

April 14, 2020

ATTORNEY GENERAL RAOUL JOINS LAWSUIT AGAINST VYERA PHARMACEUTICALS FOR ILLEGALLY MONOPOLIZING LIFE-SAVING DRUG

Chicago — Attorney General Kwame Raoul today announced that the state of Illinois has joined a multistate lawsuit against Vyera Pharmaceuticals (Vyera), its parent Phoenixus AG, and two of its former CEOs — Martin Shkreli and Kevin Mulleady – alleging the defendants illegally inflated and manipulated drug prices.

[In the lawsuit](#), Raoul and the coalition of six states and the Federal Trade Commission (FTC) allege the defendants executed an elaborate scheme for stifling competition to protect the exorbitant, monopolistic pricing of the drug Daraprim, which is used to treat the parasitic disease toxoplasmosis in at-risk patients. Prior to February 28, 2020, Vyera had been the only source of the medication approved by the Food and Drug Administration (FDA). Raoul alleges that Shkreli and Vyera raised the price of the drug by more than 4,000 percent overnight, from \$17.50 to \$750 per pill, after they purchased the rights to Daraprim in August 2015, and then engaged in illegal conduct to maintain that inflated price.

“Through outrageous price increases, the defendants sought to exploit the inequity in our health care system,” Raoul said. “During this time of the COVID-19 pandemic, now more than ever, life-saving medications must be accessible to those who need them, and I will hold accountable any individuals or entity that manipulate the market for personal gain at the expense of patients.”

Daraprim is the only FDA-approved drug for the treatment of toxoplasmosis, a parasitic disease that may pose serious and often life-threatening consequences for those with compromised immune systems, including babies born to women infected with the disease, cancer patients, and individuals with human immunodeficiency virus (HIV). Daraprim is recommended by the Centers for Disease Control and Prevention, the National Institutes of Health, the HIV Medicine Association, and the Infectious Diseases Society of America as the initial therapy of choice for toxoplasmosis. However, prior to Feb. 28, there had not been a generic version of Daraprim available in the United States.

In August 2015, Vyera purchased the Daraprim, increased its price by over 4,000 percent, and took specific actions to impede and delay other companies from offering a competing generic equivalent. In the complaint, Raoul and the coalition allege that Vyera illegally restricted the sale and distribution of Daraprim to prevent generic drug companies from obtaining a sufficient number of pills to complete bioequivalence tests, which are necessary to obtain FDA approval. Raoul and the coalition also allege that Vyera obtained an exclusive supply agreement with the only FDA approved seller of a critical ingredient in Daraprim to prevent competitors from being able to manufacture the drug.

In the lawsuit, Raoul and the coalition seek to enjoin future illegal conduct, prohibit Shkreli and Mulleady from having an ownership interest in or working in the pharmaceutical industry, and force the defendants to give up the profits from their illegal activity. In 2018, Martin Shkreli was sentenced to seven years in prison based on securities fraud charges, and he is currently imprisoned in a federal facility.

Joining Raoul in the lawsuit are the attorneys general of California, North Carolina, New York, Ohio, Pennsylvania, and Virginia, as well as the Federal Trade Commission.

Bureau Chief Blake Harrop and Assistant Attorney General Richard S. Schultz are handling the case for Raoul’s Antitrust Bureau.

-30-

[Return to April 2020 Press Releases](#)

