“Ethics are generally not in play here”:
The neutralization techniques of “the bad boy of pharma”
Martin Shkreli

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Abstract
In 2015, the American company Turing Pharmaceuticals increased the price of the drug Daraprim by 5,000 percent overnight. Politicians and healthcare representatives accused Turing’s CEO, Martin Shkreli, of having harmed both vulnerable patient groups and the healthcare system. The present article aims to attain an understanding of how Shkreli justified increasing the price and restricting the distribution of the drug Daraprim. Statements made by Shkreli in four video interviews were analyzed on the basis of Sykes and Matza’s (1957) theoretical framework of neutralization techniques. All techniques of neutralization were identified. Shkreli shifted the blame to other actors, denied the existence of victims and of harm to the nation’s healthcare system, characterized his accusers as corrupt, and portrayed profit maximization as a more important goal than public health.


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Introduction

The pharmaceutical industry has been viewed as being involved in systematic and harmful corporate conduct that traditional legal solutions have continually failed to suppress (Braithwaite, 1984: 308f). Despite the negative consequences of such corporate conduct, there has been a lack of studies on the ethical standards found within the pharmaceutical industry (Zetterqvist, Merlo & Mulinari, 2015: 3). One finding from the few studies on harmful corporate conduct in the drug industry that have been conducted in a Scandinavian context has been that the self-regulatory system of the Swedish pharmaceutical industry is ineffective in restraining ongoing acts of misleading advertising (Zetterqvist et al., 2015; Zetterqvist & Mulinari, 2013). From an international perspective, important contributions to the field have been made by Braithwaite (1984, 1993). According to Braithwaite (1984: 159, 166), drug patents provide manufacturers with the legal means to engage in arbitrary drug pricing, which in turn shows the ineffectiveness of antitrust laws in preventing drug monopolies. Drug industry representatives have long claimed that high prices for life-saving medications are necessary due to the cost of researching and developing drugs (Dukes, Braithwaite & Moloney, 2014: 215). A study by Kesselheim, Avorn, and Sarpotdari (2016: 863) challenged this longstanding claim in noting that major pharmaceutical companies invested between 10 and 20 percent of their revenue in research and development. In addition, pharmaceutical companies have tried to obtain tax benefits by categorizing marketing expenditures as research and development in company records (Dukes et al., 2014: 216).

The subject of the pricing of life-saving drugs received a great deal of attention in both the political and public discourse in 2015 when the American drug company Turing Pharmaceuticals acquired the marketing rights for the drug Daraprim and raised the price per pill from 13.50 US dollars to 750 US dollars (Carrier, Levidow & Kesselheim, 2017: 1380, 1407; Hurst, 2017: 105f; New York Times, 2015), an overnight price increase of approximately 5,000 percent. At the time of the price increase, Daraprim had been on the market for 62 years and there were no effective alternative treatments available (Carrier et al., 2017: 1387, 1404). Further, the price increase meant skyrocketing costs for individuals in need of Daraprim to treat the life-threatening infectious disease toxoplasmosis, as well as certain types of cancer or HIV/AIDS (First, 2019: 727; Penn Bioethics,
At the center of heavy criticism from media outlets was Martin Shkreli, the chief executive officer (CEO) of Turing, who became notorious under the nicknames “Pharma Bro” and the “Bad Boy of Pharmaceuticals” (New York Times, 2015b, 2018). Shkreli has been described as an intelligent young man raised under conditions of economic hardship by his Albanian immigrant parents in Brooklyn (Ibid.). Having come a long way from this background, as CEO at the age of 32, Shkreli came to be portrayed as the face of industry greed (New York Times, 2015b).

Turing was accused by the public of having committed a crime against the human right to health (Penn Bioethics, 2015). The accusation was not without merit, since pyrimethamine, sold under the name Daraprim in America, was included on the World Health Organization’s (2015: 17) list of the minimum medicine required for a basic healthcare system. The Democratic presidential candidate Hillary Clinton accused Shkreli of price gouging (Hurst, 2017: 106), while the HIV Medicine Association and the Infectious Diseases Society of America formulated a letter to Turing warning that the price increase would cause harm to a vulnerable patient group as well as the American healthcare system (Calderwood, & Adimora, 2015, September 8). This letter not only addressed the price increase but also issues regarding the distribution of Daraprim (Ibid.). According to Carrier et al. (2017: 1381, 1385), Turing altered the drug’s distribution scheme into the more restrictive Daraprim Direct system several months prior to the price increase, which placed Turing in complete control of the distribution chain. Walgreens Specialty Pharmacy became the only source for obtaining supplies or prescriptions for Daraprim, which could be viewed as a strategy to injure competition from rivals in the drug market (Carrier et al., 2017: 1381, 1403). This change also resulted in a shortage of the drug at hospitals, local pharmacies, and other general wholesalers. In addition, Turing made it impossible for anyone other than individuals and organizations registered as clients of Daraprim Direct to obtain the drug (Ibid.). The requirement to be a registered client of Turing’s controlled distribution system constituted exclusionary conduct on the drug market, since it prevented competitor drug companies from obtaining samples of the active ingredients required for manufacturing inexpensive generic drugs and having those generics approved by the national Food and Drug Administration (Ibid: 1387, 1399f).

In the end, no legal actions were brought concerning Turing’s price increase for Daraprim (New York Times, 2018). Instead, Martin Shkreli was sentenced to seven years’ imprisonment for fraud. These crimes were committed during the period when Shkreli held his former position, as CEO of the pharmaceutical
company Retrophin, where he secretly controlled company shares and lied to investors about hedge funds. In addition to the prison sentence, Shkreli had to pay a fine of 75,000 US dollars and 7.36 million US dollars in forfeiture. Further, a 5 million US dollar bail was withdrawn when it was revealed that Shkreli had written a post on Facebook in which he offered 5,000 US dollars to anyone grabbing a strand of hair from Hillary Clinton’s head (Washington Post, 2017). In short, the Daraprim scandal led to Shkreli being transformed into a public villain (New York Times, 2015b).

In view of the Daraprim scandal, questions arise regarding harmful corporate conduct. The aim of this article is to attain an understanding of how an individual in a leadership position in the pharmaceutical industry can make decisions that negatively affect patients suffering from life-threatening diseases, which make them wholly dependent on the company’s product. To investigate these strategies, statements made by Shkreli in interviews will be analyzed on the basis of Sykes and Matza’s (1957) theoretical framework of neutralization techniques, and frame analysis. The question at hand is what justifications did Martin Shkreli, the CEO of Turing Pharmaceuticals, give for increasing the price and restricting the distribution of the drug Daraprim when he was accused of causing social harm to vulnerable patient groups and the healthcare system?

**Corporate crime & social harm**

In traditional criminology, crime has been defined as an act punishable by criminal law (Rothe & Kauzlarich, 2016: 3). Edwin H. Sutherland (1940: 2f) challenged this perception when introducing the concept of *white-collar crime* in 1940 to describe criminal behavior that occurs within the fields of medicine and banking and in the political sphere. In addition, Sutherland’s (1940: 5f) definition of white-collar crime included violations against civil or administrative laws. During the eighties, Sutherland’s concept came to evolve when researchers such as Clinard and Yeager (2010) applied the term *corporate crime* to describe criminal behavior in the corporate world. Since then, many other important contributions in the field of corporate crime have been made (for example, see Bittle, 2016; Braithwaite, 1984; Croall 2007; Glasbeek, 2002). The definition of corporate crime used by Braithwaite (1984: 6) involves conduct by corporations, or their employees, that is punishable by law. According to Braithwaite (Ibid.), it is whether the conduct is punishable that is of interest, rather than whether or not the conduct in question was punished.

Even though the price increase and restrictive distribution of Daraprim did not lead to any legal convictions, Turing’s monopoly power over the drug and the
corporation’s exclusionary conduct against competitors on the market has been considered to be strong reasons for investigating a potential antitrust claim (Carrier et al., 2017: 1407; First, 2019: 730). However, the fact that no legal actions have been brought concerning Turing’s conduct may lead some to believe that this type of behavior of pharmaceutical companies is legal and therefore irrelevant to criminology. Even when reactions from the criminal justice system are absent, unethical behavior by pharmaceutical companies is of interest to criminology, as well as society at large, since they may still cause great social harm. Pemberton (2007: 36f) has defined social harm as the study of modes of social organization that produce harm to the needs and well-being of human lives. According to Hillyard and Tombs (2007: 15ff), the concept of social harm encompasses activities by organizations that expose individuals to physical or financial harm on a grand scale, events that criminal law may fail to capture when focusing on individual street crimes that affect fewer individuals. In this article, the broad definition of social harm will be applied to capture the reported harm inflicted on consumers, the healthcare system and the American drug market by Turing’s business activities (Calderwood & Adimora, 2015, September 8; Carrier et al., 2017: 1381, 1407).

Theoretical framework
Sykes and Matza (1957: 666f) developed their theoretical framework on the techniques of neutralization to explain how individuals who commit criminal acts rationalize their actions in order to neutralize social control. Such rationalizations are perceived by these individuals as legitimate ways of justifying illegal acts to show the absence of intent, protect themselves from blame and escape sanctions. According to Sykes and Matza (Ibid.), the techniques of neutralization can be utilized in order to avoid feeling guilty or, when applied prior to the act, to make the crime possible in the first place.

Sykes and Matza (1957: 667ff) proposed five central techniques of neutralization; denial of responsibility, denial of injury, denial of the victim, condemnation of the condemners and the appeal to higher loyalties. These techniques are described in more detail in the results section and will be applied in the present article to explain the defense strategies employed by Shkreli when confronted as a result of his decision-making during the Daraprim scandal.

Previous research
The applicability Sykes and Matza’s (1957:667) techniques of neutralization in the context of corporate actors can be questioned since the framework was origi-
nally developed to explain juvenile delinquency. However, the techniques of neutralization has been viewed as a contribution to the understanding of how individuals within organizational settings minimize or deny the harmful consequences of their decision-making (Rothe & Kauzlarich, 2016: 56). Numerous studies of the defense strategies employed by corporate actors that commit harmful acts have applied the theoretical framework. For example, techniques of neutralization have been applied by Benson (1985: 591, 599ff) in a qualitative study of white-collar offenders convicted for antitrust violations, fraud, embezzlement and tax violations. Benson (Ibid.) found a variety of strategies employed to deny criminality in the participants’ accounts, with antitrust violators portraying their criminal acts as routine business practice, criticizing the motives of prosecutors and referring to their loyalty towards the organizational environment. The latter strategy was further explored by Schoultz and Flyghed (2016: 193) in a study in which the authors found that Swedish companies accused of criminal activities attempted to deflect allegations by framing their activities as being responsible and beneficial to society.

Previous research on techniques of neutralization in the pharmaceutical industry is scarce. One study by Piquero, Tibbetts and Blankenship (2005: 180f), in which MBA students participated in a hypothetical scenario, found higher levels of the neutralization techniques denial of responsibility and denial of potential injury to be positively associated with higher levels of willingness to make unethical corporate decisions in relation to a dangerous drug (Ibid.). A later study by Vieraitis, Piquero, Piquero, Tibbetts and Blankenship (2012) focused on gender differences in a similar scenario. These two studies notwithstanding, there is still a lack of research on how individuals in a leadership position in the pharmaceutical industry might justify harmful corporate behavior.

Method & material
Since the number of written interviews with Martin Shkreli located in media archives was very small, a search for audiovisual media was employed utilizing the YouTube search engine with the search term “Shkreli interview”. These search terms resulted in a large number of videos, many of which were repeated uploads of identical videos. After reviewing the first 50 videos in the search results, four videos were selected for analysis and the full-length version of each interview was found (Bloomberg, 2016; CNBC, 2015; Forbes, 2015; Vice, 2016). The length of the interviews ranged from 5.57 minutes to 18.44 minutes. The selection of videos was based on the criterion that they included responses from Shkreli to questions regarding the Daraprim scandal and criminal activity or caus-
ing harm. The rationale behind this inclusion criteria was to collect interviews that portrayed how Shkreli replied when Turing’s conduct was questioned in relation to the Daraprim scandal.

In order to reveal how Shkreli portrayed the Daraprim scandal when confronted, his statements were transcribed verbatim and analyzed using the \textit{frame analysis} method. Initially formulated by Erving Goffman (1974), frame analysis involves an interpretative analysis of discourses with the goal of uncovering hegemonic structures of meaning within data (Koenig, 2006: 62). This method is primarily focused on the intentional and strategic framing of language, collective beliefs or political demands in order to negotiate desired outcomes or to defend against opponents (Bacchi, 2005: 203f). The decision to utilize frame analysis was based on the prior use of the method in studies on the techniques employed by corporations in the face of allegations of wrongdoing (Schoultz & Flyghed, 2016: 189). The coding process was guided by the five techniques of neutralization and these techniques were identified in the empirical material by comparing the framework to the responses made by Shkreli. For example, replies by Shkreli that shifted the blame for any wrongdoings were coded as “denial of responsibility”. In contrast, statements were coded as “appeal to higher loyalties” if the harm caused was acknowledged, but at the same time justified by referring to a prioritization of interests deemed more important than public health.

\textbf{Results} \\
All of the techniques of neutralization proposed by Sykes and Matza (1957) were identified in the empirical material when analyzing the ways Martin Shkreli justified Turing’s business activities. The results are presented below in relation to each technique of neutralization.

\textbf{The denial of responsibility} \\
Sykes & Matza (1957: 667) considered there to be a perceived line between actions taken with intent and those for which the individual bears no responsibility. For this reason, the condemnation of an individual may be ineffective if the condemned person justifies his criminal actions by claiming these to have been dependent on external forces or negative influences in the peer group. In using such claims, the individual portrays himself as being powerless in relation to his circumstances by viewing himself more as a victim than a decision-maker, which enables the individual to deviate from societal norms without actively breaking these norms through his criminal behavior (Ibid.). This strategy was identified during an interview at CNBC (2015) when Shkreli was confronted in an inter-
view with Hillary Clinton’s accusation that Turing had damaged the drug market. During her presidential campaign, Clinton had stressed the need for increased pricing controls on the drug market (Hurst, 2017: 106). When asked if he had anticipated this negative attention, Shkreli answered: “You know, at the end of the day there have been much larger drug price increases by much bigger drug companies” (CNBC, 2015). From this statement, it is evident that Shkreli is attempting to shift the negative attention in the direction of competitors on the drug market, by framing his company as being a comparatively insignificant, small-scale organization.

Another use of this strategy was identified during the Forbes (2015) Healthcare Summit. When confronted with the fact that patients’ access to Daraprim had been reduced following the price increase, Shkreli’s answer was “We have done everything possible to make sure everyone can get the drug. This is the prior manufacturer’s fault” (Ibid.). This statement could be interpreted as a form of denial of responsibility with Shkreli shifting the blame onto the prior manufacturers of Daraprim, circumstances which Shkreli portrays himself as being completely powerless to influence as CEO of Turing. These two statements represent clear examples of shifting responsibility onto external negative influences in the pharmaceutical industry, thereby justifying Turing’s actions as not being in breach of societal norms. A different form of shifting the blame was utilized by Shkreli when interviewed in a segment published by the news television channel Bloomberg (2016). Shkreli shared his view on the cause of high healthcare expenditures for American citizens in the following manner:

“Drug pricing is only a small part of healthcare expenditures. Physicians are the biggest part. We don’t talk about physicians. Their prices are rising as fast or faster than drug prices. As are hospitals and medical device companies. So, if you want to pick on drug companies, the drugs are actually the best cost-effective solution for healthcare” (Bloomberg, 2016).

Here, Shkreli utilized the economic term cost-effective to rationalize the decision-making of his company. In addition, Shkreli acknowledges that healthcare expenditures constitute a problem in the USA. However, this could also be interpreted as a strategy whereby Shkreli denies responsibility by framing medical equipment, hospitals, and health practitioners as the major cause of economic harm to the healthcare system, rather than pharmaceutical drugs.
The denial of injury
According to Sykes and Matza (1957: 667f), individuals can neutralize the wrongfulness of their behavior by evaluating the harmful consequences of the criminal act. The individual may view his crime as harmless by separating his actions from other types of crimes where the victims’ injuries are clear. The denial of injury is completely open for interpretation, since the individual may believe his actions to have been harmless despite information pointing to the opposite. In the Bloomberg (2016) interview, Martin Shkreli was confronted with the fact that drug prices were increasing at a faster rate than the cost of living in the USA. The reporter was concerned about insurance companies paying high costs for Turing’s drugs having negative nation-wide effects on health insurance over time. Shkreli responded to this criticism by saying, “I think what happens is that we learn as a society that what we prize in life is our health. And we are going to spend more and more on our health than ever before. And that’s a good thing. I think it’s a mark of a civilized country” (Ibid.). Shkreli not only denies that Turing’s business model runs the risk of harming the entire American health insurance system, but he also portrays this harm as a positive sign of the nation’s development. By using this strategy, Shkreli tries to direct the focus away from the potential harm of Turing’s drug prices to instead portray vast medical expenses as a desirable ideal. The perception that corporate misbehavior does not harm consumers was also identified as an important rationalization for decisions to commit corporate crime among MBA students in the study by Piquero et al. (2005: 181).

The denial of the victim
The condemned individual may neutralize his or others’ aversion to his criminal acts by portraying the behavior as being appropriate in light of the circumstances of a specific situation (Sykes & Matza, 1957: 668). Denial of the victim may occur when the individual attempts to justify the harm inflicted by portraying the victim as a wrongdoer. Additionally, the individual may instead deny the victim’s existence if the victim was physically absent during the criminal act (Ibid.). When Shkreli was interviewed by a reporter from Vice (2016), he was asked to respond to reports from healthcare representatives of a lack of Daraprim at hospitals. Shkreli answered “There are five thousand hospitals in the US. There are only a few thousand people that get this illness to begin with. So, most hospitals will actually never see anyone with this illness” (Ibid.). Here Shkreli is attempting to portray patients with toxoplasmosis or HIV that were harmed by Turing’s restrictive distribution system as an abstract phenomenon and is thereby denying their existence. Shkreli employed the same strategy in the Bloomberg (2016) interview.
when asked if the price increase for Daraprim meant negative consequences for individuals who needed the medication but who would be unable to afford it. He answered that “There aren’t consequences, they have insurance. I don’t know if you’re familiar with healthcare insurance. Ninety percent of Americans have it.” (Ibid.). This statement is correct, since according to estimates made by the National Center for Health Statistics (NCHS, 2016) 87 percent of adults aged 18 to 64 in the USA had health insurance in 2015. Shkreli’s statement also denies the existence of consumers affected by structures of inequality and supports Croall’s (2007: 100f) view of consumers living in poverty as more vulnerable to harmful corporate activity than wealthier groups in society, since the price increase of Daraprim had the most impact on people lacking health insurance and those whose health insurance that only covered part of the cost of the drug.

The condemnation of the condemners

The condemnation of the condemners is a strategy whereby individuals shift the focus from their own acts by emphasizing the motives and behaviors of those reacting negatively (Sykes & Matza, 1957: 668). The strategy might entail the accusers being portrayed as hypocrites, criminals, vengeful or corrupt. When Shkreli was asked whether he had put Turing at risk of governmental actions by enraging the public, Shkreli answered that he was “… learning at a young age that the government in many ways is an apparatus of vengeance. To be a little cynical about it” (Bloomberg, 2016). During the interview, Shkreli framed going against the government in a similar way, as can be seen from the following statement:

“We have an administration that is very thuggish and bullish when it comes to companies. They look at them as targets and people as well, as targets to shake down in essence. And actually enforcing justice is not their goal. I think their goal is to make a name for themselves, to extract these billion-dollar settlements. And one has to tread very carefully and that’s why some of the greatest businesspeople have kept the lowest profiles” (Bloomberg, 2016).

Here Shkreli chose to frame the scandal as a conflict with government officials, portraying his accusers as vengeful, corrupt and power-hungry individuals on a hunt for vulnerable entrepreneurs. Shkreli attempted to shift the negative attention away from Turing’s actions by portraying his accusers as scheming politicians exploiting populistic strategies. In doing this, Shkreli was once again trying to deflect the focus away from the topic under discussion, namely Turing’s actions, to instead direct it at power-hungry politicians who were trying to gain popularity.
by attacking easy targets such as himself. Interestingly, Benson (1985: 601) found antitrust and fraud offenders to be more prone to accusing prosecutors of having ulterior, self-interested motives than other types of white-collar offenders.

The appeal to higher loyalties
The appeal to higher loyalties constitutes a technique whereby the individual neutralizes social controls by referring to the criminal acts as a personal sacrifice made in favor of the demands of the social group to which the individual belongs, rather than the demands of society at large (Sykes & Matza, 1957: 669). When asked why Daraprim should be an expensive drug, Shkreli answered that “Our shareholders expect me to make as much money as possible for them and that’s the ugly dirty truth” (Forbes, 2015). Shkreli frames the controversial price increase as being a consequence of the economic demands of the group to which Shkreli belongs, namely the capitalist pharmaceutical industry. Additionally, having a higher belief in profit as the most important goal of a pharmaceutical company predicted decisions to commit corporate crime among the MBA students who participated in the study by Piquero et al. (2005: 176). Shkreli further elaborated on the demands of the pharmaceutical industry when he was asked whether he would have acted differently if he had the chance to turn back the clock:

“I could have raised it higher and made more profits for shareholders, which is my primary duty. And again, no one wants to say it, no one’s proud of it but you know this is a capitalist society, a capitalist system, and capitalist rules. And my investors expect me to maximize profits. Not to minimize them or go half or seventy percent. But to go a hundred percent of the profit curve that we’re all taught in MBA class” (Forbes, 2015).

By referring to his education and profession, Shkreli emphasizes that the price increase was not a rejection of laws or social norms, just part of his job description in a society built on collective capitalist values. Shkreli also rationalizes his actions by claiming that his profession entails certain expectations from company shareholders. The appeal to higher loyalties has been viewed as relevant in relation to business markets in which profit maximization, loss minimization, and increasing market share are viewed as producing benefits for society (Schoultz & Flyghed, 2016: 184). When Shkreli was asked whether ethics had any influence on his decision-making with regard to Turing’s drug pricing strategies, he gave the following answer:

“As a capitalist, it’s your favorite thing. It’s pricing power. And at the end of the day, if you want all corporations to not have the obligation to maximize shareholder duty, we should take a
big old vote and have the senate and congress change the law. But right now, that’s the law and our job as executives of companies, to maximize shareholder’s duty. You know, last time I read carefully the laws, one’s general conception of ethics are generally not in play here” (Forbes, 2015).

According to Glasbeek (2002: 147, 158ff), corporations are created with the capitalistic goal of profit-maximization by corporate law. This main purpose of the capitalistic corporate structure provides corporate actors with immunity from responsibility and facilitates decisions that maximize profit even when they are acting on the wrong side of the law or going against the interests of the larger collective (Ibid.). The profit logic is very apparent in Shkreli’s justifications, he returned to the same reasoning when confronted with not reducing the cost of Daraprim to the initial price level after publicly promising to do so:

“We have shareholders just like every other company. And our shareholders want us to maximize our profits and lowering the price of our product is in direct contrast to achieving that objective. Under Delaware law, companies are by law required to maximize opportunities for shareholders. Especially to maximize them when there is a conflict of doing something good for yourself versus doing something good for your shareholders. By law, you absolutely have to do what’s good for your shareholders” (Forbes, 2015).

In Shkreli’s case, it is clear that Glasbeek’s (2002: 158ff) view of profit maximization as a rational justification for harmful corporate behavior also is true for the pharmaceutical industry. Shkreli rationalizes his actions by framing his duty to shareholders as having greater importance than public health and ethical demands. However, Shkreli does not deny that the pharmaceutical industry primarily operates to serve capitalist interests. According to Shkreli, his organization and the state share the same interests, since state regulations have failed to restrain Turing’s harmful business activity.

Despite his prior standing on ethical considerations, Shkreli attempts another way of framing the issue in the interview with Vice (2016) when the reporter asked for his view on the public perception of him as an evil person. Shkreli answered, “We sell our drugs for seven and fifty a pill to Walmart, to Exxon Mobil, to all these big companies. And they pay full price because fuck them, why shouldn’t they? And if I take that money and I’m using it to do research for dying kids, I think I’m a hero” (Ibid.). This statement could be interpreted as an attempt by Shkreli to bridge the gap between the capitalist demands of the drug industry and humanitarian interests, by framing himself as some form of Robin Hood-character, a philanthropist who charges big companies for over-priced drugs in
order to help vulnerable patient groups. At the same time, he attempts to deflect accusations of causing harm by portraying the costs as being necessary to enable the conduct of research for the collective good. This form of appeal to higher loyalties is similar to the quasi-philanthropic arguments of companies accused of criminal activities, as identified by Schoultz and Flyghed, (2016: 196), whereby harmful business activities are framed as benefitting society. Furthermore, Shkreli’s appeal to higher loyalties is noteworthy since most biotech company start-ups finance their research using money from investors rather than from patients and hospitals (New York Times, 2015b).

Discussion & conclusion

When accused of having inflicted social harm on vulnerable patient groups and the healthcare system, the CEO of Turing Pharmaceuticals, Martin Shkreli, justified Turing’s corporate conduct by employing all of the techniques of neutralization proposed by Sykes and Matza (1957). Shkreli denied responsibility by shifting the blame to other actors and framed both the victims of the Daraprim price increase and the injury to the nation’s healthcare system as non-existent. Shkreli condemned those accusing him of running a deviant business strategy by framing these persons as corrupt, power-hungry and vengeful. Shkreli also admitted that his company is driven by profit maximization, which he framed as a more important goal within the pharmaceutical industry than ethical considerations. Shkreli justified having a higher loyalty towards economic interests than to public health by referring to US laws and regulations concerned with the drug industry and to the economic demands of company research for the collective good. The latter justification is in line with longstanding claims made by the industry that high drug prices are necessary in order to carry out costly research and development (Dukes et al., 2014: 215f; Kesselheim et al., 2016: 863).

Questions might be raised regarding having Martin Shkreli, and his use of neutralization techniques, represent the pharmaceutical industry. After all, there are drug companies that do not operate in this unethical manner and Turing pharmaceuticals could be viewed as a single, and extreme, case that is not representative for the whole pharmaceutical industry. However, this type of harmful corporate behavior is sadly not unique. For example, the pharmaceutical company Hoffman-La Roche has a long history of harmful business strategies, such as anti-competitive behavior on the drug market and increasing the original price of a drug by referring to falsified manufacturing costs (Glasbeek, 2002: 150ff). In a more recent case, the former CEO of Valeant Pharmaceuticals International, Michael Pearson, has yet to face any penalization for drug pricing and distribution.
schemes similar to those of Turing (Reuters, 2017). Unethical drug pricing also exists in a Scandinavian context. In 2015, the Swedish New Therapies Council failed to force the sole provider of the drug eculizumab into lowering the high price of the drug (Dagens Medicin, 2018). Eculizumab is used when treating patients with the rare and life-threatening disease atypical hemolytic uremic syndrome and a year-long treatment with eculizumab for one adult Swedish patient has been estimated to cost 4.45 million Swedish Kronor (Ibid.). Bittle (2016: 295) has warned against reducing harms inflicted by corporations to single incidents caused by a few individuals, since this ignores the larger structure of corporations that cause similar incidents and prioritize profit over saving human lives. Thus, Shkreli’s justifications of Turing’s conduct during the Daraprim scandal could be viewed as representative of pharmaceutical companies that employ unethical pricing strategies and harm vulnerable patient groups all over the world. Whereas other CEO:s have kept a lower profile, Shkreli’s candidness about the scandal provides a basis for a better understanding of how individuals in powerful positions within the pharmaceutical industry justify decisions that negatively affect both patient groups and the entire healthcare system. It could be argued that the techniques of neutralization employed by Shkreli are representative for individuals that commit corporate crime in general, as the capitalistic corporate system has been viewed as criminogenic by providing individuals with rational justifications for criminal or otherwise harmful acts (Glasbeek, 2002: 147). Applying values linked to economic interests, such as profit-maximization, enables individuals within these organizations to justify the decision to engage in business conduct that causes serious social harm. Efforts should be directed towards identifying public and social policy responses against harms caused by pharmaceutical companies, since making corporations more accountable and transparent by changing the corporate structure has been viewed as likely to be more effective than applying criminal or civil law (Hillyard & Tombs, 2007: 20).

References

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