

Workers' Comp

Purdue Pharma and DOJ Reach Opioid Settlement

October 23, 2020
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Purdue Pharma and the Department of Justice (DOJ) have reached a settlement on Purdue's involvement in the opioid crisis. Under the terms of the settlement, Purdue will plead guilty to three federal charges:

- Dual-object conspiracy to defraud the United States.
- Conspiracy to violate the Federal Anti-Kickback Statute related to payments to health care providers.
- Conspiracy to violate the Federal Anti-Kickback Statute related to payments to Practice Fusion, a cloud-based health records platform.

In exchange for the guilty plea, Purdue executives will avoid any federal prison time related to these specific charges. The charges carry a maximum of 5 years probation and a financial penalty that is the greater of $500,000 or twice the gross amount of any pecuniary gain.

In this case, the parties agreed to a criminal fine of $3,544,000,000 and a forfeiture of another $2,000,000,000 in criminal penalties. The Sackler family will be required to pay $224,000,000 in criminal penalties. Purdue and the DOJ also agreed to no probation being imposed and to bar any future federal prosecution of Purdue Pharma or its related entities. However, the agreement specifically reserves the right for the United States to pursue any current or former Purdue executives or other persons for criminal acts for which they may be individually responsible. The plea agreement also does not prohibit other government agencies or states and local governments from pursuing criminal charges against Purdue or its related entities. Additionally, the agreement acknowledges Purdue Pharma's agreement to forfeit $2,800,000,000 to resolve its civil liability related to the combined opioid litigation. Purdue will be transitioned to a public benefit company governed by a trust.

According to the Department of Justice announcement, “Today's resolution is the result of years of hard work by the FBI and its partners to combat the opioid crisis in the U.S.,” said Steven M. D'Antuono, Assistant Director in Charge of the FBI Washington Field Office. “Purdue, through greed and violation of the law, prioritized money over the health and well-being of patients. The FBI remains committed to holding companies accountable for their illegal and inexcusable activity and to seeking justice, on behalf of the victims, for those who contributed to the opioid crisis.” The agreement is not without its critics. A number of Attorneys General and Democratic members of Congress formally asked the DOJ to withhold the plea offer because they felt it was too lenient. Others expressed concern about converting Purdue to a public benefit company and involving government in the sale and marketing of opioids.

This settlement is not the end for Purdue Pharma. States, local governments and other private entities are still pursuing Purdue and other opioid manufacturers and distributors for their respective roles in the opioid crisis.

The door is left open for employers and workers' compensation insurers to pursue civil damages if they so choose.

Of note, this settlement does not allocate damages to individuals or their families. Since 2000, the Centers for Disease Control (CDC) estimates 470,000 have died from prescription opioid overdoses.

The Department of Justice announcement can be found here.

The letter detailing the plea agreement can be found here.



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