

Attorney General James Secures \$40 Million From Vyera Pharmaceuticals, Bans Corporate Executive From Pharmaceutical Industry for Seven Years

Vyera and Former CEO Kevin Mulleady Stifled Competition After Raising Price on Lifesaving Drug More Than 4,000 Percent

Defendants to Pay Up to \$40 Million as Disgorgement of Ill-Gotten Gains

Trial Against ‘Pharma Bro’ Martin Shkreli, Mastermind of Monopolistic Scheme, to Start Later This Month

NEW YORK – New York Attorney General Letitia James today announced an [agreement that will end the illegal and monopolistic behavior of Vyera Pharmaceuticals — previously known as Turing Pharmaceuticals — and one of its former CEOs, Kevin Mulleady](#). The agreement also forces the company to pay up to \$40 million and bans Mulleady from almost any role at a pharmaceutical company for seven years. Attorney General James continues to pursue her lawsuit against remaining defendant Martin Shkreli, the former Vyera CEO who was the architect of the illegal scheme. The trial against Shkreli is slated to begin on December 14. In [January 2020, Attorney General James and the Federal Trade Commission \(FTC\) filed a lawsuit against Vyera, Shkreli, and Mulleady for antitrust violations that stifled competition and permitted the defendants to protect and maintain their monopoly profits from their more than 4,000 percent overnight increase — to \\$750 per pill — of the drug Daraprim \(pyrimethamine\)](#). Daraprim is used to treat the parasitic disease toxoplasmosis, and, until relatively recently, was the only approved source of this life-saving medication by the U.S. Food and Drug Administration (FDA).

“Vyera and Mulleady, along with Martin Shkreli, shamelessly engaged in illegal conduct that allowed them to maintain their exorbitant and monopolistic price of a life-saving drug — letting pharma bros get rich, while others paid the price,” said **Attorney General James**. “We are forcing the company to pay up to \$40 million to offset their ill-gotten gains and have now banned one of the CEOs from the pharmaceutical industry for seven years. Our trial against ‘pharma bro’ Martin Shkreli will commence later this month, where we will lay out Mr. Shkreli’s greedy, dangerous, and anticompetitive behavior. New Yorkers can trust that my office will do everything in its power to protect their health and their wallets, and will take every action possible to hold accountable companies — and individuals — for their illegal and anticompetitive behavior.”

Daraprim was, until recently, the only 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). Until recently, Daraprim had been the only FDA-approved drug to treat acute toxoplasmosis, and it was the gold standard 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 acute toxoplasmosis. Nevertheless — and despite being unpatented — there had never been a generic version of Daraprim sold in the United States, until recently.

Before Mulleady and Shkreli's involvement, Daraprim was cheap and accessible for decades. Then, in August 2015, Vyera purchased the drug, increased the price dramatically overnight, altered its distribution, and engaged in other conduct to delay and impede generic competition — all so that it could maintain the new sky-high price. The high price and distribution changes limited access to the drug, forcing many patients and physicians to make difficult and risky decisions for the treatment of a life-threatening disease.

The illegal scheme perpetrated by Vyera, Shkreli, and Mulleady involved restrictive distribution and supply agreements, as well as data secrecy, with the intent and effect of delaying entry by lower cost generic competitors.

In April 2020, the states of California, Illinois, North Carolina, Ohio, Pennsylvania, and Virginia joined Attorney General James' and the FTC's lawsuit.

In the months leading up to this month's trial, the court issued several important rulings in favor of the plaintiffs, including a [ruling addressing the Office of the Attorney General's \(OAG\) ability to obtain equitable monetary relief when individuals or companies repeatedly or persistently commit illegal acts in the state](#). That ruling confirmed the OAG's authority to seek disgorgement of ill-gotten gains, regardless of where obtained, when the conduct has a nexus to New York.

The terms of today's agreement include a strict injunction against both the corporate defendant and Mulleady to avoid repetition of a similar scheme. In addition to the \$40 million Vyera will pay for its wrongdoing, Mulleady will be subject to a seven-year ban from the pharmaceutical industry. Mulleady has also agreed to limit his shareholdings in any pharmaceutical company to nominal amounts, for 10 years.

Mulleady's industry ban is a first for New York in an antitrust case and reflects Attorney General James' policy that corporate executives who are personally and substantially involved with illegal schemes should be held accountable, not just the corporate entity.

The OAG wishes to thank the staff and leadership at the FTC for their partnership in this important matter, as well the assistance of the staff and leadership of its co-plaintiff states: California, Illinois, North Carolina, Ohio, Pennsylvania, and Virginia.

The litigation was handled by Assistant Attorneys General Saami Zain, Jeremy Kasha, Bryan Bloom, and Mario Cistaro, as well as Paralegal Arlene Leventhal — all under the supervision of Antitrust Deputy Bureau Chief Amy McFarlane and Antitrust Bureau Chief Elinor Hoffmann. The Antitrust Bureau is a part

of the Division for Economic Justice, which is overseen by Chief Deputy Attorney General Chris D'Angelo and First Deputy Attorney General Jennifer Levy.

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