

Turing Exec Says Punishment Followed Sex Assault Inquiry

By **Kat Greene**

Law360, Los Angeles (August 23, 2016, 11:11 PM ET) -- Martin Shkreli's friend and Turing Pharmaceuticals LLC co-founder repeatedly sexually assaulted the company's chief commercial officer, who accused the company of retaliating against her after he resigned when the assaults came to light, according to a complaint lodged on Monday with the U.S. Equal Employment Opportunity Commission.

Turing chief commercial officer Nancy Retzlaff told the EEOC that the company rescinded a promised offer of 30,000 shares and the job as CEO after another co-worker reported that Edwin Urrutia, a former interim CEO of the company and friend to Shkreli, was sexually harassing Retzlaff at a company event.

Urrutia had made unwanted advances toward Retzlaff on several occasions and attacked her in a hotel room, and after an investigation launched by the company into the events, Urrutia quit the company, according to a copy of the complaint obtained by Law360. After that, she was told she wouldn't receive the stock payment, she wouldn't be CEO, and another executive who'd launched the probe was fired, Retzlaff said.

A representative for Turing didn't immediately respond to a request for comment after business hours on Tuesday. Shkreli and Urrutia couldn't be reached for comment and hadn't posted publicly about the charge late Tuesday.

The charge to the EEOC is short but potent, kicking off with a company trip in March to Washington, D.C., where several executives and Shkreli were to testify before Congress. One night during the trip, Urrutia, who had been drinking, tried to "snuggle up" to Retzlaff at the hotel bar. He tried to kiss her, and mentioned her desire to be CEO, Retzlaff said.

She left the bar, but he followed her to the elevator, and blocked her from exiting, she said. He insisted she go to his hotel room for a drink, but when they got there, he threw her on the bed and attacked her, groping her and trying to pull off her tights, according to the charge.

She escaped, but it wasn't the last time Urrutia would make advances, implying that her future at the company depended upon a sexual relationship with its co-founder, she said.

At a work dinner in early May, he spent the evening hitting on her, though she managed to escape in a taxi before he could harass her further. A few weeks later, at a company event, he started touching her despite her attempts to move away, she said.

She asked some colleagues to leave the bar with her, but Urrutia followed her out anyway, she said. She again escaped in a cab before he could reach her.

A co-worker complained about Urrutia's behavior on her behalf, and she participated in a company investigation into his behavior as a witness. Urrutia resigned in lieu of termination, she said.

In July, "very shortly" after she was interviewed about Urrutia's conduct, Retzlaff said, then-interim CEO Robert Tilles told her she wouldn't get the promised stock payment and that Peter

Myall, the company's chief people officer who had initiated the investigation into Urrutia's behavior, had been fired. Tilles would assume the role of CEO that she had been promised, according to the charge.

Shkreli sparked widespread outrage last summer when he increased the price of Daraprim, which is often used to treat certain parasitic infections in patients with HIV, from \$13.50 to \$750 per tablet, a 5,000 percent spike. He is also **fighting fraud charges** related to hedge fund work in the Eastern District of New York and a **civil securities suit** tied to another pharmaceuticals company. Shkreli stepped down as Turing's chief executive in December but is still running the company from behind the scenes, Retzlaff said.

Tilles told her Shkreli was upset that Urrutia was terminated, and her working relationship with Shkreli immediately changed after Urrutia resigned, she said.

Retzlaff pointed to Shkreli's "long history" of sexist and misogynistic statements on Twitter, where he posts often and openly, saying the company's retaliatory conduct shouldn't be surprising based on its co-founder's public attitude toward women.

The charge says she was discriminated against, sexually harassed and then retaliated against during her tenure as chief commercial officer.

"It is hard to recall another instance in which senior-level executives acted with such retaliatory animus toward a hardworking and dedicated employee," Michael Willemin of Wigdor LLP, one of Retzlaff's attorneys, told Law360 in a statement on Tuesday. "We will utilize all of our resources in holding Turing and those individuals who participated in this unlawful behavior accountable for their actions."

--Additional reporting by Stewart Bishop and Vince Sullivan. Editing by Bruce Goldman.