

# United States Senate

March 15, 2021

The Honorable Merrick Garland  
Attorney General  
U.S. Department of Justice  
950 Pennsylvania Avenue, NW  
Washington, DC 20530

Dear Attorney General Garland:

We write with strong concerns regarding the consulting firm McKinsey & Company and its contributing role in the opioid epidemic. Over its 15-year client relationship with Purdue Pharma, the drugmaker engaged in criminal wrongdoing with respect to the sale of OxyContin and recklessly promoted the sale of this drug to the American people. We urge the Department of Justice to thoroughly investigate McKinsey's work with Purdue Pharma and other opioid manufacturers to determine if McKinsey also participated in or aided and abetted any criminal wrongdoing.

Recent documents reveal the details of McKinsey's consulting work with Purdue Pharma's Sackler family and the drugmaker's efforts to increase sales of OxyContin—a marketing scheme that would further fuel an addiction crisis that has claimed the lives of more than 400,000 people in the United States over the last two decades.<sup>1</sup> These materials detail McKinsey's proposed strategy to “turbocharge” OxyContin sales, which included plans to provide distributors of OxyContin a rebate for overdoses attributed to the drug. McKinsey also advised Purdue Pharma to maximize profits by targeting high-volume opioid prescribers and using messaging to induce doctors to prescribe more OxyContin, and encouraged other tactics to reduce oversight of OxyContin and target patients. McKinsey continued to advise Purdue Pharma even after the opioid manufacturer pleaded guilty in 2007 to federal criminal charges that it had misled regulators, doctors, and patients about the risks of OxyContin.

As a result of these abhorrent revelations, and in the face of a multitude of potential lawsuits, McKinsey reached settlements of almost \$600 million with 49 state attorney generals, five U.S. territories, and the District of Columbia to “resolve investigations into [its] past work for opioid manufacturers.”<sup>2</sup> The McKinsey settlement also raises additional questions separate and apart from its involvement in the criminal conduct pleaded to by Purdue Pharma last fall. On February 8, NBC News reported that “most of the money to be paid by McKinsey will go to state programs funding addiction treatment centers and recovery services.”<sup>3</sup> In fact, that is the reason McKinsey cited for having entered into this settlement: “to provide fast, meaningful support to communities across the United States” and “to be part of the solution to the opioid crisis.”<sup>4</sup> However, NBC News also reported that McKinsey's “wholly owned hedge fund affiliate, called MIO Partners, holds indirect stakes in addiction treatment centers and a maker of overdose treatment products.”<sup>5</sup> That McKinsey may now stand to reap financial benefits from its own settlement through the addiction treatment and recovery services it is intended to fund raises questions about the costs that McKinsey has

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<sup>1</sup> Centers for Disease Control and Prevention, *Understanding the Epidemic*, <https://www.cdc.gov/drugoverdose/epidemic/index.html>.

<sup>2</sup> <https://www.mckinseyopioidfacts.com/settlement-press-release/index.html>.

<sup>3</sup> Gretchen Morgenson, *Consulting Giant McKinsey Allegedly Fed the Opioid Crisis. Now an Affiliate May Profit from Treating Addicts.*, NBC NEWS (Feb. 8, 2021), <https://www.nbcnews.com/news/us-news/consulting-giant-mckinsey-allegedly-fed-opioid-crisis-now-affiliate-may-n1256969>.

<sup>4</sup> McKinsey & Company, *McKinsey Reaches Agreements with 49 State Attorneys General to Resolve Investigations Into Past Work For Opioid Manufacturers*, (Feb. 4, 2021), <https://www.mckinseyopioidfacts.com/settlement-press-release/>.

<sup>5</sup> Gretchen Morgenson, *Consulting Giant McKinsey Allegedly Fed the Opioid Crisis. Now an Affiliate May Profit from Treating Addicts.*, NBC NEWS (Feb. 8, 2021), <https://www.nbcnews.com/news/us-news/consulting-giant-mckinsey-allegedly-fed-opioid-crisis-now-affiliate-may-n1256969>.

actually agreed to pay for its misconduct and may present conflicts of interest and disclosure concerns that also warrant investigation.

Last year, Purdue Pharma pleaded guilty to federal charges on fraud and anti-kickback conspiracies.<sup>6</sup> It is critical that McKinsey, which has demonstrated a disconcerting indifference toward the well-being of America's families, is also held fully accountable for its role in this crisis. Accordingly, we urge you to investigate McKinsey's role with Purdue Pharma and its work with other opioid manufacturers to determine if McKinsey also participated in fraud and anti-kickback conspiracies or has engaged in other criminal wrongdoing.

We appreciate your attention to this matter, and we look forward to your response.

Sincerely,



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BRIAN SCHATZ  
United States Senator



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RICHARD BLUMENTHAL  
United States Senator

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<sup>6</sup> Department of Justice, *Opioid Manufacturer Purdue Pharma Pleads Guilty to Fraud and Kickback Conspiracies*, (Nov. 24, 2020), <https://www.justice.gov/opa/pr/opioid-manufacturer-purdue-pharma-pleads-guilty-fraud-and-kickback-conspiracies>.