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Based upon information developed through the investigation thus far, it appears that SANDOZ participated in four bribery schemes that provided bribes to doctors. The bribe schemes are as follows:

1. National Congress and luxury trips
2. E-Panels
3. Creation of fraudulent invoices under the direction of the SANDOZ President
4. Paying the doctor's directly

Bribe Scheme #1 National Congresses and luxury trips

SANDOZ provided doctors with registration fees to National Congresses and luxury trips as a tool to negotiate more NOVARTIS prescriptions from the doctors. SANDOZ organized focus groups that presented doctors with information about the company, as well as a weekend of entertainment. The purpose of the trip was to have doctors prescribe more NOVARTIS products. If the doctor did not agree to prescribe more NOVARTIS drugs then the doctor was not permitted to attend the trip.

In 2010 or 2011, there was a conference in New York where a group of 50-60 doctors who specifically prescribed Onbrez had attended. The attending doctors were based in Greece. The agenda was distributed only to the staff that participated in order to get them "oiled up" in Manhattan. The names of the doctors were listed in the territorial plans. SANDOZ employees had an American Express credit card that was

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used for all the meals and entertainment for the doctors. There was a possibility that the doctors put money upfront for the conference and were reimbursed by SANDOZ via fraudulent invoices. SANDOZ exercised caution with conferences and focus groups in the United States as the United States had a reputation of being strict.

In 2012, Dr. ALEXANDROS KALKANIS attended World Asthma and COPD Congress located in New York City. KALKANIS prescribed Onbrez for NOVARTIS. SANDOZ did not pay for the doctor's travel (airfare or hotel) because the doctor was already in the United States for a temporary training assignment. NOVARTIS sent KALKANIS to the Congress because the registration fee was expensive and NOVARTIS wanted to maintain the number of prescriptions from KALKANIS. It was a common practice for NOVARTIS to pay for the registration fees for doctors to attend Congresses because of the scientific nature of the information that was presented. KALKANIS was an attendee at the Congress and was not a speaker. KALKANIS had a close relationship with STAVROS NTOGIAKOS (STAVROS), current NOVARTIS US Executive Marketing Director in Ophthalmology.

STAVROS was the direct report to JAN SCHLUECHTER, NOVARTIS General Manager for Marketing. GEORGE ZARKALIS, Sales Manager, directly reported to STAVROS. STAVROS created all of the projects in which money was given to doctors. In 2009, STAVROS was the project manager for Diovan and then became the brand manager of Onbrez for one year.

STAVROS created the NOVARTIS program EXACTLY. EXACTLY was one of the means to pay the doctors. The program started as a Phase IV fake study, which paid doctors 3,000-4,000 Euros for each project. The project was for each individual NOVARTIS drug. For example, in the EXACTLY program, three sales representatives went to the same doctor for three different drugs.

Doctors had to prescribe NOVARTIS drugs in order to get paid. The money that was provided to doctors for the EXACTLY program came directly from NOVARTIS Headquarters in Basel Switzerland, also known as "B-Money." Similarly, with respect to the e-panels, sales representatives filled out market research surveys for the doctors in

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order for the doctors to be paid. ELENI BARDI, an employee in the marketing department, reviewed and authorized the completed surveys, and processed the payments to the doctors.

The EXACTLY program came to an abrupt end and STAVROS directed the relocation of all EXACTLY documents. ANTONIS WERNER SARLIKIOTIS planned to destroy research documents to avoid issues with disclosure. An inventory was conducted by SANDOZ's Information Technology department. The IT department analyzed the documents that were stored on sales representatives and sales managers' computers. ALEXANDROS BOULLIAS and FNU KONTANIKOS were responsible for the inventory of the electronic information.

The documents were destroyed because EXACTLY was the largest "black money" project to pay doctors that was created by NOVARTIS. The project was too big and grew too fast. The results and the increase in growth had no valid explanation and were less defensible which was why the evidence of the project was destroyed. The EXACTLY program allowed sales representatives and sales managers to push up to three NOVARTIS products on each individual doctor. NOVARTIS Headquarters provided the money that was used as payments to the doctors for EXACTLY. The destruction of documents was to hide the project from the Greek regulators, not NOVARTIS Headquarters.

MARIANTHI PSAHA went to Kyoto, Japan with 120 doctors for seven days. The doctors' families did not attend the Congress. There was no training or learning that took place during the Congress. The doctors attended the Congress on the first day to get the Congress brochure and on the last day to get their certificate. SANDOZ paid approximately 5,000 euro for each doctor that included 3,000 euro for transportation and hotel and 2,000 euro for activities. The cost was split between various cost centers in SANDOZ's financial records. SANDOZ received more than 100 prescriptions from each of the doctors that attended the Kyoto Congress.

SANDOZ paid for a weekend focus group for a selected group of doctors and made all the arrangements. A psychologist presented a two hour presentation to the doctors. The psychologist was there to evaluate behaviors and was used as an excuse to bring the doctors to a resort. The scientific results and reports of the two hour session

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were communicated in order for SANDOZ to avoid detection from EOF. The remaining activities during the weekend were different forms of entertainment for the doctors that was paid for by SANDOZ. SANDOZ provided all meals for the participants of the focus group. The weekends were interactive groups and doctors were encouraged to bring their families. The bills and invoices that relate to the focus group prove that there were no scientific events.

The doctors that attended the out of town focus groups agreed to a set prescription number that had to be obtained beforehand. The conversations about the expected prescription numbers were held in person in the doctor's offices. Some of the prescriptions had to be written prior to the focus groups and the rest of the prescriptions were written after the focus group.

#### Bribe Scheme #2 E-panels

E-panels were a program that was created by NOVARTIS. The purpose of the e-panel program was to collect data for medical purposes and conduct marketing research. Selected doctors that participated in the market research survey obtained compensation. E-panels were created in order to give money to doctors as bribes in order to obtain more prescriptions from the doctors. This program was used to increase sales for Novartis drugs. The doctors were advised that they would receive a survey for market research and once the survey was completed the payment would be processed.

The doctors were generally paid within a month of completion of the surveys. The handwritten surveys were sometimes filled out by the sales representatives. The sales representatives assisted doctors in filling out the electronic surveys. Sales representatives of SANDOZ went to doctors' offices and discussed the parameters of the bribe payments. Sales representatives advised doctors that the doctors would receive 500-1,000 euros for a specific number of prescriptions for NOVARTIS drugs. The average that was paid to each doctor at a time was 500 euros. The reason for 500 euros was that 1,000 euros would have looked too large and suspicious for market research. The prescription from each doctor was an average of 1.5 boxes.

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SANDOZ discussed the purpose of e-panels in a tactical plan that claimed e-panels were conducted to obtain research from Greek medical markets about generic drugs. Generic drugs threatened the market for NOVARTIS drugs. There was no value in the information that was collected through the surveys.

SANDOZ initially wanted to bribe 400 doctors utilizing the e-panel program. This was done in multiple waves. The first wave was 100 doctors and the second wave was a little more than 100 doctors. Doctors had the potential to receive multiple payments in each of the waves. Sales representatives received a total budget for the amount that was to be given to doctors.

SANDOZ distinguished attractive doctors by utilizing a ranking system. The doctors were labeled A, B, or C by the amount of patients that each doctor treated with Novartis drugs. The doctors were then broken up by a subcategory of 1, 2, and 3. The subcategory was based on the relationship the doctor had with Novartis. Category 1 doctors were "Novartis friendly", Category 2 doctors were in the middle ground, and Category 3 doctors were not friendly with Novartis. Category 1 doctors had the potential for growth with Novartis products; however, those doctors generally prescribed more of Pfizer or Bayer products. The e-panel program focused on A1, A2, and A3 doctors.

SANDOZ utilized a vendor, ZEINCRO, for the e-panel program. The regular marketing research process was that ZEINCRO chose doctors without the company knowing the identities of the doctors and sent the chosen doctors a random survey. However, SANDOZ picked the doctors along with the amount to be paid and supplied the list to ZEINCRO. SANDOZ communicated the list of selected doctors and amount to be paid via e-mail. Sales representatives assisted doctors in filling out the surveys or 80% of the surveys were completed by sales representatives themselves. ZEINCRO notified the sales representative of SANDOZ that the specified doctor was paid. The sales representative would pressure the doctors for prescriptions after the payment was processed. The negotiation served as a contract between ZEINCRO and the doctor instead of SANDOZ and the doctor.

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ZEINCRO was used as a vehicle for the bribe money. The money that ZEINCRO paid to the vendors was not black money because money was provided to doctors for market research. The research was not worth 500-1,000 euros and the survey only took the doctors ten minutes to complete.

Claims data from the doctors was utilized to verify the number of prescriptions that each doctor prescribed. The doctors did not have the ability to manipulate the prescription number that they prescribed. It was illegal under Greek law for doctors to provide the prescription details to the sales representatives since there was patient information listed. Since the negotiation was a contract, the doctor was obligated to show the sales representative the number of prescriptions. In 2009, when NOVARTIS was under extreme pressure, sales representatives forced doctors to make patient telephone numbers available to the representatives. Sales representatives called patients to ensure that the patients received NOVARTIS medications. The sales representatives spoke to the patients without the approval from the doctors.

The e-panel program was under the direction of GEORGLOS SIMEOLORDIS, SANDOZ manager. All communications with ZEINCRO was done with SIMEOLORDIS. There were no scientific officers or medical advisers that were involved with the e-panel program.

The results of the e-panel surveys were sent to the Marketing Manager at SANDOZ in the form of a report. The report was generated to cover the tracks of the bribery scheme. There was no evidence that the market research results were reviewed. As a general practice, the Marketing Manager put the report to the side since there was no benefit of the report. The results were never communicated to other employees of SANDOZ or within the department. An example of a proper company policy was to communicate the results.

NOVARTIS had a legitimate research study for COPD Hypertension. The results of that market research study was discussed in sales meetings. SANDOZ did not have valid marketing studies. The only studies that were performed for SANDOZ were through e-panels and were "dirty surveys". All research studies that were performed through field force were fraudulent.

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ZEINCRO should have invoiced the doctors for payment from the market research surveys but SANDOZ generated invoices to the doctors

There are over 57,000 doctors that practice in Greece. A visual of all the money that was entered into the market and the potential control of the market were in a report. The report was dynamic and every sales representative had access to the system. The sales representatives did not have access to edit the numbers within the document during the quarter. At quarter end, the SRM system opened the document for editing for a week. Sales representatives and sales managers updated the document within the one-week period to ensure that money went to the appropriate doctors.

Within the Microsoft excel spreadsheets; there were hidden sheets, columns, and rows. The hidden sheets, columns, and rows contained formulas and calculations to determine if the total amount of the distribution was correct. The hidden formulas also transmitted those numbers to other working excel spreadsheets within SANDOZ. This document ensured that the A1, A2, and A3 doctors had a sufficient number of sales manager and sales representative visits per quarter. In every territorial plan, there was a hidden tab in the excel document labeled "doctors" that was a link between different excel. This was to ensure that there was a common language within the different excels spreadsheets.

The Pharaoh system included sales data about sales performance and was analyzed to ensure that each sales representative reached their target. The annual target for SANDOZ was 12% market share. If sales representative did not reach their target, they received a poor performance review.

EFTHIMIOS NIKOLOPOULOS (known to writer as EFTHYMIOS NIKOLOPOULOS), NOVARTIS Marketing and Sales Operations (MSO) Director, could verify the company's policies and procedures for the above mentioned process.

SUSANNE GRUBER was the Head of MSO until 2010. MSO encompassed data, marketing, tactical plans, and territorial plans for SANDOZ. GRUBER promoted CHARALAMPOS GIANNOULIS to replace GRUBER.

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In addition to e-panel market research surveys, sales representatives provided hospitals with free equipment in return for increased prescription numbers.

Bribe Scheme #3 Fraudulent Invoices

During the second quarter of 2016, SANDOZ spent 15,000 euros in fraudulent invoices for the production of leaflets. The vendor held 10% and used the remaining balance to pay doctors that SANDOZ identified. The leadership team wanted "ATHANASIADIS" in the reason on the check to differentiate the bribe payments with legitimate expenses.

Bribe Scheme #4 Pay Doctors Directly

First Name Unknown (FNU) PITSILLIDIS held all of the records and approved all of the payments. PITSILLIDIS requested from the sales managers a list of all the doctors to be paid. In September 2013, SANDOZ stopped the e-panel promotion. The leadership team had an open space meeting that requested all of the area sales managers to provide a list of all the A-type doctors. The leadership team advised the area managers that the e-panels were an illegal method and that the doctors will be paid directly from PITSILLIDIS.

Sale of Sandoz

NOVARTIS intended to sell SANDOZ. The company bribed doctors in order for potential buyers to have the assumption that SANDOZ was more profitable. The company wanted to increase the market share growth in Greece to appear more attractive in the market.

Budget

Basel approved the budget for NOVARTIS under a top down budget approach. Greece had larger media expenses than France or Germany. The communications department budget increased significantly, especially for promotional expenses. The original amount for the budget was 40,000 Euros. The budget increased to 500,000 euros, in addition to 500,000 euros for market access with an additional fund for market access for oncology. The budget was reviewed every six months per company policy. The company held business review meetings in which

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every business head discussed with ERIC CORNUT, Head Pharma Region Europe and Chief Commercial Officer, the big picture of the activities that were performed and planned for each department. There were discussions on methods that worked and items that needed to be fixed per department.

#### PUBLICIS HELLAS

A global procurement agreement was implemented that centralized the communications with media vendors. The global procurement created a centralized vendor, PUBLICIS HELLAS, which all pharmaceutical companies for every country used for advertisements. The CEO of PUBLICIS was ANDOAS PASSAS (known to writer as ANDONIS PASSAS). PUBLICIS HELLAS was the parent company to ZENITH MEDIA. ANTIGONI GALANI was the Deputy CEO of ZENITH MEDIA. Following the corporate structure, under ZENITH MEDIA, was INKAN. INKAN's focus was digital ads and later went bankrupt. The owner of PUBLICIS HELLAS was THOMAS ANTONIADIS. The ideal outcome was for the pharmaceutical companies to obtain better prices for advertising.

In 2014, the purchasing department of NOVARTIS pushed to have all media processed through PUBLICIS HELLAS. There was a rumor that PUBLICIS HELLAS used ZENITH MEDIA as a vehicle to manipulate the market by using smaller companies to do business. The smaller companies received year-end rebates. ZENITH MEDIA charged NOVARTIS a handling fee of 6%. ZENITH MEDIA turned around to the other media companies and requested 20%. This was a common practice in the media industry in Greece. PUBLICIS HELLAS also asked for very significant retainer fees of 12,000-15,000 euros a month.

Based on policy, ZENITH was to issue invoices with a copy of the advertisements or a screenshot of the website directly to the accounting department in NOVARTIS. The accounting department matched the invoices to the ZENITH package. ZENITH provided screenshots of non-existent sites to NOVARTIS.

There was an exception to the global procurement change. NOVARTIS was able to select small vendors if there was a collaboration with specialized healthcare media. The small vendors requested to be paid directly from NOVARTIS since the average payment cycle to vendors was

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nine months when the payment was processed through PUBLICIS HELLAS instead of four months when the payment was processed directly through NOVARTIS.

PUBLICIS HELLAS' responsibility was to question phony websites and fraudulent advertisements, which did not happen. Specific vendors were invoiced through PUBLICIS HELLAS without proper due diligence. PUBLICIS was responsible to verify vendors; however, they received a 6% rebate on all transactions. PUBLICIS uploaded screenshots of the specific advertisements and did not do further research on the media traffic or additional analysis. PASSAS was aware of the culture at PUBLICIS and was promoted to the Group CEO. It was possible that the CFOs for PUBLICIS HELLAS and NOVARTIS had a confidential agreement that if certain vendors were red flagged to allow the payments to be processed.

The NOVARTIS approval process to pay invoices was as follows:

1. Purchasing Staff inputted information into the NOVARTIS system.
2. First level of approval from the purchasing department manager. The purchasing manager was responsible for supervising activity, validate vendor relations, and input parameters into the system.
3. Second level of approval from the cost center manager or head of corresponding department. Managers were not permitted to approve their own inputs.
4. Cost center manager's direct supervisor.
5. Approval from the Chief Financial Officer (CFO) if the amount exceeded 25,000 Euros.

#### REAL MEDIA

The owner of REAL MEDIA was NIKOS CHATZINIKOLAOU, who was a popular journalist and had an influential political interest. CHATZINIKOLAOU was raised in a conservative political family. CHATZINIKOLAOU met with KONSTANTINOS FROUZIS, Vice President of NOVARTIS, 3-4 times in FROUZIS' office between the time periods of 2012-2014. CHATZINIKOLAOU had easy access to the Ministry of Finance, Ministry of Defense,

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Ministry of Education, Ministry of Health, and the Ministry of Development. NIKOS arranged meetings with the above listed Ministries and FROUZIS. In return, NOVARTIS inflated invoices with REAL MEDIA. For example, without the favor, an ad that was provided from REAL MEDIA would have cost approximately 2,000 Euros. NOVARTIS paid 3,000 Euros for the advertisement. The advertisement was legitimate; however, the invoice was inflated. NOVARTIS invoiced REAL MEDIA directly so that REAL MEDIA was paid within a four-month time-frame instead of nine months, and REAL MEDIA did not have to pay the 20% rebate to ZENITH.

Media companies were utilized by NOVARTIS to pay bribes and to launder money. The smaller media companies and PUBLICIS HELLAS were involved in the bribe schemes. FROUZIS approved the justifications for the bribes.

#### ETHOS MEDIA

The owner of ETHOS MEDIA was KONSTANTINOS OUZOUNIS. ETHOS MEDIA was one of the companies that was used in the bribery scheme. NIKOS MANADIKES (known to writer as NIKOS MANIADAKIS), Healthcare Consultant, suggested that NOVARTIS did business with ETHOS MEDIA.

#### MINDWORK

The owner of MINDWORK was STAVROULA NIKOLOVOULOU (LINA) (known to writer as STAVROULA NIKOLOPOULOU). LINA was the wife of the former Minister of Finance and central banker of Greece, GIANNIS STOURNARAS (known to writer as YANNIS STOURNARAS). STOURNARAS was the central banker of Greece in June 2012 through late 2013. STOURNARAS created IOVE, which was an institute that analyzed financial trends and provided expensive studies to SVYEE of pharmaceutical trends. MINDWORK accelerated payments to pharmaceutical companies for NOVARTIS. MINDWORK was utilized for consultant fees, market research, and other services. For example, an excursion was planned to the Greek islands for journalists. There were photos of the trip taken and the main speaker was FNU KYRIOBOULOS, Dean of National School of Public Health (known to writer as JOHN KYRIOPOULOS). The trip included inflated invoice amounts through MINDWORK. The true amount of the hotel and dinners was half of the price of the invoice value. MINDWORK was the

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organizer and was compensated for participation of the Congress. The amount of 4,000 Euros was low compared to the amounts in previous years.

#### NEW MEDICAL DEVELOPMENT

The owner of NEW MEDICAL DEVELOPMENT was MANOLIS VOULKIDIS (known to writer as EMMANOUIL VOULKIDIS) (VOULKIDIS). VOULKIDIS was the main point of contact of laundering money for market functions. VOULKIDIS' previous company was MEDICAL DEVELOPMENT, which went bankrupt. Following the bankruptcy of MEDICAL DEVELOPMENT, NEW MEDICAL DEVELOPMENT was established in VOULKIDIS' son, THEODOROS VOULKIDIS' (TV) name.

NOVARTIS invited a renowned journalist to participate in a panel during a pre-election period with government officials. LIAROPOULOS was a member of the political party Drasi. LIAROPOULOS was introduced as a political person that campaigned during the panel. There were three other panelists involved in the panel: MANOLIS AGGELAKAS (known to writer as MANOLIS AGGELAKIS), Deputy Ministry of the New Democracy, VASILIS KONTOZAMANIS, candidate for the New Democracy, and ATHINA DRETTA, Secretary General of Ministry of Social Welfare. KONTOZAMANIS was not compensated for the panel. DRETTA was responsible for reimbursing pharmaceutical drugs.

#### PITSILIDIS

PITSILIDIS' vendors were medical journalists. PITSILIDIS had a connection to pay doctors for BAYER and there was a specific budget allocated to PITSILIDIS. FROUZIS directed PITSILIDIS. The vendor went to the German prosecutors to discuss allegations of money laundering and BAYER's practices. PITSILIDIS was excluded from the internal audit team. PITSILIDES was fined 1 million Euros and his company went bankrupt. PITSILIDIS passed away shortly after.

#### DIAGNOS PRESS

The activity with DIAGNOS PRESS was repeated in the financial statements on a monthly basis. The approval for the activity was on the same day of every month. DIAGNOS PRESS was the only media company to have its own budget line item. The activities (invoice amounts)

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with DIAGNOS PRESS were inflated; however, DIAGNOS PRESS did perform services for NOVARTIS. For example, DIAGNOS PRESS placed a banner for NOVARTIS in which the fair market value of the banner was 200 euros and NOVARTIS paid DIAGNOS PRESS 1,200 euros. The invoice amount was generally increased six times the fair market value of the service. NOVARTIS and DIAGNOS PRESS had a direct invoicing relationship, which allowed for special treatment. Through direct invoicing there was no 20% rebate to an intermediary vendor and the payment terms were 60 days instead of the standard 140 days. NOVARTIS company policy for payment terms was 120 days.

#### MEDIAHOUSE

MEDIAHOUSE tracked the traffic of each web advertisement. MEDIAHOUSE offered media services to analyze advertisements compared to other large pharmaceutical companies. NOVARTIS did not pay for media analysis since standard price advertisements were rare and there were fictitious outlets. NOVARTIS received free analysis from companies to determine the effect of the advertisements.

Vendors provided NOVARTIS with price lists that were inflated. NOVARTIS paid the vendor invoice and price without performing further research on the value of the advertisement. The sourcing department at NOVARTIS was responsible for ensuring that the data was accurate and to seek MEDIAHOUSE's advice in handling discrepancies.

#### VOULKIDIS

Between 2009-2014, VOULKIDIS was the primary company that money was laundered for the market access department of NOVARTIS. VOULKIDIS was a small company and performed fraudulent services or produced inflated invoices to NOVARTIS. For example, VOULKIDIS did a football advertisement on a banner website for NOVARTIS. VOULKIDIS took one picture and used the same picture for five consecutive years. That money was used to bribe government officials.

This was a long lasting scheme and it is believed that NOVARTIS knew that this activity took place for five years.

VOULKIDIS' main contact was FROUZIS. VOULKIDIS laundered money in the same capacity for the NOVARTIS Diabetes branch. SPIROS SPIROPOULOS

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was the Head of Diabetes. The administrator of Diabetes was ELENI BARDI. VOULKIDIS was accepted as a vendor. SPIROPOULOS transitioned to the ophthalmology department under MARIANTTLI PSAHA, Head of Ophthalmology. SPIROPOULOS asked VOULKIDIS to launder money for ophthalmology and POSCHA approved VOULKIDIS. The Brand Manager for Diabetes, NIKOLAOS TSENEKIDIS (known to writer as NIKOS TSENEKIDIS), also knew about the money laundering through VOULKIDIS.

VOULKIDIS printed informative brochures once and the price was adjusted based on FROUZIS' needs. VOULKIDIS changed the amount of the invoice or the price of the brochures based on FROUZIS' demand. The brochures were for a malaria orphan drug and for clinical oncology.

#### MSPS

MSPS was the company that was replaced by PRESTIGE. The owner of MSPS was CHRISTINA HOHLAKIDAN, who was a friend of FROUZIS. MSPS established increasing sales for NOVARTIS and offered media monitoring for a monthly fee. The media monitoring was a separate contract. NOVARTIS did not engage in the media monitoring contract except for one Diabetes event.

#### MAVIRKIOS

In 2013, FROUZIS wanted MAVIRKIOS (known to writer as PANAYIOTIS MAVRIKOS) (MAVIRKIOS) to become the next company in which to launder money. MAVIRKIOS was involved in the bribery scheme. MAVIRKIOS placed website banner advertisements for NOVARTIS. ZENITH MEDIA was responsible for providing an analysis of all media advertisements.

MAVIRKIOS was the bridge between NOVARTIS and the government officials. MAVIRKIOS had access to 3-4 Ministers of Health (OUZIOUS, KTENDIS, MUROKOY, and PISTILITY).

#### VIJAY IYENGAR (VIJAY)

VIJAY was a former NOVARTIS employee and was aware of the large budget. VIJAY joined NOVARTIS Greece in 2009, and transferred to the United States in February 2011. VIJAY was the Head of Oncology. VIJAY was aware of the methods that were used to launder money for NOVARTIS that were used as bribe payments.

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For a 2010 budget meeting, the budget was set for 1 million Euros plus 100,000-150,000 Euros for market access for oncology. VIJAY was aware that VOULKIDIS was the primary vendor and VIJAY signed off for approval. The money that VIJAY approved to be laundered was for granting price protection for oncology drugs and orphan drugs.

VIJAY and FROUZIS had weekly meetings. VIJAY had leadership meetings, which included GUIDO GUIDI, Head of Oncology in Europe, FROUZIS, and MIGUEL BERNABEU, Head of Market Access in Europe, which discussed the budget for Europe, sign-off approval limits, and market access for oncology.

#### NOVARTIS and Price Cuts

Government officials and the Minister of Health, were paid for the registration of new products in the market and to protect against price cuts. In 2011-2012, the pharmaceutical industry had large price cuts across the board. NOVARTIS did not have any price cuts in oncology drugs and only minor cuts in other drugs. In Q1 2012, FROUZIS had a meeting with the Minister of Health in his office. FROUZIS attended Weekly Market Access meetings that discussed the campaign. FROUZIS advised that the department had to plan, budget, and approve the campaign. GEORG SCHROECKENFUCHS gave the final approval for the campaign. The company's view was that an investment of 150,000 Euros to a government official had the potential to save NOVARTIS millions of Euros. FROUZIS received 120,000 Euros and 30,000 Euros went to the fake campaign.

#### Anti-Bribery Questionnaire

The questionnaire was provided to all vendors that followed the equalities and labor laws. Anti-bribery vendors did not have the company culture to give customers or government officials' illicit payments. The questionnaire was provided by the sourcing department to the vendor when the vendor was in the process of becoming a preferred supplier. The questionnaires were not generated off of one invoice transaction.

The sourcing department conducted a financial health check through a tool ICAP that assessed the financial health (taxes, profitability,

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judgments, debt, etc) of vendors. NOVARTIS used a vendor and third party employees to evaluate the financial health of vendors. A common practice for doctors, government officials, and journalists' bribery schemes was to select low quality companies as vendors to launder money.

Public affairs and public relation companies were the largest vehicle used for bribery. The tender team presented FROUZIS with the results and recommendations from the questionnaires and FROUZIS signed off. The majority of the tender team was the leadership team that included: CHRISTOS BELLOS, FAFILA, MARILENA SALICHOU and TAMIOLAKIS.

The two ways to pay journalists were to invoice for services and give black money to the journalists. FROUZIS was in contact with the PRESTIGE owners; therefore, there was a possibility that money was circled back to FROUZIS.

#### MARIA MARANGELI

FROUZIS' assistant, MARIA MARANGELI was aware of the bribery scheme. MARANGELI sent e-mails on behalf of FROUZIS and there was a chance that she had journals of money that were obtained by VOULKIDIS. MARANGELI kept all of FROUZIS' notes/e-mails and knew everything about FROUZIS.

#### **Wholesalers**

There were two types of wholesalers: Direct to Greek hospitals and Private pharmacies. There was a link between the pharmacists and the NOVARTIS wholesalers even though the drugs were for different prices. There was a separate department within NOVARTIS that was responsible for exporting drugs to increase sales to local subsidiaries. Under Greek law, wholesalers were permitted to export drugs; however, there had to be sufficient product for the pharmacists in the market. Wholesalers were not permitted to create a shortage in the country. Wholesalers earned 5-6% profit to pharmacies; however, the wholesaler exports profit margin was in the triple digits.

It was possible that FROUZIS permitted wholesalers to export drugs and give a kickback to FROUZIS. NIKOLAOS SKANDREAS, Trade Operations Manager, had potential knowledge if bribery schemes existed with

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wholesalers. FROUZIS supervised the Trade Operations department. In 2014, RICCARDO CANEVARI adjusted the organizational structure of NOVARTIS. CANEVARI removed the trade operations department from FROUZIS and was given to MARIANTTLI PSAHA, Country Head of ophthalmology. This created a conflict of interest because PSAHA favored ophthalmology over other departments.

#### TSENEKIDIS

TSENEKIDIS joined NOVARTIS Greece in 2010 as the brand manager for Galvus, drug for diabetes and was the most successful product in Greece. In 2011, TSENEKIDIS was promoted with various positions in Basel and ended as the European Head of Rare Disease. TSENEKIDIS was involved with bribing doctors, which was displayed in tactical plans and specific PowerPoint presentations. For each doctor, there was a return on investment that utilized fake market studies. The doctors were paid with black money.

TSENEKIDIS reported to JAN SCHLUECHTER, Market Head of Primary Care in Basel. The management team discussed the investment to the doctors, bribes, and fake studies to increase sales. Minutes were recorded during some of the meetings. There were two types of programs, "A" and "B". "A" programs were paid from Greece funds and "B" programs were paid from Basel. For example, in 2008 and 2009 doctors received black money from filling out fake studies. In most instances, it was a common practice for the sales representatives to fill out the surveys.

#### CLEAN DAYS

SARLIKIOTIS asked all employees where all the papers and laptops related to the fake studies were in order to destroy them. The documents recovered were taken to Basel because the source of the payment was "B" funds and Basel was responsible for all the approvals. The goal was to avoid internal audit and BPO reports. The panic lasted two or three days, and people shredded documents. All NOVARTIS employees had access to an electronic folder in the Share Drive (G drive). IT had the potential to remotely make the Share Drive vanish. The IT Department destroyed the G Drive folder. A hard copy memo was not circulated to destroy documents.

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NOVARTIS conducted "clean days." Clean days consisted of instructions to employees to destroy certain documents from the IT department. Clean days started as once a year and gradually moved to two to three times a year. IT managers went from desk to desk and directed people to destroy certain files. No one challenged the IT department's requests. Employees received an e-mail with the subject line saying "clean day" from the IT department in Greece. Clean days were still enforced in Greece as of July 2017. The theme of the destruction was around documents related to doctor payments.

Legal Attache Office

U.S. Embassy

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