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4 IN THE CIRCUIT COURT OF THE STATE OF OREGON
5 FOR THE COUNTY OF MULTNOMAH

6 STATE OF OREGON, ex rel. ELLEN F.
7 ROSENBLUM, Attorney General for the
State of Oregon,

8 Plaintiff,

9 vs.

10 PURDUE PHARMA L.P. a Delaware limited
11 partnership; PURDUE PHARMA INC., a
New York corporation; and THE PURDUE
12 FREDERICK COMPANY INC., a New York
corporation,

13 Defendants.
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No. 18CV40526

COMPLAINT
Unlawful Trade Practices Act;
Elderly Persons and Persons with
Disabilities Abuse Prevention Act;
Oregon False Claims Act; Oregon
Racketeer Influenced and Corrupt
Organizations Act

REDACTED PUBLIC VERSION

(Not Subject to Mandatory
Arbitration—Prayer in excess of
\$51,000)

Filing fee not collectible pursuant
to ORS 21.259

DEMAND FOR JURY TRIAL

Priority hearing and
determination requested pursuant
to ORS 166.725(5)

19 Plaintiffs for their complaint against defendants allege as follows:

20 **INTRODUCTION**

21 1.

22 Oregon—and the rest of the United States—is in a crisis. Every day, more than 115
23 Americans die after overdosing on opioids.¹ Despite their well-known dangers, opioids are
24 ubiquitous. In 2011, the United States comprised 4.6% of the world's population, but
25

26 ¹ National Institute on Drug Abuse, *Opioid Overdose Crisis* (Mar. 2018),
<https://www.drugabuse.gov/drugs-abuse/opioids/opioid-overdose-crisis>.

1 consumed 80% of the world's opioids.² In 2016, health care professionals nationwide wrote
2 214 million total opioid prescriptions, enough for two out of every three Americans to have a
3 prescription.³ By 2017, the crisis had cost an estimated \$1 trillion in the United States in lost
4 wages, productivity, and tax revenue and additional health care, social services, and criminal
5 justice spending.⁴

6 2.

7 The statistics in Oregon are equally grim—or worse. Fifty-eight Oregonians died
8 from opioid-related causes in 2000. By 2015, that number had more than quadrupled.⁵ In
9 2013, almost one in four Oregonians received a prescription for opioid medications, and in a
10 recent national survey, Oregon ranked second among all states in non-medical use of pain
11 relievers.⁶ Oregon's seniors have been particularly hard hit. In 2015, there were close to 700
12 opioid-related hospitalizations among every 100,000 Oregon seniors.⁷ In fact,
13 hospitalizations caused by the use of pharmaceutical opioids increased year-over-year for all
14
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17 ² Donald Teater, *The Psychological and Physical Side Effects of Pain Medications*,
18 Nat'l Safety Council (2014), [https://www.colorado.gov/pacific/sites/default/files/
Psychological%20and%20Physical%20Side%20Effects%20Teater%20NSC.pdf](https://www.colorado.gov/pacific/sites/default/files/Psychological%20and%20Physical%20Side%20Effects%20Teater%20NSC.pdf)

19 ³ *U.S. Prescribing Rate Maps*, Centers for Disease Control and Prevention (July 31,
2017), <https://www.cdc.gov/drugoverdose/maps/rxrate-maps.html>

20 ⁴ Altarum Institute, *Economic Toll Of Opioid Crisis In U.S. Exceeded \$1 Trillion
Since 2001* (Feb. 13, 2018), [https://altarum.org/about/news-and-events/economic-toll-of-
opioid-crisis-in-u-s-exceeded-1-trillion-since-2001](https://altarum.org/about/news-and-events/economic-toll-of-opioid-crisis-in-u-s-exceeded-1-trillion-since-2001)

21 ⁵ Mark Graves, *Oregon opioid overdose deaths ranked by county, 2001-2015*, THE
22 OREGONIAN (July 20, 2017), [https://www.oregonlive.com/trending/2017/07/oregon_opioid_
overdose_deaths.html](https://www.oregonlive.com/trending/2017/07/oregon_opioid_overdose_deaths.html)

23 ⁶ Oregon Health Authority, *Oregon Prescription Drug Overdose, Misuse, and
24 Dependency Prevention Plan* (November 18, 2015), [http://www.oregon.gov/oha/PH/
PREVENTIONWELLNESS/SUBSTANCEUSE/OPIOIDS/Documents/prescription-drug-
overdose-state-plan.pdf](http://www.oregon.gov/oha/PH/PreventionWellness/SubstanceUse/Opioids/Documents/prescription-drug-overdose-state-plan.pdf)

25 ⁷ Lynne Terry, *Oregon leads U.S. in seniors hospitalized for opioids*, THE
26 OREGONIAN (July 10, 2017), [https://www.oregonlive.com/health/index.ssf/2017/07/oregon_
has_top_rate_in_us_of_s.html](https://www.oregonlive.com/health/index.ssf/2017/07/oregon_has_top_rate_in_us_of_s.html).

1 age groups 45 and over from 2000 to 2014.⁸ Deaths from overdose of pharmaceutical
2 opioids have increased steadily year-over-year for Oregonians aged 65 to 74.⁹

3 3.

4 Yet, despite sharply increasing hospitalization and death rates, Oregon, like the rest of
5 the country, is awash in opioids. More than 3 million opioid prescriptions were issued in
6 Oregon in 2015, enough for nearly every adult Oregonian to have a bottle of pills.¹⁰ And
7 despite the shocking rate of hospitalization for seniors, the number of opioid prescriptions
8 issued to Oregonians over 65 increased between 2012 and 2016.¹¹

9 4.

10 The link between prescription opioids and overdose is well-documented. The most
11 important risk factor for opioid overdose is not a feature of any individual patient; it is
12 receiving a prescription for opioids.¹² And, increases in overdoses parallel the increase in
13 prescribing of opioids.¹³

14 5.

15 Defendants Purdue Pharma L.P., Purdue Pharma Inc., and The Purdue Frederick
16 Company Inc. (collectively, “Purdue”) drove the explosion in prescription opioids. Purdue
17

18
19 ⁸ Oregon Health Authority, *Prescribing and Overdose Data for Oregon*,
20 <http://www.oregon.gov/oha/ph/PreventionWellness/SubstanceUse/Opioids/Pages/data.aspx>.

21 ⁹ *Id.*

22 ¹⁰ Geoff Mulvihill, Liz Essley Whyte, and Ben Wieder, *Drugmakers fought state
opioid limits amid crisis*, THE BEND BULLETIN, (Sept. 18, 2016),
<https://www.bendbulletin.com/home/4668535-151/painkiller-problem-a-political-one-too>.

23 ¹¹ Terry, *supra* note 7.

24 ¹² Deborah Dowell, Hillary V. Kunins, Thomas A. Farley, *Opioid Analgesics—Risk
Drugs, Not Risky Patients*, JAMA, May 9, 2013 at E1

25 ¹³ Rose A. Rudd, Noah Aleshire, Jon E. Zibbell, and R. Matthew Gladden, *Increases
in Drug and Opioid Overdose Deaths — United States, 2000-2014*, CDC Morbidity and
26 Mortality Weekly Report (Jan. 1, 2016), <https://www.cdc.gov/mmwr/preview/mmwrhtml/mm6450a3.htm>.

1 introduced OxyContin in 1996. OxyContin is an extremely powerful, highly addictive,
2 narcotic painkiller.

3 6.

4 Purdue has aggressively marketed OxyContin. In 2001 alone, Purdue spent \$200
5 million to market OxyContin. Since 1996, the company has conducted thousands of pain-
6 management conferences, grown its sales force to more than 670 representatives, targeted
7 high-prescribing physicians, distributed branded promotional materials, and funded third-
8 party advocacy organizations that adopted and promoted Purdue's message that opioids were
9 safe and effective treatments for chronic pain.

10 7.

11 Purdue's marketing program paid off, big time. Sales grew quickly from \$48 million
12 in 1996, to \$1.1 billion in 2000, to [REDACTED]. In 2012, OxyContin was the [REDACTED]

13 [REDACTED]
14 [REDACTED] The Sackler family, which founded Purdue and owns 100% of the company,
15 is now the fourteenth wealthiest family in America.

16 8.

17 Purdue's marketing campaign was founded on misrepresentations about OxyContin.
18 From the beginning, Purdue minimized the risks of abuse and addiction of its opioids. It also
19 falsely claimed that OxyContin posed a lower threat of abuse and addiction than other
20 painkillers. Purdue also falsely claimed that OxyContin increased function for patients with
21 chronic pain.

22 9.

23 In 2007, both the United States and Oregon Departments of Justice took Purdue to
24 court to stop its false, deceptive, and misleading marketing. In May 2007, three of Purdue's
25 top executives pleaded guilty to federal criminal charges that they misled regulators, doctors,
26 and patients about OxyContin's risk of addiction and potential for abuse. They agreed to pay

1 \$34.5 million in fines. Purdue itself pleaded guilty to felony misbranding of a drug and
2 agreed to pay \$600 million in additional federal fines for misbranding OxyContin. The fines
3 were, at the time, among the largest ever against a pharmaceutical company.

4 10.

5 That same month, plaintiff Oregon's Attorney General sued Purdue in Oregon state
6 court for minimizing the known risks of OxyContin abuse, addiction, and diversion. Purdue
7 stipulated to a judgment against it in which it agreed to no longer falsely, deceptively, or
8 misleadingly market OxyContin in Oregon. It also agreed to pay Oregon for the costs the
9 state incurred conducting its investigation, and it provided additional funds to assist programs
10 for consumer protection.

11 11.

12 Ten years later, it is clear that Purdue has flouted the judgment and ignored the severe
13 federal penalties. Over the last decade, the company has continued to falsely, deceptively,
14 and misleadingly promote OxyContin. Purdue has sent false, deceptive, and misleading
15 publications into Oregon, trained its sales force to minimize the risk of addiction, disability,
16 and death, targeted seniors and the disabled for sales of its opioids, and partnered with
17 industry-funded advocacy organizations to falsely, deceptively, and misleadingly promote
18 opioids. [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 12.

22 Purdue's conduct since 2007 violates the judgment it stipulated to with the State of
23 Oregon, the Unlawful Trade Practices Act, and the Elderly Persons and Persons with
24 Disabilities Abuse Prevention Act. Taken as a whole, Purdue has engaged in a pattern of
25 racketeering activity that stretches back more than a decade. Accordingly, plaintiff Ellen
26 Rosenblum, the Attorney General for the State of Oregon, brings this lawsuit to hold Purdue

1 accountable for the violations of the judgment and state law and to enjoin Purdue's continued
2 false, deceptive, and misleading conduct.

3 **PARTIES, JURISDICTION, AND VENUE**

4 13.

5 Plaintiff Ellen Rosenblum is the Attorney General of Oregon. She is authorized to
6 bring this action pursuant to ORS 124.125(1), 166.725(5), 180.760(1), and 646.632(1).

7 14.

8 Defendant Purdue Pharma L.P. is a limited partnership organized under the laws of
9 Delaware with its principal place of business in Stamford, Connecticut. Purdue Pharma L.P.
10 is engaged in manufacturing and marketing pharmaceuticals, including OxyContin.

11 15.

12 Defendant Purdue Pharma Inc. is a New York corporation with its principal place of
13 business in Stamford, Connecticut. Purdue Pharma Inc. is the general partner of Purdue
14 Pharma L.P.

15 16.

16 Defendant The Purdue Frederick Company Inc. is a New York corporation with its
17 principal place of business in Stamford, Connecticut. The Purdue Frederick Company Inc. is
18 an owner of Purdue Pharma L.P. The Purdue Frederick Company Inc. is engaged in
19 manufacturing and marketing pharmaceuticals, including OxyContin.

20 17.

21 Subject matter jurisdiction is conferred on this Court by ORS 14.030.

22 18.

23 Venue in Multnomah County is proper pursuant to ORS 14.080(1) because the cause
24 of action arose in Multnomah County.

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19.

Prior to the filing of this complaint, the Attorney General notified Purdue of their unlawful trade practices, as required by ORS 646.632(2). The Attorney General also provided notice pursuant to paragraph 39 of the 2007 Judgment. The Attorney General provided those notices on October 31, 2016 and May 14, 2018. Purdue failed to deliver an acceptable Assurance of Voluntary Compliance in response to those notices.

SUMMARY OF THE ACTION

I. Purdue markets, manufactures, and sells prescription opioids

20.

Purdue manufactures, sells, and markets extended-release opioids, including OxyContin. Purdue has made an estimated \$35 billion selling opioids.

21.

Purdue’s marquee drug is OxyContin (oxycodone hydrochloride extended release). OxyContin is a form of extended-release oxycodone. Oxycodone is a Schedule II controlled substance. As such, the United States Department of Justice has determined that oxycodone has a high potential for abuse and that abuse may lead to severe psychological or physical dependence.

22.

OxyContin is an opioid agonist tablet indicated for the “management of pain severe enough to require daily, around-the-clock, long-term opioid treatment and for which alternative treatment options are inadequate.” Before April 2014, OxyContin was indicated for the “management of moderate to severe pain when a continuous, around the clock opioid analgesic is needed for an extended period of time.”

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1 23.

2 By design and marketing, OxyContin is intended for long-term use, and Purdue has
3 chosen to promote OxyContin heavily for use by chronic non-cancer pain patients. Long-
4 term use, particularly in higher doses, is the most deadly and least effective opioid use.

5 **II. The 2007 Federal Investigation and Felony Conviction**

6 24.

7 In the mid-2000s, the United States began an investigation into Purdue's marketing
8 and promotion of OxyContin. The United States Attorney's Office for the Western District
9 of Virginia led the investigation. The investigation centered on whether Purdue was
10 "misbranding" OxyContin. Under federal law, a drug is "misbranded" if printed matter
11 accompanying the drug is false or misleading.

12 25.

13 On May 7, 2007, Purdue Pharma L.P. and The Purdue Frederick Company Inc.
14 entered into a settlement agreement, agreed statement of facts, and non-prosecution
15 agreement with the United States to resolve the investigation. As part of those agreements,
16 The Purdue Frederick Company Inc. agreed to plead guilty to felony misbranding of a drug,
17 with the intent to defraud or mislead, in violation of 21 U.S.C. §§ 331(a) and 333(a)(2).

18 26.

19 Purdue admitted that beginning in December 1995 and continuing through at least
20 June 2001, Purdue, "with the intent to defraud or mislead, marketed and promoted
21 OxyContin as less addictive, less subject to abuse and diversion, and less likely to cause
22 tolerance and withdrawal than other pain medications." Purdue admitted that it directed its
23 sales representatives that they could market OxyContin as less addictive than immediate-
24 release opioids. Purdue also told health care professionals that OxyContin did not cause
25 euphoria and had less abuse potential than immediate-release opioids.

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1 27.

2 On May 10, 2007, the United States formally charged The Purdue Frederick
3 Company Inc. with felony misbranding of a drug, with the intent to defraud or mislead, in
4 violation of 21 U.S.C. §§ 331(a) and 333(a)(2). The same day, the United States filed a plea
5 agreement between the United States and The Purdue Frederick Company Inc., in which the
6 Purdue Frederick Company Inc. pled guilty to felony misbranding.

7 28.

8 Robin E. Abrams signed the plea agreement for The Purdue Frederick Company Inc.
9 Abrams was the Vice-President and Director of The Purdue Frederick Company Inc. and the
10 Vice-President and Associate General Counsel of Purdue Pharma L.P.

11 29.

12 As part of the settlement between the United States and Purdue, Purdue Pharma Inc.
13 issued resolutions approved by its board of directors formally authorizing Purdue Pharma
14 L.P. to accept the plea agreement between the United States and The Purdue Frederick
15 Company Inc.

16 30.

17 On July 25, 2007, the federal district court entered a conviction against The Purdue
18 Frederick Company Inc. for felony misbranding of a drug. The Purdue Frederick Company
19 Inc. and Purdue Pharma L.P. were jointly responsible for paying the monetary penalties
20 under the plea agreement and settlement.

21 **III. The 2007 Oregon complaint and Judgment**

22 31.

23 On May 8, 2007, Oregon's Attorney General sued Purdue in Oregon state court,
24 alleging violations of Oregon's Unlawful Trade Practices Act in Purdue's marketing of
25 OxyContin.

26 ///

1 32.

2 The Attorney General's lawsuit was the result of an investigation by the Attorney
3 General into Purdue's deceptive marketing of OxyContin. Purdue was aware of and had
4 received notice of the Attorney General's investigation into its marketing of OxyContin in
5 Oregon.

6 33.

7 The Attorney General's lawsuit alleged, among other things, that:

8 Purdue aggressively promoted OxyContin to doctors, nurses
9 and consumers as a first-choice analgesic for treatment of a
10 wide variety of pain symptoms. While it expanded the market
11 for OxyContin, Purdue avoided and minimized the known risks
12 of OxyContin abuse, addiction and diversion. Purdue failed to
13 adequately warn doctors or consumers of OxyContin's
14 significant risks and failed to take reasonable steps to guard
15 against OxyContin abuse and diversion, instead striving to
16 "educate" doctors and consumers that concerns over abuse,
17 addiction and diversion of OxyContin were misplaced.
18 Purdue's aggressive promotion of OxyContin led to a dramatic
19 increase in OxyContin prescriptions, which in turn furthered an
20 increase in OxyContin abuse and diversion from legitimate
21 users to illicit use of OxyContin.

22 34.

23 Oregon's lawsuit carefully and specifically detailed Purdue's efforts to market
24 OxyContin to doctors. The Attorney General alleged that Purdue "employed hundreds of
25 sales representatives to visit with doctors, nurses, pharmacists and other health care
26 professionals to expand the prescription writing base and increase prescription writing for
OxyContin." The complaint added that the "bulk of sales representatives' efforts focus on
visiting doctors, nurses and other medical staff."

35.

Purdue did not just market to doctors. According to the Attorney General, it relied on
detailed prescribing data to target high-prescribing doctors. Purdue "instructed its sales

1 representatives to focus their sales efforts on those doctors who already prescribed the
2 greatest amount of OxyContin, urging them to write more prescriptions for more patients.”

3 36.

4 On May 8, 2007, concurrently with the filing of the Attorney General’s complaint, the
5 Circuit Court for the State of Oregon for Marion County entered a stipulated general
6 judgment (the “2007 Judgment”) between Purdue and the State of Oregon. A true and
7 correct copy of the judgment is attached hereto as Exhibit A. Robin E. Abrams signed the
8 stipulated judgment for Purdue Pharma L.P., the Purdue Frederick Company and Purdue
9 Pharma Inc.

10 37.

11 In the a section titled “Compliance Provisions,” the 2007 Judgment set forth nearly
12 two dozen provisions governing Purdue’s conduct with respect to its marketing of
13 OxyContin.

14 38.

15 When promoting OxyContin, the 2007 Judgment forbade Purdue from:

- 16 (1) Making any written or oral claim that is false, misleading, or deceptive.
17 (2) Marketing or promoting OxyContin in a manner that is directly or indirectly
18 inconsistent with the “Indication and Usage” section of the Package Insert for OxyContin.
19 (3) Making misrepresentations with respect to OxyContin’s potential for abuse,
20 addiction, or physical dependence as set forth in the Package Insert.
21 (4) Providing health care professionals with written materials describing off-label
22 use of OxyContin that have not appeared in a scientific or medical journal or reference
23 publication.
24 (5) Misrepresenting the existence, non-existence, or findings of any medical or
25 scientific evidence, including anecdotal evidence, relating to off-label uses of OxyContin.

26 ///

1 39.

2 In addition, the 2007 Judgment provided: “All material used in marketing OxyContin,
3 regardless of format (audio, internet, video, print) and whether directed primarily to patients
4 or to Health Care Professionals, shall, not inconsistent with the Package Insert, contain only
5 information that is truthful, balanced, accurately communicated, and not minimize the risk of
6 abuse, addiction or physical dependence associated with the use of OxyContin.”

7 **IV. Purdue knew OxyContin Posed serious health risks**

8 40.

9 Purdue has long known—or should have known based on readily-available, peer-
10 reviewed research—that OxyContin (i) can cause addiction, physical dependence, falls, and
11 fractures; (ii) increases the risk of premature death; and (iii) delivers no measurable benefits
12 for patients’ overall quality of life and well-being.

13 **A. Purdue knew that its opioids cause addiction.**

14 41.

15 Addiction is a chronic disease that results in death and disability. The American
16 Society of Addiction Medicine defines addiction as:

17 [A] primary, chronic disease of brain reward, motivation,
18 memory and related circuitry. Dysfunction in these circuits
19 leads to characteristic biological, psychological, social and
20 spiritual manifestations. This is reflected in an individual
21 pathologically pursuing reward and/or relief by substance use
22 and other behaviors.

23 Addiction is characterized by inability to consistently abstain,
24 impairment in behavioral control, craving, diminished
25 recognition of significant problems with one’s behaviors and
26 interpersonal relationships, and a dysfunctional emotional
response. Like other chronic diseases, addiction often involves
cycles of relapse and remission. Without treatment or
engagement in recovery activities, addiction is progressive and
can result in disability or premature death.

25 ///

26 ///

1 42.

2 Copious research demonstrates that long-term opioid use causes addiction in a
3 significant portion of patients. In a 2007 review of the medical literature, published in the
4 *European Journal of Pain*, the authors found “that the prevalence of addiction varied from
5 0% up to 50% in chronic non-malignant pain patients.” A 1998 study in *The Journal of the*
6 *Canadian Medical Association* revealed that individuals were widely abusing prescription
7 drugs, including opioid drugs manufactured by Purdue.

8 43.

9 Receiving a prescription for opioid medications significantly increases the risk of
10 developing addiction. In 2014, researchers writing in the *Clinical Journal of Pain* studied a
11 dataset of more than 500,000 patients with chronic non-cancer pain and no history of opioid
12 use disorder. The researchers found that patients with chronic non-cancer pain that were
13 “prescribed opioids had significantly higher rates of [opioid use disorder] compared to those
14 not prescribed opioids.”

15 44.

16 Addiction does not just develop through misuse of opioids; use of opioids according
17 to the prescription causes addiction. The journal *Drug and Alcohol Dependence* reported in
18 2006 that “the very way most opioids are prescribed for outpatients is potentially
19 addicting[.]”

20 45.

21 Internal Purdue documents demonstrate that Purdue knew individuals were abusing
22 OxyContin and other prescription opioids as early as the late 1990s. In a 1999 email,
23 Purdue’s former general counsel wrote: “We have in fact picked up references to abuse of
24 our opioid products on the internet.” In 1997, a Purdue marketing executive e-mailed
25 former-COO Michael Friedman, stating that references to OxyContin abuse on addiction chat
26 sites were “enough to keep a person busy all day.” Purdue also knew about the study

1 published in *The Journal of the Canadian Medical Association*, but did not tell its sales
2 representatives about it.

3 **B. Purdue knew or should have known that, regardless of addiction,**
4 **tolerance to and dependence on Purdue's opioids increased patients' risk**
5 **of death.**

6 46.

7 Tolerance to a drug is a phenomenon that occurs when an individual over time
8 requires greater amounts of a drug to continue to obtain the original degree of its intended
9 physical effect. Drug dependence is an adaptive state associated with a withdrawal syndrome
10 upon ceasing to use the drug.

11 47.

12 Patients on long-term opioid therapy typically develop both dependence on and
13 tolerance to the drugs. Tolerance forces health care professionals to increase the dose in
14 order to obtain the same effect.

15 48.

16 Purdue knew or should have known that even in the absence of addiction, tolerance to
17 and dependence on opioids increases patients' risk of death and other dangers. A 2012
18 article in the American Medical Association's *Archives of Internal Medicine* explained that
19 "Dependence on opioid pain treatment is not, as we once believed, easily reversible; it is a
20 complex physical and psychological state that may require therapy similar to addiction
21 treatment, consisting of structure, monitoring, and counseling, and possibly continued
22 prescription of opioid agonists."

23 49.

24 A 2013 article in the *Journal of the American Medical Association* explained that
25 tolerance to opioids increased patients' risk of death: "Long-term opioid use typically results
26 in tolerance. A standard clinical solution is to increase opioid dose. However, contrary to

1 the view that there is no maximum safe dose if opioids are increased gradually over time,
2 death from opioid overdose becomes more likely at higher doses.”

3 **C. Purdue knew or should have known that patients taking high daily doses**
4 **of opioids have a significantly higher risk of death.**

5 50.

6 In 2011, research published in the American Medical Association’s *Archives of*
7 *Internal Medicine* found “a significant relationship between the average daily opioid dose
8 and opioid-related mortality * * *. Compared with patients receiving less than 20 mg/d,
9 those prescribed opioids at daily doses of 200 mg or more of morphine (or equivalent) had a
10 much higher risk of opioid-related mortality[.]” Another 2011 study reported in the *Journal*
11 *of the American Medical Association* concluded that “Among patients receiving opioid
12 prescriptions for pain, higher opioid doses were associated with increased risk of opioid
13 overdose death.” In 2016, the United States Centers for Disease Control (“CDC”) confirmed
14 those findings. Reviewing several recent studies, the CDC observed that increases in
15 prescribed doses were correlated with an increased risk for overdose.

16 51.

17 In internal documents, Purdue acknowledged that high doses of its opioids increased
18 the risk of overdose: It “is very likely” that there is a “dose-related overdose risk in [chronic
19 non-cancer pain] patients on [chronic opioid therapy].”

20 **D. Purdue knew or should have known that prescribing opioids to the**
21 **elderly increased their risk of falls, fractures, and death.**

22 52.

23 Purdue knew or should have known that the use of opioids among the elderly
24 increased their risk of falls and bone fractures. In a 2006 study in the *Journal of Internal*
25 *Medicine*, researchers found that “Morphine, methadone and oxycodone were all associated
26 with an increase in fracture risk at all doses.” A 2003 study in the *Archives of Internal*

1 *Medicine* found that older “women taking narcotics [including oxycodone] were at increased
2 risk for subsequent fractures * * *. Compared with nonusers, current users of narcotics had
3 an approximate 2-fold increase in the risks of any nonspine fracture and hip fracture[.]”

4 53.

5 Purdue also knew or should have known that use of its opioids increased elderly
6 patients’ overall risk of death. Researchers in a 2010 study of older adults, published in the
7 *Archives of Internal Medicine*, found “greater risk in all-cause mortality after only 30 days
8 for oxycodone and codeine users.” In keeping with this conclusion, the CDC recognized that
9 “[a]ge-related changes in patients aged ≥ 65 years . . . result in a smaller therapeutic window
10 between safe dosages and dosages associated with respiratory depression and overdose.”

11 **E. Purdue knew that its opioids do not increase patients’ functional**
12 **outcomes or quality of life.**

13 54.

14 Purdue knew that its opioids do not increase patients’ functional outcomes or quality
15 of life. In a 2006 meta-analysis of 41 randomized trials, researchers found that strong
16 opioids such as oxycodone were superior to non-opioid pain medications for relief of pain,
17 but not for overall functional outcomes. A 2008 study reported that “higher dose opioids do
18 not necessarily contribute to overall improvement in physical health quality of life in chronic
19 pain patients. Even when comparing scores between patients who are matched on multiple
20 pain and demographic characteristics * * * quality of life scores remained significantly lower
21 across physical health and bodily pain domains for those using daily opioids >40 mg/d of
22 morphine equivalents.”

23 55.

24 Indeed, the medical literature shows that long-term opioid therapy is ineffective. A
25 2006 study of more than 10,000 Danish citizens reported in the journal *Pain* concluded that
26 “opioid treatment of long-term/chronic non-cancer pain does not seem to fulfil[l] any of the

1 key outcome opioid treatment goals: pain relief, improved quality of life and improved
2 functional capacity.”

3 56.

4 In 2016, the CDC reviewed the existing reliable research and concluded that “[n]o
5 evidence shows a long-term benefit of opioids in pain and function versus no opioids for
6 chronic pain with outcomes examined at least 1 year later.” In fact, research has shown that
7 non-opioid medications like acetaminophen and ibuprofen do a better job managing long-
8 term pain than opioids.

9 57.

10 Purdue knew that it had no evidence that its opioids improved patients’ quality of life.

11 [REDACTED]

12 [REDACTED].

13 **V. Purdue falsely, deceptively, and misleadingly marketed OxyContin in Oregon**

14 **A. Purdue intentionally adopted a marketing program to promote long-term**
15 **use of high doses of OxyContin and targeted the elderly.**

16 **1. Despite the scientific evidence that long-term use of opioids leads**
17 **to addiction and death, Purdue adopted a business plan to increase**
18 **the use of OxyContin for long periods of time at high doses.**

18 58.

19 Purdue’s business model is dependent on patients taking Purdue’s opioids for long
20 periods of time and at high doses. By increasing patients’ dosage (“titration”), Purdue makes
21 more money—from \$38 per week for a patient taking the lowest dose twice daily, to \$210
22 per week at the highest dose. An internal 2014 analysis noted that [REDACTED]

23 [REDACTED]

24 [REDACTED] Another internal analysis identified [REDACTED]

25 [REDACTED]

26 ///

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59.

As a result, Purdue promoted OxyContin for long-term use at high doses. Purdue gave its sale representatives explicit instructions to “extend average treatment duration.” In a 2013 summary of marketing objectives for OxyContin, Purdue adopted strategic initiatives to ensure health care professionals [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

B. Despite the scientific evidence that the elderly were especially vulnerable to falls, fractures, and death from opioid use, Purdue adopted a business plan to target the elderly for OxyContin.

60.

Medicare is a government-run health insurance program available to seniors over the age of 65 and the disabled. Medicare Part D covers prescription drugs. Purdue focused on marketing its opioids to the elderly and disabled because most Medicare Part D prescription drug plans covered prescriptions for OxyContin.

61.

Purdue’s 2014 business plan for OxyContin called for [REDACTED]
[REDACTED]. Purdue also developed plans [REDACTED]
[REDACTED]
[REDACTED]

62.

By 2015, Purdue had decided that it would focus its marketing efforts on [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

1 67.

2 The First PRPA falsely, deceptively, and misleadingly minimized the risks and
3 dangers of tolerance to and dependence on opioids. For example, in the First PRPA, Purdue
4 asserted that physical dependence and withdrawal are not reliable signs of addiction, but
5 failed to state that dependence on opioids is dangerous even if dependence does not develop
6 into addiction. Purdue stated: "Confusing physical dependence with addiction is a common
7 error, caused by the fact that most people that health care or law enforcement professionals
8 encounter with addiction are also physically dependent to the substance(s) they are abusing.
9 Thus, withdrawal is frequently seen in these people, and it is easy to think that withdrawal
10 equals addiction."

11 68.

12 Purdue also described "tolerance" on the same page of the First PRPA. Purdue
13 misleadingly and deceptively described "tolerance" as if it were a normal and expected effect
14 of certain medications while omitting that tolerance can drive up opioid doses and higher
15 doses are associated with a greater risk of death. Purdue stated: "Tolerance to the respiratory
16 depressant effects of opioids is what allows a patient with pain to regularly take a dose of
17 medicine that would be fatal for someone who wasn't taking the same medicine on a regular
18 basis."

19 69.

20 In addition, Purdue described a condition it called "pseudoaddiction." The term was
21 coined by Drs. David Haddox and David Weissman. Haddox went on to become Purdue's
22 Vice President of Health Policy. According to Purdue, pseudoaddiction "describes the
23 misinterpretation by members of the health care team of relief-seeking behaviors in a person
24 whose pain is inadequately treated as though they were drug-seeking behaviors as would be
25 common in the setting of abuse." Purdue's description of pseudoaddiction encouraged health
26

1 care professionals to ignore well-known signs of addiction and minimized the potential
2 dangers of addiction for patients.

3 70.

4 Purdue knew or should have known that “pseudoaddiction” was a false and dangerous
5 concept. Doctors on Purdue’s payroll admitted that “pseudoaddiction” described “behaviors
6 that are clearly characterized as drug abuse” and put Purdue at risk of “ignoring” addiction
7 and “sanctioning abuse.”

8 71.

9 The First PRPA failed to address the risks of falls, fractures, and confusion for the
10 elderly caused by opioid pain medication. It failed to address the risks of high doses of
11 opioids and long-term use and it failed to disclose that high doses of opioids do not improve
12 overall function. The First PRPA also failed to mention the risks of combining opioid pain
13 medication with benzodiazepines or alcohol.

14 72.

15 The First PRPA also misleadingly described indications of possible opioid abuse in a
16 manner that implied that abuse is associated primarily with intravenous drug use. The First
17 PRPA dedicated an entire page to close-up pictures of marks caused by needles in skin. The
18 publication stated: “Look for signs of drug abuse: Marks caused by injections.” The
19 publication misleadingly and deceptively described the signs of abuse because Purdue knew,
20 or should have known, that OxyContin is most frequently abused by oral ingestion. Indeed,
21 Purdue admitted in a 2010 document submitted to the federal government that “OxyContin
22 abuse has also included taking intact tablets without legitimate purpose.”

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B. Purdue mailed at least [REDACTED] copies of the false, deceptive, and misleading second edition of “Providing Relief, Preventing Abuse” to Oregon.

73.

Between 2010 and 2012, Purdue mailed at least [REDACTED] copies of the second edition of “Providing Relief, Preventing Abuse” (“Second PRPA”), a 24-page publication produced by Purdue, from its headquarters in Connecticut to health care professionals in Oregon. Purdue intended and used the Second PRPA to promote the use of Purdue’s opioids.

74.

The Second PRPA falsely, deceptively, and misleadingly minimized the risks and dangers of dependence on opioids. For example, in the Second PRPA, Purdue asserted that physical dependence and withdrawal are not reliable signs of addiction, but failed to state that dependence on opioids is dangerous even if dependence does not develop into addiction. Purdue stated: “Confusing physical dependence with addiction is a common error, caused by the fact that most people that health care or law enforcement professionals encounter with addiction are also physically dependent to the substance(s) they are abusing. Thus, withdrawal is frequently seen in these people, and it is easy to think that withdrawal equals addiction.”

75.

Purdue also described “tolerance,” on the same page of the Second PRPA. Purdue misleadingly and deceptively described “tolerance” as if it were a normal and expected effect of certain medications while omitting that tolerance can drive up opioid doses and higher doses are associated with a greater risk of death. Purdue stated: “Tolerance to the respiratory depressant effects of opioids is what allows a patient with pain to regularly take a dose of medicine that would be fatal for someone who wasn’t taking the same medicine on a regular basis.”

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1 76.

2 In a section on the same page, labeled "Other Considerations," Purdue deceptively,
3 misleadingly, and falsely described the discredited "pseudoaddiction" concept. Purdue
4 stated: "Some patients may exhibit behaviors aimed at obtaining pain medication because
5 their pain treatment is inadequate." Purdue's statement suggested that health care and law
6 enforcement professionals could ignore widely recognized signs of potential abuse and
7 addiction such as "clock watching" and "drug seeking" because patients exhibiting those
8 signs simply needed more medicine for pain.

9 77.

10 As with the first edition, the Second PRPA failed to address the risks of falls,
11 fractures, and confusion for the elderly caused by opioid pain medication. It failed to address
12 the risks of high doses of opioids and long-term use and it failed to disclose that high doses
13 of opioids do not improve overall function. The Second PRPA also failed to mention the
14 risks of combining opioid pain medication with benzodiazepines or alcohol.

15 78.

16 The Second PRPA also misleadingly described indications of possible opioid abuse in
17 a manner that implied that addiction is associated primarily with intravenous drug use. The
18 Second PRPA dedicated two pages to close-up pictures of marks caused by needles in skin.
19 The publication stated: "Look for signs of drug abuse: Marks caused by injections." The
20 publication misleadingly and deceptively described the signs of abuse because Purdue knew,
21 or should have known, that OxyContin is most frequently abused by oral ingestion. Indeed,
22 Purdue admitted in a 2010 document submitted to the federal government that "OxyContin
23 abuse has also included taking intact tablets without legitimate purpose."

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1 C. Purdue mailed at least [REDACTED] copies of the false, deceptive, and misleading
2 third edition of "Providing Relief, Preventing Abuse" to Oregon.

3 79.

4 Between 2013 and 2015, Purdue mailed at least [REDACTED] copies of the third edition of
5 "Providing Relief, Preventing Abuse" ("Third PRPA"), a 23-page publication produced by
6 Purdue, from its headquarters in Connecticut to health care professionals in Oregon. Purdue
7 intended and used the Third PRPA to promote the use of Purdue's opioids.

8 80.

9 The Third PRPA falsely, deceptively, and misleadingly minimized the risks and
10 dangers of dependence on opioids. For example, in the Third PRPA, Purdue asserted that
11 physical dependence and withdrawal are not reliable signs of addiction, but failed to state
12 that dependence on opioids is dangerous even if dependence does not develop into addiction.
13 Purdue stated: "Confusing physical dependence with addiction is a common error, caused by
14 the fact that most people that health care or law enforcement professionals encounter with
15 addiction are also physically dependent to the substance(s) they are abusing. Thus,
16 withdrawal is frequently seen in these people, and it is easy to think that withdrawal equals
17 addiction."

18 81.

19 Purdue also described "tolerance," on the same page of the Third PRPA. Purdue
20 misleadingly and deceptively described "tolerance" as if it were a normal and expected effect
21 of certain medications while omitting that tolerance can drive up opioid doses and higher
22 doses are associated with a greater risk of death. "Tolerance to the respiratory depressant
23 effects of opioids is what allows a patient with pain to regularly take a dose of medicine that
24 would be fatal for someone who wasn't taking the same medicine on a regular basis."

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82.

In a section on the same page, labeled “Other Considerations,” Purdue deceptively, misleadingly, and falsely stated “Some patients may exhibit behaviors aimed at obtaining pain medication because their pain treatment is inadequate.” Purdue’s statement suggested that health care and law enforcement professionals could ignore widely recognized signs of potential abuse and addiction such as “clock watching” and “drug seeking” because patients exhibiting those signs simply needed more medicine for pain.

83.

As with the first and second editions, the Third PRPA failed to address the risks of falls, fractures, and confusion for the elderly caused by opioid pain medication. It failed to address the risks of high doses of opioids and long-term use and it failed to disclose that high-doses of opioids do not improve overall function. The Third PRPA also failed to mention the risks of combining opioid pain medication with benzodiazepines or alcohol.

84.

The Third PRPA also misleadingly described indications of possible opioid abuse in a manner that implied that addiction is associated primarily with intravenous drug use. The Third PRPA dedicated an entire page to close-up pictures of marks caused by needles in skin. The publication stated: “Look for signs of drug abuse: Marks caused by injections.” The publication misleadingly and deceptively described the signs of abuse because Purdue knew, or should have known, that OxyContin is most frequently abused by oral ingestion. Indeed, Purdue admitted in a 2010 document submitted to the federal government that “OxyContin abuse has also included taking intact tablets without legitimate purpose.”

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D. Purdue transmitted at least [REDACTED] copies of the First and Second Editions of the “Resource Guide for People with Pain” to people in Oregon.

85.

In 2010, Purdue published the first edition of a publication called the “Resource Guide for People with Pain.” Purdue published a second edition of the same publication in 2011. Purdue made the “Resource Guide for People with Pain” available on its website, www.inthefaceofpain.com. [REDACTED]

86.

Both the 2010 and 2011 editions of the “Resource Guide for People with Pain” contain false, misleading, and deceptive statements about the safety and efficacy of opioids. The editions stated: “Many people living with pain and even some healthcare providers believe that opioid medications are addictive. The truth is that when properly prescribed by a healthcare professional and taken as directed, these medications give relief – not a ‘high.’” Those statements falsely and deceptively minimized the risks of addiction associated with opioid prescriptions. They also falsely implied that addiction is associated with a “high.” And they falsely implied that patients would not become addicted when opioids were taken as prescribed, when Purdue knew or should have known that its opioids caused addiction even when taken as prescribed.

87.

Both editions of the “Resource Guide for People with Pain” included sections encouraging seniors to seek medical intervention for their pain, but failed to address the risks of falls, fractures, and confusion for the elderly caused by opioid pain medication. The publications also failed to mention the risks of combining opioid pain medication with benzodiazepines or alcohol.

E. Purdue created and maintained a false, misleading, and deceptive website designed to increase the use of Purdue's opioids.

88.

Starting in or around 2008, Purdue created the website www.inthefaceofpain.com. Although Purdue created, maintained, and controlled the website, and is clearly identified on the website, the website did not directly mention Purdue's opioids by brand name. Instead, the website was designed to provide "a series of tools to advocate for people in pain." Between 2010 and October 2015, [REDACTED]

89.

Purdue's website was false, deceptive, and misleading. For example, a 2012 version of the website described "Concerns about addiction" and "Fear of producing addiction" as barriers to "effective pain assessment and treatment," even though Purdue knew that its opioids were addictive at prescribed doses. The website encouraged individuals to "overcome" those barriers by "developing your key messages and consistently communicating these to audiences such as your community, the media, legislative bodies, and your own peers." By describing "concerns about addiction" and "fear of producing addiction" as barriers to "effective pain assessment and treatment," Purdue misleadingly and deceptively minimized the risk of addiction caused by its opioids. Furthermore, it recklessly and dangerously encouraged individuals to "overcome" that serious risk, even though Purdue knew or should have known that addiction to its opioids increased the risk of injury and death.

90.

The website also described “Concern about the development of tolerance to medication” as a barrier to “effective pain assessment and treatment,” even though Purdue knew or should have known that tolerance forces health care professionals to increase the

1 doses of opioids and high doses of opioids are associated with increased risk of death.
2 Purdue's website falsely, misleadingly, and deceptively implied that "tolerance" was not a
3 valid and serious concern about the use of Purdue's opioids.

4 91.

5 In addition, the website contained a section called "Voices of Hope," which provided
6 testimonials from "advocates." Purdue failed to disclose that 11 of the individuals who
7 provided testimonials for www.inthefaceofpain.com [REDACTED]

8 [REDACTED] Purdue's
9 failure to disclose [REDACTED]

10 [REDACTED] was misleading and deceptive. In April 2015, after the New York Attorney
11 General opened an investigation, Purdue removed from the website the "advocates" with
12 whom Purdue had a financial relationship. Purdue shut down the website in October 2015.

13 **VII. Purdue recklessly, falsely, deceptively, and misleadingly marketed OxyContin to**
14 **Oregon doctors.**

15 92.

16 Even after entry of the 2007 Judgment, Purdue pushed its sales representatives to
17 recklessly, falsely, deceptively, and misleadingly market OxyContin to Oregon doctors.

18 **A. Purdue established an enormous force of sales representatives and used**
19 **them to aggressively promote Purdue's opioids in Oregon.**

20 93.

21 At its height, Purdue employed a sales force of more than 670 representatives.
22 Purdue's sales representatives visited Oregon health care professionals [REDACTED] times
23 between 2007 and 2016. Purdue used role-playing, case vignettes, and national and regional
24 training seminars to train its sales force. Sales representatives were trained to use "high
25 pressure sales" tactics to "challenge" doctors' beliefs about patient care and show them "a
26 better way" to treat pain.

1 94.

2 Sales calls to health care professionals were a critical component of Purdue's
3 marketing because they were extremely effective. According to a 2014 Purdue analysis,
4 "Data confirms that OxyContin is promotionally sensitive, specifically at the higher doses,
5 and recent research findings reinforce the value of sales calls." Independent research backs
6 up Purdue's internal findings. A 2000 study revealed that physicians' meetings "with
7 pharmaceutical representatives were associated with requests by physicians for adding the
8 drugs to the hospital formulary and changes in prescribing practice."

9 95.

10 Purdue's internal research also showed that sales calls were particularly important to
11 increasing prescriptions for high doses of OxyContin. As noted above, Purdue's business is
12 dependent on selling high doses of OxyContin, even though the scientific evidence shows
13 that high doses of opioids are more likely to cause addiction and death and do not improve
14 patient well-being. [REDACTED]

15 [REDACTED]
16 [REDACTED]
17 [REDACTED] The research also
18 showed that "there is a greater loss in the 60mg and 80mg strengths (compared to the other
19 strengths) where we don't make primary sales calls [REDACTED]"

20 **B. Purdue's sales representatives falsely, misleadingly, and deceptively**
21 **minimized the risks and warning signs of addiction.**

22 96.

23 Purdue's sales representatives falsely, misleadingly, and deceptively minimized the
24 risks and warning signs of addiction. Purdue created training materials for its sales
25 representatives that recklessly, falsely, and deceptively minimized the risks and warning
26 signs of addiction. One presentation taught Purdue sales representatives to [REDACTED]

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]

8 97.

9 Purdue also created materials for healthcare professionals that minimized the risks
10 and warning signs of addiction. In a 2013 presentation developed for healthcare
11 professionals, Purdue claimed that widely accepted indicators of addiction such as illicit drug
12 use and deception were “not necessarily a result of addiction” and “can occur in the patient’s
13 efforts to obtain relief.” The presentation went onto to state that stealing, forging
14 prescriptions, injecting oral formulations, and prostitution “may occur from time to time in
15 patients being treated for chronic pain” and may be the result of an “unresolved family issue”
16 or “criminal intention” rather than addiction. As a whole, Purdue’s presentation created a
17 false, deceptive, and misleading picture of the risks of addiction from Purdue’s opioids.

18 98.

19 To overcome prescribers’ concerns about signs of addiction and encourage them to
20 write more OxyContin prescriptions, Purdue’s instructed sales representatives to use the
21 concept of “pseudoaddiction” to suggest that patients who appeared addicted might just need
22 more opioids. But Purdue was unable to provide sales representatives with any studies or
23 other evidence indicating that pseudoaddiction was a valid diagnosis.

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1 C. Purdue's sale representatives recklessly promoted high doses of
2 OxyContin, despite the scientific evidence that high doses of opioids
3 increase the risk of death and do not improve patient well-being.

4 99.

5 Purdue produced training materials for its sales representatives that encouraged them
6 to promote high doses of OxyContin. For example, one training presentation showed that

7 [REDACTED]
8 [REDACTED] In the same training

9 guide, Purdue encouraged its sale representatives to "practice verbalizing the titration
10 message."

11 100.

12 The same presentation trained sales representatives to [REDACTED]

13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]

19 101.

20 Titrating patients to higher does was important part of Purdue's strategy to keep
21 patients on its opioids for longer periods of time. Purdue taught its employees that [REDACTED]

22 [REDACTED]
23 [REDACTED]

24 Purdue's training paid off: [REDACTED]
25 [REDACTED]
26 [REDACTED]

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[REDACTED]

[REDACTED]

D. Purdue established sales quotas and created a bonus and discipline system for sales representatives that led sales representatives to falsely, deceptively, and misleadingly market its opioids.

102.

Purdue pressured its sales representatives to meet aggressive sales quotas. As one sales representative described it, the goal was to “[s]ell as much as you can.” Purdue ranked its sales representatives within districts and tracked prescriptions written by health care professionals who received sales calls. Managers joined sales representatives on sales calls and recorded what sales strategies they employed. Purdue distributed a list of sales representatives’ production numbers every week. Successful sales representatives could receive huge bonuses; underperforming sales representatives were reprimanded or fired.

103.

Purdue’s system of lavishly rewarding successful sales representatives and firing poor performers resulted in a system where sales representatives were heavily incentivized to violate federal and state laws governing the promotion of dangerous opioids. According to one Purdue sales representative in Oregon, Purdue’s system created “tons of pressure.” She wrote to a supervisor: “I am feeling anxious, and pressured to over promote [Purdue’s] products to meet the sales quotas, assigned to my territory, and feel I have been put in an impossible position.”

E. Purdue’s sales representatives promoted OxyContin—an extremely powerful, highly-addictive narcotic—for conditions such as arthritis and back pain.

104.

Purdue promoted its opioids for use with patients with chronic conditions such as back pain and arthritis. [REDACTED]

1 [REDACTED]

2 [REDACTED]

3 105.

4 A Purdue sales representative in Oregon was provided with a list of primary care
5 physicians in Oregon to visit. [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED] Yet Purdue knew or should have known that a 2014 study of the
9 efficacy of opioids on osteoarthritis of the knee and hip had concluded that the “small mean
10 benefit of non-tramadol opioids are contrasted by significant increases in the risk of adverse
11 events.” [REDACTED]

12 [REDACTED] Such information was
13 particularly important as osteoarthritis is most common in older individuals.

14 106.

15 Purdue’s sales tactics were so misleading and deceptive that a Purdue sales
16 representative in Oregon found that she could not, in good conscience, use them to persuade
17 Oregon health care professionals to prescribe OxyContin.

18 **F. Purdue’s sales representatives focused their sales calls on health care**
19 **professionals that were the least discriminating about prescribing.**

20 107.

21 Purdue knew that health care professionals who prescribed OxyContin were often
22 poorly informed about the serious risks posed by the drug. In a 2010 Purdue survey of health
23 care professionals who prescribed OxyContin, Purdue learned that 40% of OxyContin
24 prescribers did not know that individuals with a personal or family history of mental illness
25 such as major depression are at increased risk of OxyContin abuse.

26 ///

1 108.

2 Nonetheless, Purdue recklessly and dangerously focused its sales calls on doctors
3 who prescribed the most drugs. The company's internal research showed that [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]

9 **G. Purdue's sales representatives falsely, misleadingly, and deceptively**
10 **marketed Purdue's opioids as effective at improving patients' quality of**
life.

11 109.

12 Notes from Purdue's sales representatives in Oregon show that the sales
13 representatives falsely, misleadingly, and deceptively marketed Purdue's opioids as effective
14 at improving patients' quality of life. [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]

21 110.

22 At the time Purdue's sales representatives were falsely, misleadingly, and deceptively
23 marketing Purdue's opioids as effective at improving patients' quality of life, Purdue knew or
24 should have known that there were no studies showing that Purdue's products improved
25 patient's quality of life. Indeed, as noted above, [REDACTED]
26 [REDACTED].

1 **VIII. Purdue knowingly and intentionally marketed its opioids to Oregon health care**
2 **professionals who disregarded patients' safety.**

3 **A. Purdue knowingly and intentionally marketed its opioids to Oregon**
4 **prescribers who disregarded patients' safety.**

5 111.

6 Purdue marketed its opioids to health care professionals Purdue knew posed a risk to
7 public safety. In doing so, Purdue violated Section 13 of the 2007 judgment, which required
8 Purdue to cease promoting Purdue products to health care professionals who engaged in risky
9 prescribing practices. Purdue's conduct also violated 21 C.F.R. § 1301.74(b), which requires
10 Purdue to inform the Drug Enforcement Agency of suspicious orders of opioids.

11 112.

12 According to an Oregon sales representative, Purdue provided her with a list of
13 primary care physicians to visit that included a psychiatrist who had been prescribing opioids
14 to patients he knew to be suicidal. Furthermore, Purdue continued to call on doctors with
15 documented prescribing problems.

16 **1. Dr. James David Gallant**

17 113.

18 On or about August 1, 2012, Dr. James David Gallant told [REDACTED]
19 [REDACTED]
20 [REDACTED]

21 114.

22 [REDACTED]
23 [REDACTED]
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115.

[REDACTED]

116.

[REDACTED]. In

October 2014, the Oregon Medical Board found that he had engaged in “unprofessional or dishonorable conduct” including “gross or repeated acts of negligence.” The Board found that Dr. Gallant “breached the standard of care in the manner in which he managed * * * high risk and medically complex patients on high dose opioid therapy,” citing his failures to follow up on inconsistent urinalysis results, failures to act on evidence of drug abuse, authorizations of early refills despite suspicious patient behavior, and continuation of refills when patients showed signs of diversion or misuse of opioids.

2. Dr. Thomas John Purtzer

117.

In or about November 2011, [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

118.

By September 2013, the Oregon Medical Board had opened an investigation into Dr. Purtzer. In response to the early results of the Board’s investigation, Dr. Purtzer agreed to withdraw from the practice of medicine on or about November 8, 2013. The Board ultimately found that he engaged in conduct constituting gross or repeated negligence,

1 willfully violated Board rules, violated of the federal Controlled Substance Act, and
2 prescribed controlled substances without a legitimate medical purpose, without following
3 proper procedures, or without maintaining proper records. Effective January 8, 2015,
4 Dr. Purtzer permanently surrendered his medical license.

5 119.

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 **3. Dr. Shawn Michael Sills**

10 120.

11 In August 2012, [REDACTED]

12 Dr. Shawn Michael Sills, who had been suspended by the Oregon Medical Board for
13 diverting opioids for his own use, involuntarily drugging and sexually harassing an
14 employee, and otherwise prescribing controlled substances without a legitimate medical
15 purpose, without following proper procedures, or without maintaining proper records.

16 121.

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 **4. Dr. Roy Manell Blackburn**

21 122.

22 [REDACTED]

23 [REDACTED]

24 [REDACTED]

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123.

[REDACTED] Dr. Blackburn and the Oregon Medical Board agreed to restrictions on Dr. Blackburn's ability to prescribe chronic pain medications or see chronic pain patients.

124.

The Board's investigation ultimately revealed a pattern of unprofessional or dishonorable conduct, gross or repeated acts of negligence, and prescribing controlled substances without a legitimate medical purpose, without following proper procedures, or without maintaining proper records.

5. Dr. Maciej Janusz Druzdel

125.

[REDACTED]

126.

In 2008, Dr. Druzdel entered a Stipulated Order that cited "a pattern of repetitious over-prescribing of controlled substances, including narcotic medications" and concluded that he "willfully and unlawfully pre-dated prescriptions for narcotic medications, ignored evidence of drug abuse and possible diversion, [and] failed to determine the efficacy of the pain medications prescribed."

127.

[REDACTED]

128.

[REDACTED] he agreed to cease treating chronic pain pending a Board investigation

1 into his conduct. Dr. Druzdzal voluntarily withdrew from the practice of medicine during the
2 investigation.

3 **6. Dr. Stephen John Thomas**

4 129.

8 130.

13 131.

18 [REDACTED] Dr. Thomas retired his medical license on
19 September 1, 2013.

20 **7. Dr. Edward Keim Goering**

21 132.

22 From 2007 to 2012, [REDACTED] Dr. Edward Keim
23 Goering, a physician who prescribed opioids at such dangerous levels that the Oregon
24 Medical Board ultimately banned him from prescribing Schedule II drugs, such as
25 OxyContin, for chronic pain.

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133.

During the time that Dr. Goering was engaging in practices that the Oregon Medical Board described as “a pattern of excessive prescribing of easily abusable and divertible opioid medications while failing to monitor his patients, assess their ability to function [or] respond to signs of aberrant behaviors,” [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

134.

On January 10, 2013, the Oregon Medical Board entered a Stipulated Order concluding its investigation of Dr. Goering, which revealed that he engaged in “unprofessional or dishonorable conduct, gross or repeated negligence in the practice of medicine . . . and prescribing controlled substances without a legitimate medical purpose, or prescribing controlled substances without following accepted procedures for examination of patients, or prescribing controlled substances without following accepted procedures for record keeping.”

135.

[REDACTED]
[REDACTED]

B. Purdue knowingly and intentionally facilitated over-prescribing of its opioids in Oregon, failed to alert state and federal officials to suspicious orders of opioids, and failed to cease promoting its opioids to over-prescribers.

136.

Assured Pharmacy operated three Oregon locations in Gresham, Portland, and Beaverton. [REDACTED]
[REDACTED]

1 [REDACTED]

2 [REDACTED]

3 137.

4 For example, [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 138.

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 139.

17 [REDACTED]

18 [REDACTED]. Until 2009, Kelly Bell was an advanced registered

19 nurse practitioner operating out of the Payette Clinic in Vancouver, Washington, just across

20 the border from Oregon. [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 140.

24 [REDACTED]

25 [REDACTED]

26 [REDACTED]

1 [REDACTED]
2 [REDACTED] A dose of 720 mg of OxyContin is equivalent to 1,080
3 MME, and exceeds by more than 10 times the CDC recommended maximum daily dose of
4 90 MME. Furthermore, according to OxyContin's label "[t]here are no well-controlled
5 clinical studies evaluating the safety and efficacy with dosing more frequently than every 12
6 hours." [REDACTED]

7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]

11 141.

12 In 2009, the Washington nursing commission sanctioned Bell for prescribing
13 "extremely high doses of opioids" at Payette. In 2016, the nursing commission again went
14 after Bell, charging her with unprofessional conduct relating to her prescribing of opioids to
15 two patients. The Payette Clinic closed in 2015 and Bell surrendered her advanced registered
16 nurse practitioner license in 2017.

17 142.

18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]

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143.

In 2007 alone, six Payette patients died of overdoses, and complaints to Washington state regulators poured in, accusing Bell and Payette of excessive prescribing activity and suspicious deaths. In December 2008, Rachel Daggett, an 18-year-old Gresham high-schooler took a deadly dose of oxycodone. Authorities discovered that Bell had prescribed the opioids to a 33-year-old Troutdale man, who sold them for profit. Just weeks after Daggett’s death, as additional pharmacies vowed to stop honoring Bell’s prescriptions, Payette sent a letter to patients directing them to fill their prescriptions at Assured’s Gresham location.

144.

The 2007 Judgment required Purdue to investigate and report potential instances of abuse or diversion of OxyContin. Section 13 of the 2007 Judgment provided: “Upon identification of potential abuse or diversion involving a Health Care Professional with whom Purdue employees or its contract or third-party sales representatives * * * interact, Purdue will conduct an internal inquiry * * * and shall take such further steps as may be appropriate based on the facts and circumstances, which may include ceasing to promote Purdue products to the particular Health Care Professional, providing further education to the Health Care Professional about appropriate use of opioids, or providing notice of such potential abuse or diversion to appropriate medical, regulatory or law enforcement authorities.” [REDACTED]

[REDACTED]
[REDACTED], violating the 2007 Judgment.

145.

Federal law required Purdue to report suspiciously large orders of OxyContin to the United States Drug Enforcement Agency (“DEA”). The law states: “The registrant shall

1 inform the Field Division Office of the Administration in his area of suspicious orders when
2 discovered by the registrant. Suspicious orders include orders of unusual size, orders
3 deviating substantially from a normal pattern, and orders of unusual frequency.” 21 C.F.R.
4 § 1301.74. [REDACTED]
5 [REDACTED] violating federal
6 law.

7 **IX. Purdue acted with and through pharmaceutical-industry-funded advocacy**
8 **organizations to create and disseminate false, deceptive, and misleading**
9 **information about opioids.**

10 **A. Purdue provided millions of dollars in funding to advocacy organizations**
11 **to push false, deceptive, and misleading information about the prevalence**
12 **of pain in the United States and the safety and efficacy of opioids.**

13 146.

14 Purdue provides millions of dollars in grants to support third-party organizations that
15 disseminate false, misleading, and deceptive information about opioids. Between 2006 and
16 2016, Purdue granted more than \$68 million to third-party organizations. And between
17 January 2012 and March 2017, Purdue contributed more than \$4.1 million to professional
18 societies and patient advocacy organizations. Purdue’s extensive contributions make it one
19 of the largest supporters of third-party organizations among pharmaceutical companies that
20 manufacture opioids. Many of those organizations misleadingly, deceptively, and falsely
21 promoted opioids.

22 147.

23 One of the key organizations Purdue funded was the American Pain Foundation. In
24 2010, the American Pain Foundation received 90 percent of its funding from the drug and
25 medical-device industry.¹⁴ [REDACTED]

26 ¹⁴ Charles Ornstein & Tracy Weber, “The Champion of Painkillers,” ProPublica,
Dec. 23, 2011, <https://www.propublica.org/article/the-champion-of-painkillers> (last visited
Feb. 10, 2018).

1 148.

2 With sponsorship and funding from Purdue, the American Pain Foundation produced
3 numerous publications aimed at increasing patient demand for opioids, encouraging
4 prescribers to write more opioid prescriptions, and loosening regulations that would limit
5 opioid sales.

6 149.

7 Purdue acted in concert with the American Pain Foundation to counter the growing
8 awareness that opioids presented serious risks of abuse and diversion. In a 2009 email,

9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]

13 B. Purdue caused the American Pain Foundation to send at least 5,000
14 copies of *Exit Wounds*, a book containing false, misleading, and deceptive
information about opioids, to Oregon.

15 150.

16 In 2009, the American Pain Foundation published *Exit Wounds*, a book by Stephen
17 Braun and Derek McGinnis, an Iraq war veteran.

18 151.

19 Purdue [REDACTED]
20 [REDACTED].

21 152.

22 Dr. Scott Fishman, the chair of the American Pain Foundation, wrote the preface to
23 *Exit Wounds*. In the preface he wrote that the “goal of *Exit Wounds* is to arm veterans and
24 their families with the information and resources they need to advocate for the quality of pain
25 treatment they deserve.”

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153.

The authors of *Exit Wounds* stated that they relied on the American Pain Foundation for expert advice. In Chapter 6, titled “Your Arsenal of Treatment Options,” McGinnis and Braun wrote that they “developed the material in this chapter based on the APF’s *Treatment Options: A Guide to People Living with Pain*.”

154.

Exit Wounds is replete with false, misleading, and deceptive statements about the use, efficacy, and safety of opioids. Among its false, misleading, and deceptive statements, *Exit Wounds* states:

- Nonsteroidal anti-inflammatory drugs “alone are not effective treatments for pain.”
- “The pain-relieving properties of opioids are unsurpassed; they are today considered the ‘gold standard’ of pain medications, and so are often the main medications used in the treatment of chronic pain. Yet, despite their great benefits, opioids are often underused.”
- “Long experience with opioids shows that people who are not predisposed to addiction are unlikely to become addicted to opioid pain medications.”
- “When used correctly, opioid pain medications *increase* a person’s level of functioning[.]”
- “The bottom line with opioids is that these are very valuable pain relievers *when used correctly and responsibly*, and they can go a long way toward improving your functioning in daily life.”

155.

Purdue and the American Pain Foundation [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

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156.

On information and belief, [REDACTED]
[REDACTED]

157.

The American Pain Foundation promoted *Exit Wounds* to the Oregon Department of Veterans Affairs, leading to an article on the book in the ODVA’s newsletter.

158.

On information and belief, the American Pain Foundation [REDACTED]
[REDACTED]

C. **Purdue funded and disseminated the American Pain Foundation’s false, deceptive, and misleading booklet, *Treatment Options: A Guide for People Living with Pain*.**

159.

Purdue funded the publication of the American Pain Foundation’s signature patient-directed book: *Treatment Options: A Guide for People Living with Pain* (“*Treatment Options*”). Purdue also disseminated *Treatment Options* on its website, www.inthefaceofpain.com. Although the intended initial audience for the book was pain patients, readers were “encouraged to share and discuss [the] information with their doctor[s].”

160.

Through direct and implied comparisons, *Treatment Options* overstated the relative risks and benefits of non-steroidal, anti-inflammatory drugs (“NSAIDs”), such as aspirin, as compared to opioids. For example, *Treatment Options* repeatedly emphasized the “serious” and “life-threatening” side effects of NSAIDs, including heart attack, stroke, decreased kidney function, and gastrointestinal complications including heartburn, ulcers and bleeding.
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161.

In contrast, *Treatment Options* minimized the risks associated with opioids. Respiratory depression was mentioned only in passing as “a decreased rate and depth of breathing,” which is “associated with overdose.” Otherwise, the book focused on minor side effects like “constipation, nausea and vomiting, sedation (sleepiness), mental clouding and itching,” which the authors assured would either go away with time or be treated easily with additional medications.

162.

Treatment Options made misleading, false, and deceptive claims about the risks of addiction associated with opioids. For example, *Treatment Options* stated that people with the disease of addiction abused opioids, rather than explaining that opioids themselves can cause addiction in some people when used as directed. *Treatment Options* falsely, deceptively and misleadingly stated that people suffering from addiction used illicit means to obtain opioids, conversely implying that those who were prescribed opioids were not at risk of addiction: “Opioids get into the hands of drug dealers and persons with addictive disease as a result of pharmacy theft, forged prescriptions, Internet sales, and even from other people with pain.”

163.

Treatment Options also called out other differences between NSAIDs and opioids, such as the “dose ceiling,” or limit on the amount of medication that can be taken in a given time period. *Treatment Options* recklessly and dangerously stated that with opioids “[t]here is no ceiling dose as there is with NSAIDs” and that doses of opioids can continue to increase over time, despite the fact that the medical literature showed that high doses of opioids increased the risk of death and addiction.

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164.

Treatment Options also positioned opioids as superior to NSAIDs by repeatedly calling them “important” and “essential,” and stressing their “advantages,” “great benefits” and ability to “work very well” to treat pain. NSAIDs were described on a single occasion as “important,” but otherwise receive none of the glowing treatment bestowed on opioids.

165.

According to *Treatment Options*, the problem with NSAIDs is overuse, but “[d]espite the great benefits of opioids, they are often under-used.” An entire section called “Should I take these pain medicines?” appeared in the discussion of NSAIDs; this question was not raised during the book’s discussion of opioids.

166.

Treatment Options made those false, deceptive, and misleading comparative claims despite the fact that Purdue itself [REDACTED]

[REDACTED]

D. Purdue partnered with the Federation of State Medical Boards to write and distribute *Responsible Opioid Prescribing*, which falsely, misleadingly, and deceptively promoted opioids.

167.

The Federation of State Medical Boards (“FSMB”) is a trade organization that represents state medical boards. In 2007, the FSMB published *Responsible Opioid Prescribing* by Dr. Scott Fishman. *Responsible Opioid Prescribing* educates health care professionals about the FSMB’s policy on the use of controlled substances for the treatment of pain. [REDACTED]

[REDACTED]

[REDACTED]

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168.

Although his name does not appear in the book, the initial task of drafting *Responsible Opioid Prescribing* was given to a hired medical writer, Stephen Braun. Braun, who had no advanced education in medicine or science, had worked with Dr. Fishman on prior publications and recycled some of the same material pertaining to opioids for the FSMB book.

169.

Responsible Opioid Prescribing contains numerous false, misleading, and deceptive statements about opioids. For example, the book states that “Opioid therapy to relieve pain and improve function is a legitimate medical practice for acute and chronic pain[.]” However, research published before 2007 showed that opioids were ineffective at improving patient function. The book also stated that “Patients should not be denied opioid medications except in light of clear evidence that such medications are harmful to the patients.” Yet by 2007, there was copious evidence that opioids increased the risk of addiction, injury, and death.

170.

On the second page of *Responsible Opioid Prescribing*, the authors wrote: “Care has been taken to confirm the accuracy of the information presented and to describe generally accepted practices.” According to Braun, that statement was “stretching the truth.” He went on to explain “[Dr. Fishman] and I took care to be as accurate as we could, but whether we -- or whether I -- I didn’t do the in-depth research, because I didn’t -- in this case, I had him. He was the expert. So I didn’t have to do much independent research. I don’t know what ‘generally accepted practices’ actually means. I think that’s just legal boilerplate.”

171.

Purdue was integral to the writing, publication, and distribution of *Responsible Opioid Prescribing*. [REDACTED]

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]

4 172.

5 In addition, according to an internal Purdue email, [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]

12 [REDACTED].

13 Purdue also [REDACTED]
14 [REDACTED]
15 [REDACTED] FSMB distributed 163,131 copies of *Responsible Opioid Prescribing*
16 to state medical boards. Given that Purdue knew or should have known that *Responsible*
17 *Opioid Prescribing* contained numerous false, deceptive, and misleading statements, [REDACTED]
18 [REDACTED]

19 174.

20 [REDACTED]
21 [REDACTED]. At a minimum, the FSMB sent 103
22 copies of the first edition of *Responsible Opioid Prescribing* through the mail to Oregon
23 residents. In addition, at least 16 Oregon health care professionals claimed continuing
24 medical education credit in reliance on the program set forth in *Responsible Opioid*
25 *Prescribing*.
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1 or furnished false or fraudulent material in an application. The Pharmacy Board may revoke
2 or suspend the registration of any entity that has been convicted of a felony under federal
3 law.

4 178.

5 As OxyContin is a schedule II controlled substance, Purdue must register every year
6 with the Pharmacy Board to sell OxyContin in Oregon.

7 179.

8 Since at least 2007, Purdue has submitted applications every year to renew its
9 registration with the Pharmacy Board to operate as a drug manufacturer or wholesaler in
10 Oregon and to deliver controlled substances in Oregon. Purdue has repeatedly submitted
11 applications to the Pharmacy Board containing materially false representations about the
12 existence of state and federal drug law investigations into Purdue and its conviction for
13 felony misbranding of a drug.

14 180.

15 As described above, the United States Attorney for the Western District of Virginia
16 investigated Purdue for misbranding of a drug in the mid-2000s. The investigation
17 concluded in 2007 with the entry of a number of criminal and civil agreements involving The
18 Purdue Frederick Company and Purdue Pharma L.P. With the explicit board authorization of
19 Purdue Pharma Inc., the general partner of Purdue Pharma L.P., The Purdue Frederick
20 Company Inc. pled guilty to one count of felony misbranding of a drug in violation of 21
21 U.S.C. 331(a) and 333(a)(2). On July 25, 2007, the federal district court entered a conviction
22 against The Purdue Frederick Company Inc. for felony misbranding of a drug.

23 181.

24 The Purdue Frederick Company Inc. was, at the time of the plea agreement, an owner
25 of Purdue Pharma L.P. Moreover, Purdue Pharma L.P. was a central target of the federal
26 investigations and was integral to resolving both the criminal and civil cases. Purdue Pharma

1 L.P. agreed to be jointly responsible with The Purdue Frederick Company for more than
2 \$300 million in forfeitures and disbursements. In addition, the two companies shared the
3 obligation to set aside \$130 million to pay civil claims related to their conduct. Purdue
4 Pharma L.P. and The Purdue Frederick Company also jointly settled the federal
5 government's civil investigation against them by agreeing to pay a total of \$160,000,000.

6 182.

7 Purdue was also under investigation by the Oregon Attorney General and more than a
8 dozen other states for its marketing and promotion of OxyContin in 2006 and 2007.

9 183.

10 In 2008, Purdue submitted a renewal application to renew its manufacturer controlled
11 substance registration with the Pharmacy Board. The form contained the question: "Have
12 you had any state or federal disciplinary action or have any action pending by any
13 jurisdiction?" Purdue falsely answered "no" and submitted the form to the Pharmacy Board.
14 Purdue's response was false because Purdue had been subject to both state and federal
15 investigations resulting in substantial monetary payments, stipulated civil judgments
16 including injunctions, the felony criminal conviction of The Purdue Frederick Company Inc.,
17 the owner of Purdue Pharma L.P., and the misdemeanor criminal convictions of three former
18 executives.

19 184.

20 In 2009, the Pharmacy Board's manufacturer registration asked: "Has disciplinary
21 action ever been taken, or is any such action currently pending against any of the persons
22 listed on this application, by any State or Federal Authority in connection with a violation of
23 any federal or state drug law or regulation?" Purdue falsely answered "no" and submitted the
24 form to the Pharmacy Board. Purdue's response was false because Purdue had been subject
25 to both state and federal investigations resulting in substantial monetary payments, stipulated
26 civil judgments including injunctions, the felony criminal conviction of The Purdue

1 Frederick Company Inc., the owner of Purdue Pharma L.P., and the misdemeanor criminal
2 convictions of three former executives.

3 185.

4 In 2010, the Pharmacy Board's manufacturer registration asked: "Has disciplinary
5 action ever been taken, or is any such action currently pending against any of the persons
6 listed on this application, by any State or Federal Authority in connection with a violation of
7 any federal or state drug law or regulation?" Purdue falsely answered "no" and submitted the
8 form to the Pharmacy Board. Purdue's response was false because Purdue had been subject
9 to both state and federal investigations resulting in substantial monetary payments, stipulated
10 civil judgments including injunctions, the felony criminal conviction of The Purdue
11 Frederick Company Inc., the owner of Purdue Pharma L.P., and the misdemeanor criminal
12 convictions of three former executives.

13 186.

14 In 2011, the Pharmacy Board's manufacturer registration asked: "Has disciplinary
15 action ever been taken, or is any such action currently pending against any of the persons
16 listed on this application, by any State or Federal Authority in connection with a violation of
17 any federal or state drug law or regulation?" Purdue falsely answered "no" and submitted the
18 form to the Pharmacy Board. Purdue's response was false because Purdue had been subject
19 to both state and federal investigations resulting in substantial monetary payments, stipulated
20 civil judgments including injunctions, the felony criminal conviction of The Purdue
21 Frederick Company Inc., the owner of Purdue Pharma L.P., and the misdemeanor criminal
22 convictions of three former executives.

23 187.

24 On November 15, 2011, Purdue submitted an application with the Pharmacy Board to
25 register a new outlet as a controlled substances manufacturer. Purdue stated that its business
26 name was Purdue Pharma L.P. The application contained a question that asked "Have you

1 ever been convicted of a felony in connection with controlled substances under state or
2 federal law?" Purdue falsely answered "No," even though its owner, The Purdue Frederick
3 Company had been convicted of felony misbranding of a drug under federal law. The
4 application also contained a question asking: "If you are a corporation, association or
5 partnership, has any officer, partner, or shareholder been convicted of a felony in connection
6 with controlled substances under state or federal law?" Purdue, acting through Purdue
7 Pharma L.P., falsely answered "No," even though its owner The Purdue Frederick Company
8 had been convicted of felony misbranding of a drug. The application also asked "Has
9 disciplinary action ever been taken, or is any such action currently pending against any of the
10 persons listed on this application, by any State or Federal Authority in connection with a
11 violation of any federal or state drug law or regulation?" Purdue falsely answered "no."
12 Purdue's response was false because Purdue had been subject to both state and federal
13 investigations resulting in substantial monetary payments, stipulated civil judgments
14 including injunctions, the felony criminal conviction of The Purdue Frederick Company Inc.,
15 the owner of Purdue Pharma L.P., and the misdemeanor criminal convictions of three former
16 executives.

17 188.

18 In 2012, the Oregon Attorney General re-opened its investigation into Purdue's
19 marketing and promotion of OxyContin to determine whether Purdue had violated the 2007
20 Judgment. The Attorney General requested and Purdue produced documents as part of the
21 investigation. In an email, Purdue stipulated that it had notice of a possible violation of the
22 2007 Judgment as of May 29, 2012.

23 189.

24 On two separate 2012 renewal applications Purdue submitted to the Pharmacy
25 Board—one dated in August and one in September—Purdue falsely answered "No" to the
26 question, "Since the date of your last renewal has disciplinary action ever been taken, or is

1 any such action currently pending against any of the persons listed on this application, by any
2 State or Federal Authority in connection with a violation of any federal or state drug law or
3 regulation?" Purdue's responses were false because Purdue knew as of at least May 29, 2012
4 it was under investigation for violations of the 2007 Judgment and faced potential
5 disciplinary action as a result. Purdue's response was also false because Purdue had been
6 subject to both state and federal investigations resulting in substantial monetary payments,
7 stipulated civil judgments including injunctions, the felony criminal conviction of The
8 Purdue Frederick Company Inc., the owner of Purdue Pharma L.P., and the misdemeanor
9 criminal convictions of three former executives.

10 190.

11 On two separate 2013 renewal applications Purdue submitted to the Pharmacy Board,
12 Purdue falsely answered "No" to the question, "Since the date of your last renewal has
13 disciplinary action ever been taken, or is any such action currently pending against any of the
14 persons listed on this application, by any State or Federal Authority in connection with a
15 violation of any federal or state drug law or regulation?" Purdue's responses were false
16 because Purdue knew as of at least May 29, 2012 it was under investigation for violations of
17 the 2007 Judgment and faced potential disciplinary action as a result. Purdue's response was
18 also false because Purdue had been subject to both state and federal investigations resulting
19 in substantial monetary payments, stipulated civil judgments including injunctions, the felony
20 criminal conviction of The Purdue Frederick Company Inc., the owner of Purdue Pharma
21 L.P., and the misdemeanor criminal convictions of three former executives.

22 191.

23 In 2014, the New York Office of the Attorney General commenced an investigation
24 of Purdue, focusing on two areas: (i) Purdue's Abuse and Diversion Detection ("ADD")
25 Program (also known as the "Region Zero" program); and (ii) Purdue's unbranded website
26 www.inthefaceofpain.com.

1 192.

2 On two separate 2015 renewal applications submitted electronically to the Pharmacy
3 Board, Purdue falsely answered “No” to the question, “Since the date of your last renewal,
4 has disciplinary action been taken, or is any such action currently pending against any of the
5 persons or establishments listed on this application by any State or Federal Authority in
6 connection with a violation of any federal or state drug law or regulation?” Purdue’s
7 responses were false because Purdue knew as of at least May 29, 2012 it was under
8 investigation for violations of the 2007 Judgment and faced potential disciplinary action as a
9 result. Purdue also knew that it was under investigation by the New York Office of the
10 Attorney General and faced potential disciplinary action. Purdue’s response was also false
11 because Purdue had been subject to both state and federal investigations resulting in
12 substantial monetary payments, stipulated civil judgments including injunctions, the felony
13 criminal conviction of The Purdue Frederick Company Inc., the owner of Purdue Pharma
14 L.P., and the misdemeanor criminal convictions of three former executives.

15 193.

16 On two separate 2016 renewal applications, Purdue falsely answered “NO” to the
17 question, “Since the date of your last renewal, has any disciplinary action been taken, or is
18 any such action currently pending against any of the persons or establishments listed on this
19 application, by any State or Federal Authority in connection with a violation of any federal or
20 state drug law or regulation?” Purdue’s responses were false because Purdue knew as of at
21 least May 29, 2012 it was under investigation for violations of the 2007 Judgment and faced
22 potential disciplinary action as a result. Purdue also knew that it was under investigation by
23 the New York Office of the Attorney General and faced potential disciplinary action.
24 Purdue’s response was also false because Purdue had been subject to both state and federal
25 investigations resulting in substantial monetary payments, stipulated civil judgments
26 including injunctions, the felony criminal conviction of The Purdue Frederick Company Inc.,

1 the owner of Purdue Pharma L.P., and the misdemeanor criminal convictions of three former
2 executives.

3 194.

4 On two separate 2017 renewal applications, Purdue falsely answered “No” to the
5 question, “Since the date of your last renewal, has disciplinary action been taken, or is any
6 such action currently pending against any of the persons or establishments listed on this
7 application by any State or Federal Authority in connection with a violation of any federal or
8 state drug law or regulation?” Purdue’s responses were false because Purdue knew as of at
9 least May 29, 2012 it was under investigation for violations of the 2007 Judgment and faced
10 potential disciplinary action as a result. Purdue also knew that it was under investigation by
11 the New York Office of the Attorney General and faced potential disciplinary action.
12 Purdue’s response was also false because Purdue had been subject to both state and federal
13 investigations resulting in substantial monetary payments, stipulated civil judgments
14 including injunctions, the felony criminal conviction of The Purdue Frederick Company Inc.,
15 the owner of Purdue Pharma L.P., and the misdemeanor criminal convictions of three former
16 executives.

17 195.

18 On July 6, 2017, Purdue submitted an application with the Pharmacy Board to
19 register a new outlet as a controlled substances manufacturer. The application contained a
20 question asking, “Have you ever been convicted of a felony in connection with controlled
21 substances under state or federal law?” Purdue falsely answered “No,” even though its
22 owner, The Purdue Frederick Company had been convicted of felony misbranding of a drug
23 under federal law. The application also contained a question asking: “If you are a
24 corporation, association or partnership, has any officer, partner, or shareholder been
25 convicted of a felony in connection with controlled substances under state or federal law?”
26 Purdue, acting through Purdue Pharma Manufacturing L.P., falsely answered “No,” even

though its owner The Purdue Frederick Company had been convicted of felony misbranding of a drug. The application also asked “Has disciplinary action ever been taken, or is any such action currently pending against any of the persons listed on this application, by any State or Federal Authority in connection with a violation of any federal or state drug law or regulation?” Purdue falsely answered no. Purdue’s response was false because Purdue knew as of at least May 29, 2012 it was under investigation for violations of the 2007 Judgment and faced potential disciplinary action as a result. Purdue also knew that it was under investigation by the New York Office of the Attorney General and faced potential disciplinary action. Purdue’s response was also false because Purdue had been subject to both state and federal investigations resulting in substantial monetary payments, stipulated civil judgments including injunctions, the felony criminal conviction of The Purdue Frederick Company Inc., the owner of Purdue Pharma L.P., which was a limited partner in Purdue Pharma Manufacturing L.P., and the misdemeanor criminal convictions of three former executives.

196.

In a 2018 application, Purdue finally answered “Yes” to the question asking whether disciplinary action had been taken against the company.

XI. Purdue made false representations to the Drug Effectiveness Review Program.

197.

The Drug Effectiveness Review Program (“DERP”) is a collaborative group of state Medicaid agencies and other organizations that was formed to commission comparative effectiveness reviews to inform decisions about which drugs should be made available on state Medicaid formularies. DERP is coordinated by the Center for Evidence-based Policy at Oregon Health & Science University (“OHSU”), and the systematic reviews are undertaken by the Evidence-based Practice Centers at OHSU and at the University of North Carolina.

1 The Oregon Health Authority is one of the thirteen state agencies that participate in and
2 contribute funds to DERP.

3 198.

4 Purdue made submissions to DERP regarding the safety and efficacy of OxyContin in
5 December 2001, February 2003, November 2003, October 2004, September 2005, November
6 2007, and April 2015. The purpose of Purdue's submissions was to promote OxyContin to
7 DERP so that DERP would recommend that states should add OxyContin to their Medicaid
8 formularies. When a drug is on a formulary, Medicaid will cover a portion of the cost of
9 filling the prescription for patients covered by Medicaid. Health care professionals are more
10 likely to prescribe drugs that are on formularies and patients are more likely to fill the
11 prescriptions.

12 199.

13 Purdue's submissions to DERP were false, deceptive, and misleading. In its 2001
14 submission, for example, Purdue described "fear of addiction" as a "barrier" to adequate pain
15 control. Describing "fear of addiction" as a "barrier" misleadingly and deceptively
16 minimizes the risk of addiction caused by OxyContin. Purdue also stated that "With proper
17 titration, there is no maximum recommended dose of single entity opioid agonists such as
18 oxycodone, morphine, or hydromorphone, because full agonists have no ceiling effect to
19 analgesic activity," but failed to acknowledge the serious risks of death from increased
20 dosages. Purdue represented that opioids were safe and effective treatment for chronic pain,
21 including low back pain.

22 200.

23 In a September 2003 update, Purdue again deceptively and misleadingly stated that
24 opioids have "no maximum recommended dose," without acknowledging that high doses
25 pose serious risks to patients. In an October 2004 update, Purdue falsely, deceptively, and
26 misleadingly stated that patients should "know that true addiction is believed to be a rare

1 occurrence in patients who receive opioids for a medical reason and have no history of drug
2 abuse or addiction.” Purdue either knew or should have known that opioids posed a serious
3 risk of addiction at prescribed doses and in patients with no history of drug abuse. Purdue
4 also misleadingly and deceptively stated that behaviors such as drug hoarding, requesting
5 specific pain medications, openly acquiring similar medications from other providers, and
6 occasional unsanctioned dose escalation “cannot be perceived to be an immediate reflection of
7 addiction.” Yet, Purdue knew or should have known that such behaviors are key indicators of
8 addiction and strongly suggest that a patient may be in danger.

9 201.

10 In its 2015 submission, Purdue falsely, deceptively, and misleadingly responded to
11 DERP’s questions regarding the safety of OxyContin. DERP asked for evidence showing the
12 comparative harms of different long-acting opioids and whether those harms differed for
13 drugs with abuse-deterrent mechanisms. Purdue responded by citing a 2013 study in the
14 journal *Pain* that showed several measures of abuse were lower with abuse-deterrent
15 OxyContin compared to original OxyContin. However, Purdue failed to disclose that a
16 Purdue employee was one of the authors of the study. Purdue also failed to disclose that a
17 larger study, conducted by the same authors but without the Purdue employee, found that
18 abuse prevalence increased for all prescription opioids as a class, regardless of whether the
19 opioid included an abuse-deterrent formulation.

20 202.

21 Purdue failed to disclose the existence of studies that showed the dangers of
22 OxyContin in response to DERP’s other questions. For example, in response to a DERP
23 question asking “What are the comparative harms (including addiction and abuse) of long-
24 acting opioids [such as OxyContin] versus short-acting opioids in adult patients being treated
25 for non-chronic cancer pain?,” Purdue cited irrelevant studies and failed to disclose research
26 showing serious dangers of long-acting opioids. Purdue failed to cite a study presented at a

1 2014 conference that showed that extended-release oxycodone, *i.e.*, OxyContin, is abused
2 nearly five times as much as the immediate release equivalent on a per-prescription basis.
3 Purdue knew or should have known that this research existed: its own employee is listed as
4 its primary investigator.

5 203.

6 Purdue's false, deceptive, and misleading representations to DERP were made for the
7 purpose of applying for and obtaining the benefit of being on Oregon's Medicaid drug
8 formulary. In addition, Purdue's representations to DERP constituted false business records
9 in and of themselves and were submitted with the intent to cause DERP to create false
10 business records recommending and supporting the placement of OxyContin on state
11 Medicaid formularies.

12 **XII. The Attorney General's claims are timely.**

13 204.

14 Purdue and the Attorney General entered a tolling agreement effective November 30,
15 2015. That agreement tolls the statute of limitations and all other time-related defenses,
16 effective November 30, 2015, for "any civil cause of action" arising out of related to the
17 2007 Stipulated Judgment. That tolling agreement tolls the statute of limitations and all other
18 time-related defenses, if any, for all claims the Attorney General alleges in this complaint.

19 205.

20 The Attorney General's claims under the Unlawful Trade Practices Act ("UTPA"),
21 the Elderly Persons and Persons with Disabilities Abuse Prevention Act ("VPA"), the
22 Oregon False Claims Act ("OFCA"), and the Oregon Racketeer Influenced and Corrupt
23 Organizations Act ("ORICO") are timely. The UTPA does not contain a statute of
24 limitations for actions brought by the Attorney General.

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1 206.

2 The VPA contains a seven-year statute of limitations, running from the date of
3 discovery of abusive conduct. ORS 124.130. As described below, Purdue concealed much
4 of its conduct and, as a result, the Attorney General did not discover the conduct until years
5 after it began. Thus, at a minimum, the Attorney General's VPA claim reaches all of
6 Purdue's conduct from November 30, 2008 forward and also includes conduct before that
7 time where the Attorney General did not discover the conduct until after November 30, 2008.

8 207.

9 The Attorney General may bring a civil action for violation of OFCA within three
10 years after discovery of the violation by the public agency charged with responsibility for the
11 claim. ORS 180.765. As all claims were tolled from November 30, 2015, the Attorney
12 General's claim reaches all of Purdue's conduct that the Pharmacy Board discovered on or
13 after November 30, 2012.

14 208.

15 The Attorney General may initiate an ORICO action at any time within five years of
16 the last act that violated ORICO. ORS 166.725(11). The Attorney General's claim against
17 Purdue is timely because Purdue's pattern of racketeering activity is ongoing and continues
18 at least through Purdue's false 2017 submissions to the Pharmacy Board. Thus, the Attorney
19 General's ORICO action includes all predicate acts before the date of filing.

20 209.

21 Purdue concealed its dangerous and deceptive conduct. Purdue deliberately
22 conducted much of the dangerous and deceptive conduct through in-person visits between
23 Purdue's sales representatives and health care professionals. Purdue prohibited its sales
24 representatives from emailing doctors, ensuring that the representatives would leave no paper
25 trail. Most of Purdue's dangerous and deceptive sales strategies, including those targeting
26 seniors and the least discriminating prescribers, were described only in internal documents

1 never voluntarily shared with regulatory agencies or the public. The Attorney General only
2 discovered most of Purdue's dangerous and deceptive conduct after partnering with other
3 state attorneys general to conduct an investigation. Thus, the discovery rule also tolls the
4 statute of limitations and all other time-related defenses, if any, for all claims the Attorney
5 General alleges in this complaint.

6 **FIRST CLAIM FOR RELIEF**

7 (Unlawful Trade Practices Act)

8 210.

9 The Attorney General re-alleges paragraphs 1 through 209, and incorporates the
10 allegations herein, as if fully set forth.

11 **Count 1 – Violation of ORS 646.607(1)**

12 211.

13 Purdue willfully violated ORS 646.607(1) by employing unconscionable tactics in
14 connection with the sale of its opioids by:

- 15 a. Developing a plan to increase the sales of OxyContin to seniors, despite the scientific
16 evidence that opioids increased the risk of falls, fractures, and death in the elderly;
- 17 b. Recklessly, falsely, and deceptively minimizing the risks and warning signs of
18 addiction;
- 19 c. Recklessly, falsely, and deceptively promoting high doses of OxyContin, despite the
20 scientific evidence that high doses of opioids increase the risk of death and do not
21 improve patient well-being;
- 22 d. Promoting OxyContin for conditions such as arthritis and back pain;
- 23 e. Failing to inform health care professionals that Purdue's opioids increased the risks of
24 falls, fractures, and confusion;
- 25 f. Falsely, misleadingly, and deceptively marketing Purdue's opioids as effective at
26 improving patients' quality of life;

- 1 g. Establishing sales quotas and creating a bonus and discipline program for sales
2 representatives that led sales representatives to falsely, deceptively, and misleadingly
3 market Purdue's opioids;
- 4 h. Sending the first, second, and third editions of "Providing Relief, Preventing Abuse"
5 into Oregon;
- 6 i. Sending the first and second editions of the "Resource Guide for People with Pain"
7 into Oregon;
- 8 j. Creating and maintaining a false, misleading, and deceptive website.
- 9 k. Knowingly and intentionally marketing its opioids to Oregon health care
10 professionals who disregarded patients' safety;
- 11 l. Knowingly and intentionally facilitating the over-prescribing of OxyContin and
12 failing to inform state and federal authorities of the potential for abuse and diversion
13 of OxyContin;
- 14 m. Causing the American Pain Foundation to create and disseminate *Exit Wounds* in
15 Oregon;
- 16 n. Funding and working in concert with the American Pain Foundation to create and
17 disseminate *Treatment Options: A Guide for People Living with Pain* in Oregon;
- 18 o. Funding and working in concert with the FSMB to write and distribute *Responsible*
19 *Opioid Prescribing*.

20 212.

21 Pursuant to ORS 646.632(1), the Attorney General seeks an injunction prohibiting
22 Purdue from continuing to market its opioids in Oregon.

23 213.

24 Pursuant to ORS 646.642(3), the Attorney General seeks a civil penalty of up to
25 \$25,000 for each violation of ORS 646.607(1) described above.

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214.

Pursuant to ORS 646.632(8), the Attorney General seeks her reasonable attorney fees incurred in bringing this count.

Count 2 – Violation of ORS 646.608(1)(e)

215.

Purdue willfully violated ORS 646.608(1)(e) by representing that Purdue’s opioids have sponsorship, approval, characteristics, ingredients, uses, benefits, quantities or qualities that they do not have by:

- a. Sending the first, second, and third editions of “Providing Relief, Preventing Abuse” into Oregon;
- b. Sending the first and second editions of the “Resource Guide for People with Pain” into Oregon;
- c. Creating and maintaining a false, misleading, and deceptive website.
- d. Recklessly, falsely, and deceptively minimizing the risks and warning signs of addiction;
- e. Recklessly, falsely, and deceptively promoting high doses of OxyContin, despite the scientific evidence that high doses of opioids increase the risk of death and do not improve patient well-being;
- f. Promoting OxyContin for conditions such as arthritis and back pain;
- g. Failing to inform health care professionals that Purdue’s opioids increased the risks of falls, fractures, and confusion;
- h. Falsely, misleadingly, and deceptively marketing Purdue’s opioids as effective at improving patients’ quality of life;
- i. Establishing sales quotas and creating a bonus and discipline program for sales representatives that led sales representatives to falsely, deceptively, and misleadingly market Purdue’s opioids;

- 1 j. Causing the American Pain Foundation to create and disseminate *Exit Wounds* in
2 Oregon;
3 k. Funding and working in concert with the American Pain Foundation to create and
4 disseminate *Treatment Options: A Guide for People Living with Pain* in Oregon.
5 l. Funding and working in concert with the FSMB to write and distribute *Responsible*
6 *Opioid Prescribing*.

7 216.

8 Pursuant to ORS 646.632(1), the Attorney General seeks an injunction prohibiting
9 Purdue from continuing to market its opioids in Oregon.

10 217.

11 Pursuant to ORS 646.642(3), the Attorney General seeks a civil penalty of up to
12 \$25,000 for each violation of ORS 646.608(1)(e) described above.

13 218.

14 Pursuant to ORS 646.632(8), the Attorney General seeks her reasonable attorney fees
15 incurred in bringing this count.

16 **Count 3 – Violation of ORS 646.642(1)**

17 219.

18 Purdue willfully violated the 2007 Judgment by:

- 19 a. Sending the first, second, and third editions of “Providing Relief, Preventing Abuse”
20 into Oregon;
21 b. Sending the first and second editions of the “Resource Guide for People with Pain”
22 into Oregon;
23 c. Creating and maintaining a false, misleading, and deceptive website;
24 d. Recklessly, falsely, and deceptively minimizing the risks and warning signs of
25 addiction;

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- 1 e. Recklessly, falsely, and deceptively promoting high doses of OxyContin, despite the
2 scientific evidence that high doses of opioids increase the risk of death and do not
3 improve patient well-being;
- 4 f. Promoting OxyContin for conditions such as arthritis and back pain;
- 5 g. Failing to inform health care professionals that Purdue's opioids increased the risks of
6 falls, fractures, and confusion;
- 7 h. Falsely, misleadingly, and deceptively marketing Purdue's opioids as effective at
8 improving patients' quality of life;
- 9 i. Establishing sales quotas and creating a bonus and discipline program for sales
10 representatives that led sales representatives to falsely, deceptively, and misleadingly
11 market Purdue's opioids;
- 12 j. Knowingly and intentionally facilitating the over-prescribing of OxyContin;
- 13 k. Causing the American Pain Foundation to create and disseminate *Exit Wounds* in
14 Oregon;
- 15 l. Funding and working in concert with the American Pain Foundation to create and
16 disseminate *Treatment Options: A Guide for People Living with Pain* in Oregon.
- 17 m. Funding and working in concert with the FSMB to write and distribute *Responsible*
18 *Opioid Prescribing*.

19 220.

20 Pursuant to ORS 646.642(1), the Attorney General seeks a civil penalty of up to
21 \$25,000 for each violation of the 2007 Judgment described above.

22 **SECOND CLAIM FOR RELIEF**

23 (Abuse of Vulnerable Persons)

24 221.

25 The Attorney General re-alleges the preceding paragraphs, and incorporates the
26 allegations herein as if fully set forth.

Purdue recklessly created a substantial risk of serious physical injury to elderly and disabled Oregonians by:

- a. Developing a plan to increase the sales of OxyContin to individuals over 65 and disabled individuals;
- b. Recklessly, falsely, and deceptively minimizing the risks and warning signs of addiction;
- c. Recklessly, falsely, and deceptively promoting high doses of OxyContin, despite the scientific evidence that high doses of opioids increase the risk of death and do not improve patient well-being;
- d. Promoting OxyContin for conditions such as arthritis and back pain;
- e. Failing to inform health care professionals that Purdue's opioids increased the risks of falls, fractures, and confusion;
- f. Falsely, misleadingly, and deceptively marketing Purdue's opioids as effective at improving patients' quality of life;
- g. Establishing sales quotas and creating a bonus and discipline program for sales representatives that led sales representatives to falsely, deceptively, and misleadingly market Purdue's opioids;
- h. Sending the first, second, and third editions of "Providing Relief, Preventing Abuse" into Oregon, which failed to disclose that Purdue's opioids increased the risks of falls, fractures, and confusion, and which failed to disclose the increased risk of respiratory failure in seniors;
- i. Sending the first and second editions of the "Resource Guide for People with Pain" into Oregon, which failed to disclose that Purdue's opioids increased the risks of falls, fractures, and confusion, and which failed to disclose the increased risk of respiratory failure in seniors;

- 1 j. Creating and maintaining a false, misleading, and deceptive website;
2 k. Knowingly and intentionally marketing its opioids to Oregon health care
3 professionals who disregarded patients' safety;
4 l. Knowingly and intentionally facilitating the over-prescribing of OxyContin;
5 m. Causing the American Pain Foundation to create and disseminate *Exit Wounds*;
6 n. Funding and working in concert with the American Pain Foundation to create and
7 disseminate *Treatment Options: A Guide for People Living with Pain*; and
8 o. Funding and working in concert with the FSMB to write and distribute *Responsible*
9 *Opioid Prescribing*.

10 223.

11 Pursuant to ORS 124.120, the Attorney General seeks a permanent injunction
12 prohibiting Purdue from marketing its opioids to individuals over 65 years of age or disabled
13 individuals, including by targeting health care professionals who frequently prescribe to
14 patients on Medicare Part D and health care professionals who are associated with long-term
15 care facilities.

16 224.

17 In addition, pursuant to ORS 124.125(1), the Attorney General seeks a civil penalty
18 of up to \$25,000 for each vulnerable person placed in danger by Purdue's reckless conduct.

19 225.

20 Pursuant to ORS 124.100(2)(c) and 124.125(1), the Attorney General is entitled to
21 reasonable attorney fees related to this claim and the costs of investigation.

22 **THIRD CLAIM FOR RELIEF**

23 (Oregon False Claims Act)

24 226.

25 The Attorney General re-alleges the preceding paragraphs, and incorporates the
26 allegations herein as if fully set forth.

1 227.

2 The Oregon Board of Pharmacy is a public agency.

3 228.

4 Purdue's applications for licensure under Oregon's Controlled Substances Act and the
5 statutes governing pharmacy with the Pharmacy Board, as described in paragraphs 175 to
6 196, constitutes claims under the Oregon False Claims Act. Purdue presented those
7 applications to the Pharmacy Board to obtain the Pharmacy Board's approval.

8 229.

9 Purdue violated ORS 180.755(1)(a) by presenting false applications for licensure to
10 the Pharmacy Board, as described in paragraphs 175 to 196.

11 230.

12 Purdue violated ORS 180.755(1)(b) by making false and fraudulent statements in
13 connection with its applications for licensure to the Pharmacy Board, as described in
14 paragraphs 175 to 196.

15 231.

16 Purdue's applications for licensure made, used, or caused to be made or used,
17 statements that Purdue knew to contain false information or untrue statements, or that
18 omitted information that could have a material effect on the value, validity, or authenticity of
19 its application for licensure, as described in paragraphs 175 to 196.

20 232.

21 Purdue had actual knowledge that its claims or statements made in connection with its
22 claims were false and fraudulent, or acted in deliberate ignorance of the false or fraudulent
23 nature of its claims and statements, or acted with reckless disregard of the false or fraudulent
24 nature of its claims and statements, as described in paragraphs 175 to 196.

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233.

Purdue violated ORS 180.755(1)(a) and ORS 180.755(1)(b) each and every time it submitted a false application for licensure, as described in paragraphs 175 to 196. The Attorney General seeks a penalty of \$10,000 for each violation, as provided in ORS 180.760(4).

234.

The Attorney General seeks an award of reasonable attorney fees and costs of investigation, preparation, and litigation incurred in connection with this claim pursuant to ORS 180.760(8).

FOURTH CLAIM FOR RELIEF

(Oregon Racketeer Influenced and Corrupt Organizations Act, ORS 166.720(3))

235.

The Attorney General re-alleges the preceding paragraphs, and incorporates the allegations herein as if fully set forth.

236.

Defendant Purdue Pharma L.P., defendant Purdue Pharma Inc., defendant The Purdue Frederick Company Inc., the American Pain Foundation, and the Federation of State Medical Boards have operated continuously as an enterprise from 2005 until present. The American Pain Foundation ceased to exist in 2012 and left the enterprise; Purdue and the remaining members continued to function as an enterprise through the present. This enterprise is organized through a web of corporate, partnership, ownership, funding, and grant agreements between and among its constituent members. The enterprise has a common purpose to increase the sale of Purdue's opioids.

237.

Purdue participated in the enterprise through a pattern of racketeering activity by committing, attempting to commit, or conspiring to commit the crimes of (1) unsworn

1 falsification, ORS 162.085; (2) falsifying business records, ORS 165.080; (3) violation of
2 Oregon's Controlled Substances Act, ORS 475.125, 475.135, 475.165, and 475.914(1)(c); (4)
3 fraudulently obtaining a signature, ORS 165.042; (5) mail fraud, 18 U.S.C. § 1341; and (6)
4 wire fraud, 18 U.S.C. § 1343.

5 238.

6 Purdue, through its constituent entities Purdue Pharma L.P., Purdue Pharma Inc., and
7 The Purdue Frederick Company Inc., committed, attempted to commit, or conspired to
8 commit the crime of unsworn falsification, ORS 162.085(1), by (i) making false written
9 statements to the Pharmacy Board in connection with Purdue's applications for the benefit of
10 registration under Oregon's Controlled Substances Act and the statutes governing pharmacy,
11 and (ii) making false written submissions to DERP to obtain the benefit of placement on
12 Oregon's Medicaid formulary. Purdue committed the crime of unsworn falsification each
13 and every time it submitted a false application for registration, and submitted a false
14 document to DERP.

15 239.

16 Purdue, through its constituent entities Purdue Pharma L.P., Purdue Pharma Inc., and
17 The Purdue Frederick Company Inc., committed, attempted to commit, or conspired to
18 commit the crime of falsifying business records, ORS 165.080(1), by making or causing to
19 be made false business records in the form of false applications to the Pharmacy Board for
20 manufacturer and controlled substances registrations. Purdue committed the crime of
21 falsifying business records each and every time it submitted a false application for
22 registration.

23 240.

24 Purdue, through its constituent entities Purdue Pharma L.P., Purdue Pharma Inc., and
25 The Purdue Frederick Company Inc., committed, attempted to commit, or conspired to
26 commit crimes under Oregon's Controlled Substances Act, ORS 475.125, 475.135, 475.165,

1 and 475.914(1)(c), by (i) creating, maintaining, and submitting false applications to the
2 Pharmacy Board for manufacturer and controlled substances registrations and (ii) by failing
3 to comply with federal law, 21 C.F.R. § 1301.74, requiring Purdue to report suspicious orders
4 to the DEA. Purdue violated the Oregon Controlled Substances Act each and every time it
5 created, maintained, and submitted a false application to the Pharmacy Board and each and
6 every time it failed to report suspicious orders to the DEA.

7 241.

8 Purdue committed, attempted to commit, or conspired to commit the crime of
9 fraudulently obtaining a signature, ORS 165.042(1), by, with the intent to defraud,
10 knowingly misrepresenting the facts about its opioids, including OxyContin, to obtain the
11 signatures of health care professionals on prescriptions. Purdue knowingly misrepresented
12 facts about its opioids to obtain signatures on prescriptions by:

- 13 a. Recklessly, falsely, and deceptively minimizing the risks and warning signs of
14 addiction;
 - 15 b. Recklessly, falsely, and deceptively promoting high doses of OxyContin, despite the
16 scientific evidence that high doses of opioids increase the risk of death and do not
17 improve patient well-being;
 - 18 c. Promoting OxyContin for conditions such as arthritis and back pain;
 - 19 d. Failing to inform health care professionals that Purdue's opioids increased the risks of
20 falls, fractures, and confusion;
 - 21 e. Falsely, misleadingly, and deceptively marketing Purdue's opioids as effective at
22 improving patients' quality of life;
 - 23 f. Establishing sales quotas and creating a bonus and discipline program for sales
24 representatives that led sales representatives to falsely, deceptively, and misleadingly
25 market Purdue's opioids;
- 26

- g. Sending the first, second, and third editions of "Providing Relief, Preventing Abuse" into Oregon;
- h. Sending the first and second editions of the "Resource Guide for People with Pain" into Oregon;
- i. Creating and maintaining a false, misleading, and deceptive website.
- j. Causing the American Pain Foundation to create and disseminate *Exit Wounds*;
- k. Funding, working in concert with, and conspiring with the American Pain Foundation to create and disseminate *Treatment Options: A Guide for People Living with Pain*;
- l. Funding, working in concert with, and conspiring with the FSMB to write and distribute *Responsible Opioid Prescribing*; and
- m. Making false written submissions to DERP to obtain the benefit of placement on Oregon's Medicaid formulary.

242.

Purdue committed, attempted to commit, and conspired to commit the crime of mail fraud by:

- a. Engaging in a scheme to defraud Oregonians by causing the American Pain Foundation to create and disseminate *Exit Wounds*;
- b. Engaging in a scheme to defraud Oregonians by creating the first, second, and third editions of "Providing Relief, Preventing Abuse," as described in paragraphs 65 to 84;
- c. Engaging in a scheme to defraud Oregonians by funding, working in concert with, and conspiring with the American Pain Foundation to create the first and second editions of the "Resource Guide for People with Pain," as described in paragraphs 85 to 87;
- d. Sending or causing to be sent by the U.S. Postal Service *Exit Wounds*; the first and second editions of the "Resource Guide for People with Pain;" and the first, second,

1 and third editions of “Providing Relief, Preventing Abuse,” as described in
2 paragraphs 65 to 87 and 150 to 158; and

- 3 e. Engaging in these schemes with the specific intent of obtaining money from
4 Oregonians and their insurers from the sale of Purdue’s opioids.

5 243.

6 Purdue committed, attempted to commit, and conspired to commit the crime of wire
7 fraud by:

- 8 a. Engaging in a scheme to defraud Oregonians by funding, working in concert with,
9 and conspiring with the American Pain Foundation to create false representations
10 about the safety and efficacy of opioids in *Treatment Options: A Guide for People*
11 *Living with Pain* and the “Resource Guide for People with Pain,”;
12 b. Engaging in a scheme to defraud Oregonians by creating the false, misleading, and
13 deceptive website, www.inthefaceofpain.com;
14 c. Using the wires to transmit www.inthefaceofpain.com, *Treatment Options: A Guide*
15 *for People Living with Pain*, and the “Resource Guide for People with Pain” through
16 interstate commerce; and
17 d. Engaging in these schemes with the specific intent of obtaining money from
18 Oregonians and their insurers from the sale of Purdue’s opioids.

19 244.

20 The predicate crimes described above were not isolated. They occurred continuously
21 for more than 10 years, beginning before 2007, and continuing through 2018. These crimes
22 had the same intent and results: to increase Purdue’s sales of its opioids. The victims were
23 the same: the people of the State of Oregon. The methods were the same: the use of sales
24 representatives, marketing material, and applications for benefits from the State of Oregon to
25 advance false, misleadingly, and deceptive information about the safety and efficacy of
26 Purdue’s opioids and to market and sell those opioids in Oregon.

1 245.

2 Purdue violated ORS 166.720(3) by participating both directly and indirectly with the
3 enterprise through the pattern of racketeering activity. Purdue violated ORS 166.720(3) each
4 time it committed, attempted to commit, or conspired to commit one of the predicate acts
5 described in paragraphs 237 to 244.

6 246.

7 For Purdue's violations of ORS 166.720(3), the Attorney General seeks an injunction
8 pursuant to ORS 166.725(1) prohibiting Purdue from marketing its opioids in Oregon.

9 247.

10 For Purdue's violations of ORS 166.720(3), the Attorney General seeks civil
11 forfeiture pursuant to ORS 166.725(2) of all money and property Purdue has obtained from
12 its violations of ORS 166.720(3), from May 9, 2007 to present, including all revenue
13 generated from the sale of opioids in Oregon.

14 248.

15 For each of Purdue's violations of ORS 166.720(3), the Attorney General seeks a
16 civil penalty of up to \$250,000, pursuant to ORS 166.725(8).

17 249.

18 Pursuant to ORS 166.725(5), the Attorney General seeks an award of the cost of
19 investigation and reasonable attorney fees incurred in connection with this claim.

20 **PRAYER**

21 WHEREFORE, plaintiff Attorney General Rosenblum prays for relief against
22 defendants as follows:

23 A. On the first claim for relief:

24 1. On count 1, for a judgment in favor of Attorney General Rosenblum and
25 against Purdue in the amount of up to \$25,000 for each violation of the
26 UTPA;

- 1 2. On count 2, for a judgment in favor of Attorney General Rosenblum and
2 against Purdue in the amount of up to \$25,000 for each violation of the
3 UTPA;
- 4 3. On count 3, for a judgment in favor of Attorney General Rosenblum and
5 against Purdue in the amount of up to \$25,000 for each violation of the
6 UTPA;
- 7 4. On counts 1 and 2, for an injunction prohibiting Purdue from continuing to
8 market its opioids in Oregon;
- 9 B. On the second claim for relief, for a judgment in favor of Attorney General
10 Rosenblum and against Purdue in the amount of up to \$25,000 for each violation of
11 the VPA and an injunction prohibiting Purdue from marketing its opioids to
12 individuals over 65 or disabled individuals in Oregon;
- 13 C. On the third claim for relief, for a judgment in favor of Attorney General Rosenblum
14 and against Purdue in the amount of up to \$10,000 for each violation of the Oregon
15 False Claims Act;
- 16 D. On the fourth claim for relief, for a judgment in favor of Attorney General
17 Rosenblum and against Purdue in the amount of \$250,000 for each violation of ORS
18 166.720(3); an injunction prohibiting Purdue from marketing its opioids in Oregon;
19 and the civil forfeiture of all money and property Purdue has derived from or realized
20 through conduct in violation of a provision of ORS 166.715 to 166.735.
- 21 E. An award of reasonable attorney fees and the costs of the investigation, preparation,
22 and litigation, pursuant to ORS 124.100(2)(c), 166.725(5), 180.760(8), and
23 646.632(8).
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- 25 ///
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