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ATTORNEY GENERAL HERRING FILES SUIT AGAINST MARTIN SHKRELI AND VYERA PHARMACEUTICALS

~ Lawsuit seeks repayment of illegally obtained profits, lifetime ban on Shkreli working in pharmaceutical industry

RICHMOND (April 14, 2020) – Attorney General Mark R. Herring today joined a multistate lawsuit filed earlier this year against Vyera Pharmaceuticals, previously Turing Pharmaceuticals, and two of its former CEOs, including Martin Shkreli, for stifling competition to protect the exorbitant, monopolistic pricing of the drug Daraprim. Daraprim (pyrimethamine) is used to treat the parasitic disease toxoplasmosis, and despite Vyera Pharmaceuticals being the only FDA-approved source of the medication, Shkreli and Vyera raised the price of the drug by more than 4,000 percent overnight to \$750 per pill, after purchasing the rights to Daraprim in August 2015.

“Vyera Pharmaceuticals and Martin Shkreli made unconscionable decisions to maintain their monopoly on Daraprim and make as much money as possible,” said Attorney General Herring. “Because of their greed, Americans who couldn’t afford the exorbitant price of this drug were forced to make difficult, potentially life-threatening treatment decisions. Drug companies and their executives must be held accountable when they place profits over human lives.”

Attorney General Herring is one of six attorneys general today joining the lawsuit against Vyera and Shkreli that was originally filed by New York Attorney General Letitia James and the Federal Trade Commission (FTC) in January. The complaint alleges that Vyera anticipated that its decision to increase the price of Daraprim by more than 4,000 percent would likely encourage entry into the market by other firms, so the pharmaceutical company took specific actions to impede and delay entry by competitors and preserve its monopoly. Among other things, Vyera prevented competitors from accessing a critical ingredient used to manufacture Daraprim. The lawsuit further contends that, as a result of Vyera’s anticompetitive conduct, generic entry continues to be delayed today — causing hospitals, physicians, and patients to pay exorbitant prices or otherwise be forced to make difficult treatment decisions without affordable access to the most effective treatment.

Daraprim is the only Food and Drug Administration (FDA)-approved drug for the treatment of toxoplasmosis, a parasitic disease which may pose serious and often life-threatening consequences for those with compromised immune systems, including babies born to women infected with the disease and individuals with the Human Immunodeficiency Virus (HIV). Daraprim has been the gold standard for treatment of toxoplasmosis for decades — 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. Despite its being unpatented,

there has never been a generic version of Daraprim sold in the United States.

Daraprim was cheap and accessible for decades, then, in August 2015, Vyera purchased the drug, increased the price, altered its distribution, and engaged in other conduct to delay and impede generic competition. The high price and distribution changes limited access to the drug, forcing many to make difficult and risky decisions for the treatment of a life-threatening disease.

Attorney General Herring, his colleagues and the FTC now seek to enjoin Vyera's conduct, as well as to obtain the return of unjust profits that would be distributed to the victims of the company's illicit scheme. 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 his business partner Kevin Mulleady from the pharmaceutical industry for life.

Attorney General Herring joins New York Attorney General James and the FTC, as well as the attorneys general of California, Illinois, North Carolina, Ohio, and Pennsylvania in filing the amended complaint in this lawsuit.

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