

1 3.5 McKinsey advised Purdue and other manufacturers to target prescribers who
2 write the most prescriptions, for the most patients, and thereby make the most money for
3 McKinsey’s clients.

4 3.6 Early in their relationship, McKinsey advised Purdue that it could increase
5 OxyContin sales through physician targeting and specific messaging to prescribers. These
6 McKinsey strategies formed the pillars of Purdue’s sales tactics for the next fifteen years.

7 3.7 In 2008, McKinsey worked with Purdue to develop its FDA mandated risk
8 evaluation and mitigation strategy (“REMS”). McKinsey advised Purdue to “band together” with
9 other opioid manufacturers toward a class REMS to “formulate arguments to defend against
10 strict treatment by the FDA.” Ultimately, the FDA adopted a class-wide REMS that resulted in
11 high-dose OxyContin remaining subject to the same oversight as lower-dose opioids.

12 3.8 In 2009, Purdue hired McKinsey to increase “brand loyalty” to OxyContin.
13 McKinsey recommended the best ways to ensure loyalty to the brand by targeting specific
14 patients, including patients new to opioids, and developing targeted messaging for specific
15 prescribers.

16 3.9 Purdue thereafter adopted McKinsey’s proposed prescriber messaging and
17 patient targeting advice and incorporated them into Purdue’s marketing and sales strategies.

18 3.10 In 2013, McKinsey conducted another analysis of OxyContin growth
19 opportunities for Purdue, and laid out new plans to increase sales of OxyContin. Among the key
20 components of McKinsey’s plan adopted by Purdue were to:

- 21 a. focus sales calls on high-volume opioid prescribers, including those who wrote as
- 22 many as 25 times as many OxyContin scripts as their lower volume counterparts;
- 23 b. remove sales representative discretion in target prescribers;
- 24 c. focus Purdue’s marketing messaging to titrate to higher, more lucrative dosages;
- 25 d. significantly increase the number of sales visits to high-volume prescribers; and
- 26

1 e. create an “alternative model for how patients receive OxyContin,” including direct
2 distribution to patients and pharmacies, to help address the “product access” problem.

3 3.11 Purdue approved McKinsey’s plan, and together with McKinsey, moved to
4 implement the plan to “Turbocharg[e] Purdue’s Sales Engine,” under the name Evolve 2
5 Excellence (“E2E”). E2E significantly increased Purdue’s opioid sales, in particular, for
6 OxyContin.

7 3.12 McKinsey partners participated as part of an Executive Oversight Team and
8 Project Management Office, reporting to Purdue’s Executive, the Purdue board, and with the
9 Sacklers, individually. McKinsey worked side by side with Purdue and helped Purdue plan and
10 implement E2E, assisting with sales representative training, productivity, messaging, and call
11 plans, IT systems, promotional strategies, and market forecasting.

12 3.13 In developing the targeted messaging to increase sales of OxyContin, McKinsey
13 conducted significant market research, including through ridealongs with Purdue sales
14 representatives to learn how they promoted OxyContin. McKinsey carefully monitored Purdue
15 sales representatives and provided guidance on prescriber messaging and adhering to target
16 prescriber lists. McKinsey advised that sales representatives do more to promote the so-called
17 abuse deterrent properties of a reformulated version of OxyContin to address prescriber concerns
18 about abuse risk.

19 3.14 When a large pharmacy chain took steps to scrutinize suspicious opioid orders,
20 McKinsey stressed to Purdue’s owners the “need to take action” on this “urgent” issue affecting
21 OxyContin. McKinsey told Purdue’s owners to engage in senior level discussions with the
22 pharmacy chain, increase efforts with patient advocacy groups to clamor against dispensing
23 limits, and accelerate considerations of an alternative distribution channel, such as delivering
24 OxyContin directly to patients through mail-order pharmacies.

25 3.15 After E2E, McKinsey continued to work with Purdue, including on a project that
26 identified the growing addiction crisis as a profit-making opportunity. McKinsey told Purdue

1 that it should strive to become a provider across the spectrum of drug abuse and addiction
2 because of the opportunities it presented. McKinsey advised Purdue to get into the
3 manufacturing and marketing of opioid rescue and treatment medications in order to profit from
4 the realities of dependence, addiction, and abuse. Indeed, in 2018, Purdue owner
5 Dr. Richard Sackler received a patent for a drug to treat opioid addiction.

6 3.16 McKinsey also partnered with Purdue to test a program called FieldGuide, a
7 proprietary software that McKinsey sought to license to other manufacturers. This software
8 would enable other opioid manufacturers to target and aggressively pursue high-volume
9 prescribers.

10 3.17 McKinsey continued to design and develop ways that Purdue could increase sales
11 of OxyContin well after the opioid epidemic peaked. One proposal McKinsey recommended was
12 for Purdue pay “additional rebates on any new OxyContin related overdose or opioid use
13 disorder diagnosis.” McKinsey advised Purdue on its strategies to obtain and maintain broad
14 formulary coverage for OxyContin with insurers and pharmacy benefit managers, even as payors
15 began reducing coverage for OxyContin as the opioid crisis mounted.

16 3.18 Subsequently, in the wake of hundreds of thousands of opioid deaths and
17 thousands of lawsuits, McKinsey proposed a plan for Purdue’s exit from the opioid business
18 whereby Purdue would continue selling opioids as a way to fund new Purdue ventures.
19 According to McKinsey, this change was necessary because of the negative events that
20 materially compromised the Purdue brand.

21 3.19 McKinsey’s work for opioid manufacturers extended beyond Purdue. McKinsey
22 collected millions of dollars designing and implementing marketing programs for the country’s
23 largest opioid manufacturers, including Johnson & Johnson and Endo, increasing the sale and
24 use of opioids in Washington. McKinsey designed and implemented for other opioid
25 manufacturers marketing plans similar to those it created for Purdue.

1 3.20 At the same time McKinsey was working for opioid companies, McKinsey also
2 consulted with governments and non-profits working to abate the raging opioid crisis—a crisis
3 that McKinsey’s own research showed was caused in large part by prescription opioids.

4 3.21 There are indications that individuals at McKinsey considered destroying or
5 deleting documents related to their work for Purdue.

6 3.22 In 2019, McKinsey announced that it no longer worked for Purdue or other opioid
7 manufacturers. However, the harm created by McKinsey’s marketing plans for opioid
8 manufacturers has not stopped.

9 3.23 Opioids have killed thousands in Washington, and continue to ravage the lives of
10 many more, creating one of the largest public health epidemics in the country’s history.
11 Economically, the toll is equally grim. The opioid crisis has forced Washington to pay a
12 significant amount for increased costs in health care, child welfare, criminal justice, and many
13 other programs needed to abate the epidemic.

14 3.24 Months after McKinsey stopped its opioid work, Purdue filed for bankruptcy.
15 More than a hundred thousand individuals filed claims for personal injuries. States and local
16 governments filed claims for trillions of dollars incurred as a result of the opioid crisis. Another
17 McKinsey client, opioid manufacturer Mallinckrodt PLC, similarly filed for bankruptcy
18 protection in October 2020.

19 3.25 In 2019, an Oklahoma state court found that McKinsey client Johnson & Johnson
20 helped cause the opioid epidemic in Oklahoma, ordering it to pay \$465 million to help abate the
21 crisis.

22 3.26 In 2020, Purdue pleaded guilty to three felonies as a result of conduct spanning a
23 decade – from 2007 to 2017 – during which Purdue worked side-by-side with McKinsey to
24 design and implement marketing campaigns to increase dangerous opioid sales.

25 3.27 In 2020, Purdue and the members of the Sackler family who owned Purdue also
26 settled civil claims by the Department of Justice for hundreds of millions of dollars. The

1 materials filed in connection with that plea and settlement agreements contain a statement of
2 facts regarding McKinsey's conduct and involvement in the conduct leading to the civil claims
3 against Purdue and the Sackler family.

4 **IV. CAUSE OF ACTION**

5 **(VIOLATIONS OF THE CONSUMER PROTECTION ACT, RCW 19.86)**

6 4.1 Plaintiff realleges and incorporates by reference each and every allegation
7 contained in the preceding paragraphs as if they were set out herein.

8 4.2 In the course of its business, McKinsey unfairly and unconscionably worked with
9 certain of its opioid manufacturing clients to aggressively promote and sell more opioids to more
10 patients for longer periods of time.

11 4.3 Such actions constitute unfair trade practices that are prohibited by
12 RCW 19.86.020 of the Washington's Consumer Protection Act.

13 4.4 The acts or practices described herein occurred in trade or commerce as defined
14 in RCW 19.86.010(2).

15 4.5 These acts or practices injured consumers in the State of Washington.
16 McKinsey's actions directly and proximately caused Washington's injuries.

17 **V. REQUEST FOR RELIEF**

18 WHEREFORE, Plaintiff respectfully requests that this Honorable Court enter an Order:

19 5.1 Adjudging and decreeing that McKinsey has engaged in the acts or practices
20 complained of herein, and that such constitute unfair acts or practices in violation of the
21 Washington Consumer Protection Act, RCW 19.86;

22 5.2 Issuing a permanent injunction prohibiting McKinsey, its agents, servants,
23 employees, and all other persons and entities, corporate or otherwise, in active concert or
24 participation with any of them, from engaging in unfair trade practices;

25 5.3 Ordering McKinsey to make such financial payments as are authorized by law.

26 5.4 Ordering McKinsey to pay the State's reasonable costs and attorney's fees

1 incurred in this action, pursuant to RCW 19.86.080(1);

2 5.5 Ordering such other and further relief as the Court may deem just and proper.
3

4 DATED this 4th day of February 2021.

5 ROBERT W. FERGUSON
6 Attorney General

7 *s/ Spencer W. Coates*

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