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ATTORNEY GENERAL RAOUL SECURES $40 MILLION FROM VYERA PHARMACEUTICALS AND PHOENIXUS AG FOR ILLEGALLY MONOPOLIZING LIFESAVING DRUG

Vyera and Former CEO Stifled Competition After Raising Drug Price by More Than 4,000%

Chicago — Attorney General Kwame Raoul, as part of a coalition of seven attorneys general and the Federal Trade Commission (FTC), today announced an agreement that will end the illegal and monopolistic behavior of Vyera Pharmaceuticals LLC – previously known as Turing Pharmaceuticals – and one of its former CEOs, Kevin Mulleady. The agreement also forces Vyera and its parent company, Phoenixus AG, to pay up to $40 million and bans Mulleady from having almost any role with a pharmaceutical company for seven years. The coalition's lawsuit against the remaining defendant Martin Shkreli is ongoing. Shkreli, the former Vyera CEO, was the architect of the illegal scheme and is currently imprisoned in a federal facility for securities fraud.

In April 2020, Raoul joined a lawsuit against Phoenixus, Vyera, Shkreli, and Mulleady alleging antitrust violations that stifled competition and allowed the defendants to protect their monopoly power and receive excessive monopoly profits. Raoul alleged that Phoenixus, Vyera, Shkreli, and Mulleady raised the price of Daraprim (pyrimethamine) – the only medication approved by the FDA to treat the parasitic disease toxoplasmosis – from $17.50 to $750 per pill, or by more than 4,000% overnight.

"The defendants' illegal and monopolistic behavior prioritized exorbitant profits while denying many patients and physicians access to a lifesaving medication that had previously been affordable and readily-available," Raoul said. "Today's agreement holds the defendants accountable and should send a message that states will not tolerate policies and pharmaceutical prices that deny our residents access to vital health care. I will continue to collaborate with other states to hold accountable those who try to profit by manipulating the health care market."

Until recently, Daraprim was the only FDA-approved drug for the treatment of toxoplasmosis, a parasitic disease that may pose serious and often life-threating consequences for those with compromised immune systems, including babies born to women infected with toxoplasmosis and individuals with human immunodeficiency virus (HIV). The Centers for Disease Control and Prevention, the National Institutes of Health, the HIV Medicine Association, and the Infectious Diseases Society of America recommended Daraprim as the initial therapy of choice for treating acute toxoplasmosis. However, prior to Feb. 28, 2020, there had not been a generic version of Daraprim available in the United States.

Before the defendants' involvement, Daraprim had been cheap and accessible for decades. In August 2015, Vyera purchased the drug, dramatically increased the price from $17.50 to $750, altered its distribution, and engaged in other conduct to delay and impede generic competition – all to maintain exorbitantly-high prices. The illegal scheme perpetrated by Vyera, Shkreli and Mulleady involved restrictive distribution and supply agreements, as well as data secrecy, with the intent of delaying entry by lower-cost generic competitors. The high price and distribution changes limited access to the drug, forcing many patients and physicians to make difficult and risky decisions regarding the treatment of a life-threatening disease.

The terms of today's agreement include a strict injunction against Phoenixus, Vyera and Mulleady to avoid repetition of a similar scheme. In addition to the $40 million Phoenixus and 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 ownership of shares in any pharmaceutical company to nominal amounts, for 10 years.

Joining Raoul in the agreement are the attorneys general of California, New York, North Carolina, Ohio, Pennsylvania and Virginia, as well as the FTC.

Bureau Chief Elizabeth L. Maxeiner and Assistant Attorney General Richard S. Schultz handled the case for Raoul's Antitrust Bureau.