**Manufacturers and Distributors of Opioids settle Billion dollar Lawsuits with many states**

**Criminal Prosecutions are Still Pending**

The Sackler family, owner of Purdue Pharma, will pay as much as $6 billion to help many states, local communities and native American tribes address the harm and damages resulting from sale of OxyContin, the drug that created opioid epidemic.

However, the COVID pandemic has provided fertile ground for additional abuse of OxyContin to continue and has resulted in record high deaths due to abuse of drugs especially OxyContin. Add in the abuse of Fentanyl, a very powerful synthetic opioid, often used with other opioids like OxyContin, and thousands have perished. This is a national crisis, and when added to the large number of our citizens with significant health issues, including diabetes, heart disease, and Covid related mental and physical harm, demands national attention and financial support.

Directly related to the manufacturing and sale of opioids, are the major distributors of drugs, including opioids. The distributors, all well known national firms are Johnson and Johnson, AmerisourceBergen Corp., Cardinal Health Inc. and McKesson Corp. will be paying a total of $19.5 billion to 46 states over 18 years, according to the companies. J&J said it would pay $5 billion to 45 states.

The guilty will be fined, but few will go to jail, and none guilty of severe criminal acts will face the death penalty.

Recall that in 2007-2008, we had an international financial crisis, caused mainly by greedy bankers and money lenders, a few paid fines, but no one went to jail.

Wealthy criminals can afford to hire the best attorneys and thus few are ever punished with incarceration. Wish that were not true.

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**SOURCES:**

**Sacklers and Purdue Pharma Reach New Deal With States Over Opioids**

***The agreement brought holdout states on board, and would settle thousands of lawsuits over the company’s and family’s roles in the opioid epidemic. The Sacklers agreed to pay an extra billion dollars.***

**By Jan Hoffman, *NYT*, March 3, 2022, 11:26 a.m. ET**

Members of the billionaire Sackler family and their company, Purdue Pharma, have reached a deal with a group of states that had long resisted the company’s bankruptcy plan, opening the way for billions of dollars to begin flowing to addiction treatment programs nationwide, according to a court filing Thursday.

If Judge Robert Drain, who has presided over the bankruptcy proceedings in White Plains, N.Y., approves the agreement, the Sacklers will pay as much as $6 billion to help communities address the damages wrought by the opioid crisis.

In return, family members will get the prize they had insisted upon for nearly three years: an end to all current and future civil claims against them over the company’s prescription opioid business.

**The liability protection does not extend to criminal prosecutions.**

In a statement in the report, two branches of the Sacklers did not acknowledge wrongdoing or any personal responsibility for the public health crisis. “While the families have acted lawfully in all respects, they sincerely regret that OxyContin, a prescription medicine that continues to help people suffering from chronic pain, unexpectedly became part of an opioid crisis that has brought grief and loss to far too many families and communities,” the statement read.

Though Purdue has pleaded guilty to criminal charges of misleading marketing and minimizing OxyContin’s risk of addiction, no individual Sackler has ever apologized or admitted wrongdoing. In August Dr. Richard Sackler, a former president and co-chairman of the board of Purdue, testified before Judge Drain that neither the family, the company nor its products bore any responsibility for the opioid epidemic.

**The Opioid Crisis**

From powerful pharmaceuticals to illegally made synthetics, opioids are fueling a deadly drug crisis in America.

Origins of an Epidemic: Purdue Pharma knew OxyContin was widely misused, but continued to promote the painkiller as less addictive.

A Settlement: Purdue Pharma and its owners have reached a deal with a group of states that long resisted the structure of the original bankruptcy plan. Here is what the agreement means.

How Opioids Work: Through interviews with users and experts, we created a visual representation of how these drugs hijack the brain.

**A Pandemic Spike: As Covid raged, so did the opioid epidemic, causing overdose deaths in the U.S. to surge to a record high.**

**Fentanyl’s Spread: The dangerous synthetic opioid that can be 100 times as powerful as morphine is often added surreptitiously to street drugs.**

“This settlement is both significant and insufficient — constrained by the inadequacies of our federal bankruptcy code,” said William Tong, the attorney general of Connecticut and a leader of the effort to wrest this latest offer from the Sacklers. “But Connecticut cannot stall this process indefinitely as victims and our sister states await a resolution. This settlement resolves our claims against Purdue and the Sacklers, but we are not done fighting for justice against the addiction industry and against our broken bankruptcy code.”

An overwhelming majority of states, local governments, tribes and individuals had already voted for an earlier settlement deal of $4.55 billion. But in December, a federal judge vacated that plan, questioning the legality of the protections from liability granted to the Sacklers. Corporate bankruptcy typically confers protection from lawsuits for the company that seeks restructuring, but it is unusual for the company’s owners to also get that shield if they did not file for personal bankruptcy as well.

Mediation talks between the eight holdout states and the District of Columbia and the Sacklers began soon after. To get the holdouts on board, the Sacklers had to agree to pay at least an additional $1 billion. Under the new deal, they will pay $5.5 billion, plus a contribution of up to $500 million, contingent on the sale of their international pharmaceutical companies.

After hundreds of hours of negotiations mediated by Judge Shelley Chapman of federal bankruptcy court, the Sacklers also agreed to a series of other new terms. In addition to the Sackler “statement,” which Mr. Tong characterized as an “apology,” Judge Chapman is recommending a hearing that would allow people who suffered from addiction to OxyContin to describe what they had endured, and that at least one Sackler family member from each of two branches attend. And if any medical centers and art or educational institutions bearing the Sackler name ask to have it removed, the Sacklers must acquiesce.

Her I.B.S. Was Misery. But What If She Actually Had Something Else?

The new settlement, however, still faces two potential hurdles. Even if Judge Drain, the bankruptcy judge, signs off, the U.S. Court of Appeals for the Second Circuit has to approve the plan, which would formally reverse the December ruling that rejected the earlier plan.

A key component of the deal — the immunity shield for the Sacklers from civil suits — is being contested by the U.S. Trustee program, which serves as a watchdog over the bankruptcy system. The Justice Department did not return a request for comment on whether it would continue to pursue that case.

Under the agreement, Purdue will be renamed Knoa Pharma and overseen by a public board. The restructured company will contribute $1.5 billion through 2024 to funds for the plaintiffs’ programs, plus more as the company evolves into a manufacturer of medications for addiction reversal and treatment, among other drugs, including OxyContin.

The Sacklers’ shield against lawsuits was the major sticking point for states that fought the plan. The District of Columbia and nine states — California, Connecticut, Delaware, Maryland, New Hampshire, Oregon, Rhode Island, Vermont and Washington — had voted against the earlier proposal, contending they should have the right to pursue the Sacklers under state civil laws.

The earlier deal, which included a $225 million federal settlement, had less money but it was to be paid out over roughly nine years. **The Sacklers now have 18 years to pay the additional $1 billion, according to the revised plan**.

As marathon sessions of negotiations dragged on, the opioid crisis continued to deepen, with overdoses soaring during the pandemic. The dilemma for the holdout governments was whether to keep pursuing the Sacklers in court, a process that could take years with no guarantee of victory, or just take the money, now that the cash offer had increased.

While all the states and, in turn, their local governments, will get a bigger payout than the original deal outlined, the holdout states will get even more, as a bonus for their resistance. The $750 million set aside to compensate more than 100,000 individual victims and survivors and whose stories help build the governmental lawsuits will not grow, but states have committed to funding an “opioid survivors trust” specifically for them.

Ryan Hampton, who monitored the long proceedings on behalf of victims, said: “At least the $750 million is being protected which is better than no money at all. This bankruptcy needs to end. And the Justice Department needs to flex their muscle and investigate the Sacklers criminally, which is permissible under the bankruptcy plan.”

Sackler, Purdue Pharma Bankruptcy Plan Cover

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**J&J and Drug Distributors Agree to Opioid Settlement**

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J&J and Drug Distributors Agree to Opioid Settlement

Companies give final approval to roughly $25 billion deal with dozens of U.S. states

Pharmaceutical company

Johnson & Johnson and three of the nation’s biggest drug distributors have agreed to move forward with a landmark settlement with a majority of states, bringing thousands of lawsuits over the opioid epidemic closer to the finish line.

Drug distributors AmerisourceBergen Corp., Cardinal Health Inc. and McKesson Corp. would pay a total of $19.5 billion to 46 states over 18 years, according to the companies. J&J said it would pay $5 billion to 45 states.

The global settlement was first announced last summer. It was given final approval by the companies after a threshold number of state and local governments agreed to participate and currently amounts to roughly $25 billion.

The settlement is the largest to date from more than 3,000 lawsuits brought by states, local governments, Native American tribes, hospital groups and others alleging that companies from pharmaceutical manufacturers to distributors and pharmacies flooded areas with pills and created the opioid epidemic, ultimately forcing communities to spend millions of dollars responding to the crisis.

The settlement also comes as drug-overdose deaths continue to grow, reaching more than 100,000 in the 12-month period ended last April, the Centers for Disease Control and Prevention has said.

The settlement funds will go to state and local governments and pay for healthcare and drug treatment programs, among other programs aimed at mitigating the opioid crisis, said a group of lawyers who negotiated on behalf of the state and local governments.

“The bottom line from this news is that help is on the way for first responders and healthcare workers on the front lines of this public health crisis,” the attorneys said.

J&J said in a statement that the settlement wasn’t an admission of liability or wrongdoing and that the company would continue to defend itself in other litigation. The company no longer sells prescription opioids in the U.S.

**AmerisourceBergen will pay $6.1 billion, Cardinal Health will pay $6 billion and McKesson will pay $7.4 billion over the course of 18 years.**

The drug distributors said in a joint statement that they continue to dispute the allegations against them, but that the settlement is a milestone in resolving opioid claims and delivering relief to communities across the country hit by the opioid epidemic.

A spokesman for AmerisourceBergen said the settlement will allow the company to avoid years of litigation and will expedite sending resources to communities.

“The years of legal actions leading up to this point have shown time and time again that pharmaceutical distributors must walk a legal and ethical tightrope between providing access to necessary medications and acting to prevent diversion of controlled substances,” said Gabriel Weissman, a spokesman for AmerisourceBergen.

A Cardinal spokesman declined to comment beyond the joint statement, and a McKesson spokesman didn’t respond to a request for additional comment.

**Earlier this month, the three drug distributors agreed to pay $439.9 million to more than 400 Indian tribes that had sued them. Johnson & Johnson agreed to pay $150 million in that settlement.**

Meanwhile, other cases continue to wind through state and federal courts against other companies in the opioid supply chain. The bankruptcy of Purdue Pharma LP also remains unresolved.

Members of the Sackler family who own Purdue Pharma have proposed paying up to $6 billion to settle litigation accusing them of fueling the opioid epidemic, after a judge overturned a previous chapter 11 deal.

In December, **a jury in New York state found drug maker Teva Pharmaceuticals USA Inc. liable for creating a public nuisance in the state and two Long Island counties**. And **in November, a federal jury in Cleveland found that the companies owning CVS, Walgreens and Walmart pharmacies were liable for contributing to the opioid epidemic in two Ohio counties.**