

# Valeant, ex-executives face criminal probe: report

31 October 2016

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US criminal prosecutors could bring fraud charges in the coming weeks against Valeant Pharmaceuticals International and two former senior executives, Bloomberg News reported Monday.

The Department of Justice probe concerns Valeant's hidden ties with Philidor RX Services, a specialty pharmacy company that Valeant secretly controlled, said the Bloomberg report, which cited unnamed people familiar with the matter.

Investigators are also focusing on former chief executive J. Michael Pearson and former [chief financial officer](#) Howard Schiller, the report said.

Bloomberg described the case as "fluid" and said one possibility was that the government would settle with the company and take action later against individuals.

News of the probe sent Valeant shares down 12.3 percent to \$17.84.

Valeant said it was cooperating with the DOJ probe and that it "cannot comment on or speculate about the possible course of any ongoing investigation."

Valeant in October 2015 severed ties with mail-order pharmacy Philidor RX following sharp criticism over their relationship. Valeant was forced to restate its financial accounts as a result of faulty accounting related to Philidor.

Revelations about Valeant's relationship with Philidor has spawned numerous investigations.

Once a darling of investors, Valeant has also come under fire for implementing steep price hikes on drugs.

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