



ETHICS AND SUSTAINABILITY: ELICITING MILLENNIAL PERSPECTIVES ON THE ETHICS WITHIN PHARMACEUTICALS

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Abstract:

Americans spend \$392 billion in prescribed medication per Washington post; Wall Street Journal study compared branded rugs in Ontario, Canada, England, Norway the findings confirmed that United States prices were higher prices than Norway; and England. United States with the highest prices contribute to price gouging? EpiPen by Mylan from \$2 overseas and \$750; Daraprim by Turning Pharmaceuticals gouge from \$13.50 to \$750 per pill; and Cosmegen \$20 to \$30 overseas and \$1400 per injection these prices are horrendous especially when the drugs are required for debilitating diseases. Ebola scare in 2014 required protective devices against contamination of the virus. Kimberly Clark and Halyard Health manufactured, marketed, and sold Microcool gowns with a 77% failure rate as confirmed by Intertek Labs. What contributes to the pharmaceutical unethical conduct that includes price gouging and exploitation? Pharmaceuticals growing with an emphasis on buying rights to drugs and drastically increasing the cost of drugs and medical devices without substitutes ethical; what do millennials who are projected by Fortune to dominate the workforce by 2020 think on ethics within pharmaceuticals? The findings confirmed that the pharmaceuticals price gouging, sale of drugs and products that are later recalled, and huge budgets in marketing instead of R&D weren't ethical and results confirmed that the pharmaceutical companies should focus on their core which is saving patients' lives.

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1. Introduction

Pharmaceuticals are industries that carry the responsibilities of developing lifesaving drugs and medical devices. The estimation of global pharmaceutical was at \$1.1 trillion sharing 40% of the market with top 10 companies in 2017 (See Appendix A); the ranking criteria included overall growth, Research and Development (R & D) and total expenses, revenue by employee, and revenue from top three products (IGEAHUB, 2017). In our competitive market, today the stock market analysis is the criterion used to measure how well a company is performing thus creating pressures on the companies to perform well to meet projected goals. The board of directors uses the stock market performance to provide incentives to management; the pressures to meet goals and the unethical events that have occurred contribute to the decline of the pharmaceutical industries (Lazonick, 2014). The negative reputation associated with pharmaceuticals has been compared to tobacco and financial sectors as publicly traded companies aren't immune to pressures of Wall Street in meeting yearly and quarterly expectations (Kessel, 2014; Lazonick, 2014).

Research shows that the negative reputation in the pharmaceuticals is related to how consumers access their medication; generic drug competition resulting from patent expiration of brand name; increased cost and price pressure; public policy; and stakeholder attitudes (Kessel, 2014). The pharmaceuticals have become huge corporations who have steered away from their main responsibilities of taking care of the patient needs to emphasis of staying competitive and gaining market share; to meet these objectives offshoring and elimination of in-house teams, minimization of biotech/biopharmaceutical sector, and reduction in capital for Research and Development (R&D) (Kessel, 2014).

Unethical practices in pharmaceuticals have become pervasive; the unethical conducts include raising cost of drugs and devices after the purchase of patents; specifically cost of toxoplasmosis drug increased by 5,500%; Mylan pharmaceuticals increased EpiPen to 791%; increase of drugs for skin infections and eczema by Novum Pharma over 4,000% ((Alpern & Klugman, 2016). Tampering of Tylenol (Johnson & Johnson) in 1982 with death of 7 people and recent cases of recall of medication that contained particles of metal (Rehak, 2002). Turing Pharmaceuticals price hike of Daraprim; from \$13.50 to \$750 per pill; a hike per by 5000%; Kimberly Clark and

Halyard Health sale of 77% defective gowns during a national scare on Ebola (Cooper, 2016; Jamerson, 2016).

Washington Post reported \$329 billion spent on prescribed drugs in 2013; 9 out of 10 pharmaceuticals spend less on research and more money on marketing; Johnson & Johnson \$8.2 billion in R&D and \$17.5 billion in marketing and sales 2013 (Swanson, 2015). Recent research by Wall Street Journal study compared 40 branded drugs in Ontario, Canada, England, Norway the findings confirmed that United States prices were 93% higher prices than Norway; Ontario had lower prices for all 28 drugs surveyed; and United States prices were higher than England (Nicks, 2015). Additionally, Wall Street study reported that new worldwide drugs are subsidized by United States along with large budget advertising while Europe doesn't allow advertising budget to be included in the cost (Nicks, 2015).

Why does the United States have the highest prices? Price gouging? The excessive prices charged by pharmaceuticals' is above the cost they incur to manufacture, market and sale the product; the unconditionally high price is an unfair advantage to consumers (Dorfaman, 2016; Wu, 2017). In this research the essential elements to address are the unethical events that include recall, price gouging, and defective devices. The researcher focused on interviewing millennials to understand their perspectives on the ethics behind pharmaceutical industries; emphasis on the integration of individual moral values with pharmaceuticals to ensure sustainable development.

2. Literature Analysis

2.1 Johnson & Johnson Pharmaceuticals 1980's and 2010

Johnson & Johnson Pharmaceuticals Heroic Recall in 1980's; in 1981 Johnson & Johnsons extra strength Tylenol capsule pulled in a 17% of the company's revenue; the 1982 tampering of Tylenol contributed to 7 deaths in Chicago (Benson, 1988; Kaplan, 2005; Rehak, 2002). The deaths were from consuming the extra strength Tylenol capsules filled with cyanide; the packaging wasn't tamper proof and the crisis that destroyed Johnson & Johnson credibility (Benson, 1988; Kaplan, 2005; Rehak, 2002). The sale of tamper-proof packaging helped Johnson & Johnson return to the market stronger with net sales increase of \$1.2 billion after their market had dropped from 37% to 7%; their ownership of the unethical conduct that wasn't of their own helped them regain market share and had climbed to 30% a year later (Hollie, 1983; Rehak, 2002). Johnson & Johnson took full ownership by the recall of 330 million (cost of \$100 million) Tylenol capsule bottles from stores and providing free of charge safer tablets; the

ownership of an element that wasn't malicious done by the Johnsons and Johnson made them heroes and they regained themselves in the market as number one company to recall instead of concealing the truth (Hollie, 1983; Rehak, 2002).

Johnson & Johnson were heroes in 1980's; recently Tylenol resurfaced again with recalls of Tylenol, Benadryl, and Motrin in the range of 2008 to 2010 was followed by the recall in 2010 for the over-the-counter children Motrin and infant Tylenol medication (Frizell, 2015; Rubinkam & Dale, 2015). Products that treat ailments should be reliable as they could harm humans; there were 43 Johnson & Johnson products that were affected with fault pointed at McNeil Healthcare plant that does the production for Johnson & Johnson (Kavilanz, 2011; Singer & Abelson, 2011). Specifically, in 2010 the sale of medication that contained particles of metal; pled guilty and agreed to a penalty of \$25 million to resolve the case as reported by Fox News (2015). The McNeil Consumer Healthcare was the maker of the recalled Tylenol under the John & Johnson; the recall contributed to lack of sustainability within Johnson & Johnson as their sales declined by \$900 million (19%) loss as reported by NY Times as back to back low company sales since World War Two and NY times reported 15% decrease in sales from 29% (Celona, 2011; Reuters, 2015; The Associated Press, 2011). Johnson & Johnson's comparison to the 1980's Tylenol recall is that ownership was taken in the 1980's but in 2010 the unethical events included Johnson & Johnson lack of admittance of the fault and apologizing to the public for wrongdoing instead they blamed the production plant McNeil Healthcare (Kavilanz, 2011; Singer & Abelson, 2011).

2.2 Mylan Pharmaceuticals EpiPen Price Hike

Billions of dollars are spent on medication yearly by patients, private insurance companies, Medicare and Medicaid; the use of the drugs for the human healthcare puts the pharmaceuticals under the public eyes scrutiny. Mylan Pharmaceuticals under the leadership of CEO Heather Bresch the price for the EpiPen was hiked to over 400% to \$608 from \$57 in 2007 as priced by Truven Health Analytics (LoGiurato, 2016; Ramsey, 2016, February 04; Weintraub, 2016). EpiPen is a drug that is used to reverse allergic reactions that are life-threatening such as allergies to nuts, peanuts; the drug was acquired in 2007 for \$6.7 billion from German Merck KGaA (Garde, 2016; Ramsey, 2016, February 04; Reuters, 2007).

Bloomberg News, the estimated cost of the generic epinephrine hormone that is used to treat the deadly anaphylactic shock is worth \$1.00; the drug was sold for \$57 by Merck KGaA where it made \$200 million a year (Garde, 2016; LoGiurato, 2016). Time.com reported that Mylan had gained over \$300 million in compensation from 2011 to 2015 with a price hike over 500% with drug dosage of \$1.00 and total production cost

of \$30 and retailed for \$600 before rebates and coupons (Tuttle, 2016). The 2016 price hike for EpiPen and visual of the price hike over the years as shown on Appendix B; CEO Bresch was put under scrutiny to explain Mylan's questionable behavior including Presidential candidate Hilary Clinton and the White House (LoGiurato, 2016; Wieczner, 2016).

The uproar on the pricing by patients, healthcare professionals, and political officials didn't go unnoticed but was the Mylan increase in sales correlated to the 2010 federal guidelines? The new 2010 federal guidelines on the use of EpiPen gave Mylan a boost in increase of sales with selling of 2 EpiPen in each package and new guidelines to use the 2nd shot when patients aren't 30 minutes from the hospital from the 1st injection (LoGiurato, 2016; Wieczner, 2016). The controversy was on the price hike, company CEO Bresch argument on improvement made on the product from the product that contributed to accidental sticks in comparison to the new improved product that is ergonomic (Weintraub, 2016)

The EpiPen improvements as noted by CEO Bresch included raising awareness, access to the drug in schools where there had been reported cases of death due to allergens to peanuts, nuts and eggs (Garde, 2016). Bloomsburg reported that Mylan was under pressure had had a net loss of \$119.8 million (see Appendix C); Forbes reported that Mylan stock took a dive from \$54 to \$36.60, with a profit of \$428.6 million to a loss of \$119.8 million after the EpiPen incident (Hopkins, 2016; Weintraub, 2016). U.S. Department of Justice would receive \$465 million from the EpiPen settlement for the Mylan overcharging Medicaid for EpiPen (Garde, 2016; Weintraub, 2016).

To address the public uproar on the price hike of the EpiPen the two-pack EpiPen of \$600; Mylan raised the copay-coupon to cover commercial insurance patients with the \$300 out of pocket costs for a two pack (Ramsey, 2016, February 04). Additionally, Mylan reported that they would make an authorized generic that will cost \$300 for a two-pack EpiPen (Ramsey, 2016, February 04). The unethical practices by Mylan was taking a drug worth \$1.00, hiking the price, and selling it for millions; an act that is taken as an act of exploitation for profits (Garde, 2016).

2.3 Turning Pharmaceuticals Overpriced Daraprim

Impassioned controversy over the price of drugs and medical devices has been coming to light in decades; Turing Pharmaceuticals with headquarters in New York's unethical conduct was related to the price hike of medication. The Daraprim medications price hike by over 5,000% is known to treat toxoplasmosis; the price increased from \$13.50 to \$750 per pill (Lorenzetti, 2015; Timmerman, 2015). Center for Disease Control (CDC) confirms cases of 4,000 yearly hospitalization and 327 with toxoplasmosis; parasitic

disease from contaminated food that is debilitating for people with weak immune system, cancer, and AIDS patients (Lorenzetti, 2015; Timmerman, 2015). Turing is privately held and with the price hike and no clarity on the ongoing R &D; Fortune documented that the overnight price hike was simple about greed because the drug is the only one available to cure toxoplasmosis (Lorenzetti, 2015; Timmerman, 2015). The association to greed can be directed at the email message documented in Fortune that noted the celebration of raising price to \$75,000 from \$1,700 per bottle; and another email celebrating the sale of 96 bottles at \$75,000 per bottle (Creswell & Pollack, 2015; Kodjak, 2016)

There was backlashing from doctors and activists; University of North Carolina professor sharing that the price hike was unreasonable and unethical thus canceling meeting with Turing Pharmaceutical until there is a reduction in price (Creswell & Pollack, 2015; Kodjak, 2016); doctor in Massachusetts General Hospital complaints on the unanswered messages; and \$2700 campaign donations rejected by presidential candidate Bernie Sanders (Creswell & Pollack, 2015; Kodjak, 2016). The outrage on the price hike was also addressed by Presidential candidate Hilary Clinton who sent a tweet documenting that 5,000 hike was outrageous and an act of price gouging (Long, 2016; Ramsey, 2016, September 20).

Fortune shared that Turing Pharmaceutical did back away from price hike; CEO Shkreli was arrested on December 16, 2015 for securities fraud and resigned on December 17, 2015 (Creswell & Pollack, 2015; Kodjak, 2016; Pollack, 2015). The price was \$1 in 2002; \$13.50 in 2014; \$750 in 2015; and after the uproar of the price hike it was decreased to \$375 in 2016; the price reduction by Turing Pharmaceuticals is still high even under the new CEO Ron Tilles (Long, 2016). CEO Tilles uses the similar reasons for the price hike to the broken health care system; the acts are unethical and the 5,000% hike isn't justified as the drug didn't undergo new R&D (Long, 2016; Ramsey, 2016, September 20).

2.4 Ebola Crisis and Defective Gowns

World Health Organization (WHO) documents that the Ebola virus disease (EVD) is a virus transmitted from wild animals and can be passed to other humans; the disease is fatal to humans and the major outbreak in 2014 - 2016 with its origin in remote areas in Central African villages (Omoleke, Mohammed, & Saidu, 2017; WHO, 2017). The 2014 – 2016 outbreak was the largest in history from its start in 1976 with 2 outbreaks; the outbreak spread across nations and was a complex crisis with more deaths (Shultz, Zelde, Espinola & Rechkemmer, 2017; WHO, 2017). The contamination of Ebola from people was through close contact with bodily fluids, organs, secretions, and blood of

infected animals such as forest antelope; porcupines; monkeys; fruit bats; gorillas; and chimpanzees found in the rainforest alive or dead (Alexander, 2014; WHO, 2017). Ebola spreads to human by direct contact to mucous membranes or broken skin with fluids from clothing or bedding; blood; organs; secretions; and bodily fluids of infected patients; the onset symptoms occur within 2 to 21 days with sore throat, headache, muscle pain, and fever fatigue (Francesco, et al., 2015; WHO, 2017). The most vulnerable people of getting infected are the healthcare providers who are in direct contact with the Ebola patient; those in direct contact with the dead can also get the disease with the infection remaining in their bloodstream when they have the virus (WHO, 2017).

The Ebola disease scary enough for you? The Center for Disease Control (CDC) confirmed that the 2014 outbreak was the worst that traumatized all nations; the case counts and affected countries as shown in Appendix D shows a death toll of 11, 325 as updated on April 13, 2016 (CDC, 2016). Business Insider documented that in business there should be a gap that need to be filled; the founder Virgin Group Richard Branson shared that the entrepreneurs' he meets will fill gap left by politicians in government (Gmoser & Feloni, 2016). This comparison doesn't mean that organizations exploit others in cases that are life threatening; Kimberly Clark with headquarters in the aftermath of learning of the Ebola outbreak aggressively manufacture gowns that were defective and sold them to the healthcare providers handling Ebola patients (Cooper, 2016; Russell, 2016).

World Health Organization announced in high alert that as of August 2014 that Ebola was a public health emergency; this announcement sent glinted a high demand of equipment that would protect contamination of the virus (Cooper, 2016; WHO, 2016; Russell, 2016...). The equipment needed to keep healthcare providers safe from contaminating the disease included disposable gowns, face masks, and eye shields (Cooper, 2016; Densford, 2016; Russell, 2016); The provider of the equipment was Kimberly Clark and Halyard Health; documentary by 60 minutes reported that the company knowingly sold defective surgical gowns that weren't up to industry standards in the United States (Cooper, 2016; Densford, 2016; Russel, 2016).

The Microcool medical gowns manufactured by Kimberly Clark and Halyard Health and marketed by global strategic marketing director Bernard Vezeau confirmed to Anderson Cooper of 60 minutes of the sale of gowns to drive up sales despite of the reported sleeves and ties falling off and Ebola leakages (Cooper, 2016; Densford, 2016; Russell, 2016). Vezeau also confirmed that the key elements about the defective wasn't shared with the physicians, Food and Drug Administration (FDA) or public; 500 million in damages is the cost that lawyer Michael Avenatti sought from Kimberly Clark and Halyard Health for willingly ignoring their internal controls thus the government was

involved (Cooper, 2016; Densford, 2016; Russel, 2016). Business wire publication dated April 10, 2017 confirmed that Kimberly Clark and Halyard Health was ordered to pay \$454 million in fraud for the sale of defective Microcool gowns as they misled the community (Avenatti, 2017).

The unethical event of knowingly promoting the Microcool gown as a device that could be used for infectious diseases from Ebola to HIV; 60 minutes confirmed that 13 out of a sample of 85 failed this was a failure rate of 21% (Cooper, 2016). The sell defective gowns in the amounts of 58 million over several years was a direct relation to lack of or not using individual moral values in their judgement to sell the gowns; their ethical decisions were unsustainable as their stock fell to \$1.21 or \$4.3 from a high \$26.95 (Densford, 2016; Russell, 2016). The evidence existed of the gowns being defective as reported by healthcare practitioners yet Kimberly Clark and Halyard Health denied the allegations on the 60 minutes' interview with Anderson Cooper (Cooper, 2016; Jamerson, 2016). The internal employee documented emails also confirmed that employers were aware of the quality of material used to make the Microcool gowns in Honduras and chose not to tell the truth or recall the gowns; employees who knew too much were terminated as Kimberly Clark and Halyard Health continued to manufacture, market, and sell the Microcool gown that had a 77% failure rate with sleeves falling off (Cooper, 2016; Avenatti, 2017).

3. Method

3.1 Purpose and Procedures

What contributes to the unethical conduct within pharmaceuticals that includes price gouging, recalls, and promotion of defective medical devices? The excessive prices charged by pharmaceuticals' are above the cost they incur to manufacture, market and sell the product; the unconditionally high price is an unfair advantage to consumers (Dorfaman, 2016; Wu, 2017). Are the pharmaceutical companies taking the responsibility of the drug and medical device cost increase; is the cost censured to the government regulations that are tedious and lengthy; complex and expensive research; and remaining competitive and meeting Wall Street expectations (Verschorr, 2016).

What are the views of millennials on pharmaceuticals ethics by a group projected to take majority of the workforce by 2020 by Fortune (Hyder, 2016)? In this research, the essential elements to address are the unethical events that include recall, price gouging, and sale of defective devices of recent publications Johnson & Johnson recall on medication with metal particles, Ebola and sale of defective gowns by Kimberly Clark and Halyard Health, EpiPen by Mylan, and Daraprim by Turning Pharmaceuticals. The

researcher focused on interviewing and surveying millennials (See Appendix E for interview questions) to understand their perspectives on the ethics behind pharmaceutical industries; emphasis on the integration of individual moral values with pharmaceuticals to ensure sustainable development. The 102 participants that consented to participate in the research allowed limited time; 42 participants agreed to be interviewed and 60 participants complete the survey questions and returned them to the researcher. The collected data was cleaned and coded as EP1; EP2 to EP102 and followed data analysis using NVivo 11 software.

4. Research Findings

Interview question 1: Pharmaceuticals price gouging of 1000 to 5000 percent is evident without drug improvements in United States with Mylan EpiPen and Turing Daraprim cases; What are your thoughts on pharmaceuticals that make price-gouging part of their business model? All participant agreed that price gouging as pharmaceutical business model was unethical; the research results included participant EP14 sharing *"this is not ethical, I think that the people that are doing this should highly fine and not be able to work in that sector ever again."* Participant EP27 shared *"it is unethical as there is a monopoly on the market and people want to make as much profit as they can; some people can afford it, so they make more money."* Participant EP46 shared *"price gouging is unethical and should be done,"* and participant EP65 shared *"this is not ethical and prevents people in need from being able to access live saving drugs for selfish purposes."* Participant EP88 shared *"this is not ethical; although pharmaceutical companies want to maximize profits for their products, they do not consider the consumers of their goods; these people use EpiPen and other medicine to stay safe and ensure good health, but companies shouldn't take advantage of their target audience."* Participant EP93 shared *"I do not think that its ethical; the pharmaceuticals companies shouldn't concentrate their business model on pharmaceuticals that make price gauging because in the case of consumers who aren't rich and could not afford them; these people have the right to the cure."*

The participant agreed that the events of price gouging were unethical and publications noted that pharmaceuticals employees that testified that in the pressure to increase profits was the contributor of the price hike; the price hike wasn't associated to any change to the medication (Long, 2016; Lorenzetti, 2015). The unethical practice of Turing Pharmaceuticals CEO Martin Shkreli overnight increase of a lifesaving drug from \$13.50 to to \$750 per pill was motive behind greed as the drug still costs \$1 or \$2 abroad (Long, 2016); Shkreli resigned as CEO after being arrested in December 15, 2015 (Copeland, & Matthews, 2015; Lorenzetti, 2015; Timmerman, 2015). The generic

epinephrine hormone worth \$1.00 was sold for \$57 by Merck KGaA, and under the Mylan acquirement, the total production cost of \$30 was retailed for \$600. Under public scrutiny and congress involvement for the price hike the unethical behavior contributed to a net loss of \$119.8 million (Tuttle, 2016).

Interview question 2: Government involvement in declaring war on price gouging; should the government go after the worst offenders in price gouging and be involved in making prices affordable by impose discipline? Participant shared views that were all in agreement that government help was essential in controlling price gouging; the results include EP23 sharing *“they should because otherwise no one else would help and prevent them from doing it again.”* Participant EP54 shared *“yes, the government should be involved because the Sherman Antitrust Act makes monopolies able to be controlled by government thus they have power to break up business that monopolize.”* Participant EP72 shared *“yes, the government should be involved because its great offense,”* and participant EP93 shared *“the government should definitely be involved in some regulations; without regulations, companies like specified pharmaceuticals can do whatever they want without repercussions.”* Participant EP196 shared *“it is important for government involvement to take place because monopolies shouldn’t exist in a capitalist society, when there is no competition, it is even more crucial to have regulation.”* Participant EP102 shared *“I think that the government should regulate the price gouging of everything not only of pharmaceuticals because the problem made by companies on items which are needed by the population it’s not ethical and it should not be legal.”* The participant findings shared correlates to existing evidence that confirms that United States is part of the discoveries of drugs and medical devices; Dr. Kantarjian shared that 85% funds come from taxpayers to help in the research but when drug is approved by FDA it will cost Americans two times the cost of others outside the United States (Verschoor, 2016).

Interview question 3: In 2013 with \$329.2 billion spent on prescription drugs, Johnson & Johnson spent \$8.2 billion in R&D and \$17.5 billion on sales and marketing; Pharmaceuticals spend huge sums of money on marketing instead of R&D; what influence does this have on individuals integrating ethics in their decisions to keep companies sustainable? Ninety nine percent of participants shared that huge budgets on pharmaceuticals marketing instead of R&D wasn’t ethical as shared to a comparison of 1% who noted high marketing budgets were essential. Participants shared by EP45 *“it isn’t ethical at all because they are concentrating nearly all of the money on the wrong cause.”* Participant EP61 shared *“yes, it is ethical, because they are trying to profit as much as possible to make the cash flow, this makes marketing a good way to keep the company sustainable.”* Participant EP69 shared *“spending more on marketing instead of R&D isn’t*

ethical because they are trying to get money instead of trying to research and look for more ways to help patients."

Participant EP87 shared *"spending more money on selling a drug than on developing the drug itself is not ethical; companies should focus on the actual product and not on marketing, this can influence individuals to act unethically and to shift their focus on selling a product rather than providing consumers with a quality product."* Participant EP95 shared *"I feel like marketing is much more important for business to succeed once a product is properly created and manufactured. It is ethical in this sense, but for companies that are just starting to develop they might value marketing over product efficiency which isn't ethical."* participant EP98 shared *"I do not think that it is ethical because the fact that there are pharmaceutical companies do not invest money because they are not trying to improve the lives of all the human beings."* The huge marketing budgets could be minimized when companies spend more time in R&D instead of selling drugs that are later recalled. In practicality, recalls of Tylenol, Benadryl, and Motrin in the range of 2008 to 2010, Tylenol pleaded guilty and agreeing to a penalty of \$25 million in 2010 to resolve the case as reported by Fox News (2015) is a confirmation that the company internal process need to include stringent monitoring of quality in their R&D to minimize oversight on the required quality of products sold (Frizell, 2015).

Interview question 4: Ebola crisis and defective gowns and Tylenol with metal particles; What are your view points on pharmaceuticals knowingly selling defective products or those they later recall after public scrutiny? Participant viewpoints on pharmaceuticals knowingly selling recalled or defective products wasn't ethical as shared by all participants. The results as shared by participant included EP05 *"I would report him right away and to maintain my job by doing everything I can because it wasn't my fault."* EP33 shared *"I would report CEO to the federal government as the defective products are not supposed to go to market and the process wasn't ethical."* participant EP77 shared *"I would protest because they are selling defective products,"* and EP89 shared *"I would refuse to sell the product and instead post about the issue on social media, even at the expense of my job; if ethics are less important than profit, then I do not want to work for this company."* Participant EP94 shared *"I would quit the company if I wouldn't be able to alter the mindset of the corrupted officers and managers,"* and EP101 shared *"I would advise the police or one of the medical international institutions."* Company set objectives to attain certain projections contributes to unethical conduct; the pressure on Kimberly Clark and Halyard Health was evident but the penalty was huge as the order to pay \$454 million awarded by the jury was a message to corporation noting that cover-up and lying aren't ethical ways of doing business (Cooper, 2016; Avenatti, 2017). To minimize such incidents, it would take the board of directors and investors to have a mindset that profits will be met by

focusing on benefit type corporations that focus on social responsibility (Cooper, 2016; Kessel, 2014).

Interview question 5: How would the pharmaceuticals restore their reputation as institutions that are focused on improving patient healthcare? Participants concurred that reputation was core to pharmaceuticals sustainability thus restoring reputation and shared some strategies to restore reputation and focus on patient care. Participant EP18 shared *“by telling them to be ethical and taking precaution of not involving acts of deceit thus being ethical to other people,”* and EP20 shared *“making sure ethical processes are in place such as not messing with drug and having public reference to discuss problems in a company and how they are done.”* Participant EP73 shared *“I would try my best to make better more product and work on getting reputation back up and best sales.”* Participant EP81 shared *“I would focus on the budget of the company towards providing quality healthcare instead of marketing and profit.”* Participant EP94 shared *“I would replace thee managers at all levels for a fresh start at focusing on patient care.”* Participant EP99 shared *“I would restore the reputation of a pharmaceutical company by concentrating the capital in R&D, trying to find new pharmaceuticals which work and let them to be tested before rolling out to patients.”*

5. Limitations

United States has the highest prices on prescribed drugs per research reported on Wall Street Journal study that compared 40 branded drugs in Ontario, Canada, England, Norway, and England with the United States (Nicks, 2015). Washington post reported that Johnson & Johnson spent \$8.2 billion in R&D and \$17.5 billion in marketing and sales 2013 (Swanson, 2015). What are the views of millennials on pharmaceuticals ethics by a group projected to take majority of the workforce by 2020 by Fortune (Hyder, 2016)? The qualitative case study research was limited to selected pharmaceuticals and millennial (ages 18 – 34) perspectives on the ethics behind Johnson & Johnson recall on medication with metal particles, Ebola and sale of defective gowns by Kimberly Clark and Halyard Health, EpiPen by Mylan, and Daraprim by Turning Pharmaceuticals. The data collection was limited to face to face interviews and surveying of millennials to understand their perspectives on the ethics behind pharmaceutical industries; emphasis on the integration of individual moral values with pharmaceuticals to ensure sustainable development. The participant sample size was limited to 102 participants who consented to partake in the research processes and allowed limited time dedicated in interview and completing the survey questions. To validate this limited research of 012 participants, future researchers can minimize biases by sampling larger population and contrasting with other gender groups using the same research questions.

6. Conclusion / Discussions

In this research, the essential elements to address were the unethical events that include recall, price gouging, and sale of defective devices of recent publications Johnson & Johnson recall on medication with metal particles, Ebola and sale of defective gowns by Kimberly Clark and Halyard Health, EpiPen by Mylan, and Daraprim by Turing Pharmaceuticals. Participant findings confirmed that Pharmaceutical reputation is essential for sustainable development among consumers, stakeholder, and industry competitors; research shows that when a company's reputation deteriorates the time to rebuild and stabilize can take up to 3 to 5 years (Kessel, 2014). Participant findings concurred that price gouging wasn't ethical and government should be involved to control such unethical conduct within the pharmaceutical industry. Ninety nine percent of the participant agreed that pharmaceuticals who spent more money on marketing instead of R&D were unethical as their business model because a focus on selling the product instead of improving the quality of the product and saving lives. The 1% of participant shared that the high budget on marketing was essential to promote their drugs thus marketing over product efficiency was important to the company.

The unethical practices that include price gouging, sale of recalled drugs, and defective products among others contribute to negative reputation in the pharmaceutical industry. The pharmaceutical industry would benefit from strategies that align with patient care instead of vamping up marketing budgets to increase sales projections. Take the Cancer drug Cosmegen cost of \$20 to \$30 overseas to \$1400 in United States (Wu, 2017) and the four highlighted drugs and medical device in this research; Johnson and Johnson's 1980's Tylenol recall of cyanide filled capsules regained its market share in 1 year with tamper proof packaging (Benson, 1988; Kaplan, 2005; Rehak, 2002); and 2008 to 2010 recall that cost them \$25 million in penalties (Frizzell, 2015). Turing pharmaceuticals CEO Martin Shkreli in the price gouging of Daraprim; a drug that treats toxoplasmosis; increased by 5000% in effort to increase profit as confirmed by CEO Shkreli (Copeland, & Matthews, 2015). Mylan Pharmaceuticals under the leadership of CEO Heather Bresch hiked the price to over 400% for the EpiPen a drug that is used to reverse allergic reactions (peanuts, tree nuts, and eggs) that are life-threatening (Tuttle, 2016). Kimberly Clark and Halyard Health to meet company objective contributed to them knowingly selling defective gowns that were 77% defective (Cooper, 2016).

The four highlighted pharmaceuticals in this research were part of a conduct that were reported as unethical in the form of recall, price gouging, and defective medical device. Participants shared that the laws they have heard of relevant to the

pharmaceutical industry include the United States FDA a federal regulation that is enacted to protect and promote public health; Pharmaceutical Research and Manufacturers of America (PhRMA) involvement in research to develop new medication; but no regulations controlled by government exist are behind price gouging (Honig, 2016). Participants shared that even with the regulations the pharmaceutical unethical conduct continues to increase without any ramification noting that those individuals that whistle blow are retaliated against.

There exist rigorous steps that pharmaceutical should undergo to reach the consumer; the rigorousness provides room for individuals to make unethical judgement that includes lack of emphasis on quality, increase of cost, and knowingly selling defective products. Research shows that some pharmaceuticals leaders don't practice good ethics in when making corporate decisions as their actions exploit consumers with price gouging (Nieweler, 2016). Pharmaceuticals are growing with emphasis on buying rights to drugs and drastically increasing the cost of drugs and medical devices whereby some patients can't afford, and offer no substitute of medications; this forces patients to buying medications overseas (Shah, 2010). Price gouging; the excessive cost charged by pharmaceuticals' that is way above the cost for manufacture, market, and sale the product should be closely monitored. Legislation should be set in place to monitor and control pharmaceuticals in the corporate sales, review of licenses and patents and minimize the new owners from the excessive charges (Alpern & Klugman, 2016).

Integrating individual morals by leaders and staff can help pharmaceuticals be on a path of gaining good reputation and being sustainability while addressing patient healthcare needs (Paine, 1994). Pharmaceuticals can remain sustainable by standing behind their code of conduct in all channels of their business; most importantly, the identification of loopholes can be addressed by designing and updating their code of conduct around the core objective which is patient healthcare (Salari, Namazi, Abdollahi, Khansari, Nikfar, Larijani, & Araminia, 2013). Pharmaceuticals are a huge part of social corporate responsibilities; the element that can stand out in improving reputation is sponsoring events for good cause and spending more money on research and development instead of more on marketing and sales (Droppert & Bennett, 2015). Would the implementation of new regulations that would-be part of the code of conduct for pharmaceuticals would help improve their reputation and remain sustainable? Would the pharmaceuticals focus on improving patient health and add address the essential elements that contributed to self-inflicted negative reputation? Future research could focus on these posed questions or the possibility of changing

pharmaceuticals mindset to change their business model to focus on patient care instead of growing market share and meeting stock market performance.

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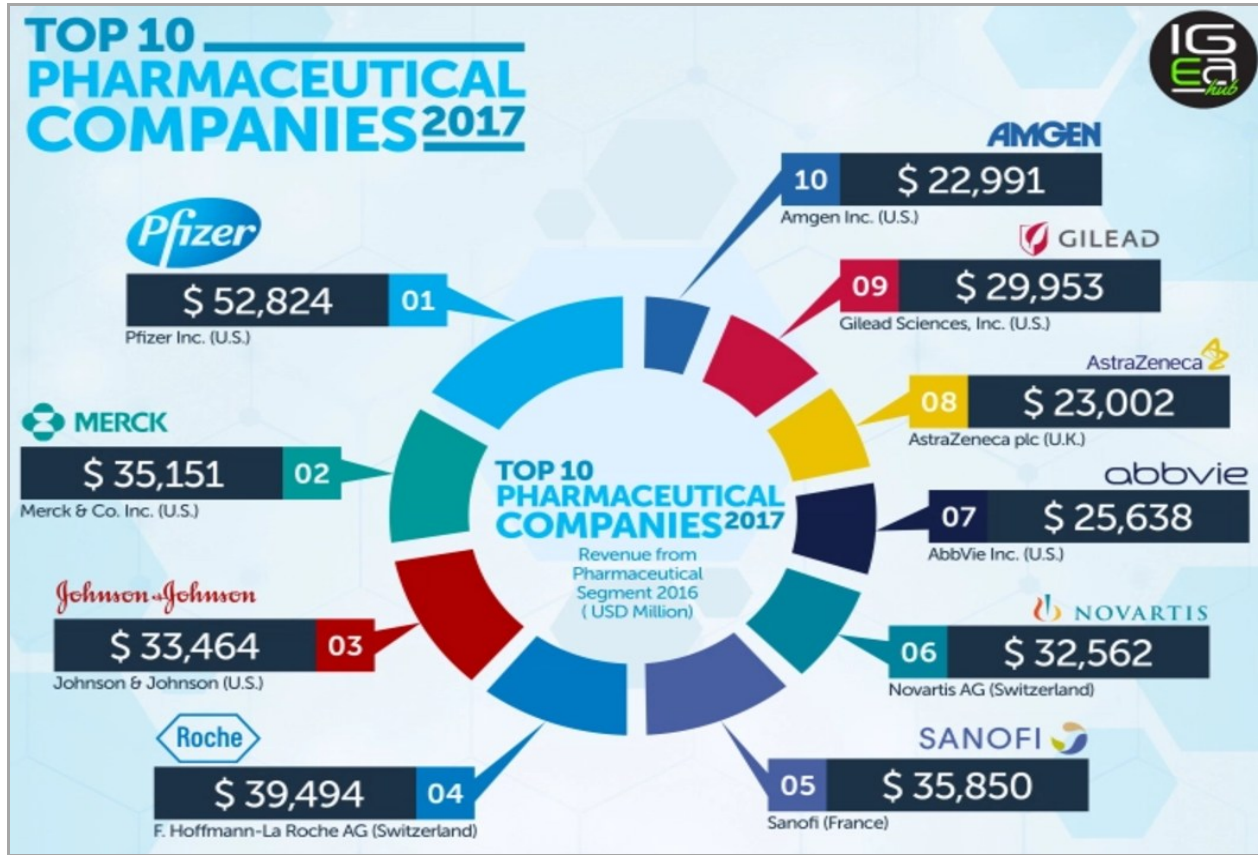
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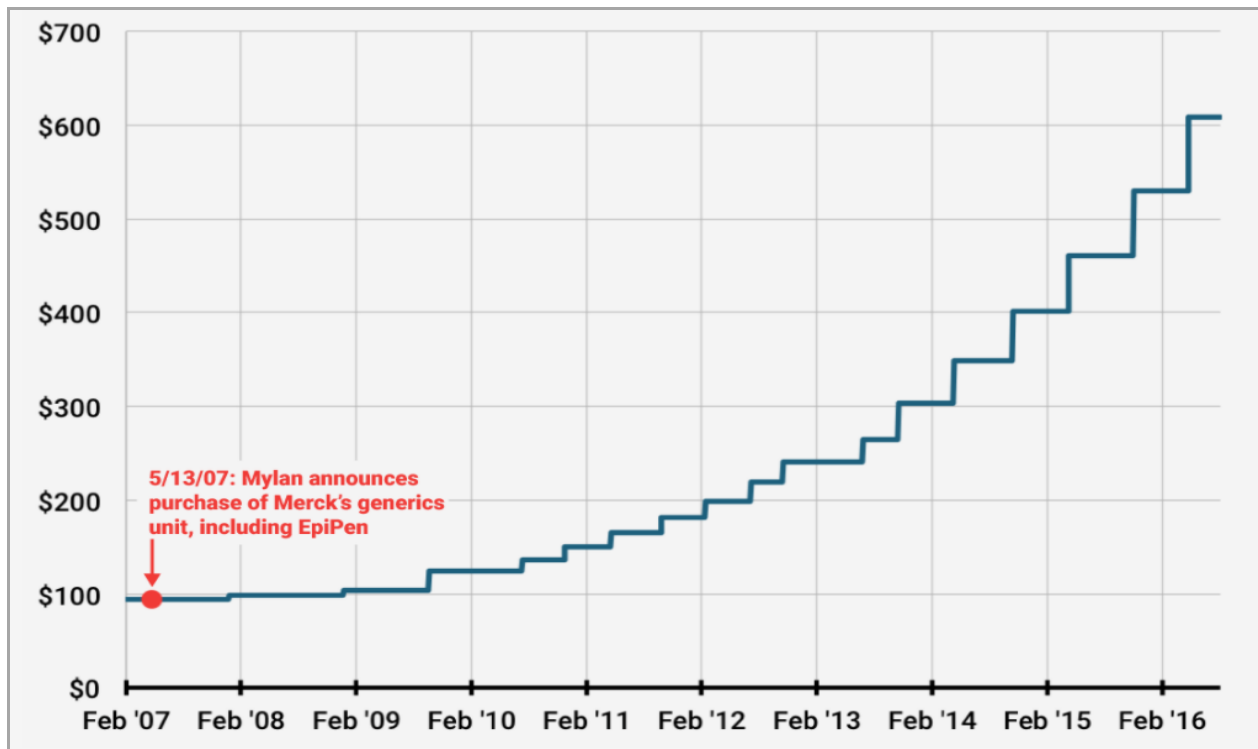
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Appendix A: Top 10 Pharmaceutical Companies 2017



Source: IGEAHUB (2017).

Appendix B: EpiPen Price under Mylan



Source: LoGiurato (2016) Business Insider

Appendix C: EpiPen Impact Shares Have Fallen as Scrutiny Intensified



Source: Hopkins (2016) Bloomberg

Appendix D: 2014 Ebola Outbreak in West Africa Case Counts

Country	Total Cases (Suspected, Probable, and Confirmed)	Laboratory-Confirmed Cases	Total Deaths
Guinea	3814	3358	2544
Sierra Leone	14124	8706	3956
Liberia	10678	3163	4810
Nigeria	20	19	8
Senegal	1	1	0
Spain	1	1	0
United States	4	4	1
Mali	8	7	6
United Kingdom	1	1	0
Italy	1	1	0
Total	28652	15261	11325

Source: World Health Organization (2016)

Appendix E: Interview Questions

1. Pharmaceuticals price gouging of 1000 to 5000 percent is evident without drug improvements in United States with Mylan EpiPen and Turing Daraprim cases; a) is this ethical? b) What are your thoughts on pharmaceuticals that make price-gouging part of their business model?
2. Government involvement in declaring war on price gouging; should the government go after the worst offenders in price gouging and be involved in making prices affordable by impose discipline?

3. In 2013 with \$329.2 billion spent on prescription drugs, Johnson & Johnson spent \$8.2 billion in R&D and \$17.5 billion on sales and marketing; Pharmaceuticals spend huge sums of money on marketing instead of R&D; is this ethical? what influence does this have on individuals integrating ethics in their decisions to keep companies sustainable?
4. Ebola crisis and defective gowns and Tylenol with metal particles; as the employee if instructed by your CEO to knowingly sell defective products or those later recalled; what would you do?
5. How would you as the CEO of pharmaceuticals restore reputation of the pharmaceuticals so that they are focused on improving patient healthcare?

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