Medical Xpress

# Maker of OxyContin agrees to $270M settlement in Oklahoma

March 26 2019, by Sean Murphy And Geoff Mulvihill

This Feb. 19, 2013, file photo shows OxyContin pills arranged for a photo at a pharmacy in Montpelier, Vt. Oklahoma's attorney general will announce a settlement Tuesday, March 26, 2019, with Purdue Pharma, one of the drug manufacturers named in a state lawsuit that accuses them of fueling the opioid epidemic. (AP Photo/Toby Talbot, File)

The maker of OxyContin and the company's controlling family agreed Tuesday to pay a groundbreaking $270 million to Oklahoma to settle

allegations they helped create the nation's deadly opioid crisis with their aggressive marketing of the powerful painkiller.

It is the first settlement to come out of the recent coast-to-coast wave of nearly 2,000 lawsuits against Purdue Pharma that threaten to push the company into bankruptcy and have stained the name of the Sackler family, whose members rank among the world's foremost philanthropists.

"The addiction crisis facing our state and nation is a clear and present danger, but we're doing something about it today," Oklahoma Attorney General Mike Hunter said.

Nearly $200 million will go toward establishing a National Center for Addiction Studies and Treatment at Oklahoma State University in Tulsa, while local governments will get $12.5 million. The Sacklers are responsible for $75 million of the settlement.

In settling, the Stamford, Connecticut-based company denied any wrongdoing in connection with what Hunter called "this nightmarish epidemic" and "the worst public health crisis in our state and nation we've ever seen."

The deal comes two months before Oklahoma's 2017 lawsuit against Purdue Pharma and other drug companies was set to become the first one in the recent barrage of litigation to go to trial. The remaining defendants still face trial May 28.

Oklahoma Attorney General Mike Hunter speaks about a settlement with Purdue Pharma for opioid abuse, Tuesday, March 26, 2019. Purdue Pharma, the maker of OxyContin and the company's controlling family agreed Tuesday to pay a groundbreaking $270 million to Oklahoma to settle allegations they helped create the nation's deadly opioid crisis with their aggressive marketing of the powerful painkiller. (Mike Simons/Tulsa World via AP)

Opioids, including heroin and prescription drugs like OxyContin, were a factor in a record 48,000 deaths across the U.S. in 2017, according to the Centers for Disease Control and Prevention. Oklahoma recorded about 400 opioid deaths that year. State officials have said that since 2009, more Oklahomans have died from opioids than in vehicle crashes.

Other states have suffered far worse, including West Virginia, with the nation's highest opioid death rate. It had over 1,000 deaths in 2017.

In a statement, Purdue Pharma said the money that will go toward addiction studies and treatment in Oklahoma will help people across the country. CEO Craig Landau said the company is committed to "help drive solutions to the opioid addiction crisis."

Plaintiffs' attorney Paul Hanly, who is not involved in the Oklahoma case but is representing scores of other governments, welcomed the deal, saying: "That suggests that Purdue is serious about trying to deal with the problem. Hopefully, this is the first of many."

Oklahoma Attorney General Mike Hunter speaks with reporters about a settlement with Purdue Pharma for opioid abuse, Tuesday, March 26, 2019. Purdue Pharma, the maker of OxyContin and the company's controlling family agreed Tuesday to pay a groundbreaking $270 million to Oklahoma to settle allegations they helped create the nation's deadly opioid crisis with their aggressive marketing of the powerful painkiller. (Mike Simons/Tulsa World via AP)

But some activists were furious, saying they were denied the chance to hold Purdue Pharma fully accountable in public, in front of a jury.

"This decision is a kick in the gut to our community," said Ryan Hampton, of Los Angeles, who is recovering from opioid addiction. "We deserve to have our day in court with Purdue. The parents, the families, the survivors deserve at least that. And Oklahoma stripped that from us today."

Purdue Pharma introduced OxyContin in the 1990s and marketed it hard to doctors, making tens of billions of dollars from the drug. But the company has been hit with lawsuits from state and local governments trying to hold it responsible for the scourge of addiction.

The lawsuits accuse the company of downplaying the addiction risks and pushing doctors to increase dosages even as the dangers became known. According to a court filing, Richard Sackler, then senior vice president responsible for sales, proudly told the audience at a launch party for OxyContin in 1996 that it would create a "blizzard of prescriptions that will bury the competition."

In this Aug. 17, 2018 file photo, family and friends who have lost loved ones to OxyContin and opioid overdoses protest outside Purdue Pharma headquarters in Stamford, Conn. Oklahoma's attorney general will announce a settlement Tuesday, March 26, 2019, with Purdue Pharma, one of the drug manufacturers named in a state lawsuit that accuses them of fueling the opioid epidemic. (AP Photo/Jessica Hill, File)

Earlier this month, Purdue Pharma officials acknowledged that they are considering bankruptcy . But Oklahoma's attorney general said the company gave assurances it will not take such a step in the near term. And he said the settlement money is "bankruptcy proof"—that is, "it's not at risk in the event Purdue declares bankruptcy."

Lance Lang, a 36-year-old recovering user from Oklahoma City, said he is glad some of the settlement will go toward helping those still suffering from addiction.

"My heart breaks for those that we've already lost. I've buried several myself," said Lang, who now helps recovering users find housing. "But I also know we have waiting lists of dozens and dozens for our facilities, and the state has waiting lists of hundreds and hundreds of people who need help right now."

But Cheryl Juaire, whose 23-year-old son Corey died of an overdose in 2011, said she was devastated to hear about the settlement.

Oklahoma Attorney General Mike Hunter speaks about a settlement with Purdue Pharma for opioid abuse, as Oklahoma State University Center for Health Sciences President Dr. Kayse Shrum, right, and OSU President Burns Hargis, listen, Tuesday, March 26, 2019. Purdue Pharma, the maker of OxyContin and the company's controlling family agreed Tuesday to pay a groundbreaking $270 million to Oklahoma to settle allegations they helped create the nation's deadly opioid crisis with their aggressive marketing of the powerful painkiller. (Mike Simons/Tulsa World via AP)

Jauire, who lives in Marlborough, Massachusetts, had been organizing a group of hundreds of mothers to go to the first day of the trial and stand outside with photos of their dead children. She said a complete airing of the facts is the only way to fully hold Purdue to account.

A settlement is "a huge disservice to the tens of thousands of families here in the United States who buried a child," she said. "That's blood money from our children."

Members of the Sackler family are defendants in some of the lawsuits but were not actually parties to the Oklahoma case. The company said the family nevertheless voluntarily contributed to the settlement. "We have profound compassion for those who are affected by addiction," the family said in a statement.

The Sacklers are major donors to cultural institutions, and the family name is emblazoned on the walls at many of the world's great museums and universities. In the past few weeks, as the accusations have mounted, the Tate museums in London and the Guggenheim Museum in New York have cut ties with the family, and other institutions have come under pressure to turn down donations or remove the Sackler name.

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A Massachusetts court filing made public earlier this year found that Sackler family members were paid at least $4 billion from 2007 until last year.

Purdue Pharma has settled other lawsuits over the years, and three executives pleaded guilty to criminal charges in 2007. But this is the first settlement to come out of the surge of litigation in the past few years that focuses largely on the company's more recent conduct.

More than 1,400 federal lawsuits over the opioid crisis have been consolidated in front of a single judge in Cleveland who is pushing the drug makers and distributors to reach a nationwide settlement.

**More information:** Read Oklahoma Attorney General Mike Hunter's full statement about the state's settlement with Purdue Pharma: apnews.com/685994c1a8064c15bdbd2f3bf280ec87

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