



Gilead Alleges HIV Medication Counterfeiting Operation in NYC Pharmacies

Court documents allege Peter Khaim and coconspirators sold adulterated and misbranded HIV medications, notably Descovy and Biktarvy.

August 29, 2024 By Laura Schmidt

[Gilead Sciences](#) filed a lawsuit against a twice-convicted medical defrauder and two New York City pharmacies accused of selling counterfeit versions of Gilead-branded [HIV](#) medications, [CNBC reports](#).

The complaint, filed by attorney Geoffrey Potter of Patterson Belknap Webb & Tyler, alleges that Peter Khaim controlled and ran a counterfeit scheme out of two Queens, New York, [pharmacies](#), 71st Rx and Best Scripts.

The majority of the Gilead [HIV medications](#) seized were [Descovy](#), a once-daily pre-exposure prophylaxis ([PrEP](#)) option for HIV-negative individuals to reduce the risk of contracting HIV, and [Biktarvy](#), a once-daily pill taken for the treatment of HIV as well as for post-exposure prophylaxis ([PEP](#)).

“The defendants and their co-conspirators manufactured and trafficked these counterfeit Gilead-branded HIV medications to pharmacies and patients in at least New York and New Jersey, putting untold numbers of patients’ health and safety at risk,” according to the complaint.

Counterfeit and tampered meds might not contain the proper or correct quantities of active ingredients and may contain potentially hazardous and even life-threatening impurities.

“In some cases, the bottles had their contents emptied, were refilled with the wrong medication, and then were re-sealed using a different material than Gilead’s authentic tamper-evident seals,” states the complaint. “The co-conspirators then sold the counterfeit bottles with counterfeit

patient information documents, counterfeit caps, and/or counterfeit pedigrees or invoices.”

This marks the second major civil complaint by Gilead against Khaim, according to CNBC. [In 2021, Gilead sued Khaim and others](#) and obtained an injunction that prohibited him from selling Gilead-branded products after Khaim made more than \$38 million selling counterfeit medications to distributors and directly to pharmacies.

In unrelated criminal cases, Khaim was sentenced to 96 months in prison on a medical fraud case and 15 years on a different insurance fraud scheme, according to CNBC. He has denied some of the current allegations and claims, according to his attorneys.

“This lawsuit is another clear demonstration of our ongoing commitment to put patient safety first and protect individuals from criminals who are trying to sell counterfeit and illicit versions of Gilead’s medicines,” Gilead told CNBC. “In addition to this lawsuit, we continue to work closely with the FDA [Food and Drug Administration], OIG [Office of the Inspector General], FBI and prosecutors to dismantle counterfeiting networks, deter fraudsters and thwart illegal pharmaceutical distribution.”

In other counterfeit drug news, a Miami man and coconspirators pleaded guilty last year to setting up companies in several states in order to sell at least \$16.7 million in adulterated and misbranded HIV meds, notably Truvada and Biktarvy. [Click here](#) to read more.

To learn more about HIV treatment and antiretrovirals, visit the POZ Basics on [HIV Medications](#) and be sure to check out [POZ’s 2024 HIV Drug Chart](#), a quick reference tool that compares HIV treatments and includes images of the meds.