

Select Language ▼

FORMS

PUBLICATIONS

FAQ

MEDIA

CONTACT

COVID-19 GUIDANCE



How May We Help You?

[Media](#) > [News Releases](#) > [April 2020](#) > Yost Announces Joint Action Against Pharmaceutical Company that Blocked Competition for Life-Saving

News Releases

Search News Releases:

Search



Yost Announces Joint Action Against Pharmaceutical Company that Blocked Competition for Life-Saving Drug

4/15/2020

(COLUMBUS, Ohio) – Ohio Attorney General Dave Yost, the Federal Trade Commission (FTC), and six other states today announced a joint [lawsuit](#) against a pharmaceutical company and its former executives who blocked the creation of a life-saving generic drug so they could continue to reap massive profits.

“A free market is an unfettered market,” Yost said. “When a business uses secret agreements to tie down even the possibility of competition, both the market and the people are hurt – in this case, hurt badly.”

In the fall of 2015, Vyera Pharmaceuticals purchased the rights to a decades-old drug, Daraprim, and raised its price by nearly 4,000% overnight from \$17.50 to \$750 per tablet. Daraprim is the gold standard in the United States for treating a parasitic infection, known as toxoplasmosis, which is typically transmitted through undercooked meat and infected cat feces. The drug is the only FDA-approved drug (branded or generic) on the market for the treatment of the infection.

This massive price hike delivered immediate benefits to Vyera, increasing Daraprim's annual revenues from \$5 million to more than \$60 million. In an effort to ensure that the company could continue to charge these high prices well into the future, Vyera created an elaborate, multi-part scheme to cut off competitors' access to pyrimethamine, the active pharmaceutical ingredient necessary to manufacture Daraprim.

According to the lawsuit, defendants entered into restrictive and exclusive contracts with the goal of preventing potential generic entrants from obtaining samples necessary to secure FDA approval to bring generic Daraprim to the market. They also locked up all sources of the active ingredient to manufacture generic Daraprim.

The actions of Vyera; its former executives Martin Shkreli and Kevin Mulleady; and its parent company Phoenixus AG denied toxoplasmosis patients, who need Daraprim to survive, the opportunity to purchase a lower-cost generic version, forcing them and other purchasers, like hospitals, to pay tens of millions of dollars a year more for the medication.

All U.S. government health authority guidelines identify pyrimethamine as the preferred treatment for the infection. The Centers for Disease Control and Prevention advise that pyrimethamine is the “most effective drug against toxoplasmosis.” The National Institute of Health calls pyrimethamine the “initial therapy of choice,” and it advises other options only if pyrimethamine is “unavailable or there is a delay in obtaining it.”

The [lawsuit](#), filed in the U.S. District Court for the Southern District of New York, accuses the defendants of violating Ohio's Valentine Act; the FTC Act; the Sherman Act; and other states' antitrust laws.

The states and FTC seek permanent injunction and other relief, including equitable monetary relief. Additionally, they are asking the courts to issue an order banning both Shkreli – who is already serving a seven-year sentence in federal prison for securities fraud – and Mulleady from the pharmaceutical industry for life. Ohio and the FTC were joined by California, Illinois, New York, North Carolina, Pennsylvania and Virginia.

An accessible version of the linked file is available by request.

MEDIA CONTACT:

David O'Neil: 614-728-6069

-30-



Individuals & Families

Consumers
 Military & Veterans
 Seniors
 Tipster
 Victims

Business & Economic Development

Background Check
 Services for Bingo
 Collections
 Professional Solicitors & Fundraisers
 Services for Charities
 Services for Business

Law Enforcement

BCI
 Concealed Carry
 Missing Persons
 Ohio Law Enforcement Gateway
 OOCIC
 OPOTA
 Unsolved Homicides

Legal Community

Antitrust
 Ballot Initiatives
 Outside Counsel
 Prosecution
 Sunshine Laws

State & Local Government

Formal Opinions
 Ohio School Threat Assessment Training
 Services for Schools

About AG

Dave Yost
 Administration
 Public Records Access
 Regional Offices
 Service Divisions

Services

Webcheck Locations
 File a Consumer Complaint
 File a Charitable Complaint
 Charitable Registration
 Tobacco Enforcement

Training & Education

Nonprofit Board Governance Webinars
 Ohio's Charitable Registration System Webinars
 OPOTA Courses
 Victim Service Provider Training

Media

Events
 News Releases
 Newsletters
 Reports
 Videos

Career & Employee Resources

AG Employee Portal
 AG Application Portal
 myOhio.gov
 Diversity & Inclusion
 Job Opportunities

PROTECTING ★ THE ★ UNPROTECTED



Notice under the Americans with Disabilities Act and Rehabilitation Act Privacy Statement