
# Attorney General James Sues 'Pharma Bro' Martin Shkreli and Vyera Pharmaceuticals for Illegally Monopolizing Life-Saving Drug

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## Attorney General James Sues 'Pharma Bro' Martin Shkreli and Vyera Pharmaceuticals for Illegally Monopolizing Life-Saving Drug

*Joint Lawsuit Filed with FTC After Multiyear Investigation Found Shkreli and Vyera Stifled Competition After Raising Prices More Than 4,000 Percent*

*Lawsuit Seeks Repayment of Illegally Obtained Profits, Lifetime Ban on Shkreli Working in Pharmaceutical Industry*

NEW YORK – New York Attorney General Letitia James today announced a lawsuit against Vyera Pharmaceuticals — previously known as Turing Pharmaceuticals — and two of its former CEOs — including 'Pharma Bro' Martin Shkreli — for stifling competition to protect the exorbitant, monopolistic pricing of the drug Daraprim (pyrimethamine). Daraprim 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 they purchased the rights to Daraprim in August 2015.

"Martin Shkreli and Vyera not only enriched themselves by despicably jacking up the price of this life-saving medication by 4,000 percent in a single day, but held this critical drug hostage from patients and competitors as they illegally sought to maintain their monopoly," said **Attorney General James**. "We filed this lawsuit to stop Vyera's egregious conduct, make the company pay for its illegal scheming, and block Martin Shkreli from ever working in the pharmaceutical industry again. We won't allow 'Pharma Bros' to manipulate the market and line their pockets at the expense of vulnerable patients and the health care system."

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-threating 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. Nevertheless — and despite 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.

After learning about Vyera's exorbitant price increase, the Office of the New York Attorney General opened an investigation into Vyera, Shkreli, and his partner's conduct. The office then shared its findings with the Federal Trade Commission (FTC) and the two agencies worked together, culminating in today's lawsuit. The Office of the New York Attorney General wishes to thank the staff and leadership at the FTC for their partnership in this important matter.

The complaint — filed today with the FTC in the Southern District of New York — 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 over profits. For example, the complaint claims that Vyera illegally restricted the sale and distribution of its own drug to prevent generic drug companies from obtaining sufficient pills to complete bioequivalence tests, which are necessary to obtain approval by the FDA. Vyera also 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 into the pharmaceutical marketplace 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.

Attorney General James and the FTC seek to enjoin Vyera's conduct, as well as to obtain monetary relief for the victims of the company's illicit scheme. Additionally, Attorney General James and the FTC have asked 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.

The litigation is being led on behalf of New York by Assistant Attorneys General Saami Zain, Amy McFarlane, Bryan Bloom, and Jeremy Kasha of the Antitrust Bureau, with supervision by Bureau Chief Beau Buffier and Deputy Bureau Chief Elinor Hoffmann. The Antitrust Bureau is a unit of the Division of Economic Justice, overseen by Chief Deputy Attorney General Christopher D'Angelo and First Deputy Attorney General Jennifer Levy.

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