

Attorney General James Secures \$50 Million for Opioid Abatement from Drug Manufacturer Endo Health Solutions

September 10, 2021

0 0

Endo Severed From Ongoing Opioid Trial In Suffolk County, Trial Against Two Remaining Defendants Still Underway

AG James Has Now Reached Agreements That Could Bring Up to \$1.5 Billion From Opioid Manufacturers, Distributors, and Consultants to NYS

NEW YORK – New York Attorney General Letitia James today announced an agreement with Endo Health Solutions that will immediately deliver \$50 million to combat the ongoing opioid epidemic and remove the opioid manufacturer from New York's ongoing opioid trial, currently underway in Suffolk County State Supreme Court. The funds will be transferred to New York state and Nassau and Suffolk Counties today and will be used to further fund prevention, treatment, and recovery programs.

"Every dollar we receive today from an opioid manufacturer is another dollar that can be spent to combat the ongoing opioid crisis and potentially save another New Yorker's life," said **Attorney General James**. "For more than two decades, the opioid epidemic has wreaked havoc on countless communities throughout New York and across the rest of the nation, killing hundreds of thousands of our friends and family members and addicting millions more. Like other opioid manufacturers, Endo has distributed opioids without regard to the national crisis they were helping to fuel. But today, we're holding them accountable for their unlawful conduct in New York state and recovering \$50 million that will go towards prevention, treatment, and recovery programs. In the last few months, our office has negotiated up to \$1.5 billion for New York alone that will go towards stopping further death and destruction. While no amount of money will ever compensate for the millions of addictions, the hundreds of thousands of deaths, or the

countless families torn apart by opioids, this money will be vital in preventing future devastation."

In March 2019, Attorney General James filed the nation's most extensive lawsuit to hold accountable the various manufacturers and distributors responsible for the opioid epidemic. The manufacturers named in the complaint included Purdue Pharma and its affiliates, as well as members of the Sackler Family (owners of Purdue) and trusts they control; Janssen Pharmaceuticals and its affiliates (including its parent company Johnson & Johnson); Mallinckrodt LLC and its affiliates; Endo Health Solutions and its affiliates; Teva Pharmaceuticals USA, Inc. and its affiliates; and Allergan Finance, LLC and its affiliates. The distributors named in the complaint were McKesson Corporation, Cardinal Health Inc., Amerisource Bergen Drug Corporation, and Rochester Drug Cooperative Inc.

The cases against Mallinckrodt and Rochester Drug Cooperative are now moving separately through U.S. Bankruptcy Court. In June, a settlement that ended Johnson & Johnson's sale of opioids nationwide and that will deliver \$230 million to New York alone was announced. In July, a settlement with McKesson, Cardinal Health, and Amerisource Bergen that will deliver up to \$1 billion to New York state to combat the opioid epidemic was announced. The deals with Johnson & Johnson, McKesson, Cardinal Health, and Amerisource Bergen have a global value of approximately \$26 billion. Earlier this month, a settlement that secured more than \$4.5 billion — at least \$200 million of which will be earmarked for New York — from the Sackler family and foundations that they control, ends the Sacklers' ability to manufacture opioids ever again, and will shut down Purdue Pharma was announced.

The trial against the two remaining defendants — Teva Pharmaceuticals USA and Allergan Finance — is currently underway and will continue in state court.

From the \$50 million negotiated as part of today's agreement, \$22.3 million will go to New York state with the remaining \$27.7 million split evenly between Nassau and Suffolk Counties. Additionally, if Endo files for bankruptcy or a global settlement is reached between the company and a larger group of plaintiffs, neither New York state nor Nassau or Suffolk Counties will be precluded from receiving any appropriate share they would be entitled to under such a bankruptcy or global settlement.

Pursuant to the new law establishing the opioid settlement fund, the \$22.3 million distributed to New York state today will be go towards abatement in communities

devastated by the opioid epidemic and will not go towards the state's general fund.

Further, today's agreement does not release Endo from any claims asserted by the New York state Department of Financial Services or a number of plaintiffs still suing the company within New York state.

Separately, but related to her work on opioids, this past February, Attorney General James co-led a coalition of nearly every attorney general in the nation in delivering more than \$573 million — more than \$32 million of which was earmarked for New York state — toward opioid treatment and abatement in an agreement and consent judgment with McKinsey & Company. The agreement with one of the world's largest consulting firms resolved investigations by the attorneys general into the company's role in working for opioid companies, helping those companies promote their drugs, and profiting millions of dollars from the opioid epidemic.

In the Office of the New York Attorney General, this matter was led by First Deputy Attorney General Jennifer Levy, Senior Advisor and Special Counsel M. Umair Khan, and former Counsel for Opioids and Impact Litigation David Nachman, with additional support from Assistant Attorney General Louis Testa of the Bankruptcy Litigation Unit. The settlement was also brought about by the work led by Senior Enforcement Counsel John Oleske and Assistant Attorney General Monica Hanna, as well as Assistant Attorneys General Conor Duffy, Carol Hunt, Diane Johnston, Leo O'Toole, Jeremy Pfetsch, Noah Popp, Michael Reisman, and Lois Saldana; Project Attorneys Wil Handley, Stephanie Torre, and Eve Woodin; Paralegal Ketty Dautruche; Legal Assistant David Payne; Director of Research and Analytics Jonathan Werberg; Data Scientist Gautam Sisodia; Data Analyst Anushua Choudhury; Information Technology Specialists Hewson Chen and Paige Podolny; and E-Discovery Document Review Specialist Kristin Petrella.