question and one follow-up.

To help you in preparing your various messages to your various audiences we have emailed you our press release that links you to a variety of other documents as a part of this announcement. Thank you I will now turn the mic over to Dr. Doug Throckmorton, Doug.

Doug Throckmorton: Thank you Rita, good afternoon everyone and thanks for joining us on this call. Today the FDA is announcing and has issued two warning letters to India based on generic drug manufacturer, Ranbaxy Labs and established an import alert for certain Ranbaxy drugs.

Deb Autor will discuss some of the details in those letters next which have to do with the process of drug manufacturer at two Ranbaxy facilities. These actions are taken directed at two facilities. In Dewas and Paonta Sahib India. These facilities are involved in the manufacture of over 30 generic drugs. FDA is taking this proactive step to ensure the drugs from these two facilities are not allowed into the United States until they meet FDA requirements for quality drug manufacturing.

There are several points I need to stress. First while this action affects over 30 generic drugs FDA has assessed the capacity of other manufacturers to replace all products impacted by this import alert. And we anticipate no drug shortages because there are multiple other manufacturers who can make these drugs sufficient to meet market demands.

Ranbaxy is the sole supplier to the United States of an antiviral drug acyclovir in capsule form. To prevent a shortage, FDA will not detain shipments of this product into the United States but FDA will ask Ranbaxy to take additional measures to ensure the safety and quality of this product until the firms manufacturing quality issues are resolved.

My second point, as of to date, we have seen no evidence of harm to consumers from drugs produced at these two facilities and have no reason to believe the drugs already in the US from these plants pose a safety problem. However FDA will continue to monitor and conduct safety surveillance.

FDA again has taken these proactive actions to protect American drug supply while we work to insure these deficiencies in manufacturing are corrected. And until then FDA will not approve any new drug applications or abbreviated new drug applications for drugs manufactured at those two facilities.

My third point is that based on what we know today we advise consumers who use products affected by this import alert not to discontinue their drug therapy as such action could seriously jeopardize their health. If consumers have concerns they should talk to their health care professional.

My fourth point finally, while other then Dewas and Paonta Sahib there are no other Ranbaxy manufacturing facilities in India or the US that are affected by

this action. I'll end my remarks then by reiterating that this is a preventive action. Taken to protect quality of the drugs used each day by millions of Americans by assuring that the process used to make the drugs adheres to the FDA's standards for quality manufacturing.

Now I'll turn the microphone over to Deb Autor of my office - Cedar's Office of Compliance, Deb.

Deb Autor: Thank you Doug. I'll use this time to talk about what led to today's action. But first I'd like to reiterate that these actions were taken proactively to address problems with the manufacturing processing of certain drugs and FDA has no reason to believe the drugs from these two plants already in the US drug supply pose a safety problem.

In cases like this FDA wants to work with companies whether foreign or domestic to continuously improve the process for producing drugs that are so vital to the health of Americans but when we don't see sufficient action on their part we will take action on our part.

FDA will continue working with Ranbaxy to rectify these problems at their Dewas and Paonta Sahib facilities. FDA will also work with Ranbaxy to provide additional oversight and control for acyclovir oral capsules. As Doug mentioned because of shortage considered this one product will not be subject to detention at the US border under the import alert.

A little background on Ranbaxy. Ranbaxy is one of the largest foreign suppliers of generic drugs to the United States. As Doug mentioned the import alert covers over 30 different drugs produced by Ranbaxy, many of which are made in multiple dosage forms and dosage amounts.

Now how did we arrive at these actions? In August 2005 FDA received information about potential problems with Ranbaxy's drug manufacturing including suggestions of fraudulent manufacture at the firm's facilities in Dewas and Paonta Sahib.

Based on that information FDA launched an investigation. In February 2006 FDA inspected the Dewas and Paonta Sahib sight and documented significant deviations from US standards for drug manufacturing and the sites drug production operation.

FDA drugs manufacturing standards are known as Current and Good Manufacturing Processes or CGMP. The CGMP deviations for the failure to complete drug testing data, insufficient documentation to present the stability test were valid and lack of sufficient laboratory personnel in instrumentation.

In February and March of 2006 FDA conducted inspection at Ranbaxy's station in Dewas site. That inspection documented some problems of production practices but at that time the problems were not significant.

Between February and May of 2006 FDA took additional steps. We tested many Ranbaxy products manufactured at the Paonta Sahib and Dewas facilities. FDA's assays of these samples showed these samples met their specifications.

In June 2006 FDA issued a warning letter to Ranbaxy to address manufacturing and quality control issues at the Paonta Sahib facility. Since the warning was issued in 2006 the FDA has worked with Ranbaxy to facilitate corrections. This has included several meetings with the company.

Earlier this year FDA conducted a sanctioned visit at both the Dewas and Paonta Sahib facility. Our inspections documented significant CGMP violations at both locations. Because of the nature and extent of these findings FDA has taken proactive measure today to ensure the integrity of the US drug supply.

The FDA is issuing two warning letters, one addressing the Dewas plant and one the Paonta Sahib plant. We are also establishing an import alert for new Ranbaxy products. Warnings that are relating to Ranbaxy's Dewas plant addresses a significant CGMP deviations in the manufacture and control of both active pharmaceutical ingredients or API and finished products.

Specific areas of concern for plants quality control program include, the facility manufactures a variety of Beta-lactam, which is penicillin. These drugs can cause sensitizing reactions in certain individuals. This facilities Beta-lactam containment program, which is designed to prevent cross contamination of these drugs with others in the plant, was not adequate, with inadequate batch production and control, record procedures, inadequate failure of investigation and inadequate sterile processing operations.

The other warning letter addresses the Paonta Sahib facility and it's bottom (unintelligible) unit. FDA's inspection of this location documents that numerous CGMP deficiencies in the sites manufacturing and finished products including lack of assurance that responsible individuals are present to determine necessary steps under CGMP were performed, inaccurate written records of major equipment cleaning and use, incomplete batch production and control records and inaccurate procedures for review and approval for drug production and control records.

Today's actions are clearly warranted based on the extent of the seriousness of the violations uncovered during our inspections of these sites. The facilities deficiencies are addressed, API's and finished products in these plants will remain on import alert. Additionally no new drug applications or abbreviated new drug applications at either of these facilities as the manufacturer API or finished drug product will be approved until these deficiencies are addressed.

Again I would like to emphasize that this action focuses on the manufacturing processes and control at these facilities but not on the product. FDA has no evidence that these Ranbaxy products are actually defective. But the manufacturing process and control problems the FDA has found could impact product and for this reason FDA has taken these proactive steps to ensure that products from these two facilities are not allowed into this country until the manufacturer can get these controlled or the facilities are corrected to FDA's regulatory standards.

Thank you I will now turn the call back to Rita.

Rita Chappelle: Thank you Deb. (Karen) we'll now take calls if any media would like to ask some questions of our experts. (Karen)?

Coordinator: Thank you. We will now begin the question and answer session if you would like to ask a question please press star 1. Please un-mute your phone and record your name clearly when prompted. Your name is required to introduce questions. To withdraw your question please press star 2.

One moment please for the first question. It will be just another moment please.

Rita Chappelle: And (Karen) can you ask that the media identify themselves by name and news outlet or organization please before they pose a question.

Coordinator: All right one moment please.

Rita Chappelle: Thank you.

Coordinator: Our first question comes from (Loren Nygaard) the Associated Press. You're on a open line. Thank you.

(Loren Nygaaed): Oh hi it's (Loren Nygaard) with AP. I'm wondering since you did have this very extensive sampling of the products and found no deficiencies what is it that made you take this step? Usually there are more warning letters in the process before you go to such a drastic action I wonder what the reasoning for that is and I also wonder since many of the drugs on here are actually part of the Pep Bar 8 drugs program if other countries will be affected by this as well?

Rita Chappelle: Thank you (Loren), Deb.

Deb Autor: I'll answer this first part and then turn it over to Dr. Lumpkin for the second part. We believe the step is worth it because of the seriousness and the extent of violation. And again since it's related to the processes at the manufacturing plants and not the products themselves. While the sampling gives us some assurance relating to the quality of the product, ultimately the deficiency in the process has reached a level where we think the halt on import is justified. Sufficiently out of control that it was taken before (unintelligible) are in place until the deficiencies are corrected.

Rita Chappelle: Dr. Lumpkin.

(Mac) Lumpkin: Yes hi , this is (Mac) Lumpkin. Relative to the PEPFAR program you are indeed correct there are products manufactured at these sites that have been either tentatively approved or fully approved in association with the PEPFAR program.

Obviously our actions only have effect within the United States. That is where FDA's authority lies. We have however have been in contact with our colleagues at the WHO prequalification unit and with our colleagues here in the US government who are responsible for implementing the PEPFAR program and we have informed them of our concerns with these plants and have informed them you know the actions that we just announced here today relative to how we are approaching these products here in the United States. But it will ultimately be up to each of them to make their own decisions relative to their area or jurisdiction.

Rita Chappelle: Thank you Loren. (Karen) we'll take the next caller please.

Coordinator: Thank you.

Rita Chappelle: (Karen) do we have another question?

Coordinator: I'm sorry I thought that you heard me. Our next question is from (Jared Savoli) and he's with Jones news service. (Jared) your line is open.

(Jared Savoli): Hi this is (Jared) from Dow Jones actually. I guess my main question is why did it take so long from the original warning letter which I believe was that February 2006 noting I guess not deficiencies I guess compliance problems there manufacturing process to now. I guess why did it take almost two years to finally get an import alert on these drugs.

Deb Autor: The original warning letter was in June 2006 and since then we've had a lot of work with the company to try to correct the deficiencies. We do not believe in June 2006 the deficiencies rose to a level that an import alert was justified.

But since our most recent inspection in 2008 we were concerned the level of deficiencies reached that level. We gave the firm an opportunity to come back and tell us how they were going to correct those deficiencies and they did the middle of this year but again we weren't satisfied. And at this point we have now come to the conclusion that the deficiencies are of a nature that an import alert is justified but before this we did not reach that decision we did not think it was justified.

(Jared Savoli): And when was the - you said a recent inspection this year. When was that again I'm sorry?

Deb Autor: The inspection of the Paonta Sahib facility was in March of 2008 and the inspection of the Dewas facility was in January and February of 2008.

(Jared Savoli): Okay thank you.

Rita Chappelle: Thank you (Jared) next caller please.

Coordinator: One moment please. Our next call comes form Alicia Mundy with Wall Street Journal. Your line is open.

Alicia Mundy: Hi this is Alicia Mundy with the Wall Street Journal. I just want to follow up on something Dr. Lumpkin had said. I believe you had mentioned that you had been in touch with WHO and the relevant US government facilities that

had been dealing with Pep Bar which I might assume includes the State Department.

I'd like to know if you've been in touch in the last couple of months with any non-governmental organizations that help distribute AIDS drugs in Africa and also whether any non-government organization that deal with AIDS drugs in Africa have contacted you the FDA since word of the federal investigation into Ranbaxy had surfaced in July.

(Mac) Lumpkin: Alicia hi this is (Mac) Lumpkin. I'm going to actually let people who come from our Office of External Affairs talk about that because that's really the group as opposed to my international office.

We deal primarily with our counter part, regulatory agencies and the multi-lateral governmental organization like WHO but the Office of External Affairs here has been in contact with various groups that you have talked about to keep them informed of what has been happening over the last several months as questions about the quality of product has been a public issue.

Rita Chappelle: You know Alicia if you want to sent that to me via email I will make sure to get that question - to get a good response to your question. Do you have another question for us Alicia.

Alicia Mundy: No, no those were the two I was interested in.

Rita Chappelle: Okay. If you would just email those to me...

Alicia Mundy: Okay I'll do that.

Rita Chappelle: ...and I'll get a response. Next caller please.

Coordinator: Our next question comes from Lisa Stark with ABC News. Your line is open.

Lisa Stark: Thank you so much. This is Lisa Stark at ABC. I want to talk a little bit about your advice to consumers and the fact that you've indicated that you don't believe any products currently in the United States is problematic.

Can you tell us exactly how extensive your testing has been and how you can make that statement given the problems you found at these two plants.

Doug Throckmorton: This is Doug Throckmorton. Lisa let me start and then I'll turn to the people that were - that have done the testing and they can answer that. To start remember the action that we're taking today is aimed at the process here. So we're aimed at preventing an unsafe product from coming in to the US market. We had issues that have come up about the process whereby its there manufactured not the product itself.

Our strong belief is that by improving that process and proving the adherence to the standards that that will lead to a safe product and will prevent an unsafe product from coming onto the market.

Having said that we have looked at our adverse event reporting system and will continue to look at that but have seen no evidence for harm within that system. Let me turn over now to Deb Auter to talk a little bit more about the specific testing that we've also conducted on these products.

Deb Auter: Well as Doug mentioned we had done sampling of the products from both Ranbaxy - excuse me from both Dewas and Paonta Sahib sites and all the products that we tested met specifications. We intend to continue to do more sampling to gain that additional assurance with quality in products. But the

nature of the violations in the warning letters really relate to the processes itself. We did not see any evidence of actual defects in products.

Rita Chappelle: All right did you have another question?

Lisa Stark: Just a follow up to that if I could. When you say you've done sampling of products can you give me a sense of how much sampling and also the follow up on the adverse advents reporting if you have products potentially that are say under potent or something like that. Something like that probably wouldn't show up in the adverse effects reporting really would it? People wouldn't know if they were getting the full compliment of the drug they were supposed to. So those are my two follow up questions.

Deb Auter: I'll ask Rita to get back to you on the sampling numbers and stuff.

Lisa Stark: Okay.

Doug Throckmorton: Yes but your second question was I think a good one. How do you know the amount of drug in a pill? It's harder to - you can't sniff it you can't taste it things like that. That's where that testing, the product testing that Deb Auter talked about is so important.

One of the things that we tested for is content. Collecting samples of the pills and asking does the amount of drug that should be in it match what we're finding when we do the sampling. So in fact that is some of the testing that we've conducted to date.

Lisa Stark: All right thank you and that's why it would be nice to know exactly how much testing has been done please.

Rita Chappelle: All right so Lisa just email that to me and I'll get back to you.

Lisa Stark: Okay thank you.

Rita Chappelle: Next caller please.

Coordinator: The next question is from (Justin Bloom) with Bloomberg News. Your line is open.

(Justin Bloom): All right thanks for taking my call. I've got a couple questions. First I'm just wondering if Ranbaxy continues to send these drugs to the US, they're detained at the border and then what becomes of them. What does Ranbaxy need to do to get them into circulation in the US?

(Joe Amulari): (Justin) this is (Joe Amulari). When the company presents their good for entry in the US they will apply for entry. If we find that they're subject to import alert they will be detained at the border and through the process they can be refused admission and then they would have to be disposed in a way that they do not come in the country. Either returned or destroyed depending on what happens in that importing plan. But they would not gain entry unless problems are resolved with some other way to show cause that the products meat our US requirements.

Rita Chappelle: (Justin) do you have a follow up?

(Justin Bloom): Yes I do. In July the Justice Department filed a court motion saying that allegations from reliable sources and supporting documents indicated a pattern of systemic fraudulent conduct including submissions by Ranbaxy that contain false and fabricated information.

How does that relate to the actions you all are taking now and if that's the case why are any Ranbaxy drugs allowed to be on the market?

Deb Auter: Today's action is the next step in our ongoing civil investigation. We have - I mentioned since August 2005 when we initially received information relating to potential deficiencies at Ranbaxy sites we have continued to aggressively investigate those allegations and inspect Ranbaxy.

The criminal case is on a separate track and today's action is not - the timing of today's action - the timing of today's action is not related one way or the other. We have done what we think is the appropriate next step in the regulatory investigation and I'm sure they will continue to pursue the criminal investigation as they think appropriate.

Rita Chappelle: Thank you (Justin). Next caller (Karen).

Coordinator: Next call from - comes from (David Brown) with the Washington Post. Your line is open (David).

(David Brown): Yes it's (David Brown) from the Post. Can you tell us how this fits in to the universe of these sorts of product alerts for generic drugs manufactured overseas. Is this the biggest you know import action? Have you ever done this before? Do you do it three, four times a year? Give us - give me some context please.

(Joe Amulari): Yes this is (Joe Amulari). This is added to a list of firms under what's called import alert 6640. When we find firms that do not meet our GMP requirements to the degree that we will not let them into the country.

So this company is added to a list of other firms that already exist that need to correct primarily GMP deficiencies before their goods can be allowed into the country. In terms of the size of this action versus others I think we've noted in the press release that Ranbaxy is a large exporter to the US generic drug products. I don't have specific quantifiable numbers at this time.

Rita Chappelle: One second Dr. Throckmorton wants to weigh in.

Doug Throckmorton: (David) there's one other thing. This action is not directed at the generics aspect of Ranbaxy's manufactured here. This is the process - this is a factory manufacturing drugs that has been found not to be in compliance with the things we think they need to be. We would have taken this action if it were a brand manufacturer or a generics manufacturer.

Rita Chappelle: Dr. Lumpkin.

Murray Lumpkin: Yes, I just wanted to add to what Doug said. I think that we need to make clear that we would have taken this action whether it was produced outside the United States or produced within the United States.

It's just the tools we have are different if it's produced outside the United States versus if its produced in the United States where we have actual legal jurisdiction over the plant. Once you get outside the United States where US law and our authority does not have affect. We then have to use a tool that says fine we simply will not let this product into the country and that is the way we get the same influence of protecting the American public health if the product comes from outside the country as opposed as to if it comes from within the country.

(David Brown): Okay just one follow up. Have you ever had an import action against Ranbaxy drugs before?

Doug Throckmorton: I'm not aware of one in the past no, in terms of import alert. The previous action was mentioned as the warning letter that was sent in 2006.

(David Brown): Okay thanks.

Rita Chappelle: Thanks (David) next caller please.

Coordinator: Next call is from Mike Huckman CNBC. Your line is open.

Mike Huckman: Good afternoon, thanks for taking the question. The question is you said people should talk to their doctors, is there any way that identifies the generic drug as having been made by Ranbaxy a visual check for patients and then secondly is Zocor or Simvastatin made at either of these two plants? Thanks.

Doug Throckmorton: We did include I think with the press release a link to the affected products. Rita, is that right?

Rita Chappelle: There's a link to the affected drugs.

Doug Throckmorton: To the affected drugs.

Rita Chappelle: The label should tell them I think.

Doug Throckmorton: So that would be the place that we recommend people go to find out if one of things that they're using or someone that they know is using would come from these facilities.

Rita Chappelle: And on a bottle there's - the manufacturer is listed.

Deb Auter: But again our advice to consumers is they continue taking these products. We don't have a reason to be concerned about the safety of these products and Ranbaxy has other manufacturing sites that are not affected by - directly affected by today's action. In fact there may be Ranbaxy products on shelves that are from sites that we have inspected and found them to be acceptable.

Rita Chappelle: All right do you have a follow up?

Mike Huchman: No thank you.

Rita Chappelle: All right we have time for two more calls (Karen). The next caller please.

Coordinator: Okay one moment please. Our next call is from (Becky Youngbower) from FDA - no from the Pink Sheet. Your line is open.

(Becky Youngbower): Hi this is (Becky Youngbower) from the Pink Sheet. Two quick questions, wondering 1, what are the additional controls and oversights planned for gencyclovir? And 2, what's the time frame for Ranbaxy to demonstrate they're back on track?

Deb Auter: Oh, there is certainly additional controls that is something we have to discuss and have to have with the firm but we will be asking them to take a close look at each batch and how it's manufactured and satisfy us batch by batch that it was manufactured under sufficient control.

In respect to time frame that's really in the hands of the company at this point. They I'm sure know that they need to correct these deficiencies in order to get

products in the United States and certainly they'll want to do that as quickly as they can but that's within their control.

Rita Chappelle: Do you have a follow up?

(Becky Youngbower):Yes, what are the additional - I'm sorry, no thanks.

Rita Chappelle: Okay are there any other callers (Karen)?

Coordinator: I'm checking the queue right now. One moment please

Rita Chappelle: If not then we'll get ready to end the call.

Coordinator: It looks like my instructions are this will be all the calls.

Rita Chappelle: Thank you very much (Karen). And thank you all for joining us. Again I would like to reiterate that there will be a stakeholders call after this call for those impacted parties that information for the call in has already been sent out.

And if you have any additional questions please feel free them to me Rita Chappelle or to my colleague (Chris Kelly) at the FDA. And we want to thank you all for joining us today. Goodbye.

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