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House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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STAFF DIRECTOR

November 2, 2011

Mr. Mark C. Snyder
Chief Executive Officer
Superior Medical Supply, Inc.
P.O. Box 270930
Superior, CO 80027

Dear Mr. Snyder:

On October 5, 2011, I sent a letter requesting documents and other information regarding your company's purchases and sales of the drug paclitaxel, which is used to treat breast cancer and ovarian cancer and is in critically short supply. As I stated in my previous letter, I have obtained documents indicating that your company offered to sell this drug for over \$500 per vial, many times higher than a typical contract price.¹

Immediately after receiving my letter, an attorney working for your company informed my staff that you would cooperate fully with this investigation and provide the requested documents. Since then, however, several calls to your attorney have been ignored, and calls directly to you have not been returned. I am concerned that your recent lack of cooperation may signal a decision on your part to reverse course and obstruct a congressional investigation that potentially could impact the health of millions of Americans.

In addition to these concerns, I understand that in 2008, your company paid \$200,000 to settle allegations by the U.S. Department of Justice that "on at least 58 occasions between January 1, 2007, and September 1, 2007, Superior maintained inaccurate and incomplete records related to the receipt, delivery, sale, and disposal of controlled substances that it received and distributed to its customers."²

¹ Letter from Ranking Member Elijah E. Cummings, House Committee on Oversight and Government Reform, to Mark C. Snyder, Chief Executive Officer, Superior Medical Supply, Inc. (Oct. 5, 2011) (online at http://democrats.oversight.house.gov/index.php?option=com_content&view=article&id=5445&Itemid=107).

² U.S. Attorney's Office, District of Colorado, *Superior Medical Supply of Westminster Agrees to Settle Claims that It Failed to Properly Control Prescription Medication* (Oct. 17,

I also understand that in 2009, your company was subject to disciplinary action by the State of Colorado Board of Pharmacy for purchasing prescription drugs from unregistered sources.³

In addition, later in 2009, the California Attorney General filed an Accusation before the State of California Board of Pharmacy alleging that your company "purchased, traded, sold or transferred dangerous drugs that they knew, or reasonably should have known, were misbranded."⁴ The Attorney General also alleged that your company "disseminated false, misleading or deceptive statements, claims or images via the internet, to induce the rendering of professional services or furnishing of products."⁵

I am writing today to request that you begin producing, by November 14, 2011, copies of all previously requested documents, including pedigrees relating to your company's purchases and sales of paclitaxel from January 1, 2010, to the present, as well as the prices you paid and charged for each transaction. This information should have been retained by your company on a routine basis to comply with federal and state regulations regarding prescription drug transactions.

In addition, I request that you produce all documents and communications relating to any disciplinary or enforcement actions brought against your company by any local, state, or federal authority.

If you have any questions about this request, please contact Chris Knauer or Pamela Dooley at (202) 225-5051.

Sincerely,


Elijah E. Cummings
Ranking Member

cc: The Honorable Darrell E. Issa, Chairman

2008) (online at www.justice.gov/usao/co/press_releases/archive/2008/October08/10_17_08.html).

³ Stipulation and Final Agency Order (June 24, 2009), *In the Matter of Disciplinary Proceedings Regarding the License to Practice as an In-State Prescription Drug Wholesaler in the State of Colorado of Superior Medical Supply, Inc.*, State of Colorado Board of Pharmacy (No. 2009-002934).

⁴ California Attorney General's Accusation, 5 (Dec. 30, 2009), *In the Matter of the Accusation Against Superior Medical Supply, Inc.; Mark C. Snyder, CEO, and Jake J. Snyder*, State of California, Department of Consumer Affairs, Board of Pharmacy (No. 3331) (online at www.pharmacy.ca.gov/enforcement/accusations/ac083331.pdf).

⁵ *Id.*