

***Seeks Profit and Source Information from Companies Trading in Drugs that Treat Leukemia in Children, Breast Cancer, Seizures*** □

**Read more about Gray Market Investigation and Visit the Tip Line [here](#).**

Washington, DC (Oct. 5, 2011)—Today, Rep. Elijah E. Cummings, the Ranking Member of the House Committee on Oversight and Government Reform, [sent document requests](#) to five “gray market” drug companies that buy and sell drugs in critically short supply, according to the Food and Drug Administration (FDA). None of the companies manufactures drugs or treats patients.

“I have been working with a network of hospital, pharmacy, and government representatives to investigate the extent to which ‘gray market’ middleman companies are making substantial profits by engaging in a form of drug speculation,” Cummings wrote.

As part of this investigation, Cummings obtained confidential information relating to companies that charge exorbitant prices for shortage drugs—prices that are many times higher than those negotiated with authorized manufacturers and distributors. □

Cummings launched his investigation after receiving a [heartfelt letter from Brenda Frese](#), the head women’s basketball coach at the University of Maryland, whose son was diagnosed with leukemia and treated with a drug called cytarabine, which is on FDA’s shortage list. □

In a statement commending Cummings for the investigation, Coach Frese said, “My son Tyler wouldn’t be alive today if we did not have access to the drugs that rid his body of cancer. Every family should have access to these drugs and it is a shame that they are either not available, or are only available to the highest bidder.” She added, “I applaud Congressman Cummings for pursuing this important investigation.” □

Cummings sent letters to the following five companies seeking information about how they are obtaining these drugs and, in turn, how much they are making in profits by selling these drugs to hospitals, pharmacies, and health care providers: □

- □ [Allied Medical Supply Inc.](#) offered cytarabine, which is used to treat leukemia in children and adults, for over \$990 per vial, more than 80 times a typical contract price of about \$12 per vial. A corporate address for this company appears to be the same as the address for Minuto Publishing, LLC, which sells the “Passive Income For Life” system, allowing users to “create a steady stream of PASSIVE INCOME every single month for the rest of your life with NO MONEY DOWN APARTMENT BUILDINGS.” □

- □ [Superior Medical Supply, Inc.](#) offered paclitaxel, which is used to treat breast and ovarian cancer, for over \$500 per vial, more than 7 times a typical contract price of approximately \$65 per vial. The California Attorney General filed a case alleging that the company “purchased, traded, sold or transferred dangerous drugs they knew, or reasonably should have known were misbranded,” and that the company “disseminated false, misleading or deceptive statements, claims or images via the internet, to induce the rendering of professional services or furnishing of products.” □

- □ [Premium Health Services Inc.](#) offered leucovorin, which is used in combination with the chemotherapy drug fluorouracil to treat advanced colon cancer, for over \$270 per vial, more than 50 times a typical contract price of approximately \$5 per vial. □

- □ [PRN Pharmaceuticals](#) offered fluorouracil, which is used to treat colon, stomach, breast, and pancreatic cancer, for over \$350 per vial, more than 23 times a typical contract price of approximately \$15 per vial. □

- □ [Reliance Wholesale Inc.](#) offered magnesium sulfate, which is used to control life-threatening seizures in pregnant women and to treat magnesium deficiency in patients who receive intravenous feeding, for over \$400 for 25 vials, more than 40 times a typical contract price of approximately \$9 for 25 vials.

“Price gouging for drugs that treat cancer in children is simply unconscionable,” said Cummings. “We want to know where these companies are getting these drugs, and how much they are making in profits. Obtaining this information will help us develop concrete solutions.”

One company, Premium Health Services, has already contacted Cummings’ office and pledged to cooperate fully and provide all the requested information.

As part of the investigation, Cummings also announced the creation of a tipline for anyone with information about price gouging and speculation in drugs that are in critically short supply. The tipline is available by clicking [here.&nbsp;](#)