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Media > News Releases > January 2022 > AG Yost Helps Secure Lifetime Ban of Martin Shkreli from Pharmaceutical Industry, \$65 Million Penal

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AG Yost Helps Secure Lifetime Ban of Martin Shkreli from Pharmaceutical Industry, \$65 Million Penalty

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(COLUMBUS, Ohio) – Ohio Attorney General Dave Yost today announced that a federal court has ruled in favor of Ohio, six other states and the Federal Trade Commission (FTC) in finding that convicted criminal Martin Shkreli engaged in illegal and monopolistic behavior when he served Vyera Pharmaceuticals and its parent company, Phoenixus AG.

The [U.S. District Court for the Southern District of New York](#) agreed that Shkreli violated both federal and state laws by engaging in anti-competitive conduct to protect profits on the lifesaving drug Daraprim (pyrimethamine). The court banned him for life from the pharmaceutical industry and ordered him to pay nearly \$65 million.

“Martin Shkreli thought he could make his own rules because he had money, but no one is above the law,” Yost said. “Not only is this ‘pharma bro’ in prison, now he’s out of the pharma business permanently.”

In early 2020, the coalition of states and the FTC filed a lawsuit against Vyera, Shkreli, and his business partner – Kevin Mulleady – for anti-competitive behavior that stifled competition and allowed the defendants to exorbitantly raise the price of Daraprim more than 4,000% overnight, to \$750 per pill.

Daraprim is used to treat the parasitic disease toxoplasmosis and, until relatively recently, was the only medication approved for such use by the U.S. Food and Drug Administration (FDA).

Toxoplasmosis can 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), which causes AIDS.

Daraprim has been the recommended treatment 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.

The drug was cheap and accessible for decades – until, in August 2015, Vyera purchased the drug and immediately raised the price from \$17.50 to \$750 per pill.

To preserve the astronomical price and their ill-gotten gains, the group created a paperwork logjam to thwart for as long as possible manufacturers of generic competitors.

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

Shkreli is currently serving a seven-year prison sentence for defrauding investors while running two hedge funds.

Just last month, [Phoenixus, Vyera, and Mulleady entered into](#) a settlement with the States and the FTC that, among other things, required the company to pay up to \$40 million to offset ill-gotten gains and banned Mulleady from the pharmaceutical industry for seven years.

Attorney General Yost 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: New York, California, Illinois, North Carolina, Pennsylvania and Virginia.

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- Reports
- Videos

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